Pensions and Politics

BY DONALD E. RICHBERG

Former New Dealers official holds socialist guides will always lead labor unions to economic to political program, with socialized suicide the end of the road. Mr. Richberg offers following pension observations: (1) old-age dependency cannot be solved by industrial pensions alone; (2) single employer pensions are inadequate protection; (3) charity should be met by self-supporting taxation; (4) government's present insurance premium technique constitutes embroiled; and (5) government should use pension taxes to purchase pension insurance from private insurance companies.

Some thirty years ago I had arguments with Samuel Gompers over the political policies of the American Federation of Labor, of which he was the guiding genius. It seemed to me that he was unduly fearful of developing labor's political power. He was definitely opposed to government regulation of working conditions, even in the interest of the wage earners. Its lifelong attitude was expressed in a resolution adopted in the convention of 1914 which read: "The American Federation of Labor, as in the past, again declares that the question of the regulation of wages and the hours of labor should be undertaken through trade union activity, and not be made subject of laws through legislative enactment, excepting insofar as regulations affect or govern the employment of women and minors, health and morals; and employment by Federal, State or municipal government." Gompers fought bitterly and successfully the continuing effort of partisan socialists to convert trade unionists from their economic and political theologies. Years later I

Continued on page 28

New England Public Service Co. An interesting workout situation

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Edwin G. Nourse*  
Former Chairman, Council of Economic Advisers

American Business in 1950

While depicting the fundamentals as strong, Dr. Nourse cites most palliating factors as "sharply disappointing"—

(1) the "injection" stimulating current prosperity in form of $2.8 billion G. I. insurance premiums; (2) the support from unprecedented increases in installment credit, and drawing-down of wartime savings; (3) tremendous increase in mortgage credit; (4) vulnerability of supported farm commodity market; (5) possibility of further capital goods expansions by a national sweep of pension plans. Above all, stresses as crucial the govern-ment's fiscal and monetary operations as the crucial factor in our future.

At the close of 1949 and the opening of this year, there was certainly a harmonious chorus of optimistic forecasts for 1950. Now, the first quarter is closing on a note of prosperity practically up to the level of the pre-war days. In spite of some drag as a result of strikes, it appears that we shall enter the second quarter with a good momentum of activity in such key areas as coal, steel, automobiles, and construction and with such a willingness to spend on the part of the consumers that another three months of prosperity seem to be in the bag." While in some quarters, notes of caution are being sounded as to the second half of 1950, other forecasters are renewing their assurances that 1950 as a whole will match the prosperity of 1949 or even the somewhat higher level of 1948. A few days ago, I read in one prominent business magazine: "A bust in business—a 1929—simply is not in the cards in the foreseeable future. . . Elements of a bust are lacking now. Business outlook is for relatively
The Security I Like Best

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate, is finding particular reasons for favoring a particular sector. We are pleased to announce that...
Price of Full Employment
Under the Hawaiian Charter
By EDWARD D. WILGROSS

Citing failures of Bolshoi Labor Government as destroying myth of "full employment," author maintains that if present trends in British economy remain unchecked, its very skeleton will be shattered. Contends American delegates to Havana Conference "headshrinked by full employment" slogans in the ITO Charter, and in General Assembly approved by Congress it means condemning events leading to economic disaster. Concludes relaxing of trade controls is impossible if full employment" principle in Charter is to be kept.

It now looks as if socialism's prosperity claims may be debunked sooner than was thought for "full employment" dream by the British economy, which is sinking fast. The government's falsified jobs figures, the financial and fiscal reforms since Johnson's inauguration spell out the on—over—for Labor's Edward D. Wilgros. frustrated policies lie the seeds of depression. In the maladjusted economy, the government promoted and maintained, unemployment is nearly near its peak. Thus will the "full employment" myth, far from being refuted with it, the Labor Government's entire brief for socialist experimentation. Thus will be settled, and not only the verbal politics over full employment, but also the need for economic debate. The resolution of the full employment debate, it is recognized, must precede the redefinition of the chart. "Full employment," it must never be forgotten, has been London's government objective, and a fundamental issue in the history-making election that now marks Britain's swing to the right. Similarly, the "full employment" disaster was the crucial question in the ill-fated ITO debates, where employment slogans no longer lose their appeal, "...steadily increasing agregates and structural and fiscal reforms, and the boom—would—

The author dwells on the idea that the Keynesian blueprint has become reality in England, it is no longer to be judged by the dazzling literary brilliancy of its author, but by the pragmatic disquieting results of its performance. Its successes of failures can no longer be attributed solely to temporary, for the myriad highly complex economic situations of the last three or four years are greatly simplified today. This clarification of the economic scene is vitally significant. For years, the public has been hopelessly confused by the spate of economic woes descending upon the maladroitly baffled by the jargon of so-called experts, who could not speak the jargon's language. Indeed, this conclusion, shine, explains how a Labor Government remained in office despite numerous crushing results, and how Congress approved the ITO Charter, and in the General Assembly approved by Congress it means condemning events leading to economic disaster. Concludes relaxing of trade controls is impossible if "full employment" principle in Charter is to be kept.

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The New York Times
The Growing Demand For Common Stocks

From my own experience, however, I can tell you that a substantial part of this growth does not represent new money, and in my judgment, the percentage of total growth which represents new money will increase as time passes.

Pension Funds

Leaving investment companies for the moment, let us consider the role of pension funds on a broad scale and the major conclusion about the amount of pension funds they will make available for investment. I know many serious analysts who are strongly of the opinion that equity investment should not be included in any general pension fund plans. Let me call attention to discussions that we have had with pension funds and to whom are responsible for setting up pension funds lead us to believe that many of them will provide for equity investment.

We do not have adequate statistics, I believe, to give you the degree of pension funds that will be invested in common stocks. I can only present an estimate of the amount of common stocks that on average, 15% of the pension funds will be invested in common stocks.

The amount of money to be paid into pension funds in any one year is subject to statistical estimation. I think it may be a fair guess that over the next several years since most pension funds are under the control of pension plans. The number of union members employed in industry has only been officially estimated by the unions. Nevertheless, some rest of us have made into this problem in the Department of the total salaries and wages for 1949 are estimated by the Department of the total. It is, however, estimated that the amount of money paid into pension funds will be about $500 million which say that it may be available for common stock investment every year.

I want to say again that in setting up this picture we are making no more than a rough estimate. You and I may agree with me as to the percentage of pension funds which be invested in equity securities and the results of the statistical practice of those who have made about the size of this amount, but we do not say that no one of you will disagree with the thought that a substantial amount of new money is going to flow into the equity markets.

At the present time, there are approximately two million pension plans registered with the Internal Revenue Department. These plans cover a large number of people. The amount required to be contributed to these plans each year is over $1 billion. Since the number of million people employed in industry, there can be no question but that this amount is going to flow into pension funds over the next few years. It is also the average rate of growth and that the figures which I have given here are likely to prove to be far too conservative.

The growth in the assets of Sources of Investor Information

By GEORGE F. SHASKAN, JR.

Partner, Shaskan & Co., Members New York Stock Exchange

In lecture to women investors, Mr. Shaskan discusses the various tools available for appraising securities, including the annual report, the Dun & Bradstreet's report, reports of "insiders", transactions, statistical and advisory services; molecular, the trade journals, the financial magazines, and advertising. The present account, past prices, and future prospects also are included. Published in the "New York Times" on page 109, March 22, 1950.

The annual report also is a necessary accompaniment of the annual financial report and the statement of its earnings and expenses during that year. For many, annual reports have also included important financial figures for several years in the past.

The Annual Corporate Report

The first great repository for information, as we might expect, in the reports issued by corporations. Most corporations issue an annual report which generally includes some discussion of the important factors relating to the corporation's business. This discussion may include consideration of the results of the company's operations, the important activities in which the corporation engaged, and, specifically, how are we related to the corporation's business, our use of the organization's funds, and our outlook for its own business and earnings. The report also may comment on specific steps taken by the corporation during the past year to improve its business and what plans are contemplated for the ensuing years. This picture will usually be given of the corporation's relationship to its employees, including the number of employees, type of employee, and the employee programs such as pension plans, hospitalization, etc., against the corporation or on behalf of the corporation. These reports are by no means as complete as this one. The reports may contain the amount of information carried in such reports, most of which is important and adequate analysis of securities.

Intra-Year Reports

Most corporations listed on the New York Stock Exchange also issue semi-annual reports and some even quarterly reports. These reports include the same type of information given in the annual financial report. These are important because they provide information relative to the company's activities and standing.

Prospectuses issued by corporations in connection with stock issues, as we already have seen, also conform to the new format. Turning to the prospectus, we find that by means of Consumer's Power Co.'s new filing, as we have already seen, we have a new type of information. These reports are also an extension of the new filing.
Where Are We and Where Are We Going?

By SUMNER H. SLICKTER

Lamont, B. H. Professor, Harvard University

Dr. Slickter states we are in transition from postwar "catching-up" period to a current new "self-sustaining" economy wherein employment and production drift slowly downward. Con-
ditions to date suggest that the rate of agricultural production may become more abundant; (2) production costs will rise; (3) deficits will cause slow hesitating price level rise; and (4) increasing costs will worry businesses expanding into new markets.

TABLE I

| Year | Index of wholesale prices, 1948 = 100 | Index of prices of consumer com-
|------|--------------------------------------|---------------------------------
| 1949 | 1.08                                | 1.21                            |
| 1948 | 1.00                                | 1.00                            |

*An address by Prof. Slickter before the Daily Industry Editors Association, Inc., Chicago.

The steel industry has long been a major consumer of coal and other raw materials. Prices for many of these materials have been rising, and this has put a strain on the steel industry's ability to meet its production needs.

The slow-down of the economy is likely to continue as the result of the high cost of living and the reduced purchasing power of consumers. This will cause a reduction in inventories and a slowing down of production.

The steel industry is not immune to these problems. It is facing increased costs and reduced demand. The steel industry will have to find ways to reduce costs and increase efficiency in order to survive.

The steel industry is currently facing a slowdown in demand. The high cost of living is causing consumers to cut back on their purchases of steel products. This is having a negative impact on the steel industry's ability to sell its products.

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Devaluation—Six Months After

By AUGUST MACFADDY
Vice-President, Federal Trust Co New York

Reviewing devaluation effects in various categories, Mr. MacFaddy finds improvement in British gold and dollar reserves has been due more to Marshall Plan aid and reduced imports than to increased exports. Hoards devaluation has had little impact on United States merchandise trade, contending, though full effects on imports have not yet been felt, there is some shifting of demand for foreign goods. Acsbles remain little changed in general despite higher prices of American goods in devalued currencies. For avoids no dollar devaluation.

The devaluation of the pound sterling was announced on August 26 and for five weeks the subsequent developments have been discussed in frequent articles, and the effects of devaluation on United States merchandise trade and on the foreign trade of the countries which have devalued or are devaluing have been reported. The best that can be said, however, is that the devaluation has been reflected, to a slight degree, in the foreign trade statistics. The capital on which this conclusion is based is the statement of Mr. J. Egan, who has pointed out that if a strong dollar policy is to have its full effect, it must be backed up by a strong dollar policy abroad, and that if the dollar policy is to be effective, it must be backed up by a strong dollar policy in other currencies.

Mr. Egan emphasizes the importance of the dollar policy in other countries and the necessity of the United States being able to assist other countries in their efforts to maintain a strong dollar policy. He points out that the United States is not in a position to do this unless it itself is able to maintain a strong dollar policy. He states that the United States must be able to assist other countries in their efforts to maintain a strong dollar policy because it is the world's principal economic power and it has a responsibility to help other countries in their efforts to maintain a strong dollar policy.

The dollar policy of the United States is important because it affects the value of the dollar in foreign exchange markets and thus affects the exchange rate of the dollar. The exchange rate of the dollar is important because it affects the prices of goods and services in both the United States and other countries. If the United States maintains a strong dollar policy, the dollar will be able to purchase more goods and services in other countries, and this will make it easier for other countries to compete with the United States in the world market.

Mr. Egan also points out that the United States must be able to assist other countries in their efforts to maintain a strong dollar policy because it is in the United States' interest to maintain a strong dollar policy. He states that the United States will benefit from a strong dollar policy because it will make it easier for the United States to export goods and services to other countries.

The dollar policy of the United States is important because it affects the value of the dollar in foreign exchange markets and thus affects the exchange rate of the dollar. The exchange rate of the dollar is important because it affects the prices of goods and services in both the United States and other countries. If the United States maintains a strong dollar policy, the dollar will be able to purchase more goods and services in other countries, and this will make it easier for other countries to compete with the United States in the world market.
Banking and Business in the So-Called Welfare State

BY ROY L. REESEON

Vice-President, Bankers Trust Company, New York City

After reviewing economic phases of the postwar economy along with government policies in relation to business and banking, Mr. Reeser finds that there are potent inflationary pressures caused by national budgetary deficits, price support programs, and easy credit policy. Looks for these forces to prevail and predict decline in dollar purchasing power over period of years. Says steady expansion of government spending poses real problem for bankers since it involves politicization of credit and more highly competitive banking. Points out, despite its "welfare state" policy, government cannot abolish business cycle.

Current-day appraisals of trends in business and banking must reckon with two factors of cardinal importance, neither of which was significant generation ago. The first is an international situation of unparalleled complexity and confusion. The second is a greatly expanded and broadened interest on the part of the Federal Government in economic conditions. Together, these two factors will have incalculable bearing on the future course of business and banking in this country.

The International Situation

The impact of international affairs on the economy is readily apparent. Our economic shows that we are in a state of troubled peace. In which our preparedness program dominated our budgetary philosophy, the cold war has inflated Federal expenditure, vital for the purpose of our budget situation. To speculate about future developments, however, is a futile task. The American public does not pass the basic financial requirement for an independent appraisal of the international political situation. In addition, developments in the international sphere are largely beyond determination by the United States.

A reasonable working assumption for looking ahead seems to be that international conditions will neither deteriorate into a large scale shooting war, nor improve to the point of a world-wide return to a normal and peaceful world. This portends high levels of government spending for defense and foreign aid, close to current rates, for some time to come. However, this would not constitute a guarantee against a decline in the aggregate level of economic activity. While this assumption of no great change in the international situation seems to be the case in the immediate future, it is admitted not realistic over the long period. Within the next decade or two we shall probably see the issue resolved in the direction either of peace or war. Peace would make possible substantial tax reductions, which could provide a major stimulus to the economy. If war should come suddenly, however, it might give rise to reversionary problems, through increased taxation and localities which could lead to some temporary deterioration after the aggregate level of business activity. The alternative, another war, would mean the complete regeneration of every major segment of our economy, the like of which changes in our economic institutions were so fundamental as to make present-day politics and business matters a fade from the eyes of the business world.

Despite all this, aggregate production in the economy has returned to the peak levels of 1948, although admittedly strikings in basic industries have been important limiting factors in recent months. Employment has been maintained at high levels, but new employment opportunities are developing as fast as the growth in the labor supply, and, if a result, unemployment has increased.

With business brisk, commodity prices have firmed in recent months, and consumer credit and real estate mortgage debt are reaching successive peaks. The dividend on the National Service Life Insurance has helped to hold real estate sales at dollar levels at 1954.

Continued on page 32

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*An address by Mr. Reeser at the Thirteenth Annual Dinner and Conference of the Congress School of Banking, New York City, March 18, 1950.*
Donald C. Cook

In the 30s were primarily, if not exclusively, a matter of economic and financial practices, for the operation of the companies showed remarkable stability in the face of climatic and economic swings, to the extent that they could be easily to prove this statement. Kilo-\-\-watt hours generated declined only 15% from 1929 to 1932, while in the same period, for example, the Federal Reserve showed its industrial output fell 47.4%. We have pointed out the increasing within the few years before the Great Depression, cannot be attributed to lack of ing private utility companies, before depression and taxes was increasing, and yet only 8 to 10% of the in 1932 was in 1929. The utility industry was too important to the need to necessary in the tangled web of the importance. The Holding Company Act, one of the most and enduring New Deal reform, was not far behind. The utility of the Question—President of the Philadelphia Electric Power Co. & Co. of Missouri, Utah Power & Light Co. and the Economic Electric Co. of Missouri, which operates in the St. Louis, Mo., area. The two companies and companies, trick stocks, and excelled in providing a wide variety of services, the ideal in this 1-trader regard was the formation of the National Bank of St. Louis. A well-balanced capital structure which emphasized earnings and permitted public utilities to attract, on economic terms, the competition of electric companies, the burden of taxes, and the need by them to financing to"
Takes Issue With Views
Expressed By Helperin on ITO

William L. Batt, Chairman of Committee for the International Trade Organization, says attack on ITO is dominated by theore-
tical considerations, with almost no regard for realities that surround it.

Editor, The Commercial and Financial Chronicle:

In your Feb. 9 issue you reprint the viewpoints of the U.S. delegation on the draft Charter by Michael A. Helperin. I have had the pleasure of debating this ques-
tion with Mr. Helperin and I have the ut-
rage to lodge for his group of economic theory. How ever, I think it is unfortunate that Mr. Helperin has given more than his thinking to be thoroughly dominated by theory.

I would like to examine an issue as important as the Charter with almost no regard for its practicality and danger.

Mr. Helperin readily admits that the U.S. could not have adopted the Charter for economic reasons. He claims that he regards his criticisms of the Havana Charter with appro-
riate authority and prudence.

"The charter of a 'good' ITO would prohibit the use of quotas, exchange controls, sub-
sidies of all kinds, and all dis-
criminatory trade practices. It would declare a duty of every government to make it possible for the country's domestic economic affa-
irs to function as they should make it possible for the country to remain economi-

cal solvent without the use of restrictive and discriminatory commercial and monetary poli-
cies," (italics added.)

Mr. Helperin readily admits that the kind of ITO that the United States might properly join would find its way in the world of today very few adherents. Aside from the fact that it is highly doubtful that the United States Congress would approve a charter that did not permit the use of some quotas, subsidies and certain discrimina-
tory trade practices (such as ex-
port controls for secure reasons), one cannot but wonder what use the United States would be able to make of it.

This charter presents a preliminary agreement among 34 nations, and as Michael L. Hoffman pointed out in the 'Times,' Feb. 5, 1950, the General Agreement on Tariffs and Trade has demonstrated "that even incomplete adherence to the principles of a common trade pol-
icy is infinitely better than having no agreement at all."

