EDITORIAL

As We See It

The recent pronouncements of the British Labor Party threw a bombshell into current negotiations about the so-called Schuman Plan, but sober second thought reveals that it did a good deal more than that.

There must be a good many in Washington who of late have felt very much like many a European statesman felt when the famous cablegram of President Roosevelt smashed the London Economic Conference in 1925. It is difficult to understand how Washington officials as well as French and other national figures could have left their heads of the British Labor Party’s recent pronouncements with emotions very different from those of 1933. The Government in Britain, if we can as we are asked to do, make a clear distinction between the party and the Government which gives it its life and sustenance, may do its best to shuffle somehow out of the embarrassing situation in which it has been placed by an opposing faction in its party, but one can scarcely doubt that the Schuman Plan so far as its success is dependent upon support from the present British regime is “on the critical list” to say the least.

But this does not seem to us to be the full story by any means. For one thing, this episode must raise in the minds of thoughtful people everywhere the question as to whether we are not in a sense once again deluding ourselves about our ideological friends and enemies. One would be quite irresponsible were he to suggest that the socialists, either in Britain or elsewhere, are likely to ape their cousins, the communists, in their international political behavior—that is the political behavior as exemplified by the Kremlin.

Continued on page 29

Will We Have Another Postwar Slump?

By WILLIAM A. MCDONNELL∗

President, First National Bank, St. Louis, Mo.

Midwest banker, in giving reasons why customary postwar depression has not come, points out: (1) World War II economically has not yet ended; (2) government has intervened in economic field; and (3) modern technology has had revolutionary effect on domestic and international problems. Held that reliance on relative freedom from controlled economy has been taking place with objective of state ownership of instruments of production. Says we live under “managed-money economy” and looks for economic readjustment when automobile building and constructing slumps and when heavy government arms outlays diminish.

After every major war in which our country has been engaged we have had a severe deflationary period. From the first time in our history—thus far, at least—this has not occurred. The pattern of business and economic developments since the close of hostilities in 1945 has on the whole been surprisingly different than what our past experience would lead us to expect. Five years after the end of the shooting, business demand in most lines continues near record levels with about sixty million persons gainfully employed. Unemployment, what little exists, is due mainly to additions to the labor force of about 1,000,000 annually as compared to 600,000 a year, a decade ago. The steel industry is operating close to or beyond its theoretically rated capacity, and the automotive industry promises to turn out a new all-time high record production this year; the construction industry is erecting new housing units at a rate almost twice that of any previous year.

∗An address by Mr. McDonnell at the Annual Convention of the Purchasers and Stores Division, Association of American Railroads, St. Louis, Mo., June 16, 1950.

The Federal Threat to Chartered Banking

BY F. RAYMOND PETERSON∗

President, American Bankers Association

Chairman, First National Bank & Trust Company, Paterson, N. J.

ABA President attacks bill pending in Congress to set up Federal credit agencies for granting and guaranteeing loans to small businesses. Gives details of proposed legislation and contends bill, if passed, would establish a new and third banking system which would compete with and possibly destroy state and national chartered banks. Attacks government-guaranteed loans, and sees no need for loan agencies to aid small businesses.

The Annual Convention of the New York State Bankers Association this year comes at a time that may later prove to have been a very important period in the history of American banking. This year, as a member of the ABA’s official family, I have traveled thousands of miles and talked with many bankers and business men. In my talks with them, I have found that the main item of almost universal concern deals with the question of whether we are on the road toward inflation.

There are many influences today that are tending to produce stability in the economy. There are also of course forces which definately are now contributing to another forward movement of the forces of inflation: and for the most part, these stem from the government’s spending programs and its policies and actions in the field of credit.

This morning I want to discuss an important current development. Legislation to stimulate and provide government-sponsored credit and capital for small business has recently been introduced in Con-

Continued on page 29

I. D. A. OF CANADA CONVENTION ISSUE—The Second Section of today’s issue of the “Chronicle” is devoted to the 34th Annual Convention of the Investment Dealers Association of Canada, held at Montebello, Quebec.

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BONDS & STOCKS

Dear Mr. Peterson:

The people of New York State have been perplexed by the present inflationary situation. Inflation rose to its highest level so far in 1950. In the absence of a declaration that inflation had started, the people of New York State were not aware of the situation until some of the economic statistics were released permitting them to see how bad the situation really was.

This letter is to express our appreciation of the book of information you sent to us. While there may be a somewhat higher rate of inflation than the national average, this is due to the higher cost of living in the New York area. We should like to express our appreciation of the book of information you sent to us. While there may be a somewhat higher rate of inflation than the national average, this is due to the higher cost of living in the New York area. We should like to express our appreciation of the book of information you sent to us. While there may be a somewhat higher rate of inflation than the national average, this is due to the higher cost of living in the New York area.

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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 and give their reasons for favoring a particular security.

LOUIS H. GOLDMAN
Partner, Goldman, Sachs & Co.

Members of N. Y. Stock Exchange

(Tennessee Corporation)

"A Security I Like Best for the future is a steel company with which I would care to write since it is making a transition from which to choose and the question of timing is all important. Making one's selection would much rather like this article A Security I Like for the Future."

In seeking a security for a long term appreciation, as well as for income, the investor will find a number of excellent types. I shall primarily refer to iron and steel companies which have been recently factored as being in a transition period. The latter must be taken into consideration. First, however, I would like to present a situation which has future growth potentials; secondly, the investor cannot have a conservative management, and third, the industry must be favorable for a long-term investment. For the company to possess a diversification which would give a higher degree of stability to earning from year to year. To my mind the stock of Tennessee Corporation represents an investment with increasing desirability.

The Tennessee Corporation, incorporated in 1915, is engaged in the mining of ores from companies owned mines in the state of Tennessee. The principal content of the ores is iron, sulphur, copper and zinc, in the order of importance. The company's plants process these ores and produce sulphuric acid, copper, zinc, iron and steel and iron sills, and steel. The company operates fertilizer plants which use the company's own sulphuric acid and other products. The company also manufactures fertilizers for sale, and shows variable financial information in its annual reports. The company's financial condition in this year's report and would seem to be in a position to survive almost any foreseeable future period of economic adjustment.

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THURSDAY, JUNE 22, 1950

THE COMMERCIAL AND FINANCIAL CHRONICLE

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Common

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Bonds

Makahis Carbon Chemical

Henry B. Warner & Co., Inc.

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Films

Rouse & Co.

New York Stock Exchange

Chicago, Ill.

New York Stock Exchange

New York Stock Exchange

N. Q. B.

OVER-THE-COUNTER

INDUSTRIAL STOCK INDEX

11-Year Performance of 35 Industrial Stocks

BOOKLET ON REQUEST

National Quotation Bureau

46 Front Street

New York, N. Y.
Coming Shifts in Fiscal Policy
By BEARDSLEY Ruml* 
Former Chairman, Federal Reserve Bank of New York

Assembling have there been new discoveries in economics and finance as well as in science, Mr. Ruml contends one of these discoveries, a boost that Federal deficits, proudly incurred in times of unemployment, tend to be deflationary rather than inflationary. Cities financing war with reduced interest rates as new shift in fiscal policy, and lays down principle that taxes should be set higher, but not to avoid or maintain stability of currency. Advocates budget surpluses in prosperity and deficits in depressions, along with stable tax rates. Favors a "consoling cash budget" to meet recurrent of government transactions on the economy.

The discoveries and insights coming out of World War II are by no means limited to physical chemistry, biology and surgery. Advances have also been made in the management fields of finance and economics.

The full import of these advances is not yet understood and has been followed, it appears to many, with extreme caution. This is true of both the private and public sectors, where much of the thinking and planning has been guided by the belief that the forces of the depression have been subdued and the economic climate is a stable one.

Uninitiated except by technicians, we are not yet guiding our great productive capacity into the kinds of products which marketing research has told us people really want and need. At the same time, the wave of market production has guided us in the amounts of various products which could be absorbed, thus avoiding either overproduction or the wastes of shortages.

In the field of economics is helping, too, in avoiding the severe extremes of business cycles we have known in the past.

A New Insight
Let me give you a more recent insight into this field of economics. During the 1907-1908 depression people believed that a deficit budget was inflationary. Today we see that nations have been more of unemployable which want to work with lots of dollars invested in idle capacity needs. cholera is much like a factory or company that has a stable amount of unused capacity.

Under such circumstances, an increase of demand tends to result in higher costs and therefore under competition tends to reduce prices rather than to increase them. For the same reasons, Federal deficit policy is insured in times of unemployment, since they also tend to reduce unit costs, tend to remove the cost factor from inflationary as far as the purchasing power of the dollar is concerned.