Mr. Helperin's theoretical world is built on the defeat of all political problems, for at no point does he discuss the political nature of the day-today political forces which have to be dealt with both in terms of domestic political forces and international action.

It may very well be that in this intellectually stimulating, but rela-
tively unrealistic approach does not dominate the thought of those responsible for national foreign policy—of those who are the businessmen who have given careful attention to the many political and economic vari-
ables affecting American interests today. 'Business Week' magazine, which is uniquely aware of the interests of American business.
Outlook for Profits in 1950

By W. LEWIS BASSIE*

Director, Bureau of Economic and Business Research
University of Illinois

The prospects of a re-bound of business expansions, with little strike lows reinfect the optimism with which the business outlook has hitherto been identified as the most important business\footnotesize{\textsuperscript{a}}

consumption for expenditures with any further price changes seem likely to be moderate, leaving the forces of price stability intact.

Price movements were responsible for the wide fluctuations of retail prices during the last two years. Changes in both sales receipts and inventory values were largely the result of the price re-\footnotesize{\textsuperscript{b}}

The decisions of the premium of gold, which is widely held, are predictable, and its complete disappearance now seems unlikely that others will be redoubled and the existing gold p-\footnotesize{\textsuperscript{c}}


demand for gold. In the United States, the psychological effect of a disappearance of the premium would also be reassuring.

Nevertheless, the state of unemploy-\footnotesize{\textsuperscript{d}}

ment remains to be lowered sufficiently to enable the business outlook to advance.

Wood Heads Dept. of Blair, Rolling

Ralph W. Wood of San Francisco, head of one of the newly created Business Enterprises, Inc., and Blair, Rolling & Co., Inc., has been named President. He will make his headquarters in the New York office, formerly occupied by Mr. Wood.

Mr. Wood has been identified with the investment business in the Pacific Coast for 25 years. From 1932 through 1942 he was with the Chase National Bank, a successor of Transamerica Corporation. Af-\footnotesize{\textsuperscript{e}}

J. F. Lewis, Jr. Opens

PHILADELPHIA, PA.—Joseph F. Lewis, Jr., is engaging in a se-\footnotesize{\textsuperscript{f}}

E. W. Ackley, Admits

BOSTON, MA.—E. W. Ackley has admitted E. Holley Poe to partnership in the firm of Ackley & Co., 30 State Street.


t a premium at a rate of $10 per ounce. There may also have been some Russian selling, but the influence of this was more than offset by the unexpected rise in the price of gold, which is favorable, there is no reason to expect it to fall to official value of dollar, and looks for another rise in prices. Hence, reported prices may change, the possibility of a complete disappearance of the price of gold is unlikely. That there is very little reason for hoping that the price of gold will be reduced, it is probable that the trend will remain unchanged, with the prices of gold remaining relatively stable. With the increased demand for gold, there seem to be no good reason to expect a further fall in the price of gold, and the prospects of a rise to an even higher price level are still far from ideal from this point of view.
Outlook for International Trade

By THOMAS R. WILSON

Chief Areas Division, Office of International Trade, Board of Governors of the Federal Reserve System

Foreign trade specialist of U. S. Department of Commerce, advising imbalance in U. S. international trade to heavy foreign demand for our goods due to war, devastation, upheaval, and economic disorganization in other countries. The stronger the demand for our goods, the higher must be their price in foreign currency to induce the exchange of goods. The strengthening of democratic institutions. It has meant that the values we went to war to defend have been strongly reinforced. It means hope for the future both in political as well as economic terms.

The aid we have given, we have given unwillingly, motivated not only by humanitarian considerations but out of full awareness of our own political and economic stake in the great gains which have been made.

What of the Future?

But aid at the rate of three, four, or five billion dollars a year cannot go on indefinitely. This year, the Administration has recommended a substantial reduction in our foreign financial assistance below last year's level with the expectation that our help must rapidly taper off. What is this going to mean to the trade picture? Has there been any real sign of world trade recovery not only in terms of a higher volume of goods, but in terms of the achievement of a better balance? Are there signs that with this marked improvement in the return of production abroad, a larger volume of goods will be available to move in world trade this year? Is it not the measure for us? As our financial aid has diminished and production recovered correspondingly or can they be sustained? Will we face serious competition in third markets in the world? Can world markets expand sufficiently to absorb an increased flow of goods not only from Europe, but from the United States as well?

Let us look briefly at recent world trade figures and consider the changes that have been occurring and what they might mean for the future of our exports. I have said that in 1946 the United States was responsible for about 30% of the world's total trade. Incredible though it may be, our trade was responsible for about 25% below 1938 levels. And by volume, not merely in terms of exports, but in terms of imports, that was a value corrected for price rises; 1947 saw slight improvement in these shipments, but in 1948 a better trade position was reached. World trade exports were already down to zero, and imports were down to less than 20% below 1939 levels. The Administration has recommended a substantial reduction in our foreign financial assistance below last year's level with the expectation that our help must rapidly taper off. The new balance? Will the trade picture? Has there been any real sign of world trade recovery not only in terms of a higher volume of goods, but in terms of the achievement of a better balance? Are there signs that with this marked improvement in the return of production abroad, a larger volume of goods will be available to move in world trade this year? Is it not the measure for us? As our financial aid has diminished and production recovered correspondingly or can they be sustained? Will we face serious competition in third markets in the world? Can world markets expand sufficiently to absorb an increased flow of goods not only from Europe, but from the United States as well?

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Bankers' Growing Responsibilities In Installment Credit

By F. Raymond Peterson
President, American Bankers Association
Chairman of the Board, First Nat'l Bank & Trust Co., Paterson, N. J.

Association head observes consumer credit lending as a whole has grown to be very big business, and 40% of installment loans are now extended by banks. He calls on bankers to take a more active role in securing credit for the public, to increase its prudence and to extend it to new people in the installment-lending field.

Consumer installment lending is considered to be of great importance in the field of banking. What affects installment lending affects the whole, however, distinctly, the individual banker. Urges U.S. bankers to shoulder their responsibility to preserve sound policy here as in other credit fields.

Credit Nationalization

In recent years, an ever increasing trend toward the nationalization of credit has been evident in this country, with the change in the financial structure of the 1920's and early 1930's, and also the trend toward nationalizing the credit and loan relationship in the United States. Credit institutions are realizing their importance as guarantees of credit. Not only do these institutions carry a very large amount of credit, but they are also involved in a wide range of activities which provide a wide range of loans and guarantees.

Under abnormal conditions, in a war or other national emergencies, the government's credit-granting and loan-guaranteeing activities may be appropriate and indispensable. We agree with the government lending and loan guarantees in national emergencies as a form of credit insurance during the 1930's and during the war. But if the government has been grave national emergencies that justify the growth in government loans and loan guarantees that has been brought about in the name of the welfare state. The $36-billion of installment loans voted last year by Congress includes about $2 billion to a real estate mortgages. The $12 billion under consideration includes $2 billion for loan guarantees. If this is true, the government would be lending an additional $2 billion.

The Bill to the Taxpayer

Let me emphasize that when we speak of government guarantees we mean real credit that is pro\


gressive and not just making promises. For example, the real meaning of this government lending activity goes far beyond the $36-billion of loans that have been made. It is also internationalization of credit, it is nationalization of credit. I urge the charge of socialists at no one, but I do believe that indeed, we must do more to build up our own confidence and hurl at the socialists around this concept. We must be able to work together. For our country, we must be able to work together.

The Responsibility on Consumer Credit Leaders

The fundamental purpose of credit in any form, in good or bad times, is to serve society and farmers acquire goods and services and thus contribute to the growth of our national economy. You are considered a consumer credit leader if you take part in this responsibility. Credit must be used to increase the efficiency of the credit system. They must be kept flexible. An established national standard credit terms disturbance this flexibility.

We have an old saying that credit terms that are too easy in times of prosperity and too stringent in times of depression are stimulant to business activity. Ever since repayment of these "easy" loans is depressed when business activity is declining. It is precisely the reverse. We need a real contribution toward maintaining business activity. We need to be doing something to assist a stimulus to bank activity.

We call upon credit leaders to take the lead in adopting sound lending policies among all our members. We are asking them to assume responsibility to encourage sound credit practices on the part of their members. We believe that filling these responsibilities will contribute to the growth of our national economy and the guaranty of our future, as administrators of credit.
Instalment Credit in The Months Ahead

By WILLIAM F. KELLY
Senior Vice-President, Pennsylvania Co. for Banking and Trusts
Chairman, Consumer Credit Committee, American Bankers Ass'n

ABA official states that there are over 12 million consumer instalment borrowers from the banks, constituting one of the most important and recent manifestations of the very vast majority of bank lenders adhering to sound credit practices and lending terms; but warns increasing competition is leading to a reduction of sale of instalments.

It would be wonderful if I were able to stand here this morning and tell you, with certainty, what significant developments may be expected in the field of banking in 1950. May- be, we can tell you the sound sleep we nights if I could look into our Consumer Credit Committee's activities in Chicago and after reviewing the facts, had described the present position in banking, during the past year, as the worst that has ever confronted the industry. What Mr. Clow said, "The things that we worry about most are not about our own business, but about the conditions that will be at the end of this year, when we shall be able to look back at last year's activities."

No human has the power to accurately predict the future. But we are capable of organizing our thoughts and actions in such a way as to improve our position in the future. This is what we can do to improve our position in the future.

We can plan to build on the strengths we have today and to improve the weaknesses we have. We can plan to make our business more efficient and more competitive.

We can plan to improve our service to our customers. We can plan to improve our relationships with our suppliers. We can plan to improve our relationships with our communities.

We can plan to improve our relationships with our regulators. We can plan to improve our relationships with our competitors.

We can plan to improve our relationships with our shareholders. We can plan to improve our relationships with our employees.

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We can plan to improve our relationships with our suppliers. We can plan to improve our relationships with our communities.

We can plan to improve our relationships with our regulators. We can plan to improve our relationships with our successors.
The Next Five Years In Export Trade

BY JOHN F. CHAMAN
Vice-President, McGraw-Hill International Corporation

Analyzing political and economic problems facing exporters in next five years, Mr. Chaman predicts there'll be no shooting war with Russia, but ECA-type of export business will continue with emphasis on Far East. Says U. S. exports, though still suffering from dislocations, can be held at $10 billion a year, if exporters are aggressive and use proper pricing and selling methods. Urges more export analysis, and points out important import markets in developing domestic exports. Upholds Marshall Plan aid.

Twenty billion dollars are at stake in the five-year challenge just ahead of us. It's a political challenge; one is economic. On the international political front, inevitably we face five years of tension—the kind of tension that goes with the cold war, now thoroughly familiar to all of us.

It can be more specific than this. With no more than the facts that we have before us today it is still safe to predict three developments on the international political front which will have a direct and profound influence on our business.

(1) There will be no war within that period—no shooting war between the Two Worlds of Washington and Moscow—or, unless we crawl into our shell and say that the price of maintaining a free world in our area cost would be too high for us to consider participating.

I don't believe for one minute that our courage or our convictions will sink to that level, even if we have to go to war, provided we are well prepared. To state it the other way, war is not impossible, but it is not likely—not unless we are shortchanged by two years of E.C.A.

(2) We shall regain—and in the very near future—the initiative in the cold war which has been wagged now, with widely divergent degrees of success, for five years. Vigorous moves, already advanced in the planning stage in Washington, will be speeded up by an aid program for Southeast Asia which will be broad, flexible and economic in scope. Whatever your personal reactions to the kind of subsidized business which this provides to exporters, you had best get set now to win your share of it for the competition will be fierce because it has been sharpened by two years of E.C.A.

(3) Our drive to boost imports—the subject of last night's discussion—will be bolstered by the presence of this cold war. When Russia's newly-created Naval Ministry ups its already formidable building program; when Soviet planes flown by Chinese pilots appear along the Indo-China border; when Russian-controlled East Germany attempts to take over all of Berlin—and, we know now, the military program will be stepped up with all of the stimulus to domestic business which this inevitably will bring.

The three conclusions which support these three predictions can be stated briefly. Just glance at the Soviet Union's achievements since V-J Day. They were not of a pattern which it is important for us to understand when we forecast that Kremlin's moves over the next five years will be more bold and more daring.

The Soviet Union came out of the war with a whipping gall in its stride. From the strategic slices which were allotted off Finland, through the little Balts, states, and down through Poland, the Kremlin yanked back into its full control the westernmost territories that has been anything but the quiet border states in days of their greatest express. All this was premised on the results of the Teheran, Yalta, and Potsdam conferences, but some sharp bargaining.

We are now a failure to understand controlled to a far bigger area—something which would be very hard for us to handle in those days. The West, which they mistrusted and because it held some extreme, anticomunist views, were not industrial centers, and a mass of skilled workers.

The Chaman at this Iron Curtain zone today, we know that the Kremlin intended from the beginning to buy up in its ballot for the huge potential nickel resources of Fin¬land, the Baltic states and Poland, as well as the Little Rhine in Silsens, with its great steel mills and its trained miners and ironmasters, the Black Sea—smokescreen and the uranium deposits of former Nazi Germany. The oil of Aus¬tria-Chos and Burma and the fief¬tain farms of Bulgaria.

There is no doubt now that all of this will be calculated, and that they fitted in with their long-term expansion whose dog-eared pages are scrutinized coldly at each meeting of the Politburo. For we know now what Russian diplomacy is like and that the Kremlin has a plan for world conquest which it will develop with all the leisure the Kremlin knows.

Emboldened by their success in enlisting the world over our spread magic, and, due to our own gullibility in shutting us almost completely out of the hands of their European allies, the Moscow lead¬ing and attempting to make further to improve their postwar position and which were still drugged from our war¬time alliance.

The first was a quick but cau¬tious drive to occupy northern Iran—where the oil and the military advantage of an embargoed country would be a real threat to our protection of their own Baku oil fields, and from which we had in¬vited to dispossess us and the British from the rich oil fields of the Middle East. We had shown our first signs of con¬sciousness, and—wise and applied so much diplomatic pres¬sure that Moscow got frightened and pulled up stakes.

The next move was even bolder than the one we had feared. It was not, however, as yet a strategic sub¬tly. It was the effort to tighten their two provinces nearest the borders of the Soviet Union and so strengthen it against the efforts of Communist supported guerrillas—to take over Greece.

In July, 1948, when the Washington Conference was in a mood of good grace—two steps in the whole postwar struggle of separatists, the west¬minister of President Truman, it suddenly became clear to the world that the Mos¬cow had made up its mind to dis¬continue its policy of containment of the Soviet Union. Despite re¬publican protests in this country, no¬tov, linked over the fact that the British and the Turks were on the verge of leaving the communists and beginning the Gaza and Greek frontiers. Obviously, they will be moved by local politics, not by any more serious out¬come of peace for Greeks, Tunisians, Egyptians, and others.

Finally, if and when we have a free election in Greece, they will be a smoking gun on the part of our government. Their attention from other moves far¬ther to the East. Remember too that this is a war which will be won by the loss will mean nothing to Sta¬lin, wins a political victory in the Far East, if h, we have never tried to achieve, puts the way for an all-out assault on Europe. Hitler played exactly the same game in the early sixties and was able to win the war while our efforts were spread over such a wide front.

In Asia, watch the Chinese Communist invasion of the 200-mile frontier of India. The first border incident is already played out, the move of troops to the Mao Tse-tung troops. There's not a tank, or plane, or a policy force to prevent the complete take-over of all of the land, while it will be, of course, be handled by the Chinese as an invasion of Vietnamese territory.

And we must not forget that, while Malaya for the moment has been saved because of the United Kingdom and its treaty with the Chinese, the Malayan empire still remains a potential area for Communism in Asia. We see from its action in Europe the North of it and no major con¬structive program is under way as yet to change the face of Europe in a limited period of time.

This is the world in which we must operate in the next five years. Certainly there is nothing that will change the fact that Malaya will be added to their world.
No Prophet

Now I do not like to be a crepe hanger, and I simply will not propose to be one. I said repeatedly that I regard prophecy by an economist as a delusion, and I still believe it to be so.

He is not dealing with physical matter and events, but with controlled conditions. Instead, he is observing the tools of a technologic havioristic process whose vari- 
giant elements and whimsical characters are the result of the weather. It is impossible to know if the weather is resulting in 
new or greatly enlarged pow- ers amid the bitter rivalries of 
united politics will act. It is im- possible to know how business executives, for instance, are违ning their con- 
festing constructive imagination and 
seeking deep social re- sponsibilities in a new industrial age and some of them blindly of ar- rive at conclusions which are novel crises. It is impossible to know how the under- 
mined administrators and legis- lators will exercise authority of \( e \) and only of those which are as yet unforeseeable or in- 
dexes to add to all these uncertainties, the wea- 
her "picks up the wild" not merely as to crops but through industrial stoppages or dam- age to shipments, or through upsets to con- 
nomical structures of business.

Identifying Strategic Factors

What the economist can do if he 
really knows his trade is to iden- tify the strategic factors which are 
vested with peculiar strategic signifi- 
cance in the development of business. With the aid of his fellow craftsman, the statistian, he can measure at least roughly the magnitude of these elements, or the degree of these forces and formulate a logical 
conclusion as to the trend they 
seem to be following which shall 
follow if nothing is done to check or restrict those which are inimical to the attainment or con- 
straining of national goals.

By implication this statement of the 
economist's task defines the help he provides to those who 
cannot obtain between economist and business executive, the lat- 
ter in a position to know the intri- 
icate, infinitely varied and fast- 
changing activities of actual busi- 
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American Business in 1950

development of company pensions which we had in the past will give way to a rapid sweep of pension plans throughout industry. Negotiated as these plans were under duress, even the companies that have already signed agreements now feel the means of the actuarial conditions that will be met to or of the funding arrangements which, in common business prudence, will have to be provided. This is no place to try to analyze the current pension issue. But it does seem to me pertinent to suggest that perhaps companies who are now being hurried into pension responsibilities that they have not yet fully chewed over and assimilated may be somewhat slower to make improvement and extension outlays than they would be if this particular problem had not been added to their previous sources of uncertainty.

As I said before, I am not presupposing. The things I have been discussing do not necessarily presage a business depression either in late 1950 or at any other time. I have simply sketched five points that seem to me significant in the current business picture and that do not seem to me to be without some cover in the minds of some of the current tide of prosperity. I do take responsibility for having suggested in this discussion that the American Business Story of 1950 will be one that the runner seems to me to be drawing upon future reserves of strength for the maintenance of the present pace. I am raising the question whether the present performance is in the nature of a sprint in the back stretch rather than a manifestation of thinning good judgment, and stamina which assure the successful conclusion of a long-distance race or marathon.

Now I want to revert to what I said before to the effect that neither I nor any other man can give a definite answer to the questions thus raised. Whether certain persons postpone job, creating activities simply because the financial and policy-maker is scared is a question which is and must remain, at the lap of the gods. Whether business will be greatly impressed with the sweet overtures recently made by the Administration and will operate on a confidence and responsibility for progressivism derived from this confident leadership remains to be seen. And no one can tell whether one or another cause of uncertainty, if it becomes a factor in decision in certain quarters, will then spread a mental contagion that sober concern gives way to apprehension, that apprehension turns to jittery, and jittery ensues to panic, I do not know. I know that the great business public in a few enterprise systems is a skittish animal and that blind behavioral fear, once started, can stampede even an intelligent people of high average education in truly terrifying ways.

The Crucial Monetary Situation

This leads me to the last observation that I wish to make. As a follower of my own past and the annals of others, I am impressed with the fact that at this point, the tract of the most deep-reaching and probably the most fundamental single point at which, given intellectual, spiritual and emotional structures of protection and stabil Sal position can be applied is in connection with the operations of the government. I am not sure whether the government is called upon to do that; there is no debate about the constitutional mandate to keep the value of money at a standard of value.

It is obvious that this task has been rendered difficult by the events of a second world war within a generation and one in which and in which afterwards, were called upon to bear the brunt of the financial burden. We need not be too stunned by the way in which, amid the terrific pressure of fast-moving war demands, a war of war and got the job done. We may, by God, have seen the intelligence and fortitude with which the government has been strengthening financial affaires since the war, assuring the stability of the dollar, and the relations of price-wage relationships, on a national and international scale, and the existence of that large debt. Money that forced the level of price would be deflationary and constractive to the economy. Monetary policy that would be too high would be inflationary and constractive. With the inter¬mediate tensions, would compound delusion to the possibility that the whole system may get out of hand. This is a matter of profound moment in the business situation of 1950 which, in my judgment, underlines the superficial manifestations of cut rent prosperity which may chal¬lenge and quite possibly upset the whole prospect in the not distant future.

Fiscal policy and monetary theory have had a long and checkered course in the minds of the matters in their full detail. I think, however, that without mis¬understanding, I have left out a substantial part of the present situation which has been reduced to book. The Administration avows a balanced budget policy, meaning a budget budget which is time reasonably fitted to the ups and downs of the business cycle, and the exigencies of government. It is clear, however, in the sense of public support operations in times of national emergency or general depression. If such a policy of balancing the book becomes a habit of the gen¬erdlg of the people is carried out, it is possible that the credit position of the country would be reduced to book. The Administration avows a balanced budget policy, meaning a budget budget which is time reasonably fitted to the ups and downs of the business cycle, and the exigencies of government. 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Tyson Co. Opens Pittsburgh Branch

PITTSBURGH, PA. — Tyson & Co., Inc., investment bankers of Philadelphia, have announced the appointment of William S. Voorsanger as Manager of their newly opened office in Pittsburgh. Mr. Voorsanger has been associated for many years with the investment banking business throughout Western Pennsylvania, one of the organizers and Past Commanders of the American Legion in Allegheny County has long been a familiar figure in Pittsburgh’s civic activities. He is also a Past Commander of the Spanish War Veterans in Allegheny County.

Mr. Voorsanger was formerly a Vice-President of J. A. Richie & Co. and also was associated with the late Myron T. Herrick of Cleveland. He comes to Tyson & Co. from Blair F. Claybaugh.

Sydney Stolack has also become associated with the firm as an account executive in its Pittsburgh office. Mr. Stolack is widely known throughout the Pittsburgh district where he has engaged in the investment banking business for many years. He formerly was connected with Blair F. Claybaugh & Co.

Comments on Canada’s Trade Gap With U. S. And the Sterling Area

Bank of Montreal asserts that, despite Dominion’s overall favorable trade balance in 1949, deficit with dollar and sterling areas was accentuated rather than alleviated.

Despite Canada’s overall favorable trade balance of $10,000,000 in 1949, the problem inherent in her currency balances with dollar and sterling areas was accentuated rather than alleviated in the past year, the Bank of Montreal on latest official figures, in its latest business review, issued March 24. Besides a sharp reduction from the $450,000,000 overall balance achieved in 1948, Canada saw her adverse current balance with the United States run up by 50% from $401,000,000 in 1948 to $604,000,000 in 1949 while her favorable balance with the sterling area contracted slightly.

“The gap between the United Kingdom’s earnings and requirements of Canadian dollars was still accentuated,” the Bank notes. “The unbalance with the rest of the sterling area was actually widened by a combination of higher Canadian exports and lower imports. By contrast, Western European countries receiving IMF funds both bought less from Canada and sold more here, thus significantly reducing their deficit on current account with this country,” the review said.

Under present conditions of multilateral trade and dollar sterling convertibility, Canada worried only about a satisfactory overall picture. Convertibility and with world trade maladjusted, the gold pool of bilateral trade has assumed practical significance for Canada, said the Bank.

The combination of a dearer U. S. dollar and a cheaper pound sterling has focused attention on the United Kingdom as a source of Canadian imports. “Had her share of the greatly enlarged dollar total of Canadian imports last year been the same as prewar instead of 7% lower, close to half of her Canadian dollar gap would have been bridged,” the Bank said. Britain’s Canadian dollar earnings are most readily augmentable by supplying iron and steel products of all kinds. Britain has also “noticeably lost place as a Canadian supplier of cotton fabrics, chemicals, electrical apparatus, hard coal and rubber products.”

Active studies in this direction, thus greater response by Canadians to overseas merchandise with a price advantage from devaluation, are considered the most likely approaches to the trade problem by the bank.

$18,000,000 Puerto Rico Govt. Bds. Being Publicly Offered

Offering a new issue of $18,000,000 The People of Puerto Rico (Insular Possession of the United States) 4% 2% and 1 1/2% public improvement bonds is being made by a group headed by The Chase National Bank. The bonds mature from July 1, 1951 to 1969, inclusive, and are priced to yield from 30% to 2.10%. They are subject to redemption in whole on July 1, 1955 or any date thereafter, or in part in inverse numerical order on July 1, 1955 or any interest payment date thereafter at 102 on or prior to July 1, 1950 and at par after July 1, 1960.

Other members of the offering group are: Halsey, Sturte & Co., Inc.; Kinder, Pelboy & Co.; Goldman, Sachs & Co.; Bear, Stearns & Co.; Phelps, Fenn & Co.; Banco Creditito y Ahorro Ponce; Ponce, P.R.; Blair, Rollins & Co. Incorporated; R. W. Pressprich & Co.; Stroud & Company; Fidelity Union Trust Co.; Ira Haupt & Co.; The Ohio Co.; Hayden, Miller & Co.; Blunt & Simmons; Detmer & Co.; he was with A. G. Becker & Co.; Paul H. Davis & Co.; Keibon, McCormick & Co.; Whiting, Weeks & Stubbe; Martin Burns & Cor- bett, Inc.; William R. Stais Co.; and Commerce at the University of Pennsylvania in 1923. He was with Frederick & Co. and Polk & the first secretary of the Fraternal Investment Association.

Charles E. Harrington Joins E. J. Van Ingen

CHICAGO, ILL. — Charles E. Harrington has become associated with E. J. Van Ingen & Co. in their Chicago office, 123 South La Salle Street. From 1931 to 1950, he managed and was an officer of the investment department of Woman’s Benefit Association of Port Huron, Mich. Prior to that Mr. Harrington was manager of the investment department of the Wharton School of Finance.

“I Manage an Office for Household Finance Corporation!”

“I have one of the most interesting and satisfying jobs in the world. Almost every day I meet salesmen, farmers, mechanics, teachers, office and factory workers—people from all walks of life. You see, my job is to make loans to folks with all kinds of money problems. Last year I lost money to thousands of these people.

“Of course, I didn’t make a loss to everyone who came to me because a loan isn’t always the best solution to a money problem. But I did try to make sure to lend money only to those people who came to my office for help.

“They borrowed will interest you. The main reason for borrowing was to consolidate old debts, to pay for medical expenses, or for business needs. These are all sound, constructive reasons.

“Like most Household Finance managers, I’ve been on the job quite a while—25 years to be exact. And behind me stands Household Finance’s seventy-two year history in making loans. This experience has given us an understanding of family money problems and the most practical ways to solve them. And I’m proud of the fact that one out of every three new customers is sent to my office by someone I have helped in the past. Actually, that’s my business—to help people help themselves.

“In the branch offices of Household Finance Corporation and subsidiaries from coast-to-coast in the United States and Canada, there are 450 managers who feel as I do, and are on the job for exactly the same reason.”
Productivity Under Free Enterprise

By FREDERICK C. CRAWFORD*—President, Thompson Products, Inc.

Today, industrialists maintain our ignorance about productivity factors. They believe that for delay in fulfilling its human relations; and the people for letting government enact impossible taxes, and for sanctioning public corruption.

The outstanding development of our age is productivity. Productivity is the key to our better life, to a higher standard of living. The failure of effective national and world p

produce and to bribe...the American people.

All to Blame

All Americans are to blame for the failure to concentrate on productivity factors. The blame is on management. Management determines the overall direction of our human relations function in the families.

Secondly, I place the blame on the American people apparently unaware of the principles of productivity. They have, through a govenment, burdened industry with impossible taxes. Through government, they have in effect, censored the great labor-saving innovations and privileges. Economically, they have not even considered the welfare of the worker when the roses grow. They have concentrated upon the division of the pie, and forgotten the effort necessary to increase production. We have been party to a fatal that better management is not merely a matter of control. It is management's duty to eliminate every job. This always results in more productive employment. The employment of that were needed when it was created. This employment is the business of the state, however, it is not the duty of every government to eliminate these jobs. The desire to provide job opportunities for those who cannot find work, is the state duty of every government.

Therefore, we must talk about tools. For 100 years, America has saved 25% of all its production to buy our present equipment. The wear and tear of these tools is a basic cause of our waste today. Fully half of the American products are obsolete. We have better talk about tools. For 100 years, America has saved 25% of all its production to buy our present equipment. The wear and tear of these tools is a basic cause of our waste today. Fully half of the American products are obsolete. We have

Three factors which affect productivity: first, man, equipment, and tools; and, last, management. A high rate of productivity means that the number of tools used per man will decrease. As a result, the same output can be produced with fewer people at a lower cost. The result is a reduction in costs and an increase in profits. The result is a reduction in costs and an increase in profits. The result is a reduction in costs and an increase in profits. The result is a reduction in costs and an increase in profits. The result is a reduction in costs and an increase in profits.

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At Forty the Worker Will Be "Over-Age"

By ROGER BASBON

Mr. Basbon expresses concern over effect on employment of many workers nearing retirement age. A downward trend, he says, will require special rules for the aged.

A hundred years ago we were a nation of youngsters in short pants. Our population is, however, gradually growing older. Mortality tables show that the average life expectancy has increased from about 48 years in 1800 to approximately 65 years today. For example, the U.S. Bureau of Census reports that, by the turn of the century, one in 100 persons was 65 or older, or approximately 9% of the population. In 1900, the 65-and-over group composed about 7% of the population. The 1960 census will probably reveal a similar age distribution in our population in this older age bracket.

Assuming normal fertility and mortality and with immigration laws remaining constant, this has serious possibilities. Add to this those between the 45 and 65 bracket, projected to be about 25% of the total population in 2000 and you will find 46% of the population over 65 years of age. The training of our population is the result of advances in medical science, a declining birth rate, and a reduced number of young immigrants coming into our country. Higher living standards resulting in a less hazardous physical environment.

Economic Problems of Over-Age Workers

There are already today a number of men over 40 who are jobless and tramping the streets. The Forty Plus Club can give you some authentic statistics. In 1900, 65% of the men 65 or over were employed. In 1949, there were but 4.86% that were employed. This is largely the result of the so-called "welfare state" due to which employers don't want to get loaded with older men who demand more unemployment insurance and who are more likely to be absent and sick.

Back on the farm, the older worker could assume the role of manager and let younger hands do the more arduous tasks. The hard work and arduous labor the old age workers is something more than a system of business cycles. It is the problem of the slowing down of physical and mental skills. Workers after 60 or 70 of dressy, poor coordination, weakening eyesight and other factors, the conveyor belt continues to move faster and faster, whether you are young or old.

Prejudice Against Old Workers

Too many employers seem to identify oldness with a certain fixed age regardless of individual differences. There is no question about what the various compensation plans suit to protect the older worker often militate against him because, in the words of one official, "Older employees add substantially to the cost of workmen's compensation, group insurance and other welfare plans." Employment managers also tend to look upon older workers as unable to learn new methods—hence, they are poor employment risks.

Psychologists tell us that while there is some slight decline in motor reactions and manual dexterity, the capacity to think at 65 is as great as at 20. This suggests that the older worker may not be such a poor investment as it is generally supposed. As a matter of fact, the Bureau of Labor Statistics claims that the older worker has a lower absentee rate, is less prone to accidents and more loyal to his firm. Further, the older worker possesses a background of experience and maturity that often cannot possible be achieved by the younger worker.

Security Rules

What would help men over 40 years of age most is to have the unique social security rules. Certainly, this whole problem could well become an effective political football—and in fact, already is. If private enterprise does not solve this problem, then the government surely will step in. Here, then, is another social problem! Let's hope management takes some constructive measures before it is too late!
Mutual Funds

By ROBERT R. RICH

Vest of BROADWAY,
120 INVESTMENT FUNDS
PREFERRED
BULLOCK CALVIN STOCKS
Securities

THE COMMERCE & FINANCIAL CHRONICLE
Thursday, March 30, 1930

Mutual Fund of Boston, Inc., on Mar. 24th, filed 60,000 shares of capital stock; underwriter is Rus¬
sell, Berg and Co., Inc.
Whitehall Fund, Inc., New York, filed on March 21st, 60,000 shares of capital stock; distributor is Broad Street Sales, Inc.
Elin Trusts, New York, filed on March 24th, 50,000 units with no underwriter.
Equity Fund, Inc., Seattle, Wash., on March 27th, filed 500,000 shares of capital stock; underwriter is Pacific Northwest Co., Inc.

Texas Fund Assets Jump
Net assets of Texas Fund, Inc., has jumped from the August, 1949 figure of $416,700 to $625,207 in March, 1950. Shares of the Fund were first offered on Oct. 4, 1949.

Warms Against Gov't-Guaranteed Farm Prices
Allan B. Kline, ECA member, maintains they will entail Federal control of agriculture and its marketing; and American farmers merely desires protection against undue price declines.

CINCINNATI, OHIO — Protection against farm prices but not guaranteed prices at profitable levels is what the American farmer wants from the Federal government, Allan B. Kline, ECA member, said last week. “Philip G. Waddell, of New York, President of United Fund, Inc., has filed with the Securities and Exchange Commission a reorganization statement for United Science Foundation.

Broader Operational Scope
In another step designed to broaden the scope of its operations in the investment field, United Fund, Inc., has filed with the Securities and Exchange Commission a reorganization statement for United Science Foundation.

Edmond de Pont recommends Mutual Fund Field

Continental Research has been organized by Cameron K. Reed, of Kansas City, and Waddell, of New York, in association with Charles F. Benzel, Edmond de Pont, III, Reynolds du Pont, George F. Eddleman, Philip G. Rust, Henry H. Stillman and George Weymouth, all of United Funds.

Who Are Your Competitors?
BOSTON, March 27—(B.J.-)—K. Porteous, President of the Western Pacific Securities Co., filed a complaint against the National Securities Co., New York, and its Boston branch, and one of its officers, for alleged violation of the securities laws.

Douglas K. Porteous
Douglas K. Porteous announces his resignation as President of the Western Pacific Securities Co., of Montreal, Canada. The company is a subsidiary of the National Securities Co., of New York.

One Out of Five Trustee Throw--Unfaithful With Funds

Almost one out of five of the lawyers and trust officers who replied to Scudder, Stevens and Clark's Survey of Fiduciaries listed a “lack of familiarity” as one of their objections to Mutual Funds.

This may come as a rude shock to the Mutual Funds industry, whose promotional campaigns are considered the most energetic in the investment field, and show the need for a greater sales effort, with some reorientation of sales direction.

Greatest Obstacle to Sales
One might well remember the characteristics of the hard-bitten sales manager who, when he was asked by a new president of the company as to the greatest obstacle to sales, retorted: “Ego¬tism.” That no one ever heard of you, your product, your industry or your ideas is not an unreal¬

Keystone Custodian Funds

Certificates of Participation in INVESTMENT FUNDS investing their capital in:

Bonds
Series B.1-B.5-B.46
PREFERRED STOCKS
Series R.1-R.21
COMMON STOCKS
Series S.1-S.35-S.56

The Keystone Company of Boston
50 Congress Street
Boston 9, Massachusetts

Mutual Funds

Federal Reserve Bank of St. Louis
Digitized for FRASER

The Keystone Company of Boston
50 Congress Street
Boston 9, Massachusetts

To your local investment dealer or to Hugh W. Long and Company, Inc., 48 Wall St., New York, for official prospectus and other descriptive material about

The Keystone Company of Boston
50 Congress Street
Boston 9, Massachusetts

To your local investment dealer or to Hugh W. Long and Company, Inc., 48 Wall St., New York, for official prospectus and other descriptive material about
Rising Industrial Activity on Eastern Seaboard

Rise in business with decline in farm income noted by New York Federal Reserve Bank. Home construction booming, banks and loans and deposits remain practically unchanged, concern noted over excessive liberalization of installment credit terms.

Great divergence between the conditions in manufacturing, though noted is by the Federal Reserve Bank of New York since the business is declining, however, and this trend is reflected in retail sales, building and real estate, and the payment of bank loans in some regions of the Southwestern Reserve District. Home construction remains at a high level of activity, especially in the southern part of the district, where a comparatively smaller and more favorable conditions. Bank loans and deposits are still at the same levels as usual, but some bankers are becoming concerned about the current growth of installment credit terms.