These discoveries, insights, or whatever you wish to call them, in the field of economics and financial theory, as well as their potential for rational planning, are not only of interest, but are vital to the success of our economic system. It is not difficult to imagine how the forces of unemployment could be used to good advantage.

While our capacity to produce has grown with leaps and bounds, at the same time we have made tremendous progress in the fields of marketing research and marketing measurement with such descriptive studies as consumer panel, consumer surveys, and testing laboratories.

As an address by Mr. Ruml before the 50th Annual Meeting of the New York State Bankers Association, Spring Lake, N. J., June 17, 1940.

* Address of Mr. Ruml before the 50th Annual Meeting of the New York State Bankers Association, Spring Lake, N. J., June 17, 1940.

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Every Thursday current financial and real estate issues and every Monday commercial and real estate issues, stock earnings, stock dividends, stock price changes, and other financial news.

Note—On account of the fluctuations in the price of exchange, reimbursements for foreign subscriptions and advertisements must be granted on account of the foreign subscriptions and advertisements must be granted on account of the entire year, no prorations being allowed. This is a condition of subscription.
Today's Costs of Tomorrow's Pensions

BY ROBERT C. TYSON

Comptroller, United States Steel Corporation

Characterizing first-half of 20th century as a "blaze of welfare, security and deficit financing," Mr. Tyson reveals problems and complexities in setting-up pension plans; makes the accountant responsible of a management in computing and checking the actual and prospective costs of pension systems. Describes various cost-cutting methods.

When historians of the future write our history for the first half of the 20th century they will probably say that it went out in a blaze of welfare, security and deficit financing. It seems that the basic idea of society is to provide for those who need help in old age. The various pension plans that pop up: How much will the pension be? Will it be live 45 years or so? How much longer? Will it be with the company that you are with the money to come from to pay his pension? How is it to be provided? There are many, many questions. They may simplify in their complexity as soon as you begin to consider the pension plans of more than one man. Who is to answer these questions and answer them before the pension plan is made? Should the employer submit to you all such questions as are merely in terms of records—records of earnings, turnover in employment, the probability of health, the decline in the scale, survival in retirement, the length of the business and its employment, the sources of funds and so on. These are things about which accountants and actuaries are supposed to know more than any other members of the management team. Pensions, I repeat, are matters that present both opportunities and obligations to the accountant.

The Pension Bases

In deciding upon a pension plan the first thing to be determined is usually the bases upon which the pension payments are to be determined. In the case of United States Steel the plan's pension the bases are the length of the service, age and reason for retirement. There were over the last 10 years of employ- ments of accountants and actuaries: the minimum amounts inclusive of social security benefits. An important question is what is the cost and the company stand it. Depending on the cost, the bases are subject to re-consideration and revision.

I believe that the cash disburse- ment plan is undesirable from an accounting point of view because it costs in the cost of the product currently produced. The money is not earned but paid after the em- ployee has left the company. It seems to be no justification for an employer to pay more than the cost simply because the payment part of the cost is diverved for the service of which the service for which it is paid. Why would any employer who does not want to use a current basis recognize the current cost as the cost of the time as the employee upon whose earning basis is paid to have his contributions and revision.

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The trend of total industrial production made further mild progress the past week and continued moderately above the level for the past month. In keeping with the high level of production, the rate of output overall continued claims for unemployment in- 
surance for the period that initial claims were virtually on a level with the previous week.

Despite record-breaking production the last nine weeks steel-
makers are reporting a backlog to progressextérieur to order accumulations. In fact, overall supply is tighter today than two months ago. In the weekly magazine, metalworking industry weekly. The mills will enter third quarter with heavy tonnage backlog in most major products, especially sheet and strip. Bar plate and highly finished output, however, will be heavy with deliveries extending into fourth quarter. Bulk of third quarter output already is committed, leaving only relatively small tonnage open in the period for new business, this trade paper notes. All signs point to heavy consumer requirements throughout the rest of the year. Some slackening, however, would not be surprising. Vacation shutdown alone may ease demand pressure on the high level business throughout the month. The rate is indicated with steelmaking facilities pushed to the limit as producers endeavor to reduce accumulations. In the absence of industrial decline in demand for tin plate, building steel, requirements for certain household appliances and even automobiles may con-tribute to an easing in pressure as summer advances.

Upward pressure on finished steel prices is intensifying, this magazine observes, but no general advance is likely in the near future. All major producers indicate continued resistance to rising raw material costs and to increases in the book rate figures. Signs of a reaction in the runaway scrap market have tended to ease pressure for a general markup on finished steel and automotive.

Automotive output soared to a further high point last week with gains registered by Chevrolet and Chrysler Corp. divi-
sions, according to "ward's Automotive Reports."

Bulk of the record production is being realized on five-day schedules. The news case of Ford and Chevrolet, which Monday, is continuing the agency reported. Overtime houses, however, were called in at a number of plants from Monday through Friday, it added.

On the basis of projected schedules, August production of cars and trucks is forecast to total 725,000 units, 10% higher than 520,000 units, the agency said. While this is only slightly over the 220,000 anticipated for June, it indicates a sizable gain over July. In that month a fewer number of work days couple with the three week suspension of operations were expected to hold the industry to about 700,000 comple-
tions.

On Friday of last week President Truman vetoed the freight absorption bill. The purpose of the legislation was intended to clarify certain business practices such as the use of delivered prices; freight absorption, as an unstated condition, to meet competition and not as a part of a price-fixing conspiracy. The President's statement indicated that the bill would be vetoed because it would displace and that the courts can be expected to clear up any doubts about the anti-trust law in which cases now pending.

Mr. Truman further stated: "I recognize the businessmen have been in a most difficult position for a considerable time and appropriate competitive action."

Continuing, he said: "I believe there is a need for a stabilization and that there is a need for an account man-
certified with the advice of the President con- m, and account since 1895.

Mrs. Himes was also graduated from the Albany Academy for Girls and graduated from Columbia University School of Social Work in 1932. She studied at the New York Institute of Fin-

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rts to the board of directors of
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EVERYBODY KNOWS

The

Commercial Record

is as simple as that. We are down to the proposition of whether we shall maintain the American tradition that government is the servant and not the master of the people, or whether this tradition shall be turned about and all of us, by gradual and inextinguishable automation in a vast complex, just paying more and more taxes as the years go by.

The Lodge-Brown Act provided for a commission to investigate the executive branch of the government. President Truman sent in at the commission's first meeting and he made former President Hoover chairman of the commission. Secretary of State, was the vice-chairman.

The Commission was charged with the responsibility of finding ways of liberalizing thependitures to essentials, by cutting out duplications and overlapping services, but without limiting any of our existing services.

In the words of the Hoover Commission has told us how to limit costs, rather than a meat axe.

The Commission began and ended on a scientific basis. It had 14 committees, or Task Forces, of research experts, and one institute. Each and reported their findings in a volume which the Committee assembled into a report in 19 volumes of 2,000,000 words. There wasn't a single division of opinion on political grounds.

This report is now known as the Hoover Commission's Reorganization of the Federal Government.

The Hoover Report

Going through this report, item by item, is a hard job. It is also a fascinating job, but it is a job that must be done. And if you don't have time, then reading the Hoover Report is a fine way to get the facts.

For instance, the Hoover Commission found that the government payroll had in full flowers of glory and service for every citizen.

These "bugs" are not the fault of any particular political party or individual. They have developed with the passage of time, in the executive branch of the government, that has, like Topsy, "just grown up." Through years of depression, war, and war, no end of bad government, good purposes — necessary purposes. But it seems that after a time another million dollars are added to the national budget, it becomes suddenly necessary to hire another hundred more employees, or a couple.

This situation has gone on, year after year, until we today come to believe that we are in danger of being taken for granted, by the interest alone on the national debt costs as much as it did to run the entire government 20 years ago. That debt of the national government was a little over $7,000,000 on every family in America, a debt that the fathers of our country, and our children's children, are to pay, and an increasing debt is still going up, even in peace time.

I tell you, too, that our $42 billion national budget means that government is spending $79,900 every minute. In the time it takes me to complete this sentence—quarter of a minute—your government spends, on the average, $18,977.15.

An interesting thing about this situation is, that nobody is blaming the Republican or Democratic Party, for it has even the Republicans are blaming the Democrats. And when they see that, then back in July, 1947, Congress began to get interested in state affairs, and unanimously passed the Lodge-Brown Act to give the Americans one more chance to master their government before it became its slaves.