The strike-induced coal shortage retarded manufacturing operations and appeared to create some additional unemployment, but with the strikes over the strike it appeared that production would resume its upward movement. Reviews of the developments in the industrial cities was classified as a critical situation, and the employment, area, has shown steady improvements. The strike was affected for a long time by a strike in its major in which cases the conditions now prevail. In a few other instances, through merger difficulties, or plant reorganization, have caused some shifts in industrial operations and to create some unemploymen in areas where manufacturing is diversified, workers affected by the cutbacks in one or more plants, and particularly those that have been localized. The number of workers being stepped up. As a result, the over-all employment picture remains reasonably satisfactory. Retail trade volume ranges from slightly below to a little higher than the comparable period of last year. Lower prices; rather than a reduction in unit sales, are the main factor for most of the sales declines.

Unsatisfactory Agriculture

In agricultural sections, farm prices are reported to be on the rise, and have been considered unsatisfactory. This complaint was noted in this region in several growing areas, where many did not participate in the government program, and were not well covered against advantage. In Western New York and in the Dakotas there has been a considerable price increase in the crops in the hope of better harvest. The average millet price, which has also contributed to reduced farm incomes, although the drop has been considerable, too. Farm labor costs remain high, and the greater part of labor is being made of labor-saving machines.

Banking opinion regarding the current market in the future of the real estate market is mixed. Some bankers looked for further declines in values and farm income costs, while others thought prices will stabilize. The demand and thought policies and prices will either remain at present levels or increase slightly. Construction of medium and lower-priced homes reported active in many areas especially in the metropolitan New York area, where a large number of people are moving to this area. The outlook is somewhat better, and with the current conditions now prevail. In a few other instances, through merger difficulties, or plant reorganization, have caused some shifts in industrial operations and to create some unemploymen in areas where manufacturing is diversified, workers affected by the cutbacks in one or more plants, and particularly those that have been localized. The number of workers being stepped up. As a result, the over-all employment picture remains reasonably satisfactory. Retail trade volume ranges from slightly below to a little higher than the comparable period of last year. Lower prices; rather than a reduction in unit sales, are the main factor for most of the sales declines.

Southwestern Sees, Formed in Dallas

DALLAS, TEX.—High Bradford and Samuel F. Johnson have formed Southwestern Securities Corporation with offices in the Mercantile Bank Building to engage in the securities business. Mr. Bradford was formerly manager of the corporate trading department of the securities firm. Mr. Johnson was with Harris, Upham & Co.

The company made continuing reductions in rates for its services almost throughout and in- cluding 1941. Following the war, a further reduction was made in 1946. Even in the fifty-cent dollar range of the period, the company's rates have been lower since 1940 than at any previous time in its history.

25th Annual Report

Southern California Edison Company—1949

INCOME AND EXPENSES—Gross revenue in 1949 was $101,793,987, an increase of $4,199,813 over 1948. Of this amount $18,368,338—equivalent to 2 9/16 percent of common stock, after all charges including preferred dividends, compared with $1.83 per share in 1948.

2. ADDITIONAL CAPITAL COSTS—In May 1949, an issue of 800,000 shares common stock was sold for $31.00 per share or a total of $24,800,000. This was the Company's first sale of common stock in fifteen years. From December 1947 to May 1949 a total of $130,755,796 of new capital was secured through sales of stocks and bonds.

THE PLANT EXPANSION CONTINUES...At the beginning of 1949, the Company's in- vestment in plant was $542,224,661, an increase of $56,223,961 or 12 percent during the year, and an increase of $127,664,033 or 47 percent in the four years since 1945.

3. SMALLER BUDGET FOR PLANT IN 1950...The plant budget for 1950 totals $51,518,221, or $5,546,901 compared with $57,207,055 made in 1949. Net additions to plant in 1950, for the year 1950, after giving effect to retirements, are expected to approximate $45,200,000. The company's investment took more than $70,000,000 in 1949.

LARGEST RATES IN HISTORY...The company made continuing reductions in rates for its services almost throughout and in- cluding 1941. Following the war, a further reduction was made in 1946. Even in the fifty-cent dollar range of the period, the company's rates have been lower since 1940 than at any previous time in its history.

COMMERCIAL AND SALES ACTIVITIES...The volume of new business obtained during the year 1949 was again substantial, though the rate of growth declined as compared with the two previous years. A total of 61,866 meters were added, compared with 72,021 in 1948 and 71,447 in 1947.

THE COMMERICAL & FINANCIAL CHRONICL
Geo. F. Patten Forms Own Investment Firm

Enrollment in A. I. B. Classes at Record

Enrollment in the classes of the American Institute of Banking, educational section of the Ameri¬can Bankers Association, reached an all-time high of 46,868, it was announced by Hartwell F. Taylor, acting President of the Insti¬tute.

Mr. Taylor is Assistant Vice-Pres¬ident of The Bank of Virginia, Richmond, Va.

In announcing the record en¬rollment, Mr. Taylor said: "The new record exceeds the previous one of 49,770 established in 1930. It is an outstanding achievement for the members of the Young Men's Committee, Chairman of the AIB Membership and En¬rollment Committee, and to the members of the Com¬mittee.

"The fact that more people than ever are taking courses under the AIB program is due in large part to their work, and to the cooperation of other institutions throughout the nation." Mr. Taylor added.

A figure represents an increase of 8,905 in enrollments since Jan. 1, 1950.

On March 1, the AIB had 92,907 members.

It is the largest edu¬cational institution of its type in the world. This year the Institute is celebrating its 50th anniversary.

As a program of special events, culminating in Minneapolis, Minne¬apolis, at the Golden Anniversary Convention, June 11-16.

Purchasing Agents Report

Robert C. Swanton, Jr.

Robert C. Swanton, Jr., a member of the National Association of Purchasing Agents, head of the Robert C. Swanton, Jr., Division of the American Bank Re¬cepting Agency, Inc., a division of AIB, has announced that the business was the second quarter, very close to the high record set in January. The re¬covery from the slow-moving effects of the coal strike has been rapid and is expected to continue and will sur¬vive the next two months.

Coal to move to avoid the short¬age started by the strike. Purchasing Agents indicate the fact that damage was done to general I dances. Coal is turning to move back to the open market.

New orders exceed December and February, according to the American Bank Rece¬iving Agency, Inc., a division of AIB, and will be acceler¬ated in production. This is expected to be made in production in the re¬maining days of March.

Employment

With orders and produc¬tion schedules increasing, employ¬ment is reported as under¬taking the increase, possibly over 40 per cent during the period. In the next two months there is expected to be a further increase.

Specific Commodity Changes

The changes this month were of a general nature, with ex¬ceptions and mostly on the "up" side. Coal was the most notable. Coal was 10c. higher, and tin and zinc, lead and aluminum, and steel were all up.

Principal items showing in¬creases were: Ethyl alcohol, bear¬ing a 10c. rise, coming with the introduction of new motors and other electrical equipment; cotton, wool, leather, linen, muriatic acid, vegetable oils, refractories, natur¬al gas, salt, paper, tin, porcelain, tools, tires, zinc, zinc oxide, lead, lead pigments, leather, chlorophyl, petroleum, crude benzine, gasoline, rubber, sewerage, pulp, cotton, lint, cotton, and cotton.

Stir in short supply: Alumi¬num, benzol, burlap, cellophane, coal, coke, copper scrap, as well as rubber, sugar, wheat, paper, shell, pipe, zinc, oxide, and steel.

Canada

Canadian industries were little af¬fected by the strike, although Winter stocks were comforting large, though small, in April and May; another look at the market will be appreciated. The price structure, which is affected by a reversal of the general business trend, is expected to be held at $2.25 for the next few months.

Trades MOSTLY INACTIVE

Trades are not inclined to do much under prevailing condi¬tions, and are in a state of inertia. Although many of the prices are lower than the upper level, the side of the equation, which shows the cost of the particular commodity, has been raised.

"A money market guide, one can understand why certain in¬dustries have been inclined to do a little more scale buying of the restricted obligation bond at this time. As the price rises, buying at the upper level is believed to be limited to few cases.

SWITCHING MADE ATTRACTION

The price spread between the Victory loan issue and the bank note, 2% of 1967-72 makes switching from one bond to the long¬est restricted obligation more attractive. Although many of the longer term bonds are not inclined to let go of their non-to-be-damaged bonds and this is a good bond in the market, there are others who have been switching into the Vics at currently prevailing differential.

Quite a few non-bank owners of the September 31st of 1967-72 that missed the three-point spread switch last week are watching developments very closely and do not look to this time, as and when it may come along.

Herman Liberman, Jr. Co.

Incorporated

Hereman Liberman, Jr. Co.,

Incorporated

Hereman Liberman, Jr. Co.,

members of the New York Stock Exchange, have announced they will be opening offices in March, 1967, at 31 with offices at 116 Brantwood. Herman Liberman, Jr. Liberman, formerly member of the New York Stock Exchange, and Herman, N. Liberman, recently retired from the exchange, are to open the business as an individual. Both are members of the New York Stock Exchange, and members of the New York Stock Exchange.

Investors Corp.

Hereman Liberman, Jr. Co.,

Miami, Fla. — Investors Corps., holder of the stock, has been transferred to the New York Stock Exchange, and members of the New York Stock Exchange.

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Any decline in business activity in 1950 is expected to be gradual, because of progress in eliminating shortages in housing and other durable goods. Reports from a conglomerate of Wall Street firms and other sources indicate that the balance has shifted from a cash surplus of $8 billion to a cash deficit of $3 billion, and that the upward trend in construction and automobile output should decline in these sectors, indicating that the overall business situation will probably be slightly higher in 1950 than in 1949, or at any rate, not lower than that at its beginning.

The Federal Reserve Board's economic condition, as expected, will be slightly higher in 1950 than in 1949, but because of the pressure on building increases that exceed the rise in producer prices, the capital investment may increase less than the increase in the total growth. The growth of business competition is likely to continue, and the Federal Reserve's profits will be lower than those for 1949, as Cox concluded.

L. A. Exch. Members

LOS ANGELES, CAL.—Two new members were admitted to the Los Angeles Exchange, as it was announced by Exchange President E. B. Cable. They are Robert M. Green, Vice-President of Pledger & Co., and Edward H. Todd, manager of the Los Angeles branch of the United States Army, during World War II, serving in the European theater where he was killed in action in 1949 and has remained with the firm since for the period in which he served as a Captain in the United States Army.

Cable, who entered the investment business in 1906, came to Los Angeles from Chicago in 1923. He joined J. A. Hoge & Co. in 1941.

Report Life Companies Buying Corporate Stocks

The steady expansion of corporate stock holdings of the life-insurance industry is expected to continue in the near future. The underwriting results of the first 4 months of 1950 were given further impetus by the sharp rise in stock prices. The temporary rise in stock prices has been brought about by the improved economic conditions which have been developing in the nation since January, 1949, and which are expected to continue.

Chubb Preferred

About three-fourths of the life companies held by the life companies are preferred stocks, and only about one-fifth are common stocks. The preferred stocks are of two main types: those that are limited to a certain number of states, and those that are not limited to any state.

Life Insurance Investments

Investments made by the Life Insurance Companies of the country during the first quarter of the year are reported by the Institute of Life Insurance as follows:

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The Institute of Life Insurance is a nonprofit organization and is affiliated with the American Life Insurance Association. The institute's report is based on data compiled by the Life Underwriters Association of America, which covers all United States life-insurance companies. The report includes all life-insurance companies, except mutuals and stock life-insurance companies, as well as non-life-insurance companies and beneficiaries. The report is published quarterly.
Canadian Securities

By WILLIAM J. REAY

While it would appear that the utmost importance is attached to the state of the Canadian foreign exchange position during the current commercial account, the role of capital account in the Canadian economic scheme seems to receive relatively little attention. Since the establishment of the Foreign Exchange Control Board regulation on March 12, 1947, the Canadian authorities have been forced to maintain an official exchange balance in trade with this country. This official balance, however, fails to take into account the fact that Canada is at a stage of development where a steady flow of foreign investments is a prime necessity.

Without the capital assistance provided in the past by this country and Britain, the Dominion could not have attained its present level of industrialization and in addition many natural resources that are currently exploited would still be dormant. Although Canada is steadily moving toward a state of self-sufficiency she is still largely dependent on outside sources for many industrial requirements that without a constant influx of capital would place a heavy burden on the overall foreign exchange position. The value of these capital credits to the Dominion economy was emphasized in a recent report on the upward revaluation of the Canadian dollar by Mr. John L. Bredin. He added that as a consequence of the recent exchange reserve of over $14,000,000,000 Canadian authorities viewed with some concern the export of the export-import receipts of U.S. luxury goods that took place during this period. Had greater attention been devoted to the promotion of capital account funds as distinct from current commercial operations, it is probable that vital export reserves would have been maintained.

In the period immediately ahead the value to the Canadian economy of these capital credits would be likely to take on added significance as a result of the likely more frequent and earnest closer attention. According to a recent study prepared by Canadian foreign trade and export

Canadian Securities

Canadian Bonds

Government

Provincial

Municipal

Corporation

Canadian Stocks

A. E. Ames & Co.

INCORPORATED

Two Wall Street
New York S. N.Y.

Worth 4-2754

Friday Congress Street
Boston, Mass.

With Donald C. Sloan (Special to The FINANCIAL CHRONICLE)


Wit seligman & Co.

(Special to The FINANCIAL CHRONICLE)

MILWAUKEE, WIS. — William Seligman & Co., 735 North Water St.

Our Mess With Farm Prices

While the need for revision of wartime support system has been recognized, its adjustment has been posted inconclusively from year to year, says Guaranty Trust Survey. Maintains continuance of present practice can end only in disaster.

The present situation in the agricultural sector of the American economy is a natural consequence of the attempts to carry forward the postwar period a structure of farm prices that was devised to prevent a devaluation of the dollar for terms that is wholly unsuited to present conditions, according to a recent Guaranty Trust Survey, monthly review of business conditions published by Guaranty Trust Co., of New York, published March 13.

"It has been recognized that the wartime price-support system needs revision, but the adjustment has been postponed from year to year in the face of per¬

fectly clear indications that an unsound condition has been de¬
veloping," the "Survey" continues. "Accordingly, the law provides for control over the production of farm crops and surpluses by direct acreage allotments and marketing quotas which would have to be supplied. The practical effect of these regulatory devices is very doubtful, as was shown by the acreage reductions in the hands of the government during the postwar years. In this respect the postwar experience thus far is in a strikingly incomplete and limited. It is impossible to tell how the postwar experiment would have ended if the outbreak of hostili¬
ties had not caused a significant reduction in the demand for farm products."

Production Control Success Doubtful

"There is no reason to suppose that production controls will work more successfully in this country than they did before the war, and the recent accumulation of surpluses certainly does not encourage such a hope," continues the "Survey." Acreage allot¬
ments are observed in this country because production is so largely controlled by weather and because there are so many ways of increasing the harvest, so many different ways of increasing quotas are a much more general form of control, but they have not been nearly as effective as their theoretical practical effectiveness as a long-run regulator of output.

SELIGMAN & CO.

735 North Water St., Chicago, Ill.

Cotton

A very timid increase in the price of cotton in New York, reports the New York Commercial and Financial Chronicle, will not be sufficient to warrant the greater complexity and expense of administering the present system. "The possible consequences of the existing situation are considered—the regimentation of an enormous population, the accumu¬lation of unsalable cotton sur¬pluses, the wholesale destruction of crops, and the cost of the program to the public. It is the question whether the best service to the farmers, as well as the rest of the people, would not be to liquidate the whole program in as orderly a manner as possible, and allow agriculture to stand on its own feet in the future as it did in the past, and as other industries still have. The political allies to such a course are well recognized." Price adjustment may be un¬pleasant, but is any possible alternative less so in the long run. The conclusion is that the present practice of postponing such a program to a later date is the only one that can end in disaster.

Charles Lob Joins Dallas Rupe & Son

DALLAS, TEX.—Charles Lob has become associated with Dal¬las Rupe & Son, of Oklahoma city. Mr. Lob formerly conducted his own investment business in New Orleans.

Euler Co. Officers

PHILADELPHIA, PA.—Announce¬ment has been made of the election of Joseph D. Euler as President of Euler & Co., 1518 Walnut Street, members of the Philadelphia-Baltimore Stock Exchange, following a change in the firm's form of business to a corporation from a general partnership. The officers of the corporation are: Charles L. Kaufman, Vice-President, A. E. Euler, Rear and and Albert R. Christman, Assistant Treasurer.

Bittner Co. Admits

John G. Cravin has been ad¬mitted to partnership in Bittner & Co., 80 Broad Street, New York City. Mr. Cravin was formerly associated with Thomas & Co. The firm is located at 720 West Walnut Building.

Thursday, March 30, 1950

as the producer was concerned—that is, output would respond not to open-market price, but to the total payment received by the producer. The consumer would continue to pay, but part of his payment would take the form of acreage allotments, which would be used to support prices. Consumption might be stimulated to some extent, but production would certainly be reduced. The necessity for production control would not be ended by the bill, for it would see how the plan offers any ad¬vantages at all. Its main disadvantage is that it is not sufficient to warrant the greater complexity and expense of ad¬ministration.

"When the possible conse¬quences of the existing situation are considered—the regimentation of an enormous population, the accumu¬lation of unsalable cotton sur¬pluses, the wholesale destruction of crops, and the cost of the program to the public. It is the question whether the best service to the farmers, as well as the rest of the people, would not be to liquidate the whole program in as orderly a manner as possible, and allow agriculture to stand on its own feet in the future as it did in the past, and as other industries still have. The political allies to such a course are well recognized." Price adjustment may be un¬pleasant, but is any possible alternative less so in the long run. The conclusion is that the present practice of postponing such a program to a later date is the only one that can end in disaster.

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Securities, Salesman’s Corner

By John Dunn

I hesitate to pass along any ideas in this column and say that they will work—positively. But there are certain procedures which have been tested again and again and have worked very well. In this particular instance, there is no doubt about it. If you will give the following suggestions a trial, I am confident that you will find them very satisfactory—just five calls a week on prospective new accounts—just five a week. As you go along, you will find that you are developing a very satisfactory trust in your work. This is not a much of a task. There have been men who have averaged no business with much difficulty at all. Surely any- one can manage five calls a week with a little persistence and regularity.

The first step is to find a proper basis for your calls. It is always best to back up your interviews with steady newspaper advertising. This will prompt them to think about you and to soil and expect you. You know, you are easy to reach. There are too many dealers who expect salesmen to go out and sell their charges, not do what you and the others do, but advertise and sell them to their regular accounts.

The next step is to obtain a large enough list of stock buyers in your neighborhood that can be conveniently covered without too much waste. Stockholder lists are available and they are the best means of obtaining names. Other lists of prominent people can be utilized. Newspaper advertising will also bring prospects in the business.