The

Daily Commercial Record

These duplicating and uncoordinated agencies have created such a welter of confusion in the field of government that the oldest government employees have found it difficult, if not impossible, to know exactly what they are supposed to do, or to whom they are responsible.

For example, after the war the Army had a $16,000,000 camp in Alaska that it no longer needed.

So the Army tore the camp down and shipped the lumber to Seattle. The Post Office Department shipped the pieces of interior took it over, shipped it back to Alaska and reconverted it at something like $250,000. The Army had it originally.

In the Post Office Department, with 500,000 faithful employees in 7,000 villages and hamlet in America, it is spent over $500 million every year. It operates under 31 separate agencies, each and every one with its own budget, its own office, its own agents, its own staffs, its own branch offices, and its own private fleets of vehicles.

We are indebted Republicans, nor Democrats, Protegants, Catholics on Jews, who have written to just Americans who believe that the Democratic system is the best there is, and no one is interested in their system. It has bugs in it of its own. To be sure, that is not good enough in order that democracy can come to its full power of glory and service for every citizen.

Yet Uncle Sam is a notoriously poor employer. About 50 per cent of persons leave government employment every year. Many of them fed to bread and butter. Social sniffs of red tape and tight bureaucrats, and unemployment. In the other hand, it is practically impossible to rid of an unsatisfactory Federal employee. It takes, on an average, seven years for a man to find a way out. In one case it took 15 months to dismiss an employee against whom 45 instances of incompetence and insincerity had been proven.

It's things like that the Hoover Report would correct.

The Commission found that we have 30 agencies lending your tax money. We have 11 agencies dealing with mineral resources. We have 28 agencies dealing with welfare, and the children's children, are to pay, and an increasing debt is still going up, even in peace time.

I tell you, too, that our $42 billion national budget means that government is spending $79,900 every minute. In the minute it takes me to complete this sentence—a quarter of a minute—your government spends, on the average, $18,977.15.

An interesting thing about this situation is, that nobody is blaming the Republican or Democratic Party, for it has even the Republicans are blaming the Democrats. And when they see that, then back in July, 1947, Congress began to get interested in state affairs, and unanimously passed the Lodge-Brown Act to give the Americans one more chance to master their government before it became its slaves.
already on hand, and is worth $27 billion. The $27 billion worth of equipment is stored in warehouses for which the government pays high storage charges.

While on the subject of purchase, I am going to tell you something that you will find hard to believe. Yet it is a fact.

Would you believe that it costs the government an average of $10 for every dollar you receive in cash? As soon as it is cashed, it costs $10 in material and handling. Consequently, when the government buys an item for 50 cents, it pays $1 for it, and not the $0.50. I know you may doubt that a story like this can be true, but the proof is in the Hoover Report.

These things have resulted from unmanaged expansion of the government to keep pace with the growth of the nation. Mr. James A. Farley, former Chairman of the Democratic National Committee and former Postmaster General, speaking in Syracuse several weeks ago, made a startling statement of fact that has been reported throughout the nation. It bore on the growth of the nation and the comparative growth of the government.

Mr. Farley said he did not doubt President Truman's prediction that in the next 50 years the national income would rise to $1 trillion. But Mr. Farley added, if the cost of government increased proportionately in the next 50 years, as it has in the past 50 years, the Federal Government would cost $8 trillion every year, and there would be 20 million employees.

Very obviously that cannot be! A halt has to be called, and soon, or the mighty maw of government will consume every dollar we earn, and all the property that we own. Right now, on the average, it costs each of you $349 annual income tax to support the cost of big government, plus the hidden and exorbitant taxes.

Public Support Must Be Had

Is it any wonder, then, that the men and women who have made a study of this problem are taking their case to the American people, and not only asking for help, but begging, for their country, for their way of life. We are doing this for ourselves. We are doing it for every man, woman and child in America. The job can't wait. The start has been made. Last year the Congress passed 20% of the Commission's recommendations. Recently, after a conference with President Truman, the Chairman of the National Committee, Dr. Robert L. Johnson, President of Temple University, reported that reorganization plans being prepared by the President would, if enacted at this session of Congress, mean a gratifying five percent of the recommendations.

Among the recommendations yet to be acted upon is that for reorganization of the Veterans Administration. This has become a controversial issue. But not a single right or service of veterans will be curtailed.

As a result of the report on veterans is that they are entitled to as fast and efficient service in settlement of claims as individuals receive from private agencies and insurance companies. The Commission found that the Veterans Administration had taken as long as 20 years, and in some cases as long as 50 years, to settle claims. The veterans' interests were given prime consideration in the entire study of government. This is demonstrated by the fact that the VA has already doubled the VA task force. Mr. D'Olier was the first national commander of the American Legion.

The post that is held out to all of us by the Hoover Commission is "Better Government at a Better Price." In attaining that goal, there will be stumbling blocks and opposition. Bureau heads don't want to give up personnel or authority; nor even if it means greater efficiency and saving tax dollars. Pressure groups will be active to save pet projects. Practically everyone will have some selfish interest to protect.

No one will suffer if the reorganization plan is adopted. But the taxpayers will be relieved of quite a bit of their suffering, because adoption of the Commission's recommendations will mean a saving of between $3 billion and $4 billion every year.

To make this possible, the Citizens Committee needs the help and support of bankers like us, both individually and collectively. You people, who have the interest of your nation and government at heart, must offset the pressure groups and the bureaucrats.

You can help by supporting the New York State Citizens Committee for the Hoover Report, by reading and studying its literature, by writing your representatives and senators; telling them in a sincere way that you are in deep earnest about this business of government reorganization. And you can talk to your friends and urge them to write letters, too.

As I have said, this is a citizen's crusade. By joining you will help not only yourselves, but your country as well. You can help to make it stronger, more vigorous, and its government more responsive to the will of the people. You can be modern Minutemen, defending our way of life in peace, as you would defend it in battle.

A. B. Morrison Adds

With Waddell & Reed, Inc.

With Inv. Service

First, they're met at the station

At frequent intervals throughout the day and night, the Chase trucks rush remittance letters from post offices and express terminals to the Bank... then "Individualized" Checks are sorted immediately into groups. As processed, those on New York are sent by messenger to the Clearing House for the 2, 8 and 9 a.m. clearings. Checks received up to 9:15 a.m. are included in the final clearings for the day at 10 a.m.

To the Portrait Box

Out-of-town items get special treatment, including microfilming for the protection of our correspondents... and off they go!

Checks go from Chase "the fastest way"—and that includes extensive use of air transport wherever practical.

We always welcome opportunities to show visiting bankers our check-handling departments and other facilities.

THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK
Member Federal Deposit Insurance Corporation

Volume 171 Number 4918 The Commercial and Financial Chronicle
Security of U. S. Impaired by Western Copper Bloc, Congressman Patterson Charges

Buying of copper futures resulting in recent price rises cited as evidence that domestic producers are "reasonably certain" that tariff on Chilean copper will be imposed July 1. Cost to public is placed at $150,000,000 yearly.

WASHINGTON, D. C., June 21.—A small but powerful" group of Western copper producers is threatening the security of the United States through its efforts to prevent passage of his bill to continue suspension of the import duty on Chilean copper, it was charged here by Congressman James T. Patterson (R., Conn.).

The recent buying of copper futures, resulting in a four-cent rise in the price of copper over the past two weeks, is "clear evidence" that certain Western copper interests and their friends are assured his bill will not be passed, and are "taking this opportunity to reap unconscionable and morally unjustifiable profits at the expense of the American public as the result of their knowledge," Congressman Patterson said.

While legislation fixing an import duty on Chilean copper was imposed in 1922, when domestic copper production exceeded demands, the duty has been suspended since 1941, when demands began to exceed domestic supply.

Unless Congressman Patterson's bill is passed by Congress and approved by President Truman by June 30, when the tax suspension legislation expires the two-cent per pound tax will automatically be levied July 1.

Declaring that there was no "reasonable" justification for the copper tariff, Congressman Patterson stated that domestic demands for copper are now exceeding domestic supplies at the rate of 50,000 tons per year. This, he said, is the result of the nation's increased population and expanding economy since the war.

"The only people to gain from a tariff on foreign copper," Congressman Patterson said, "are a small group of Western copper producers who are also fabricators. Three of these companies control about 85% of all domestically mined copper, and about 70% of copper fabrication. A tariff on Chilean copper, which is now supplying 35% of our needs, would enable them to undersell competitors in the fabrication field who must buy their copper in the open market."

Recalling the recent visit to Chile on behalf of Congressman Vidal of Chile, Congressman Patterson stated that imposition of the copper tariff would be a serious blow to a nation that has stood "shoulder to shoulder" with the U. S. in the cold war against Soviet Russia and needs all the dollars it can get for purchase of U. S. machinery to aid its industrialization program.

"The tariff would bring in only about $3,000,000 yearly to the U. S. Treasury," Congressman Patterson said. "But it would result in a substantial loss of dollar revenue to Chile, and would certainly be used by Communists in Chile and other countries to drive a wedge between them and this country.

As of today, no date has been set for a hearing on the instant, which is now before the Ways and Means Committee of the House of Representatives.

Canada's Oil—An outline of basic government regulations of interest to all oilmen—compiled by The Royal Bank of Canada, Montreal, Que., Canada.

Commercial Bank Stocks—Brochure tabulating 16 stocks of interest to the savings banks of Massachusetts—The First Boston Corp., 100 Broadway, New York 9, N. Y.

Hasty Selling—Analysis of the true situation concerning the current reaction—also charted study of Admiral Corp., and specific recommendations on 30 stocks—trial subscription to current issue of "Forecast" plus next three—$3.00—Gartley Forecast, 68 William Street, New York 5, N. Y.

In Stock Splitting Sound?—Analytical brochure—Cahili & Bloch, 11 Wall Street, New York 5, N. Y.

Manitoba — and the Western Market—Survey of the extensive and wealthy market comprising Western Canada from the Great Lakes to the Rockies—Department, Bank of Commerce and Industry, Commerce, Legislative Bl., Winnipeg, Man.

Market Outlook — Brochure summarizing current trends—Spencer Truax, 23 Broad Street, New York 4, N. Y.

Outlook for Tire and Rubber Stocks — Analysis—Goodbody & Co., 115 Broadway, New York 6, N. Y.

Over-the-Counter Index—Booklet showing month-to-date comparison between the thirty listed industrial stocks used in the Dow-Jones Averages and the thirty-five over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over an eleven-year period—National Quotation Bureau, 46 Front Street, New York 4, N. Y.

Public Utility Bonds—Comparative tables—Hicks & Hickey, 5 Wall St., New York 5, N. Y.


Beryllium Corp.—Memorandum—Crutchen & Co., 209 South La Salle Street, Chicago 4, III. Also available is a memorandum on Southern Union Gas Co.

Boston Edison Co.—Memorandum—Walston, Hoffman & Goodwin, 263 Montgomery Street, San Francisco Cal.

Central Vermont Public Service Corp.—Memorandum—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Also available is a memorandum on Petroleum Corporation of America.


Filtral Company of California—Analysis—Lee Higginson Corp., 40 Wall Street, New York 5, N. Y.

Also available is a new study of Super Carbon Co.


Kansas City Power & Light Co.—Memorandum—Uhlmann & Lathway, Board of Trade Bldg., Kansas City 6, Mo.

Lawrence Portland Cement Company—Analysis—Grady, Berwald & Co., 50 Front Street, New York 5, N. Y.

Lea Fabrics—Information—Aetna Securities Corp., 111 Broadway, New York 5, N. Y.

Also available are data on Winthrop & Trumper, Firwood, Inc., Douglas & Lomason, and Copeland Investments.

Madison Gas and Electric Company—Analysis—Lowell & Co., 222 East Madison St., Milwaukee 1, Wis.

Also available is a report on National Tool Company.

Mexican Railways—Analysis—Zazateca Securities Corp., 114 South La Salle Street, Chicago 4, Ill.

New England Electric System—Memorandum—Hidal & Co., 120 Broadway, New York 6, N. Y.

Northern New England Company—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Continued on page 12

Dealer-Broker Investment Recommendations and Literature

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

This is under no circumstances to be construed as an offering of these Securities for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such Securities. The offer is made only by means of the Prospectus.

NEW ISSUE

JUNE 21, 1939

750,000 SHARES

SUNRAY OIL CORPORATION

COMMON STOCK

($1 PAR VALUE)

PRICE $12.625 PER SHARE

Copies of the Prospectus may be obtained from each of the undersigned as may legally offer these Securities in compliance with the securities laws of the respective states.

EASTMAN, DILLON & Co.

KIDDER, PEABODY & Co.

R. D. LEHMANN BROTHERS

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FIRST CALIFORNIA COMPANY

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BINGHAM, WALTER & HURRY

BLAIR, ROLLINS & CO.

HAYDEN, STONE & CO.

HORNBLOWER & WEEKS

REYNOLDS & Co.

The Commercial and Financial Chronicle . . . Thursday, June 22, 1939
$65,000,000

The General State Authority of the Commonwealth of Pennsylvania
Second Series, Serial Bonds

To be dated July 15, 1939

The bonds may be redeemed upon at least 30 days' prior notice at the option of the Authority or pursuant to certain covenants of the Authority contained in the Resolution referred to below, on or after July 15, 1952, as a whole at any time, or from time to time in part on any interest payment date, upon payment of the principal amount thereof and all accrued interest thereon to the date fixed for redemption, plus a premium of 1% of such principal amount for each year or fraction thereof from the date fixed for redemption to the date of maturity, not, however, in any case exceeding 2% of such principal amount.

In the opinion of counsel, interest on the bonds will be exempt from present Federal income taxation under existing statutes and decisions. The General State Authority Act of 1940 provides that the bonds, their transfer, and the income therefrom, including any profits made on the sale thereof, will be exempt from taxation (other than inheritance and estate taxes) within the Commonwealth of Pennsylvania.

The Fiduciaries Investment Act of 1940 provides that the bonds are authorized investments for fiduciaries, as defined in said Act, in Pennsylvania.

Under the General State Authority Act of 1949 a total of not to exceed $175,000,000 of bonds was authorized to be issued. The bonds will be direct and general obligations of the Authority and all the bonds issued and to be issued will be equally secured by the pledge of the full faith and credit of the Authority, by the pledge of all rentals payable by the Commonwealth from its current revenues under leases covering projects leased by the Authority to the Commonwealth, which leases are to provide for the payment of annual rentals sufficient to meet the annual Principal and Interest Requirements on the bonds, and by the pledge of all other revenues, rentals and receipts of the Authority. The full faith and credit of the Commonwealth will not be pledged to the payment of the principal and interest on the bonds.

The bonds are additional bonds issued and authorized by Resolution of the Authority as supplemented by Second Supplemental Resolution and Third Supplemental Resolution. The Resolution, as supplemented provides for the issuance of the bonds and of additional bonds under the limitations therein set forth, the custody and application of the proceeds of the bonds, the construction of projects and the leasing thereof to the Commonwealth, the fixing and collection and disposition of rentals under such leases and the pledge thereof as security for the bonds, the security for moneys on deposit and the investment of funds, and the rights, duties and obligations of all parties. There have been issued under the Resolution, as supplemented, and are now outstanding, $30,000,000 First Series, Serial Bonds, dated July 15, 1949, maturing serially on July 15 of each year, commencing on July 15, 1952, and ending July 15, 1974.

Copies of the Official Statement of The General State Authority of the Commonwealth of Pennsylvania, dated June 21, 1939, regarding these Bonds and of the Resolution as supplemented, pursuant to which they are issued, may be obtained at the offices of the undersigned.

HALSEY, STUART & CO. INC.
C. J. DEVINE & CO.  GOLDMAN, SACHS & CO.  GLORE, FORGAN & CO.  BLAIR, ROLLINS & CO.
MERRILL LYNCH, PIERCE, FENNER & BEANE  STONE & WEBSTER SECURITIES CORPORATION
SALOMON BROS. & HUTZLER  R. W. PRESSPRICH & CO.  BEAR, STEARNS & CO.  PAINE, WEBBER, JACKSON & CURTIS
COFFIN & BURR  HAYDEN, STONE & CO.  L. F. ROTHSCCHILD & CO.  DOMINICK & DOMINICK  HORNBLOWER & WEEKS
R. S. DICKSON & COMPANY  OTIS & CO.  ALLEN & COMPANY  BACHE & CO.  BOLAND, SAFFIN & CO.
BRAN, BOWSWORTH & CO.  CENTRAL REPUBLIC COMPANY  DICK & MERLE-SMITH  FRANCIS I. duPONT & CO.
A. WEBSTER DOUGHERTY & CO.  ELDREDGE & CO.  GEO. B. GIBBONS & COMPANY  GREGORY & SON
HARRIS, HALL & COMPANY  IRA HAUPT & CO.  HIRSCH & CO.  KEAN, TAYLOR & CO.  MACKEY, DUN & CO.
W. H. MORTON & CO.  JOHN NUVEEN & CO.  WM. E. POLLOCK & CO., INC.  STRANAHAN, HARRIS & COMPANY
THOMAS & COMPANY  WEEDEN & CO.  CHAS. E. WEIGOLD & CO.  BRAMHALL, BABBOUR & CO., INC.
DARBY & CO.  HELLER, BRUCE & CO.  THE OHIO COMPANY  G. H. WALKER & CO.