After you have planned your campaign, and have secured your lists, the next step is to give each contact the requisite personal consideration. The personal touch is really the only one you can have if you are to succeed, and it is a tie that is often exercised. Your telephone will ring, and you will hear the voice of some one you have never met before, and you will be called upon to do something. It will be a matter of selling yourself. No one can tell you how to do that, but you can learn this by living. Next, you try to find a basis for helping him. I don’t know how many times you have heard this, but there is no basis for it. You can’t do more than one person a day if you can see them together. You have to find out how you can help them. You have to find out what you can do for them. This is the best way to get new accounts.

The next overall plan for building business. You can fill in the details. But you will find, when you have other’s problems, a willingness to work intelligently and consistently, and you will prove your worth by the results that you get. The experience of others who have tried it, and not only have helped you, but have helped you to do great things that you can continue to expand and grow. After a service business is started, it will show momentum—satisfied customers eventually solving your prospecting problem.

The Reports Over $6 Billion Savings in 1949

Home Loan Bank Board says selected types of long-term sav- ings have reduced loan rate charges

Savings of American people in the leading types of financial institutions reached a new high in 1949. Total time deposits, S1 billion by more than $5 billion over the high of the steady growth of recent years, the Home Loan Bank Board announced in a statement. The President's annual report set the selected long-term savings accounts of the Board's report had reached a new high of $1.45 billion. Although down sharply from the level of the war years, annual rate of saving to savings has continued well above the record for any year prior to 1942, the statement said.

Except for postal savings, the amount reported in each category showed some gain during 1949. The same was true of other accounts, including life insurance policies, aggregate amounting to about $55 billion in the end of 1949. U.S. savings bonds held by individuals was a close second with nearly $49 billion and time deposits in commercial banks, amounting to $33 billion, ranked third.

During the past five years saving of all types has averaged about 6% of the Gross National Product which has almost doubled their holdings of time savings. The growth of other forms of savings was even more pronounced. The table below gives estimated savings at the end of 1949 and 1948 and the percentage increase during 1949.

<table>
<thead>
<tr>
<th>Period of Time</th>
<th>Increase of Percent of GNP</th>
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The following table gives estimated savings at the end of 1949 and 1948 and the percentage increase during 1949.

<table>
<thead>
<tr>
<th>Type of Savings</th>
<th>1948</th>
<th>1949</th>
<th>Increase</th>
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<tbody>
<tr>
<td>Savings and loan associations</td>
<td>$12,469</td>
<td>$10,964</td>
<td>13.6%</td>
</tr>
<tr>
<td>Commercial banks</td>
<td>$4,632</td>
<td>$5,712</td>
<td>22.9%</td>
</tr>
<tr>
<td>Mutual savings banks</td>
<td>$17,297</td>
<td>$18,325</td>
<td>6.0%</td>
</tr>
<tr>
<td>Stock savings</td>
<td>$5,159</td>
<td>$5,770</td>
<td>12.0%</td>
</tr>
<tr>
<td>Postal savings</td>
<td>$3,342</td>
<td>$4,342</td>
<td>30.3%</td>
</tr>
<tr>
<td>U.S. savings bonds</td>
<td>$40,600</td>
<td>$47,500</td>
<td>17.1%</td>
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Total | $68,730 | $73,612 | 7.3% |

*These data are preliminary and are estimated according to the best figures for the years 1920-1940. Reports of Savings Associations, Office of the Comptroller of the Currency, Federal Reserve Board, and Home Loan Bank Board.

*Data for 1948 were secured from the 1949 Federal Reserve Bulletin. Home Loan Bank Board reports on the other side of this column.*
Veler Wolf, as a director of the Maryland Title Guarantee Co. of Baltimore, the Maryland Title Guarantee Co. of Baltimore, effective March 15, it is learned from a recent statement of the Governors of the Federal Reserve System.

The name of the Trust Building in Buffalo to carry on the business of the Trust Building in Buffalo.

The New York Stock Exchange Department has been appointed to the First Coast Trust Co. of San Diego, and the branch of the First Coast Trust Co. of San Diego, and the branch of the First Coast Trust Co. of San Diego, effective March 15, it is announced from a recent statement of the Governors of the Federal Reserve System.

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the difficulties and to enjoy the freedom of private enterprise.

The industrial workers, long-accustomed to an almost constant dependence on an employer for work, are learning the importance of a free market in providing living standards, and they are beginning to accept dependence on government for a variety of services. In particular, when they realize that their own local organizations are no longer able to regulate their official regulators.

As a result, we have an increasing number of industrial workers who have come to appreciate that a labor-controlling government has a capacity for mind control, manipulation, and tyranny, under which their employer is more helpless than when dependent on a group of individuals whose economic ability is a local employer.

In conclusion, we can conclude that the government is more likely to be able to achieve its goals through the use of a free market than by any other means, provided that the government's goals are consistent with the principles of a free market.

The government's use of the free market to achieve its goals is more likely to be successful than any other method, provided that the government's goals are consistent with the principles of a free market.

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Equitable Life to Buy and Lease Freight Cars

Under the proposal, railroads would be enabled to obtain equipment immediately and avoid traditional 20% down payment.

A plan to purchase new freight cars from manufacturers and lease them to railroads was announced by United States President Thomas A. Quas, at a meeting on the subject in the White House.

The plan, which is a part of the railroad equipment leasing movement, will not only enable railroads to purchase new cars but also enable them to lease old cars.

The plan, sponsored by the American Railway Equipment Association, will enable railroads to purchase new cars without the usual 20% down payment.
year were 111% of common stock yields. While the yields on Aaa bonds were in a downward trend for the next 10 years and the yields on common stocks averaged widened widely for the period ending with 1930, it was felt that for investors to get a 7% higher return on average by investing in Aaa bonds than in common stocks was worth the investing the same amount of money in common stocks.

During the 1920s, the purchasing power of the consumers' dollar was also improving. Based on the period 1933-39-40, the purchasing power of the dollar had increased from approximately 70 in 1911 to 136.2 in 1940.

Under such conditions, there was every reason for an investor to seek a higher yield or to protect the purchasing power of his dollar through equity investment. Starting with 1931, the income advantage of Aaa bonds began to disappear, partly owing to the change in long-term money rates and partly owing to declines in the stock market. The Yield on Aaa bonds in 1930 was 4.55%. Since then, this yield has decreased, and by 1940 it averaged but 2.66% for the calendar year 1949.

Long-Term Rise in Stock Yields

The yield curve for Aaa bonds, which was 4.54% in 1930, was flat. At the end of the 10-year period, the yield on common stocks was 6.5% for the 1931-40 period, which was only 66% of the 1930 figure. The year 1949 represents a low point in the ratio of bond yields to common stock yields. For that year, it was only 40.1% of the yields available on common stocks. These figures bring forcibly to mind the fact that the bondholder has hit three ways: First, the declining income prospect by continually declining purchasing power of the dollar, third, by increasingly heavy taxation, and finally, to know that fiduciaries as well as the individual investor have been largely concerned by the three factors. This brings us squarely to face the problem of whether the possibility of securing higher investment returns exists in common stocks.

In examining this problem, many investors try to think of the bull and bear market psychology that is so powerful to sway the attention of many investment people and to ignore the intrinsic value of long-term ownership of common stocks. It has been repeatedly demonstrated in past markets that when the public undertakes common stock investment in the hope of quick profits the results have been disastrous for most of them. If the managers of investment companies are asked if the average of the common stock investments of pension funds let this type of speculation, the results will be equally disastrous and, of course, of no advantage of the holder.

On the other hand, the prospects for success are bright if the common stock investment includes participation in the growth in income and value of assets selected and to produce income. Of course, the hazardous, professional management organizations have the resources to enable them to estimate the intrinsic values of common stocks.

EXHIBIT I

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The general characteristics of a company's financial history and the characteristics of the company in order to determine intrinsic value.

Company Characteristics for Capitalization

The general characteristics of a company's financial history and the characteristics of the company in order to determine intrinsic value.

The book values of the Dow-Jones Industrial Average compared with Adjusted Earnings and Dividends and Related to the Yearly Range of Prices for the years 1930-1949. The book values are based on the net tangible assets per share adjusted to a basis consistent with the averages. The dividends, suitably adjusted, were then stated as a percentage of the book values. The rates of this study appear in the accompanying table (Exhibit II).

The book value of the Dow-Jones Industrial Average on December 31, 1930, was $30.42. In every year since, book values have varied somewhat from 1935 to 1949, and quite sharply from then to 1942.

Book Values and Production Costs

The book value figures, which we have just calculated, may be used to understate present day reproduction costs. This is an understatement of the real values, which they represent. Nevertheless, it is the fact that in the 15 years 1935 to the end of 1949, the book value of the Dow-Jones Industrial Average was more than doubled. It is a fact which has to be taken into account in considering the future of stock prices.

By computing the adjusted earnings of the companies and the growth and the dividends, we can calculate the real, that is, suitably adjusted earnings to book value and the per cent of adjusted dividends to book value. For a recent period, we find that adjusted earnings averaged 7.02% of book value. Adjusted dividends averaged 7.02% of book value.

In relation to the difference between these two figures gives us a rough average of 4% per year as the rate at which book values have increased, and at which they have been pound annually, closely agreed with the growth of book values in the year period indicated in our table.

It may be argued that this 15-year period was not normal, and that the results obtained during this period may not necessarily happen in the future. This is certainly true; inasmuch as the period includes the years in which the earnings were restricted by excess taxes and the years in which earnings were higher than book value. If the rates can be expected to be lower.

First, on the premise that a healthy and normal business develop under present conditions; let us assume that the intrinsic value in common stocks will be.

Third, on the growth in the real value of equities and their present fair values.

Under these circumstances, it is the purpose of these tables to select securities offering the highest intrinsic value and to protect the investors against un-, only optimistic assessments of the market by 34.40. This level return that is presently available from investable common stocks.

In conclusion, it seems to me that the cyclical and trend values in common stocks is soundly based.

NY Security Dealers Association Outing

The New York Security Dealers Association will hold their Annual Outing Friday, July 23, at the Vanderbilt Club, 461 Park Avenue, New York City, Hempstead, Long Island. There will be an all-you-can-eat buffet dinner at 6:30 for reservations contact Edward Enright, Executive Secretary, New York City. Dity 4-1600; John J. Costello, Jr., & Co., Inc., 416 West 42nd Street, New York City, to engage in a securities deal at 9:00 A.M., to go out to lunch at 12:30, and return dinner at 5:30. For reservations contact Edward Enright, Executive Secretary, New York City. Dity 4-1600; John J. Costello, Jr., & Co., Inc., 416 West 42nd Street, New York City.
The Security I Like Best

The Security I Like Best

possessed of unusual foresight. In 1947, the company entered upon an expansion program, which, of all the writing, appears to have been fully accomplished. This has placed the company in an extremely advantageous position. This has placed the company in an extremely advantageous position. From 1936, net sales have actually increased ninefold—and pro-

Continued from page 2

Thus, in buying the stock at less than 10 times earnings anticipation of the results will not be there and gone. In one company in which a

J. IRVING MCDowell

For insurance companies' future buy stub securities. In the future, security that will not be here today and gone tomorrow, one company in which a

insurer such as the Commerce Insurance Company has a policy that the issue of

Partner, McDowell, Dimond & Co.

has been increasing ninefold—and productivity

J. Irving McDowell

The past history of our leading insurance companies, including steady and diversified growth, has been increasing ninefold—and productivity

large surplus accounts have been increased by

many industries have had

Richard W. Wood

Investment Counsellor, Louisville, Ky.

I find it quite difficult to decide on any one security which I like best. I make it a practice to own

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to different proportions in a variety of

Richard W. Wood

The company is well financed and future earning power appears

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The company is well financed and future earning power appears

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The company is well financed and future earning power appears

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Sources of Investor Information

what the proceeds from the sale of such stock will be used for and the composition of its board of directors. While it is true that both the prospectus and the official statement will include information compar-
able to the prospectus and the official statement, the information is usually less detailed than in the prospectus. However, as a result of new security regulations, the prospectus may be required to list all of the officers and directors of the company. While this information may be found in the prospectus and the official statement, it may be omitted from the prospectus in order to protect the interests of the company.

Continued from page 4

The Exchange Listing Report

A preliminary report which we have already seen is the Stock Exchange Listing Report issued on each company. This report will include information comparable to the prospectus and official statement, although not as detailed as the prospectus.

The Research Reports

A number of companies have found this method of issuing research reports to be useful. Some of these reports are available to the public, while others are available only to subscribers. Many of these reports are available at libraries and are useful to investors who are interested in a particular company.

The SEC Reports

The SEC issues a number of reports on companies, including Form 10-K and Form 10-Q. These reports include information on the company's financial statements and other important matters. While the SEC reports are not as detailed as the prospectus and the official statement, they are available to the public and are useful to investors who are interested in a particular company.

The Journal Articles

A number of journals publish articles on companies, including the Journal of Financial Economics, the Journal of Business, and the Journal of Accounting and Economics. These journals are available at libraries and are useful to investors who are interested in a particular company.

The Investment Advisory Services

A number of investment advisory services provide information on companies. Some of these services are available to the public, while others are available only to subscribers. These services are useful to investors who are interested in a particular company.

The Government Publications

The government publishes a number of reports on companies, including the Federal Reserve Bulletin and the Federal Reserve Bulletin. These reports include information on the company's financial statements and other important matters. While the government reports are not as detailed as the prospectus and the official statement, they are available to the public and are useful to investors who are interested in a particular company.

The Investment Advisory Work

There are a number of investment advisory services that provide information on companies. Some of these services are available to the public, while others are available only to subscribers. These services are useful to investors who are interested in a particular company.

The Journal Articles

A number of journals publish articles on companies, including the Journal of Financial Economics, the Journal of Business, and the Journal of Accounting and Economics. These journals are available at libraries and are useful to investors who are interested in a particular company.
Banking and Business in the So-Called Welfare State
different from a year ago. The soft lines in retail trade are generally maintained, but the hard goods and bigticket items show a significant improvement.
In some of the non-durable lines this improvement may be accumulating and that some form of seasonable operation may be expected later this quarter. The construction plant and equipment and for farm equipment are down, the latter at least in the Northeast, but here and the automobile industry are still showing a steady peak with no apparent deterioration in demand.
An evaluation of business prospects must not ignore that the present level is near its postwar peak and that for many industries production is practically no longer than it was at the peak in 1949. Both prices and profits have been good, which is particularly true of the farm incomes. Thus far the incentive, from an inflationary point of view, is still very limited in the area of farm incomes. The fact that residential starts in 1949 were at a higher level than in 1929 and 1928 above the previous peak in 1925. To the measure, however, population has increased by over 30%, considering the amount of government encouragement given to residential building, the surprising price and practice of the construction business has not reached considerably higher levels.

Future Government Action
On the occasions in recent years government intervention has been attempted to stabilize economic activities on the American market, the effort has usually failed. Last year conditions were quite different, as was the result. However, the record is not likely to prevent continued efforts by government in the future. One of the principal reasons for what has been called "welfare state," of which so much has been heard, is to provide an attitude necessary to maintain reasonable levels of output, even if a closely related goal is to prevent the large swings that are still so prevalent and significant in the levels of commodity production. The methods are to stabilize the flow of goods and incomes in an even distribution. Recently, some of these methods have been expressed as the desirability of maintaining high levels of investment in fixed assets in the economy.

The term "welfare state" has been applied to the collection of policies which government undertakes, over a broader responsibility for trying to stabilize general economic conditions and for trying to take care of the individual from the cradle to the grave. The nomenclature is not as definite, contrary autonoma and noncontroversial objectives which are frequently of question, but it is the general differences of opinion as to how far we have progressed into the "welfare state," or the role of government in an economic policy have been constantly expressed as the tempo is accelerating.

We are all familiar with the general policies which government seeks to achieve. That the heart of most of these policies is in the area of reconstruction, which comprises both spending and taxing. Through unemployment payments, old-age payments, and similar social benefits distributed by the Treasury, the commercial banks as a corporate entity, the Federal Reserve system, which banks, as individuals, feel as keen.

This inflationary bias does not mean that prices will rise. Every year, however, profits price are increased, while the portion remaining for the profit is to be reduced. Even Government expenditures are to be encouraged, and this suggests that deficits are to be incurred as a deliberate policy to encourage business recovery and expansion. Of late, increasing attention has been given to the encouragement of capital investment. This is sometimes reflected in the form of credit or by direct Treasury financing.

Impact on Business and Banking
Government action is embarking on most of these programs and practices. Any deterioration in this tendency has greater efforts to expand the size of the welfare state. Although the size of demand and demand for many commodities are actually levels due to a balance on a world-wide basis, and that the financial dollars makes the American market attractive. Here at home, supplies an advance in durable and fabric, particularly in the field of heavy goods, are still being produced at a lower price, and also has been a trend in the short-run price fluctuations. Indeed, for the next few years, we are still, of course, determined to adjust the present high level of the prices over the next year or two the prospects for industries in the high end of consumer goods are not bright, even though the long-run trends may be quite different.

Nor do the price stabilizing activities on the part of the Government benefit the government itself. In the first place, the government policies will generally augment inflationary and price-existing forces in the economy. At least a portion of the Treasury surplus is a natural result of the banking system, thus adding to the already strong levels of price and production.

Inflationary pressures apply to such a component part of the economy as the welfare state, and some economists differ with the means by which it can achieve this result. The proponents of the welfare state argue that the programs are designed to bring about a balance on a world-wide basis, and that the financial dollars makes the American market attractive. Here at home, supplies an advance in durable and fabric, particularly in the field of heavy goods, are still being produced at a lower price, and also has been a trend in the short-run price fluctuations. Indeed, for the next few years, we are still, of course, determined to adjust the present high level of the prices over the next year or two the prospects for industries in the high end of consumer goods are not bright, even though the long-run trends may be quite different.

The Treasury Budget—In an inflationary environment the degree, of course, governments, economists, governments were frequently tempted to increase their spending programs in a liberal fashion for monetary and political reasons.. However, the government banks in order to avoid being entirely free of guilt in this manner, the Federal Reserve Policy consistently urged the government to cut back their policy, and at the same time engaged in a major program of monetary policy, which has been generally well received by the responsible economists and the Administration. The power of key labor unions continually to force the government expenditures at a rate faster than the gains in productivity means a rising level of industrial costs. Finally, many policy makers have been forced to designed to prevent substantial government depressions in private spending. As a result, we have reached the point where the government as a whole continued to meet a major point of increasing, the substantial increase in the shortrun risk of economic disturbances. For the most part, however, we have relied, and will continue to rely, upon the economic recovery process. That has been unable to approach the very sophisticated, and equally effective, effective policy, chosen by others. As government spending is one of the major weapons of the world's economic policymakers, government economic activity will inevitably play an important role in the government, which is a very powerful, and a very important function of government policy.

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Predicts Rise in Auto Demand and Credit

George Romney forecasts demand for cars and trucks will remain strong during 1955-56 period, as volume of installment credit somewhat higher than in 1949.

CHICAGO, I1L.—Demand for new passenger cars and trucks this year and annually thereafter will require a volume of auto motive installment credit totaling something over $4 billion a year.

But the outlook for installment credit, as well as for real estate credit, is better than last year's.

The trend in installment credit is affected by two factors, says Mr. Romney, manager of the Chrysler Motors corporation: the level of consumer buying power and the general economic situation. The factors are closely interrelated, he adds.

The demand for cars and trucks, Mr. Romney points out, is affected not only by the buying power of consumers but also by the willingness of federal, state and local governments to encourage the purchase of these and other goods and services.

Mr. Romney predicts that the new car market will not suffer from a lack of government funds for highways and other public works.

The speaker echoed the Federal reserve chairman's warning that the more highway funds a state or local government uses, the more likely it is that the funds will be used to pay for highway construction and not for the purchase of cars and trucks.

Mr. Romney said that the Federal reserve had been a good partner with the auto industry in its efforts to promote the purchase of cars and trucks.

Mr. Romney gave the auto industry a mixed review. He said that the auto industry had done a good job of promoting the purchase of cars and trucks, but that it had not done as well as it could have in promoting the purchase of other goods and services.

Mr. Romney ended his speech by saying that the auto industry needed to do more to promote the purchase of other goods and services.
Price of Full Employment Under the Havana Charter

narrowly and superficially as high aggregate demand within each nation that demands that domestic policies—cheap money, supplemen-
tary public investment and "pump priming"—fight its way to-
wise and permanent employment policy. This is the only way it gets that high employment but is one aspect of a well functioning, prosperous and growing economy. It is a complete and fundamentally con-dition of an acceptable and harmonious national structure of production, a world market, a world structure of production. It utterly reverses the real cause-and-effect relationship, by making in-
national prosperity dependent upon national prosperity, and then, national prosperity dependent on "full employment."

Inspired by Lord Keynes

This grave error in perspective expressed in a revolutionary ac-
count of effective demand was, of course, inspired by Lord Keynes, with his view of economic policy as an intervention in the economy. These judgments Keynesian extremists make about the private market system and the individual consumer in toto. These value judgments built on the Keynesian view of the in-
certainty of employment through "planned" investment is economic folly. Hence, the "planned" investment— and not the "inflation."

In their book, such an employment pro-
gram becomes a blue-
print for a new and
new experiment in methodology. Is their hands, the "revolution of ef-
centricism," the solution of artificially boosted con-
tentment and employment intervention and central control of economics and bu-
reacracy. It is a program of neo-economic national-
tions as any of the world has known.

Of course, the nationalistic dis-
truction of trade engineered by the Keynesian definition of em-
ployable labor is the most prominent of the conference delegates. The sub-
sequent foreign exchange war, without the concern of concerning employment were-
drafted with a logic that belied the seriousness of the discussion, in which, they, as Article 3, are expressing the confidence that the delegates understand that so-
called "planned" investment can lead to balance of payment dif-
ficulties. The relevant paragraphs of the Article 3 reflect the seriousness of this contingency in mind, read as follows:

"(i) no Member shall be re-
quired to be refused any of the restrictions which it is apply-
ing to the ground that the domestic policies of another Member's obligations under Arti-
3 relate to the achievement and maintenance of full and pro-
ductive employment and large and steady growing prosperity; (ii) such a Member may find that de-
makes the foreign exchange erosion of in-
cure pressure on its monetary re-
sources which would justify the restrictions or maintenance of restrictions under paragraph 3 of this article. Accordingly:

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cure pressure on its monetary re-
sources which would justify the restrictions or maintenance of restrictions under paragraph 3 of this article. Accordingly:

No Relaxing of Trade Controls Under ITO Charter

But, as we have seen, relaxing trade barriers is still a major problem for most de-
tricts of socialists who are opposed to the policy of the ITO. The issues are not new or easy to resolve. The discussions, in perfect international anarchy, seek stability independent of the financial system. There is no easy road back to the decon-
stitutionalization of the world system. It is a shift in the emphasis toward reduced trade to the general emphasis of the ITO.

In this shift, the emphasis on how to adapt the principles of the ITO to the general conditions of a world of international trade will be impossible.

The United States has been very slow in responding to the problems of international trade, both directly and indirectly. It is clear that the United States is not going to be able to make the necessary changes in its trade policies to meet the pressures of international trade. The United States is going to have to make a decision about whether to continue to support unilateral trade restrictions or to try to work with others to establish a more balanced system of trade.

A Breakdown of the Havana Charter

This breaks down of trade, its large
reduction, is not because of the break-up of the Havana Charter. It is because the Havana Charter was not a real treaty. The Havana Charter was not a treaty that was signed by both the United States and other countries, and it was not a treaty that was enforced by the United States. The Havana Charter was not a treaty that was able to solve the problems of international trade.

The Havana Charter was a failure. It was not able to solve the problems of international trade. It was not able to provide for the equitable distribution of the gains from trade. It was not able to provide for the protection of workers in the United States. It was not able to provide for the protection of workers in other countries.

The Havana Charter was a failure. It was not able to solve the problems of international trade. It was not able to provide for the equitable distribution of the gains from trade. It was not able to provide for the protection of workers in the United States. It was not able to provide for the protection of workers in other countries.
The State of Trade and Industry

mills which had formerly considered a consumer an account might have an exclusive account might have helped out in a pinch. Also, among consumers to generate that by keeping their production lines running, there is a growing trend, not to depend on a single source of supply, for their steel.

There are some sobering factors in the steel market this month. A few large production runs of SAE steels have been made. It is a sign that it is not the case. This is not to stop grabbing every ton of steel they can get their hands on. But the use of these inventories reach a satisfactory level they will exert less pressure on the market.

A comparison of conversion costs also provides food for thought. A ton of steel in the final grade is about $60 to $65 above mill prices. This includes extra freight, fees for rolling and all other extra charges. But when considered against the large increase in the raw steel in this manner was costing about $100 a ton above mill prices.

As a result of this increase, the steel industry is being viewed in the light of the balance of this year. The Auto and track trucks will be in the market this spring. In a few years ago, a steel mill owner at the beginning of the year has not been certain that the steel market will get quick enough.

Steelstocking operations this week are scheduled at 95.8% of the capacity of the last year. Scrap prices remain firm, supporting this high rate of steel production.

The American Iron and Steel Institute announced this week that the conversion rate of steel-making capacity for the entire industry will be 96.7% of the total installed capacity. This is an advance of 12.5 points from last year's rate of 84.5%. This is the highest since the week of March 21, 1949, when production reached 97.7%.

This week's operating rate is equivalent to 1,361,400 tons of steel per week. The weekly operating rate was 1,361,400 tons per week a month ago. A month ago the rate was 73.9% of capacity which was 1,285,000 tons. Last year it stood at 90.8% and 1,293,000 tons, and for the average week in 1948, highest prewar year, at 1,391,110 tons.

Electric output shows decline from previous week

Loadings of revenue freight for the week ended March 28, 1950, were 727,970 cars, according to data from the Board of Trade. This was an increase of 17,608 cars, or 2.5% above the previous week's output. A further decline in the coal carloadings was reported.

Coal carloadings amounted to 191,234 cars, an increase of 145,384 cars above the corresponding week a year ago, but a decrease of 744 below the preceding week this year. The week's total was a record of 117,644 cars, or 19.4% above the corresponding week a year ago. The seasonal peak was reached in the previous week, which amounted to 130,453,700 cars in 1949. In both of which the total was 110,492,600 cars. The weekly total was 120,380,700 cars produced in the like week 1949.

Business Failures Decline Further

Commercial and industrial failures decreased to 138 in the week ended March 25, 1950, according to the Federal Reserve Bank of the traders of care. A report of the Board of Trade. Desples a decline for the second consecutive week this year. The previous week's count was 166, and the preceding week's count was 185. In the preceding week a decline of 20% was registered from the like week of 1949. For the four weeks ended March 18, 1950, a depression of 3% was registered. That for the like week of 1949 was reported from the like week of last year. For the year to date volume decreased by 6%.

WHOLESALE FOOD PRICE INDEX EASES FURTHER IN LATEST WEEK

A further drop of two cents last week brought the Dun & Bradstreet food price index to a new figure of 180.9, $5.81 a week earlier. The latest figure is identical with that recorded in the week of February 11, 1949, and 0.3% below the average of 181.38% from the corresponding date of two years ago when the index stood at 36.7.

The index represents the sum of the total price per pound of 51 foods in general use. It is not a cost-of-living index.

WHOLESALE COMMODITY PRICE INDEX CLOSEST TO HIGHEST LEVELS BUT STILL A RESULT OF FIRMNESS IN LEADING COMMODITIES

Price movements last week were again mixed, but firmness in many of the leading commodities continued. The Dun & Bradstreet food price index, compiled by Dun & Bradstreet, Inc., around the highest level in four years. The index stood at 180.5 last week, against 240.5 a week previous, and 236.23 on the like date a year ago.

Although there was some irregularity at the close, grain markets on the Chicago Board of Trade showed considerable strength, with most of the grains in the highest levels for the new crop. Corn was in new high levels for the season. Cash wheat was rather quiet with offerings small as farmers showed a tendency to hold their surplus stocks.

There was some improvement in the outlook for the new wheat crop as the result of rains in parts of the West and Southwest. Trading in both the domestic and export flour markets continued on a very limited scale with buyers showing extreme caution. Cotton prices were irregular but developed a slightly firmer tone as the week closed. Activity in spot markets declined rather sharply.

Sales reported in the ten markets last week totaled 95,100 bales, or about 200 bales more than the week before, and 9,800 in the corresponding week a year ago.

A factor supporting the encouraging export trade outlook is the latter part of the week, mill price-fixing and short covering. This is being done to contribute to the strength of the season. Advances were held in check through profit taking and hedge failures on the Chicago Board of Trade. Prices are not being prompted by continued slowdown in textiles and uncertainty regarding the purchase plans for the 1950 season.

Consumption of cotton during February, as reported by the Bureau of the Census, was 523,650,000 bales, against a January figure of 37,651,000, and the February, 1949, average of 526,040,000. Loan entries in the latest week were again small while re-possessions continued in good volume. Net loan stocks as of March 30 stood at 13,632,650,000 bales, compared with 4,431,000,000 the corresponding date last season.

Retail trade aided by pre-Easter apparel buying— WHOLESALE DOLLAR VOLUME HOLDS ABOVE LIKE 1949 PERIOD

Squeared by a pre-Easter pick-up in apparel buying, total retail volume held above that of the preceding week of last year. Sales were also aided by a continuation of seasonal temperatures, according to data from the Bureau of Labor Statistics. Dollar volume turnover was slightly below the level for the comparable week a year ago, Dun & Bradstreet, Inc, reports in its current summary of trade.

The apparel group alone turned in a sharp increase, bolstered by scanty promotions. A few stores reported a few scattered promotions and promotions that appeared to stimulate the popularity of many of the groups. A few stores reported a slight rise, as did an interest in women's short coats, lingerie, and footwear, with which a few stores reported a sharp rise. A few stores reported some increase in the sales volume of men's coats and suits.

Retail purchases of house furnishings and other durable goods were generally sustained at the present high level. Some items, however, showed a decline in the previous week, such as beds and mattresses. Price levels in women's shoes and blankets showed some decline.

Total retail dollar volume for the period ended on Wednesday of last week was estimated to be from 1 to 5% below that of a year ago, according to estimates ranging from 8 to 10% below the levels of a year ago by these percentages:

Northeast -1 to -2; East, South, Midwest, and North- west -1 to -5; Southwest -1 to -2; and Pacific Coast -2 to -5.

Overall wholesale buying continued to be virtually unchanged this past week; dollar volume of orders was fractionally above the moderate pace of the similar week in 1949. The present level was largely sustained by individual bookings in durable goods. The majority of buyers purchasing various wholesale mail orders declined slightly from the previous week's figures and was below that of a year ago.

Department stores in New York, according to the daily report on a country-wide basis, as taken from the Federal Reserve Board's index for the week ended March 18, 1950, sales were 2% higher than the like week of last year. In the previous week a decline of 1% was reported from the like week of 1949. For the week ended March 18, 1950, a depression of 3% was reported from the like week of last year. For the year to date volume decreased by 6%.

According to the Federal Reserve Board's index, department store sales in New York City for the weekly period to March 18, 1950, show 2% fall from the like period last year. In the preceding week a decline of 2% was reported from the similar week of 1949. For the week ended March 18, 1950, a depression of 3% was reported from the like week of last year. For the year to date volume decreased by 6%.

Continued from page 5
Six Months After

The outlook is for a continued shrinkage in the supply of dollars available for the purchase of American goods and upon the prediction of further substantial reductions in sterling.

(8) Finally, I come to three statements regarding devaluation which, it is hoped, will require little comment. It was often said during the present devaluation that it would not work and would be followed by rather drastic devaluation of sterling and other currencies, but this obviously never occurred. On the contrary, the same currencies which were devalued in February are now relatively weaker, and the United States have kept the pound sterling unchanged. The explanation for this lies in the fact that the dollar is the world's primary international currency and that the United States are the world's major international economic power. The United States have the ability to devalue the dollar, but they do not have the ability to devalue the pound sterling, because they cannot control the world economy. The United States can only influence the value of the pound sterling, but they cannot control it. The United States have therefore kept the pound sterling unchanged, and this has led to a relative strengthening of the pound sterling against the dollar.
farm products is rising. It is plain that the prices at which farm products are supported will have to be further increased. The Administrators of the Farm Board of the United States are likely to receive a strong recommendation from their Congressmen that the prices at which farm products will be sold in the open market should be increased. This will encourage conservative buying in the open market and will relieve the economic depression.

In the case of the United States, the government is providing a strong stimulus to the economy through its spending program. The government is spending $5 billion on infrastructure projects, which is a significant amount of money. This spending is expected to create jobs and stimulate economic activity. The government is also providing a strong fiscal stimulus through its tax policies. The government is providing tax breaks to businesses and individuals to encourage spending and investment. The government is also providing a strong monetary stimulus through its monetary policy. The government is keeping interest rates low to encourage borrowing and spending.

The government is also providing a strong international stimulus to the economy through its trade policies. The government is providing tax breaks to businesses to encourage exports and to discourage imports. This is expected to increase the demand for goods and services, which will help to stimulate economic activity.

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The reasons for this have nothing to do with statistics, or rather with income and balance sheets. They are founded on the earnings basis a good case can be made out for almost any stock. I'm not vitally concerned with anything that affects my own. I'm interested in what makes the wheels tick.

Up to a week ago the short interest on about 2,500 to 3,000 shares, the largest it's been since about 1932. A lot of these were sales against the box. But whether it's in the box or in the hands of the broker doesn't matter too much. A sustained rally can start covering that will take them up to the 215 figure in a short time. Now here's what I think: I don't think many stocks will go up very much, certainly not over 200. It will be the leaders, the high-priced babies, that'll probably carry the load.

The worst scare came Monday, March 27th, when out of nowhere a drive started, resulting in a heavy demand on phone lines caused by worried holders calling their brokers to cash in their holdings. Brokers called up each other for assurances and then called their customers to tell them "the latest information of what they were doing." The mysterious and omnipotent "they" were handed around in vague, fast-talking cliches from on high. It was an awesome thing to watch. Everybody was hugging for "reasons," and failing to find them invented them to satisfy palpitating hearts.

The break Monday was the most serious of all. It immediately threw Tuesday into the big question-mark bracket. If the break were to continue, then Tuesday's market would show--and it did: a much needed correction it might develop into a full-blown spill. Well, Tuesday's market saved the day. Prices opened higher from the previous close and signs of relief swept through the careful Wall Street budget with the strength of tornadoes.

B. Parcells is with Charles A. Parcells Building, members of the Canton and Midwest Stock Exchanges.

With Curtiss, House Co. (Special to the Financial Chronicle)

CANTON, OHIO — Andrew G. Catherwood has been associated with Curtiss, House & Co. of Cleveland. In the past he was Canton manager for Fahey, Clark & Co.

With Bache & Co. (Special to the Financial Chronicle)

CLEVELAND — Eugene A. Torck is with Bache & Co., National City East Sixth Building.

Government Controls

(3) The government controls the prices of a large number of commodities. It imposes ceilings that have operated on a number of commodities, and power rates, gas rates, and every kind of price-fixing. It has to regulate wages and under the prices of farm products.

(4) It has been an apparent trend to expand the area of the rules of the game in more or less detail. Two outstanding examples are the steeply rising price levels of the securities market.

Where Are We and Where Are We Going

The fact that the economy is running in large measure by decen-

tralized decision-making is highly significant to all of us. The making has three important advantages. First, it is likely that most decisions are made by someone for each person, not by someone else. Under such a system, advantage is that decisions are made repeatedly that have long-term effects and have a first-hand understanding of conditions that have to be met. A third advantage is that decentralized decision-making gives opportunity to small minorities. This is particularly important in the making of decisions concerning possible new ways of turning out goods. An order must be made up, but it is one of these considers the order for the future. If a mistake is made out, it results of a trial. If this does not work, something else is tried. The variability of the centralization of decision-making greatly increases the capacity of the economy to experiment. And since a new discovery may be made in any one of tens of thousands of places, decentralized decision-making puts pressure on producer to improve their products and their methods. Thus it helps make the economy more competitive.

In these days when great shifts in the government and the economy and when far-reaching decisions are reached by great institutions, it is desirable to remember that in some important respects the economy is still very little. It does remain the government to buy 50 or 100 million of owners buying millions of dollars of goods. It is the responsibility of business managers each using his own judgment as to what to do and how to do it. The temptation, therewith, the very intervention of government and the activities of Federal Reserve agencies are stimulating lesser concerns to supply themselves more abundantly with technical knowledge so that they can adapt to changing conditions. The conditions imposed by the government or the trade union have a large influence on the activities of businesses are made by millions of consumers and business managers.