June 22, 1939.
"There Is No Such Thing As Government Money"

BY ORVAL W. ADAMS*
Executive Vice-President
Utah First National Bank, Salt Lake City

Western bankers, in pointing out all money comes from taxpayers and that there is no such thing as government money, de- nounces invasion of private rights under guise of planned econ- omy. Says Lines call for wisdom and positive denunciation of government actions tending to destroy private enterprise. Attacks subsidies as "robbing Peter to pay Paul," and accused Administration of attempting to "prime the pump by smashing K." Says theme song now should be "God Save America," not "God Bless America."

In a normal world your concern and the concern of the banker would be the same — to see that the bank remains in position to return the number of dollars deposited with it for return the number of dollars deposited with it for

*An address by Mr. Adams before the Annual District Conference of the National Association of Su-

*cessors of State Funds, Salt Lake City, June 7, 1930.

The Commercial and Financial Chronicle... Thursday, June 22, 1930

The Dayton Power and Light Company

Preferred Stock, 3.90% Series C, Cumulative

Price $100 a Share

75,000 Shares

and accrued dividends

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these Shares. The offer is made only by the Prospectus.

MORGAN STANLEY & CO.
W. E. HUTTON & CO.
SMITH, BARNEY & CO.
HARRIMAN RIPLEY & CO.
BLYTH & CO., INC.
THE FIRST BOSTON CORPORATION
GOLDMAN, SACHS & CO.
LEHMAN BROTHERS WHITE, WILD & CO.
KIDDER, PEABODY & CO.
STONE & WEBSTER SECURITIES CORPORATION
UNION SECURITIES CORPORATION
DREXEL & CO.
LEE HIGGINS CORPORATION
PAINE, WEBBER, JACKSON & CURTIS
SPENCER TRASK & CO.

June 11, 1930.
Factors in Favorable Market Outlook

By JULIAN D. WEISS
President, First Investment Corporation, Los Angeles

Assuming business outlook for remainder of year is relatively favorable, and business activity should continue on high plateau, consumer and industrial expenditures can be expected to continue at favorable levels, subject, as always, to the selectivity of demand for certain types of products. Industry has encouraged this optimism by its large capital expenditures, a trend which seems to have been maintained, largely because of the maintenance of high prices and profits. The industry's increased activity is reflected in the rise in new orders and shipments, as well as in the increase in production. This is also reflected in the rise in capital expenditures for the year, which is expected to be about 30% higher than in 1949. The outlook for the rest of the year is also favorable, with a moderate increase expected in capital expenditures for the second half of the year.

Consumer credit is also expected to continue at a high level, with a moderate increase expected in the second half of the year. This is expected to be due to the continued increase in personal incomes, which is expected to be about 3% in the second half of the year. The outlook for the economy is also favorable, with a moderate increase expected in personal incomes for the year. This is expected to be due to the continued increase in personal incomes, which is expected to be about 3% in the second half of the year.

In conclusion, the outlook for the economy is also favorable, with a moderate increase expected in personal incomes for the year. This is expected to be due to the continued increase in personal incomes, which is expected to be about 3% in the second half of the year.

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

$110,000,000
The Columbia Gas System, Inc.
3% Debentures, Series A Due 1975
Dated June 1, 1950
Due June 1, 1975
Price 102.488% and accrued interest

The Prospectus may be obtained in any State in which this announcement is circulated from only such of the underwriters and dealers to may offer or sell such securities in such State.

Halsey, Stuart & Co.

Bear, Stearns & Co.

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Hornblower & Weeks

C.F. Rothschild & Co.

Schoellkopf, Hutton & Fomoyer, Inc.

Dick & Merle-Smith

Tucker, Anthony & Co.

Coley & Company

Halsey, Stuart & Co.

Blair, Rollins & Co.

Carl M. Leob, Rhoades & Co.

L. F. Rothschild & Co.

American Securities Corporation

Ferrin & Burr

A. G. Becker & Co.

Gregory & Son

Weir & Company

Ira Haupt & Co.

Hirsch & Co.

Stern Brothers & Co.

Swiss American Insurance Co.

June 31, 1950.

The Columbia Gas System, Inc.
From Washington
Ahead of the News

BY CARLISLE BARGER

It is up to the lawyers to interpret just where business stands now with the veto by Mr. Truman of the so-called basing point bill. In his veto message, Mr. Truman said business could go right ahead and do what it wanted not according to the provisions of this bill; in other words, it wouldn't really need the basing point. This might be taken as a way of encouraging the anti-trust laws. Senator O'Mahoney, one of the sponsors of the measure and long touted as a friend of small business, publicly called attention to Mr. Truman's statement and said he hoped business would be reasonable and go right ahead as though the bill had been passed. It was only needed to remove the threat of some businessmen; Mr. Truman's statement should do this, he said.

As I said it is up to the lawyers to make the most of the situation and they undoubtedly will.

This article deals with what caused Mr. Truman to veto the bill. Apparently what the bill sought to do, it merely did not enter into his consideration. He vetoed it in the same spirit and for the same reasons he turned thumbs down recently on the Kerr gas bill. Both actions were taken at the behest of the Leftists in his party and in each instance they were seemingly acting to show who was boss. Is it as if if they feel they must from time to time create an issue whether one is justified or not and make the President decide with them just to show how much their captive he really is. If they let up the President might get ideas of independence.

Their ranks have been joined by another professor, Senator Douglas of Illinois. Senator Douglas is a man who has been built up into a great stature in the Senate by the Leftist propagandists—a man who is in the forefront of politics, a man of great analytical mind, of broad education whose statements on legislation are not accepted without debate. They are completely accepted by the Leftist propagandists.

As was the case with the Kerr gas bill, the so-called basing point bill had been hanging fire for many months without the Administration so much as lifting its finger to indicate it was unconcerned. The sponsors were Senator Truman Democratic, not Southern "reactionaries" or Republican stooges of Big Business. Perhaps the reason the measure had been enjoying its comfortable position was that the professor hadn't gotten round to studying it. When he did, he gave it the same lofty intellectual treatment he gave the Kerr gas bill. "It is a bill of the same stripe as the anti-trust laws. The Leftist propagandists promptly took up the challenge. It is pleasing to know how brilliant this man is, his analytical faculty is truly tremendous. Not being able to kill the bill in Congress they moved in on Mr. Truman with the demand for a veto. Automan-like he accommodated them.

It is the ease and certainty with which the Left-wing ac- commodated themselves in this case that intrigues me. You would assume that no Republican could get any major legislation through. But the men who are not Republicans. They are loyal members of Mr. Truman's party. His veto of the Kerr bill was a distinct slap in the face to men who broke bread with him in the Senate. But Senator Douglas, like Speaker Sam Rayburn and Senator Tom Connally, Kerr himself emphasized in his campaign, is a man of the people. No knowledgeable person has ever looked upon Senator O'Mahoney as anti-Fair Deal. He has been one of the Truman faithfuls. He was the Senate sponsor of the basing point bill.

How must these men feel, men who have long been pillars in the Senate and who through no fault of their own were in the slighest displeased with Mr. Truman's program or the way the Democratic party is being run. They must wonder, in that respect from men like Senators George and Byrd who, while still wearing the Democratic label, make no bones about it not being friendly or Fair Dealers. They express no consideration from the President; they don't even go to the trouble of trying to influence him. Their strength lies in the Senate and they do not feel they can rely on their colleagues and in their following in the country. They would not be surprised at all if the President were to use all the veto power over them which they can exercise at the moment with amazing facility.

In each instance of buff they grumble privately but make no public comment which would displease him. If there is no indication they aren't on the same lovey-dovey terms with him as they have always been. When a man of Mr. Truman's stature gets that sort of hold over other men it is time for friends of the latter to have real concern.

How Long Will the Building Boom Last?

By D. W. ELLSWORTH

Vice-President, E. W. Axe & Co., Inc.

Economic adviser cites numerous factors likely to prolong current high building activity; as continuing housing deficit, growing population, average family size and increased housing production have not been virtually all urban. Maintains danger from high construction costs is alleviated by government's many artificial stimulants.