Decentralized Decision-Making

The fact that the economy is running in large measure by decen-

tralized decision-making, it can be counted on to be adaptable and progressive, and to grow rapidly in productivity.

Continued from first page

As We See It

Techniques likely to be effective for such a purpose are naturally different from those which are suitable for use in addressing the relatively few who have given and are giving all such matters careful and dispassionate thought.

The fact remains that matters of such fundamental importance to all us should be studied, appraised not on the basis of appeals designed to win the masses, but upon their real merits. This sort of appraisal is particularly difficult at a time when the world is in the midst of the chaotic state of the world in general. It is rendered the more difficult for those who would think for themselves by the poor record of officials and politicians, and by the honesty and purity of business men, and by the equally low standing of many of those who are now engaged in attacking those policies and those programs.

Root of the Problem

Senator McCarthy has been nothing if not wild in his charges against almost everyone whose name has come to his attention. The way in which his cases, thus far, seem toumble to the ground when subjected to study could bring a sense of false security to thoughtless people. It is about as difficult to doubt that the various Government organizations have been seriously spy-ridden in recent times. The case of the Communist Party and the Condon and His episodes, to say nothing of other indications, can scarcely leave the informed and alert mind fully at ease about many of these questions. The attitudes
of the Secretary of State and even of the President have hardly been of the sort to set doubts at rest.

But current doubts about the wisdom of our foreign policies and about the skill with which they are being performed, or rather warped, are too evidently of the kind that the powers that be have no adequate understanding of the vital inwardness of the world situation in the year 1939, and had learned little by the time that Pearl Harborアルカラドいん into a conflict in which we had for a good while been actually taking part. Documents recently made public in Washington purport to show little evidence that even at the end of the war there was any real grasp of the situation by which we should be faced when the fighting ceased. Certainly, little that had been going on at all had given any hint that understanding had come to them.

War Propaganda

All through the war we had fed the masses upon the nonsense that we (fighting by the side figuratively if not literally of one of the most notorious enemies of what we think of as democracy) were engaged in a war to end totalitarianism and imperialism. The Kremlin, its tongue in its cheek, had supported this propaganda consistently with its own conception of democracy. Very little evidence existed of any awareness anywhere of any grasp of the fact that what we had really done was to permit ourselves to be drawn into a fight characterized chiefly by a clash among themselves of totalitarian states, all of which had ambitions, usually conflicting among themselves, of empire and domination. Precisely why we should have blamed the Axis states for that the winning leopard in this gladiatorial contest would suddenly change its spots, it is very difficult to understand.

Then as the war approached an obvious end, came the peace concept of an economic (not to say political) vacuum in the center of Europe. And this idea, too, had strong support in Washington, and in one form or another, we are not certain that it does not still have that support there, although not as the extreme form that Roosevelt suggested in the later years of the war. Of course, such a notion has little of the realistic about it. No such vacuum could have existed if neighboring powers had not thrived. It would have in any event quickly cease to be as a result of competitive nationalism. Even the so-called "democracies" are far from being without ambitions. To the East a giant land with expansionist ideas no whole of the so-called democracies and without any trace of any respect for the opinions of mankind—to say nothing of a conscience.

Dubious Leadership at Home

Another absurdity which still remains astride the current thinking involves the notion that all the troubles of this country can be cured by the imposition of what is called "democracy" upon the people of this country, including all those who have no understanding of the word and have shown repeatedly that they are without any real abiding interest in it as well as others which have been relatively successful in its application. This ready-made cure, moreover, is to be applied precisely at a time when the historical champions of "democracy" are themselves abandoning their creed and may in the very near future exit for something in which we never would have been accepted as the real article only a very few decades ago.

Now with all this in the background, it is not surprising that the editor of the San Francisco Chronicle should have begun a piece that day. It is a matter of a matter of knowledge that even their own contributors have no trouble in writing that day that the editor of the San Francisco Chronicle should have begun a piece in which they are very much extolling it for something in which we never would have been accepted as the real article only a very few decades ago.

Skaife & Co.

SAN FRANCISCO, CALIF. — Skaife & Co. is engaging in a securities deal from offices at 119 Sutter Street.

With Waddell & Reed

BEVERLY HILLS, CALIF. — Charles Sutherland has been added to the staff of Waddell & Reed, Inc., at 849 Widlife Boulevard.

Joins Francoeur Staff

CHICAGO, ILL. — Robert L. Francoeur is with Francoeur & Co., 30 South La Salle Street.

Our Outlook for International Trade

of the currencies of some 39 countries

continued from page 1

in late months of last year, imported to demand repleted inventories, with imports of current goods and service to the United States and with imports of such goods and service to the foreign markets in terms of dollars of deflation.

We have been continually in the third quarter in reoccupied on an entirely new basis by the dollar and the foreign currencies overseas and, in the last months, the transactions have been more costly and the dollar has been more expensive. The rate of the single currency, in the third quarter of 1951, was equivalent to about 1.5% of gross national product. This would sug-

uggest that the dollar was consid-

erably higher without injury to the domestic economy. The dollar im-

ports today were to bear the same import at 1949 prices in 1950, as it did in 1929, for instance, were earning today at the rate of about 5%.

To say that by the termination of the current period, if we can bring our imports at current prices to a goal of $10 billion might, to propose too modest a target. Such a figure would make adequate allowance for the technological changes which have been introduced in recent years which have given us synthetic substitutes for the in-

tural products as silk and rub-

ber, less imports before the in-

crease. It should be remembered that our foreign trade and our dollar earnings are much higher now than at the same time of the year, the value of total output of goods and services at 1949 prices for all nations, was running at over $25 billion compared to $12 billion in 1951. If this eco-

nomic growth were maintained, imports of $10 billion would be equivalent to about $175% of our present export earnings, a level which seems to be a realistic possibility. It is likely that the import earnings of the United States might easily make an adjustment even toward this level.

It is not clear that the American economy must maintain its exports at present levels or threatened with a recession. Of course, we must not be too sanguine about some necessary adjustments to lower foreign demand because of our capacity for production. It is possible in time to absorb this slack at higher levels of production. We must recognize that this would be a difficult transition for us.

While we could make the ad-

justment to a lower export level, we have a very great truth that our current decline in our exports would have a very great effect on the states which were most hard hit by the war. A sudden cutoff of competitive exports of the United States might greatly weaken their economy and precipitate political consequences which neither they nor we can well afford.

There has been few times in our history that we have been confronted with so clear and im-

portant a situation. If we repeat the trade policy history of the past, and all too many still hold the belief that the United States can move outward by a large quantities and by lower levels of prices, we may again reap the consequences of those policies. And if our competitors, by the way, are sold at high levels, we shall not be able to compete against them at low levels. We can strengthen not only our own economy but our neighbors' overseas.

We can take encouragement from the fact that the United States is a country and abroad the general opinion that the mistakes made in the field of trade relations in the interwar period have been corrected by the increase in dollar purchasing power. We have no need to worry about stockpiling program of essential materials is well under way, the United States can easily achieve the goal.

The Foreign Cooperation Ad-

ministration is working closely with representatives of countries participating in the European Re-

covery Program to work toward

improving their merchandising for this market.
## Business Activity

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

### Table 1: Flaxseed

<table>
<thead>
<tr>
<th>State</th>
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<th>Mar</th>
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### Table 2: Sorghums

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### Table 4: Sugar

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### Table 5: Flaxseed Stocks

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### Table 6: Cotton Stocks

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### Table 7: Sugar Stocks

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The Current Utility Scene

In the five years since the War, utilities have been liquidating their outstanding indebtedness at a rate of about $1 billion a year. This is a general opinion that installed capital has been reduced, including Federal, contributing to the reduction of about 60 million kw. in 1919 and 1920. The electric utilities are certainly more well balanced now, but this growth will require going to the capital markets for substantial funds.

Of course, this construction program provides a share of business successfully only if utility securities are held by investors, who are prepared to keep a considerable portion of their funds in the industry. Therefore, the capital markets for utilities are faced with the need of doing a better job in the coming years. The trend of the demand for utility stocks will be to determine the fortunes of the companies and the utility industry for the year 1955.

Quarterly Reporting

It is important to the investor in utilities to know that his financial condition is satisfactory and that his own share is performing to the best of its ability. Therefore, the statements upon request, for the information in the major financial services.

Dividend Policy

One of the most important attributes of a utility company that affects its market. In the growing utility industry, the many companies find that they are either in a competitive position in financing, their financial condition, but a more conservative policy is necessary. It is to want a number of the few factors which influence the decision of a company to invest in utilities. Most of the industry is trying to be conservative, in the sense that the company can retire a substantial amount of its existing debt. The word "conservative" should be employed. By and large, the industry is doing a good job in keeping investors current with the facts. The amount of the need of doing a better job in the coming years. The trend of the demand for utility stocks will be to determine the fortunes of the companies and the utility industry for the year 1955.

The Analyst's Role

You, as security analysts, can play a dynamic role in keeping informed. Your views and advice are needed to reflect your recommendations. The Federal Reserve Bank of New York, an organization of which you are a member, has specifically pointed out. To the extent that their financial reports affect investors minimize investor appeal, you, as a group, should be in a position to focus your efforts on these important issues. Which treat investors more considerately and fairly, and you would urge us to speak out, both individually and through the security, against " unfair-to- investor" practices. To the extent that their financial reports affect investors minimize investor appeal, you, as a group, should be in a position to focus your efforts on these important issues. Which treat investors more considerately and fairly, and you would urge us to speak out, both individually and through the security, against " unfair-to- investor" practices. To the extent that their financial reports affect investors minimize investor appeal, you, as a group, should be in a position to focus your efforts on these important issues. Which treat investors more considerately and fairly, and you would urge us to speak out, both individually and through the security, against " unfair-to- investor" practices.

The Great Construction Program

As you all know, the electric utility industry is in the middle of a major construction program. In the five years, the industry added a capacity totaling over 17 million kw. A total of 60,000 kw. was added in the first year of 1890, installed by the electric utilities. Excluding Federal operations, the capacity added in 1954, and is expected to be expanded, in the five-year pe-
Securities Now in Registration

All American Casualty Co., Chicago, Ill. Feb. 27 filed 1,000,000 shares of common stock to be offered for $2 par share. Underwriter—M. A. Kern, President of the Kern Agency, New York. Proceeds to be used for general corporate purposes and to meet normal working capital requirements.

Aluminate Sales Corp., Los Angeles, Calif. Feb. 28 (letter of notification) 120,000 shares of common stock to be offered at $2 per share. Underwriter—G. W. Schenck, President of the J. M. H. Schenck, Inc., New York. Proceeds to be used for construction of new plant facilities.

American Investment Co. of Illinois March 27 filed 5,000,000 shares of common stock to be offered at $1 par share. Underwriter—F. K. & Co., Inc., New York. Proceeds for general corporate purposes.

Anchor Casualty Co., St. Paul, Minn. March 10 (letter of notification) 10,000 shares of capital stock (par $10) to be offered at $7 per share. Proceeds for general corporate purposes.

Arizonia Warehouse Corp., Phoenix, Ariz. March 20 (letter of notification) 50,000 shares of capital stock (par $10) to be offered at $10 per share. Underwriter—R. F. Eberstadt, New York. Proceeds to be used for working capital.

Armstrong Rubber Co., West Haven, Conn. March 10 (letter of notification) 2,000 shares of capital stock (par $10) to be offered at $13 per share. Underwriter—J. A. Walsh, President. Proceeds for research and development.

Armstrong Rubber Co., West Haven, Conn. March 8 (letter of notification) 1,000 shares of 4% cumulative preferred stock (par $50) to be offered at $50 per share. Underwriter—F. Eberstadt & Co., New York. Proceeds to be used for the construction and equipment of a new plant.

Ashland Fuel & Utilities Corp., Toledo, Ohio. Feb. 27 filed 50,000 shares of $12 cumulative (no par value) preferred stock (par $100) to be offered at $100 per share. Underwriter—Gray, and Underwriter—R. F. Eberstadt, New York. Proceeds to be used for the construction of a new power station.

Atlantic & Pacific Lines, Inc., New York. March 14 (letter of notification) 2,000 shares of capital stock to be offered at $100 per share. Underwriter—Gray, New York. Proceeds to be used for the capitalization of the company.

New York, Boston, Pittsburgh, Philadelphia, San Francisco, New Orleans

Privy in all offices

THE COMMERCIAL & FINANCIAL CHRONICLE

Thursday, March 30, 1950

continued from page 14

THE NEXT FIVE YEARS
IN EXPORT TRADE

about it, but neither need there be despair. Our government for the moment has just the initiative in the cold war and we have suffered a tremendous setback. There are indications, however, both from the Acheson talk of last week and from rumors wafting out of Key West that a new policy stand is in the offing which will be comparable in dramatics to the announcement of the Fourteen Points, the Doctrine three years ago. If it is comparable in boldness as well as in its economic basis, then this may be our chance to wage for three years in Europe. It can bring the crisis under control again. And with our vast industrial strength, our organizational genius, and our ingenuity there is no reason why we cannot make all our other products

As businessmen we must never allow ourselves to forget that the last thing Stalin wants is war. Those blueprints on the walls being shipped to Key West b u m e r ma t e s for a con quest on a much cheaper basis. And for the very good reason that Russia still lacks—and will lack for many years—the industrial machine either big enough or sufficiently efficient to risk a war presented to us by the world.

So, practically, let's recognize the future for what it is:

No shooting war; more ECA-type aid, last far East; and a gradually expanding defense program at home to help meet the threat from Moscow. It's not the easy-going kind of war that we've known for years. Certainly there is nothing in it that we can't handle. Experience of the last four years has proved that we can supply as many as 250,000 soldiers with ready-made uniforms to fight our own side.

The Economic Outlook

I wish I could be as certain about the economic outlook for the next five years. On the question of imports I a half million dollar deal by mail

The point of view of the more optimistic of your earlier speakers.

And while all of us know that ECA aid will be smaller next year than originally planned, we also know that political alignments in Washington will remove entirely that important prop to our exports for at least another two years.

My limited confidence in our ability to solve the economic problem of the next five years is based on the fact that you and I, as foreign exporters, have not yet succeeded in selling something sent on this country on the full importance of your job and of your share in their business. This meeting, in which our members of the Association of Manufacturers are joining with us for the first time in our long history, offers us an opportunity to sell our product. If you know how to make it, you must adopt it quickly if foreign trade is going to be one of the four important programs that we are going to be able to do in this time so much more abundant that a steadfast in the majority can talk about.

Here's what we have to sell our manufacturer members and you present again this morning to hear us state our case:

Intelligently cultivated, it can be a tremendous business. With today's vast mass production machine we can't calmly watch our export field fall much below the level without serious domestic dislocations. It would happen, it could contribute as much as any other single factor toward a depression which Moscow still hopefully predicts is going to be the part of the in-and-out-of-the-market a country. If we should never know it from the way that some of us are forced to operate.

(2) We can't sell successfully overseas unless we know our customers first hand. We've sold the plain old fashioned today to try to win by cable or with some stranger in a foreign country. We need stiff competitors need the business. They are there ahead of us unless we're ready to do what we do at home on a personal basis.

(3) I know a foreign competitor with a price structure that ranges—according to the importer and retailer—of from $2 to $12 per case of assorted lunches. We have known these prices and our distributors and to our customers to operate with a set price that is stable as we these two apply at home.

This is the kind of competition we can't reason our sales program and our sales forecasts over the next five years. In the next five years we are going to be able to sell our goods around the world. When you pour into Iran the supplies that are helping to put that nation on its feet and make you warmongers and hold feverish schemes for doing business for us. Ask Stalin what we were fetching at the highest level in its history. A single salesman was circling the world for this company, bringing in major continent on an average of just once in one year.

This is not the kind of selling that we want to lose our exports at $10,000,000 a year level. Our competition in Europe, receiving at a rapid rate during the last few months, is roving the Latin American world and the whole handful countries with the diligence and perseverance which gave them an enviable position in almost every foreign market before the war. Their business is conducted on a highly intimate, and a lot of their ultimate customers by their first names.

If your management has never sold a product, maybe you can't realize what effective our exports are. It is 

At home, if you're going to try to win the battle, you must be successful. 

If you've ever been in the business long enough to make a good first impression, you will have sold it to the boss. But have you sold it to the sales force and the front office? Other speakers have outlined the kind of sales force of today and tomorrow, I'm going to keep it as you have been and refuse to try to keep it any five years ahead. It is the thing that Moscovist fears most because it is the thing they can't see.

It is something that we have a better chance than we ever had today than at any time I can recall, because it means a mounting crisis with the way with which we are most touchy, and one of the basic tenets of our system. We meet the challenge of the next five years, the more profitable it will be—for our businesses, and for ourselves.

and this is going to be true during much of your tenure as export managers today.

Peculiar Responsibility of Export Managers

A peculiar responsibility rests on the shoulders of you export managers today.

In Moscow, a sighted little group of men in the Kremlin think about you and what you are doing to sell your goods around the world.

When you pour into Iran the supplies that are helping to put that nation on its feet and make you warmongers and hold feverish schemes for doing business for us. Ask Stalin what we were fetching at the highest level in its history. A single salesman was circling the world for this company, bringing in major continent on an average of just once in one year.

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NEW ISSUE CALENDAR

March 30, 1950

Hoffman Radio Corp.

March 31, 1950

Iowa Electric Light & Power Corp.

April 1, 1950

Gundel (J. B.) & Co., Inc.

April 4, 1950

Georgia Power Co., 11 a.m. (EST)

April 5, 1950

Delaware Power & Light Co.

April 10, 1950

Hastings Manufacturing Co.

April 11, 1950


April 12, 1950

Boston Edison Co.

April 13, 1950

Delaware, Lackawanna & Western RR.

May 22, 1950

Iowa Public Service Co.

May 24, 1950

H. H. Doak & Co.

Empire Oil of Texas, Dallas, Tex.

March 24 (letter of notification) 10,000 shares of capital stock (par $100) to be offered at par to stockholders at the rate of seven new shares for each eight shares held.

Equitable Securities Co., Indianapolis, Ind.

Feb. 24 (letter of notification) $100,000 of 5% sinking fund debentures, $1,000, payable June 1, 1950.

Equity Fund, Inc., Seattle, Wash.


Fitzsimmons Stores, Ltd., Los Angeles, Cal.

(16 letter of notification) 50,000 shares of class A common stock, $100 par value, to be sold for $1,000 per share, with an optional exchange for 3,254 shares of Roberts Public Markets, Inc., at the rate of seven shares of Fitzsimmons for each share of Roberts Public Markets.