In 1940, according to the census, there were 37 million dwelling units in the United States, of which 33 million, or 94%, were occupied. The nonoccupants houses began to fill rapidly, and by 1945 and 1946, according to the sample censuses of those years, the available housing units, at least in urban areas, were 66.8% to 69.8% occupied. This means of course that virtually all habitable dwelling units are occupied. It seems reasonable to assume that this condition of 100% occupancy will continue for a long time, and that residential construction had been severely restricted for two years.

In 1940, according to the census, there were 8.7 persons per occupied dwelling; this rate has declined, and it may be assumed that the occupancy rate for computing total housing stock has persisted. The total population has increased 14 million since 1944, which was about the time when all housing units became fully occupied. Dividing 14 millions by 3.7 indicates that there was a need for 3.8 million new housing units from 1944 to 1949.

Actually there were 3.7 million housing units built in the five years ended Dec. 31, 1949, according to the Bureau of Labor Statistics. The number undated does not mean however that there has been a net increment that amount in the number of housing units standing. One million and a half of the thousands are destroyed every year by fire or other disaster, or become small enough to have to be abandoned. Ingersoll, possibly the outstanding authority on the subject estimated before the war that the number of units destroyed annually amounted to 100,000. Assuming that to be a reasonable figure, we must subtract another million from the number actually built, leaving 2.7 million units added since 1944, as compared with an indicated need for 3.8 million new units.

Housing Deficit

So we still have a housing deficit which, when filled, will provide enough space for the present and future growth of the population. But the boom will probably continue (eventually) until the number of units is sufficient to 97, 95, or 90 some percentage that was corrected near of before the war.

There are other factors which might be taken into the point indicated by the bare figures. There is an indication that the average size of families is growing and it has been asserted with some cogency that many of the houses now being built are too small.

The figure of 3.7 million housing units built from 1945 to 1949 includes only urban and rural non-farm construction. How many farm dwelling units have been added is unknown, but the total of 10 to 15 million is probably small because the farm population has been declining. The result is that the number of occupied farm dwelling units, according to the census, has been actually lower in 1947 than in 1940.

An increase in the population has been virtually all urban, and this has intensified the need for dwelling space. The need is actually greater than indicated by the 10 to 15 million total because of the population increase is 1.5% to 2.0% per year, mainly because of a birth rate of 30 and a death rate of 17. A 14 million increase has been added to the prewar rate in 1949, but the birth rate thus far has not been able to keep pace with the increase. The present rate of population increase at any rate indicates a present need for 700,000 to 800,000 new housing units annually. Last year 1,025,000 units were started (and presumably completed). This year it will be substantially higher, according to calculations.

So the housing shortage is being overcome, but the building boom probably will not go on to before anything like a prewar occurrence.

It may be cut short of course by high construction costs which are rising and which may be a matter of months when the government's artificial stimulants will be regained. This danger, on the other hand, is partly offset by the impending need for investments to buildings, including government, for rural and community centers and easy terms of purchase. It is estimated that in some places the purchase of a new house can be arranged on easier terms than the present program now offers. This and the prevailing high and increasing prices of the old houses may suggest the continuation of the boom shown little sign of slackening off since the date when rising costs would otherwise begin to discourage builders.

Continued from page 8

Dealer-Broker Investment Recommendations and Literature


Roman Art Metal Works, Inc.—General analysis—Shalely Hahn & Co., 30 Pine Street, New York 5, N. Y.

Brower of St. Francis.—Memorandum—Thomas McDonald & Co., 11 South LaSalle Street, Chicago 3, Ill.

Solar Aircraft Co.—Bulletin—Francis L. du Pont 1, Co., 365 Madison Avenue, New York 17, N. Y.

Riverside, the Central Co.—New analysis—Lerner & Co., 19 Post Office Square, Boston 9, Mass. Also available is a 17-page review of the Cement Industry.

Romar Art Metal Works, Inc.—General analysis—Shalely Hahn & Co., 30 Pine Street, New York 5, N. Y.

Sisters of St. Francis.—Memorandum—Thomas McDonald & Co., 11 South LaSalle Street, Chicago 3, Ill.

Standard Steel Spring Co.—Detailed report—Paul H. Ronson Art Sisters, 365 Madison Avenue, New York 17, N. Y.


Necessary: A New Approach To Labor Regulation!

By WILLIAM T. GOSSETT

Vice-President and General Counsel, Ford Motor Company

Pointing out chief characteristic of our time is bigness in human affairs, Ford executive, asserting Supreme Court holds illegal mere power to monopolize with intent to use it, contends this, has led to an unprecedented growth of corporate bigness, and denies industry-wide labor agreements. Sees labor having impressive political influence, bigness permitting it to hold legal restrictions on strikes and boycotts, and calls for restudy of labor legislation.

Several years ago I read an announcement which, if true, would astonish me if I were to take it literally. While the earth has been exploding in its course within the past few years, no one could view it with disfavor, except perhaps some as a problem of communism, that it would be impossible for the hydrogen to escape. But I have been told that a very little hydrogen would escape, if we should take this as our guide.

Ifs went progressively higher; and, as the interest was lessened, the value of land and other natural resources. The results were impressive. As early as 1905, the output of our manufacturing nation was equal to the manufacturing nations of the world. By 1900, that output had increased fifteenfold, and placed us first, with a volume exceeding that of Great Britain and Germany combined.

This is a fact which, however, when the American people began to be conscious of a relationship of some consequence. They began then to feel that the huge, sluggish, indolent men who might grow power in this country, because of the influence upon the lives of our citizens today, that unchecked invention, unchecked growth, and assumed authority of the world itself.

As a consequence, society began to consider itself. The laboring people was established an antimonopoly party appeared, which made it conscious of the responsibilities of the. The results are familiar to all of us. In the interstate commerce Act was enacted in 1887, the Sherman Antitrust Act, and a little later, the Clayton Act. Following tos, as the needs of the situation, under the Federal Communications Commission Act, the Wilson Tariff Act, the Clayston Act, the Robinson-Patman Act of 1936, and other Federal statutes designed to place controls upon the power of large aggregations of capital.

We, the undersigned and those who have made it, are a large number of court decisions; and they have been extended to meet the problems of a growing industrial economy.

Bigness Characteristic of Our Time

It is not easy to recognize at once the significant element in any process of evolution. But there is one which seems to me clearly to be characteristic of our own time, one which deserves special attention. That is bigness. Bigness is a very word, and what bigness seems, with all the progress with which the world is surrounded us—big government, big business, big international and political, and economic organization.

Size, of course, is not a new phenomenon of American life, and big business (particularly the big corporation) probably was the first of the various forms of bigness in this country. I would like to quote a statement which I have found in this fateful development of our society.

I saw in the Annual Meeting of the Chicago Bar Association, Chicago, Ill., June 8, 1904—


Statement of William Harter, Executor, Petitioner in the Supreme Court of the United States, in the case of United States v. 12 out of 13 cases decided in 1947-48 term; and 12 out of 14 cases in 1946-47 term.

Fear of Bigness

Nevertheless, there still is ample evidence of the people's fear of bigness in the absence of the power of bigness in its proper channel. The trend continues to probe into one aspect or another of this question. Among the many questions being considered in Washington today are such as these:

1. Large increases in the fines assessable against corporation officers found guilty of antitrust violations.

2. The percentage limitations upon the share of business obtainable by a single corporation in an industry.

3. Trible damage actions by the government against violations of the antitrust laws.

4. Prohibition against corporate mergers where the result might substantially lessen competition.

5. A rule making judicial determinations in a government suit conclusive in a subsequent treble damage brings by a competitor alleged to have been damaged by a merger.

6. The evidence seems me to conclude that the vertical and corporate bigness in our society is well in hand. Strong legislation, aided by favorable court decisions, already exists. Additional measures are under consideration. The people thus must manifest a realization of the benefits and also avoid the dangers of big business.

The fight for recognition of these fundamental rights which organized labor regarded as essential to the existence of its power in an industrial economy, has developed a new life. A philosophy which has roots deep in the soil of the people. It is acutely aware of its social obligations apart from its obligation to make money for its stockholders. Corporate management is deeply conscious of these simple virtues, realizing that the corporation itself will perform a useful purpose and set a noble example. And it is the responsibility of the government, industry, and labor to find a common understanding which would eliminate the difficulties.

Halsey, Stuart & Co.

Otis & Co.

PHELPS, FENN & Co.

AUCHNICKER, PARDER & RPDAPTH

WEEDN & CO.

H. F. ROTHSCILD & CO.

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First National Bank of Chicago, $20,000,000

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First Mortgage Bonds, 7½% Series Due 1980

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Price 101.025% and accrued interest

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The Mutual Funds Institute of Offering Investment Education to Women

Several thousand women’s groups throughout the country will focus attention on a study of mutual funds and investment this fall, according to Paul Bartleth, President of the Mutual Funds Institute, New York City.

The study titled, “What Every Woman Should Know About Investing,” with additional applications coming in every day, was designed and conducted by the Guidance of the Mutual Funds Institute, a non-profit corporation.

Designed to give women knowledgeable about investing in the securities of American industry, the lectures cover the pros and cons of various savings and investment methods, ranging from tucking money under the mattress to purchasing corporate stocks, government bonds, and corporate securities.

Investment firms throughout the United States have been interested by the Mutual Funds Institute to volunteer the services of their members during question-and-answer periods which will follow the lectures.

Other groups that have also shown special interest in the pro-

The Knickerbocker
Funds for the Diversification, Supervision and Safe-keeping of Investments

With the enthusiasm of some 2,500 women’s clubs and some 135,000 women, there could be potential dynamite if the leader in this group is more than the most orthodox and conserva-
tive of the lot, he might shudder at the titles of the three-course lecture series; “How to Make Your Money Work For You,” “Keeping Up the Cost of Living,” and “Rules for Good Investing.”

This lecture series is a wonderful opportunity for Mr. Bartleth and the assisting members of the Institute to demonstrate an inherent sense of responsibility and an intellectual curiosity.

Mutual Funds are important; they answer an essential community need. A sound basis for growth exists unless the public is educated in two basic principles: Mutual Funds should be made essentially for individual capital gains and capital gains (though delivered in an investment in mutual funds), and investments should be made with a decided long-term view in mind.

Investment behavior in educating the public is the best argument for any argument for mutual funds.

The Knickerbocker Funds
Keystone Custodian Funds

KEystone Custodian Funds, Inc.

Participation of Women in Custodian Funds

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The Security I Like Best

increased strongly. Prices weekly-
ly have moved up from 1945 levels and have out-
stripped the increase of supplies and have moved up fre-
erly than the price of conventional government stock-
price, and have moved up fam-
ly than the price of conventional government stock-
price, and have moved up fre-

The high level of general in-
flation is expected to continue in the vicinity of the new-

Inflation is expected to continue in the vicinity of the new-

JAMES B. JONES, JR.

Mrg. Statistical Dept.

Steele, Roofe & Co.

Members New York Stock Ex-

change, New York City.

(Union Carbide & Carbon

Among quality growth stocks, Union Carbide & Carbon impresses the writer as a solid investment for conservative in-

come holders and enhances appreciation prospects. Large capital ex-

pendsitures since the war, together with important product de-

velopments, indicates that the company is entering a new phase of ex-

pansion after a period of rein-

stabilization.

Since 1945 the company has spent over $150,000-

000 on additional production facilities—grain-

plants in Texas and steelite in New Jersey. Zinc and two-

hundred acres of land was purchased to develop iron-

downtown facilities in eastern Quebec.

The Union Carbide dividend is one of the few in the group.

This dividend policy is the result of the company's past prac-
tice of closely coordinating research activities. This covers the

field of physics and electro-chem-

istry, organic, inorganic and physical chemistry. Over 40% of cur-

dent sales are said to be derived from the two major divisions, a

whereafter a period of rapid growth in this industry.

Union Carbide pioneered in the chemical development of hydro-

organic compounds, and in the synthesis of synthetic rubbers.

The company considered one of the outstanding American contribu-
tions to American chemistry and opening up an entire new field of chemical ma-

erials. Synthetic organic chem-

icals produced serve a wide va-
bility of industrial needs, including solvents and lacquers; intermedi-

ates in the production of pharma-
cuticals, dyestuffs and plastics; and basic ingredients for a wide va-
bility of industrial and consumer uses. Over 200 chemical products have been de-

veloped by the company on a commercial basis including 200

direly new products introduced to industry in the past two years.

In the field of plastics, the com-

pany ranks as the largest inte-

grated producer, output including phenolic, polystyrene, polyethylene and vinyl plastics and resins.

making a wide range of indus-

tial uses and sold under the

branded name "Tafelite".

"Vivylite": to fabricators for fur-

furniture. In addition to

nervous industrial and consumer uses, Vinyl resins provide a variety of syn-

thetic materials. They are used in such diverse textile materials as

ribs, trims and ribbons, and in

vinyl clothes and upholstery, and in wall coverings, etc.

In addition to making synthetic textile yarns which occupy a leading competitive position, the company also has developed a new synthetic textile fiber "Dyneex" which has been adopted by the industry to one of the finest nylon and is expected to be

an important factor in the textile field.

Union Carbide ranks as the largest producer of ferro-alloys used in the making of stainless

and high quality alloy steels. Of special current interest is the de-

velopment of high heat-resistant alloys for use in jet engines, turbo-

super-chargers and gas turbines, which have increased the thermal po-
tentials. It is the most important producer of these products, in-
cluding electrodes used in large quantity in electric furnaces. Car-

bon is also finding an increasingly wide application as a refractory ma-

terial in the manufacture of high temper-

eering equipment. Consumer products include "Everyday" flashbath ba-

ter, company having just re-

cently announced a new "Nom

Out" battery which provides two man's life in use on these smaller scales.

Company is also a dominant fac-

tor in the field of industrial gases, producing over 60% of total do-

stressed oxygen, nitrogen, argon and other rare gases. Oxygen-

1949 were equal to $2.38 per-

share compared with $2.35 in 1948. 1947 and $2.45 in 1946.

These earnings averaged $1.23 per share in these years and in the period

average 75% of net

income to stockholders. Dividends have been double-

stockholders. Dividends have been sub-

present year, long-term produc-

tions had been reduced by

sales since incorporation in 1917. Basic data on long-term produc-
tions had been reduced by

sales since incorporation in 1917. Basic data on long-term produc-

tions had been reduced by

sales since incorporation in 1917. Basic data on long-term produc-

stock of Parmelee Companies, now selling, at around 18 on the New York Stock Exchange, represents a signal opportunity to buy the stock of a well-established company, that is, nevertheless, selling at just one-half its book value, or about half the price at which it was capitalized consolidating basis.

Continued on page 16

This announcement is an offer to sell or a solicitation of an offer to buy securities.
The offering is made only by the Prospectus. 

$15,000,000

Kansas City Power & Light Company

First Mortgage Bonds, 2½% Series due 1980

Dated June 1, 1959

Price 101.85% and accrued interest

The Prospectus may be obtained in any state in which this announcement is circulated from only such of the undersigned and others to which they offer their securities in such states.

Halsey, Stuard & Co. Inc.,

Merrill Lynch, Pierce, Fenner & Beane,

Otis & Co.,

Auchinloss, Parker & Redpath, Wm. E. Pollock & Co., Inc.,

Courts & Co.,

Demsey & Company,

Mullaney, Wells & Company,

Thomas & Company,

Byrd Brothers,

Stifel, Nicolaus & Company

June 22, 1959
The Security I Like Best

summer and fall. The strike, of course, has never materialized. Paraffine’s earnings. This factor, together with the fact that Paraffine is now completing the erection of a large and integrated East Coast plant involving an expenditure of approximately $12,000,000—has caused the management to conserve Paraffine’s management to reduce the dividend rate from $1.20 to $0.60. This has served to strengthen Paraffine’s stock where it is now available at almost its lowest range of the last five years, and, to my way of thinking, represents an amazing opportunity for the reasons enumerated below: Paraffine is a well-established West Coast producer of linoleums, felt base floor coverings, and a general line of paints in assorted building materials, such as shingles, plasterboard, building papers and insulating materials. Its "Pace" brand has been so well regarded by its co-sure that Paraffine has been able to develop a nationwide market for its products, despite the fact that it has been regarded primarily as a West Coast manufacturer. Consequently, Paraffine’s management decided to drop the Parafine sales of its products by building an East Coast plant which will serve the entire East Coast market, but would also enable Paraffine to get a substantial reduction and saving in freight charges on products which up till now had been shipped from its Pacific Coast plant. Recently Paraffine’s earnings have been recovered from the effects of the prolonged strike it suffered last year with the result that current earnings are now considerably ahead of the equivalent period of the previous year. Although Paraffine will probably report earnings for the fiscal year ending June 30, 1950, of about $1 per share, as compared to $2.14 of 1949-49, its current earnings are now at an annual rate of more than $2 per share. With the stepping up of operations from its new Eastern plant—which plant will probably not be in full production until the latter part of this year—increased earnings of approximately $0.75 per share can be conservatively added to Paraffine’s earnings. However, this is only part of the story. A considerable source of romance and growth for Paraffine lies in the equity of Fibreboard Products, Inc., which jointly owns with the Crown-Zellerbach Co. Fibreboard is a fully integrated manufacturer of paper-casters, corrugated and carton fibre shipping cases on the West Coast. Fibreboard has grown very rapidly, and it has spent almost $30,000,000 for plant expansion and integration in the past three years alone. Paraffine’s holdings of Fibreboard consist of about 30% of the $7 preferred, 56% of the class "A" common and 59% of the class "B" common.