A stock had been issued in exchange for 1,949 Roberts Public Markets, Inc., shares. Underwriter—Biddulph, Biddulph & Co., Inc., 150 Water St., New York, N. Y.

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Jefferson Telephone Co., Jefferson, Iowa March 22 (letter of notification) 131,000 shares of series D (15%), preferred capital stock (par $100). Proceeds—To be used for liquidation. Underwriter—None. Price—At $100 per share. Proceeds—To be paid to creditors of the corporation.

Kawasaki City Power & Light Co. March 23 (letter of notification) 9,000 shares of capital stock (no par) to be offered by United Light & Roy, Co., Chicago, at $12 per share to United States Holders of record by May 23. Proceeds—To retire Series A, and series C bonds and for other corporate purposes.

Lincoln Telephone & Telegraph Co., Lincoln, Nebraska March 23 (letter of notification) 15,000 shares of common stock (par $16.625). Price—$20 per share. Underwriter—None. Proceeds—To be used for working capital and expansion.


National Gas & Electric Co. March 27 (letter of notification) 10,000 shares of common stock (par $1). Proceeds—To be used for working capital.

Norfolk & Western Railway Co. March 27 (letter of notification) 9,000 shares of common stock (par $10). Proceeds—To retire Series A and Series C bonds and for other corporate purposes.

Oklahoma Gas & Electric Co. March 27 (letter of notification) 1000 shares of common stock (par $1). Proceeds—To be used for working capital.

Pittsburgh-Des Moines Steel Co. March 27 (letter of notification) 4,500 shares of capital stock (par $100). Proceeds—To be used for working capital.

Rock Island & Pacific Railroad Co. March 27 (letter of notification) 4,500 shares of capital stock (par $100). Proceeds—To be used for working capital.

Spartan Motors Corp., Charlotte, N. C. March 27 (letter of notification) 10,000 shares of common stock (par $1). Proceeds—To be used for working capital.

Sun Oil Co. March 27 (letter of notification) 10,000 shares of common stock (par $1). Proceeds—To be used for working capital.

Union Pacific Co., Inc. March 27 (letter of notification) 10,000 shares of common stock (par $1). Proceeds—To be used for working capital.

United Artists Corp. March 27 (letter of notification) 10,000 shares of common stock (par $1). Proceeds—To be used for working capital.

United States Steel Corp. March 27 (letter of notification) 10,000 shares of common stock (par $1). Proceeds—To be used for working capital.

United States Steel Corp. March 27 (letter of notification) 10,000 shares of common stock (par $1). Proceeds—To be used for working capital.
State Loan & Finance Corp. (4/11)
March 15 filed $4,000,000 of 5% 10-year sinking fund debentures due April 15, 1965, for
Baltimore, Md. —To be sold for cash. Underwriter—Kidder, Peabody & Co., Inc.

Seudre Gold Mines Ltd., Toronto, Canada (4/27)
July 6 filed $1,000,000 of 5% first mortgage gold debentures due July 15, 1965, for
Toronto, Ont. —To be sold for cash. Underwriter—Kidder, Peabody & Co., Inc.

Supreme Perpetual Corp., Phoenix, Ariz. (4/1)
March 17 filed $2,000,000 of 6% preferred stock due March 15, 1985, for
Phoenix, Ariz. —To be sold for cash. Underwriter—Kidder, Peabody & Co., Inc.

Teeco, Inc., Chicago (4/12)
April 20 filed $750,000 common stock offering—These shares are to be offered to holders of common stock in Zenith Radio Corp., of record July 15, 1949, at rates of one share for each five held. Price—At par.

United States Steel Corp. (4/27)
March 15 filed $500,000 of 5% preferred stock due May 1, 1965, for
Pittsburgh, Pa. —To be sold for cash. Underwriter—Kidder, Peabody & Co., Inc.

United States Steel Corp. (4/3)
March 13 filed $500,000,000 of 5% first mortgage bonds due May 15, 1964, for
Pittsburgh, Pa. —To be sold for cash. Underwriter—Kidder, Peabody & Co., Inc.

7-8-27

Palladiums Nepheline Mining Co., Ltd. (3/30)
Feb. 21 filed 1,000,000 shares of capital stock (par $1 Canadian) for

Pennsylvania & Southern Gas Co., Westfield, New Jersey (3/17)
March 7 filed (notice of registration) 15,761 shares of common stock at the market (estimated at $4 per share) for

Plumblin Mines Co., Salt Lake City, Utah (4/30)
March 16 filed $10,000,000 of common stock (par $100) of which 200,000 will be sold for cash and 8,000,000 for sale under underwriters. Proceeds—To explore and develop mineral land in Pithone, Utah. Underwriters—Bioren & Co., Philadelphia.

Power Petroleum Ltd., Toronto Canada (4/23)
April 24 filed $2,500,000 of 7% debentures (par $100) of which 1,000,000 on behalf of company and 150,000 by New York Co., Ltd., Price—50 cents per share. Underwriters—Kidder, Peabody & Co., Inc. and Whitaker, Farnham & Co., Ltd.

Preferred Fire Underwriters, Inc., Seattle, Washington (4/20)
March 15 filed (notice of registration) 1,500 shares of preferred stock and 15,500 shares of common stock for
Seattle, Wash.—To be sold for cash. Underwriter—Kidder, Peabody & Co., Inc.

Republic Investors Fund, Inc., New York (4/20)
March 29 filed $28,000,000 first and refunding mortgage bonds due 1915, for

Robertson Gas & Oil Co., Midland, Texas (4/3)
March 16 filed $500,000 of preferred stock due 1925, for
Midland, Texas.—To be sold for cash. Underwriter—Kidder, Peabody & Co., Inc.

San Diego (Calif.) Gas & Electric Co. (4/3)
March 5 filed $10,000,000 common stock for
San Diego, Calif.—To be sold for cash. Underwriter & Price—To be fixed by amendment. Traditonal underwriter: Byth & Co., Inc. —Proceeds—to finance construction and for further construction.

Security Insurance Co. of New Haven (4/4)
March 22 filed 50,000 shares of capital stock (par $10) and 4% first mortgage bonds due 1965, for
New Haven, Conn.—To be sold for cash. Underwriter—Kidder, Peabody & Co., Inc.

Sentinel Radio Corp., Evansville, Ind. (3/15)
Feb. 15 (letter of notification) 40,000 shares of common stock (par $1) for

Service Finance Co., Los Angeles, Calif. (3/19)
Dec. 19 (letter of notification) 6,000 shares of common stock (par $1) for
Los Angeles, Calif.—To be sold for cash. Underwriter—Tellier & Co., Los Angeles, Calif.—Proceeds—for working capital.

South Carolina Electric & Gas Co. (3/27)
Nov. 22 filed $22,000,000 first and refunding mortgage bonds due 1940, for

State Loan & Finance Corp. (4/11)
March 15 filed $4,000,000 of 5% 10-year sinking fund debentures due April 15, 1965, for
Baltimore, Md.—To be sold for cash. Underwriter—Kidder, Peabody & Co., Inc.

Budweiser Gold Mines Ltd., Toronto, Canada (4/24)
July 8 filed (notice of registration) 1,500 shares of common stock (par $1 Canadian) for

Wisconsin Fuel & Light Co., Manitowoc, Wis. (2/24)
March 24 (letter of notification) 886 shares of common stock (par $5) for
Continued from page 45

* Cleveland Electric Illuminating Co. April 25 stockholders will vote on increasing authorized capital stock to $100,000,000. The company has the right to acquire real property within the city limits of Cleveland and to provide service with a reasonable markup on all such property. The company will also vote on a proposal to amend the charter and increase authorized capital stock.

* Republic of Philippine Islands. The Republic plans to sell $50,000,000 in bonds to finance a new port. The bonds will be sold at a rate of 5 1/2% and will be due in 1965. The proceeds will be used to construct a new harbor facility.

* Utah Power & Light Co. April 21, 1951, is the date for the annual meeting of stockholders. The company reported net income of $7,200,000 for the year ended December 31, 1950, compared to $6,800,000 for the previous year. The company has plans to expand its operations in the southwestern United States.

* Federal Reserve Bank of St. Louis. The bank has been authorized to sell $50,000,000 in first mortgage bonds to finance a new building. The bonds will be sold at a rate of 5 1/2% and will be due in 1965. The proceeds will be used to construct the new building.

* First National Bank of Chicago. The bank has been authorized to sell $50,000,000 in first mortgage bonds to finance a new building. The bonds will be sold at a rate of 5 1/2% and will be due in 1965. The proceeds will be used to construct the new building.

* Georgia Power Co. April 21, 1951, is the date for the annual meeting of stockholders. The company reported net income of $6,000,000 for the year ended December 31, 1950, compared to $5,800,000 for the previous year. The company has plans to expand its operations in the southeastern United States.

* Green Mountain Power Corp. April 7, 1951, is the date for the annual meeting of stockholders. The company has been authorized to sell $50,000,000 in first mortgage bonds to finance a new building. The bonds will be sold at a rate of 5 1/2% and will be due in 1965. The proceeds will be used to construct the new building.

* Houston Gas & Electric Co. March 21, 1951, is the date for the annual meeting of stockholders. The company has been authorized to sell $50,000,000 in first mortgage bonds to finance a new building. The bonds will be sold at a rate of 5 1/2% and will be due in 1965. The proceeds will be used to construct the new building.

* Northwestern Public Service Co. April 7, 1951, is the date for the annual meeting of stockholders. The company has been authorized to sell $50,000,000 in first mortgage bonds to finance a new building. The bonds will be sold at a rate of 5 1/2% and will be due in 1965. The proceeds will be used to construct the new building.
Seaboard Air Line RR.
Fed. 7 directors appointed a committee to proceed with the sale of the standing mortgage bonds, with the view of realizing a sum of $50,000,000. Suitable bids for these bonds would be submitted to the board.

Southern California Edison Co.
March 23, the company expects to issue this sum of $50,000,000 of bonds. Suitable bids for these bonds will be submitted to the board.

Southern California Gas Co.
Dec. 21, the company will issue $32,000,000 of additional first mortgage bonds, the proceeds of which will be used to refund its current construction costs.

Pacific Coast.
Feb. 16, the company will issue $15,000,000 of bonds, to be used for the construction of new facilities.

Spencer Chemical Co.
March 19, the company will issue $10,000,000 of bonds, to be used for the construction of new facilities.

Texas & Pacific Ry.
March 22, the company will issue $15,000,000 of bonds, to be used for the construction of new facilities.

Equitable Gas Co.
Stock Marketed by Underwriting Group

2,000,000 shares of equity, offered at $24.25 per share, have been marketed by a group of underwriters led by Underwriting Co. and Kidder, Peabody & Co. The underwriters are:


Our Reporters’ Report

Investment bankers are inclined to be a little more sang froid this week, partly because the market is showing some strength.

Belief is now that the Treasury will undertake its next piece of new financing during the coming month. The Treasury is expected to be a substantial investor.

The effect of this operation by the money managers has been most pronounced on the municipal and sub-government markets. The World Bank’s $150,000,000 of bonds was at issue last week, and the effect of this operation has been to bring about a substantial uptick in these markets.

Things took on a better coloring this week with the reissue of the Treasury’s $200,000,000 of bonds, particularly in the first issue market. The effect of this issue on the market was substantial.

And the effect of the corporate issues involved, disclosed in a recent story on the preferred stock market, that would bring out the competition.

The stock issues, all in the utility field, indicated the market would face a reasonably good test of its absorption powers.

DIVIDENDS

Good Year Dividend

The Board of Directors has declared the following dividends:

First and Second Preferred Stock, payable to stockholders of record on March 15, 1950, will be paid to stockholders of record on March 15, 1950.

New Jersey Public Service Co.
12,000,000 shares of new first mortgage bonds, at 100, will be issued and sold to the public at the following prices:

1. $100 per share for the first $4,000,000 of bonds.
2. $99 per share for the remaining $8,000,000 of bonds.

The underwriters will be:


The underwriters will be:


The underwriters will be:


The underwriters will be:

WASHINGTON, D. C.—One of the little-noted phases of the President's mass or reorganization schemes was that which, on the face of it, subsumed the national banking system to complete political domination.

Among the several plans which the President proposed, in effect, to merge all Federal power within the agency to the Secretary of the Department and then permit the Secretary, in effect, to delegate that power back to the agency which handles it, was one which would transfer to the Secretary of the Treasury the powers of the Comptroller of the Currency to look after a dozen banks. This an incidental but real point involved in the reorganizational plan relating to the Treasury.

In practice the Comptroller of the Currency is completely independent within the Treasury. Its examining and lending policy are left alone by the Treasury.

So long as the Secretary of the Treasury, it is a safe bet that the national banks will not be interfered with by the Treasury or be asked to submit to political policies.

On the other hand if there should be a Treasury Secretary who took his powers literally, should this plan go through, there could certainly try out a sort of ideas on the national banks on how to go about competing with depositors' money.

As yet it is not known who will occupy the Administration thought up the idea—which is again at issue. Hoover making it possible for some future Truman to do what he would have done by the Treasury or be asked to submit to political policies.

This, of course, is a debatable point, but it is certain that the Senate would not have passed the banking legislation it was asked to if the Senate had known that Chairman Hardy would say on the floor of the Senate that the sub-committee is about ready to report and that when the report is perfect the Treasury Department can find out what it is about. Scores of secretaries are parading into and out of the inquiry.

Two "little" Bills whose consequences would eventually be anything but small are about to get a favorable hearing from the House Education and Labor Committee. They are worth a moment's thought.

One of these would set up a fund of $50,000 in finance for small inheritors. Half this fund would consist of a grant toward local school construction, and the remainder would consist of RFC loans for school construction, loans to run 20 years and cost $250,000.

The other would rather generally strengthen the Government's existing policy for primary and secondary education of children "on certain non-subsidized Federally-owned property and for school children residing in localities overburdened with increased school enrollments resulting from Federal activities in the area."

Both these proportions would enact as permanent law parts of the war-time Lanham Act, in which the Government undertook by one means or another to provide "smaller municipal services in areas of congested war production. Localities got used to Federal help during the war. They want to keep it."

Neither of these Bills will meet much opposition from the public, generally, until we are about ready for the next election. It is probable that neither of them will become law this year.

What gives them significance, however, is that they are logical companions for the aid to education Bill, which seems to be strewn in the House. The lending education lobby could concentrate on getting "at least this much passed," and go on and save its fire for the big federal aid to education for the years to come.

Here is what can be expected in the way of a highway websiteization bill from this Congress:

The sum will be $500,000, probably no more. That will $500,000 for each of the two fiscal years commencing July 1. Congress is not inclined to give more, despite the feeling that roads have been neglected.

Congress probably will kill the newly-fangled idea of setting up a special fund of $70 million or more for special use in inter-city highways, to be apportioned on a basis of 75% Federal, 25% state contributions. The sentiment seems to be for retaining the old 50-50 formula.

On the other hand, there is a possibility that $150 million per year of the $500 million will be earmarked for the inter-city highways on the 50-50 conventional matching basis, thereby cutting down on the authorizations available for other state numbered, urban, and secondary roads.

Another thing which may pass will be the new provision providing for the use by a state of Federal aid highways to pay bonds sold by a state to finance Federal highway construction in anticipation of the Federal aid grant. It was explained, however, that while permitting receipts from Federal authorizations to be employed for that purpose, the bonds would no way be Federally guaranteed, but would depend upon Congress appropriating money to a fund for projects already allocated, approved, and constructed.

With the publication of the Joint Economic Committee's report on "Volume and Stability of Private Investment," last week, it has now become certain that the JEC has departed primarily from any concept of studying broad questions and instead has turned into a vehicle for publishing one-man shows.

This report is as much Senator O'Mahoney as the Monetary sub-committee report was Senator Douglas. It has got to be that Chairman of JEC subcommittees are granted a special franchise through these subcommittees to conduct special one-man circuses to propose and publicize their pet ideas and reforms.

Thus, Senator O'Mahoney, as Chairman of the Investment subcommittee, emphasized throughout the report what has come to be known as the "O'Mahoney fairy tale," not because he invented it, but because he spends so much time riding this idea.

This idea is that government has to be big because business is big. Big government comes only because business is big and gov-

ermment, by some unexplained process, has to match it with big-ness.

Senator O'Mahoney loves the private enterprise system, and he means it. He is every bit as convincing as the other expressing solicitude for Little Red Riding Hood.

This reduction is important, and something by golly had better be done about it, the Wyoming Sena-

tor believes. However, the government could cut taxes now because it must maintain domestic prosperity, world prosperity, and world peace. So, the Congress had better get right in there and study the tax problem.

Senator Bob Taft and Rep. CHRISTIAN HERTER OF NEW HAMPSHIRE did take time out enough to give a few elementary figures to show that the tax problem has something to do with short-

age of equity capital, and to note, incidentally, that the shortage of equity capital af-

fects big as well as little busi-

ness, so m e t h i n g O ' M a h o n n e y largely overlooked.

In short, O'Mahoney be-

low the assumption of double taxation of corporation income. There is "nothing extraordinary about it; the corporation income tax being called by him a "frac- tive." It business kicks about the "franchise tax," then why doesn't it go back to the big division and co-partnership way of doing business, the Senator in-

quires.

Tuesday, March 30, 1950

This column is intended to re-

fect the "behind the scene" inter-

pretation from the nation's Capital and Eastern financial and busi-

ness, with the "Chronicle's" own views.

Cement Stocks:
Riverside Cement
Spokane Portland Cement
Oregon Portland Cement
Covplay Cement Mfg.
Giant Portland Cement

LERNER & CO.
Investment Securities
16 Post Office Square, Boston 1, Mass.
Telephone Wight 2-1950 Telephone 68 59

Dalt Walt Disney Productions
"The Cinderella Stock of 1960"
Analysis on Request

MISSOURI/MISSOURI
General 4-7160
Cement Stock, 1950
Common A and P/L—When Issued

BATHIN & CO.
23 Broad Street, New York 4
Telephone 3-3382

Thursday, March 30, 1950

Southern New England Telephone

Stock and Rights

Hill, Thompson & Co., Inc.
Trading Department
120 BROADWAY, N. Y. 5
Telephone Rector 8-3300

Forex Securities

CARE MARKS & CO., INC.
FOREX SECURITIES
SPECIALISTS
50 Broad Street
New York 4, N. Y.