Despite substantial earnings over a period of years, Paraffine has paid dividends only on its $7 preferred. In order to maintain the balance of its earnings to the benefit of its stockholders, the company has maintained a dividend program. Consequently, while Paraffine has been repaying only a minor portion of its capital received, one must take into consideration that a distribution of earnings of fibreboard products, inc. in Paraffine’s earnings was to be consolidated. For example, the stockholders of fibreboard products, Inc. on receipt of $1.20 per share on its fibreboard equity would have received it this year on its fibreboard’s equity earnings was $1.18 per share. The increase of Paraffine’s equity in Fibreboard’s earnings is conservative estimated to be in excess of $1.50 per share. Moreover, Paraffine carries its investment in Fibreboard at a cost lower than the book value of Paraffine’s investment. It is my opinion that if Paraffine’s investment is maintained to be liquid at all, it would not be advisable to sell it for a price in excess of $25,000,000. However, in any event, a buyer would not be interested in the asset at the time in disposing of the profitable project and so promising an income production of considerable size, together with the fact that the uncertainty of Paraffine’s is a large national concern in the future. However, the attractiveness and attraction of the Paraffine common stock at its present price of $16 is strengthened by the fact that the value of its equity in Fibreboard alone is worth almost as much as the 1,473,039 shares of Paraffine are selling for at today’s price. By combining the present earnings rate of Paraffine itself and the additional $0.75 per share potential earnings it is expected from its new Eastern plant together with the approximately $1.60 per share in Fibreboard, we arrive at a combination of approximately $4.25 per share. When one realizes that Paraffine has risked $30,000,000 in Fibreboard since 1923—even during the depression—when Fibreboard, when many strong and well known companies were forced to avoid liquid dividends payments—one must be impressed with this current price-earnings ratio of approximately 4.1, and must come to the conclusion that the present price of Paraffine represents an unusually attractive opportunity to acquire a good grade quality issue with strong growth prospects at most advantageous price. While the present yield on Paraffine is 6.36%, it is absurdly low. It is only the question of a relatively short interval until dividend payments will have to be raised to bring them more in line with Paraffine’s present and future earnings potential.

To sum up, the author regards Paraffine as qualifying as a "blue chip" issue and a good buy at the present well-depicted price. Selling at about one-half its 1948 high price of $11 per share, an unbroken record back to 1923 and at a consolidated price-earnings ratio of 4.1, Paraffine looks like a very good buy at its present price of 16 on the N. Y. Stock Exchange would seem to offer an unusual opportunity for substantial appreciation with relatively small risk.

Tomorrow’s Markets Walter Whylie Says—

By WALTER WHITE

I've just re-read my last week's column and it has curried to me I can pull out a lot of juicy quotes that would make me stand out as quite a good burlesca. Unfortunately some readers would be un¬sporting enough as to drag out other quotes in the same column that would make me out some sort of an idiot, so I decided to drop the whole thing.

I could devote a couple of paragraphs to such choice phrases as "selective buying" if for no other reason that it always looks good in print and does seem to sum up to anything. But as luck would have it, I don't know what the words, "selective buying" mean. As I understand it, if the stocks I hold are going up, then I've been a selective buyer. If the stocks the other chap holds go up, and mine don't, then he's the selective buyer. But on the same logic, I'm dim-witted moron who shouldn't be allowed to sign a check.

Such reasoning obviously puts me at a disadvantage so it is apparent I won't pursue it.

This is the time for all sorts of interpretations of either the Dow theory and the other theories that are supposed to answer the eternal riddles of price movement. I have be¬fore me seven market letters all expressing the same emotion, and why the market will follow certain predetermined patterns in the next few weeks. Five take both sides; one takes a down position and one an up position. The con¬clusion leaves me high and dry. I had thought I'd find something in them I could pass on to you as original. All I found was the makings of a lot of yawns.

A few weeks ago I stepped off a plane and recommended buying three stocks. Since their purchase they have been distinctive for their lack of action. Undoubtedly, a condition that must have annoyed you as much as it has me. But in the last few days the market has flapped to such an extent that not only has it given partici¬pants some thrills but has placed the market itself flat on its back gasping for breath. It is interesting to note, however, that while none of these three stocks went up with the recent ad¬vance, neither did they partici¬pate enthusiastically with the more recent decline.

In the old days this was a significant indication. The theory was that a stock that wouldn't go down in a whole sale decline could not handle independently when market conditions improved. Cyclus might not have been taken in these days which don't go up with the market will go down further on declines. I can't shrug this off because it is true and I do so often. I can only point to the fact that none of these stocks did go up and speak of the past few days.

It has suddenly occurred to me that my position in the whole question has no intention of de¬fending. But so long as I can see any clear-cut stand I'll just sit by and watch the pic¬ture unfold. Position is Cer¬tain-tee’d at 18; stop; 15; Perkins at 32; stop, 23, and 23-1/2; Detroit Axle at 17; stop; 14.

[The view expressed in this article may or may not coincide with those of the Chronicle. They are presented as those of the author only.]

Joins Grimm Co. Staff

JACKSONVILLE, Fla.—Alfred W. Thompson has become asso¬ciated with the staff of Grimes & Co., members of the New York Stock Exchange.

With American Securities (Special to The Financial Conserva¬tive, New York) — Margaret W. Perritt has been added to the staff of American Securities Corp., 111 West Monroe Street.

Pacific Coast Securities

Orders Executed on Pacific Coast Exchanges

Schwabacher & Co.

14 Wall Street New York, N. Y. 6. N. Y. 6

Members New York Stock Exchange Chicago Board of Trade Chicago Stock Exchange Chicago Board of Trade and Pacific Stock Exchange

Private Wires to Principal Offices

San Francisco—Paciific Co. Savings

SPECIAL CALL OFFERINGS

* Per 100 Shares Face Tax

Zenith Radio...$41.65 Aug. 22 5475.72

Ferranti...$41.65 Aug. 22 5475.72

Bath...$35 Aug. 22 2080.90

Boettcher...$35 Aug. 22 2080.90

S.S.O.C. (N.J.)...$7 Aug. 22 1725.79

Crompton...$35 Aug. 22 2080.90

K. B. & Co. (N.J.)...$35 Aug. 22 2080.90

Boettcher...$35 Aug. 22 2080.90

West Union...$35 Aug. 22 2080.90

Alla-Chalicer...$35 Aug. 22 2080.90

Crompton...$35 Aug. 22 2080.90

Schelen...$35 Aug. 22 2080.90

Johnston...$35 Aug. 22 2080.90

Blech...$35 Aug. 22 2080.90

* Subject to prior sale or price change

THOMAS, HABBS & BOTT

Members New York Stock Exchange & Pacific Coast Exchanges

50 Broadway, N. Y. 4, Tel. BO 9478
Terms Federal Reserve as Discouraging Factor in Business Outlook

Dr. Natler, predicting deficit financing is likely to continue unless Federal Reserve acts to reduce the war and its effects, has also brought about a statement in economic circles. As a rule, it is quite certain that the total amount of goods and services will remain constant. Thus, a rate increase will lead to an increase in the total amount of goods and services. The banks will find it difficult to find more funds; tax-exempt obligations and this in turn will lead to an increase in the total amount of goods and services. Some loans will be influenced by economic factors, and if the present trend in commodity prices and wage changes continues, however, in the United States, the increase in efficiency is likely to be depressed. But the increase in business loans is not likely to be far, partly because of the large volume of goods at the disposal of corporations and partly because many concerns have already been able to increase the cost of goods.

In the high level of business activity and employment, the Federal Reserve is operating with a deficit of over $3 billion. A radical change takes place in the deficit will continue in the near future. The Treasury is thus confronted with the task of not only financing the regular running of the government, but also financing the expenses of the current deficit. Despite the inflationary policies of the government, the Treasury is not financing its needs through the sale of Treasury bills, which are a source of revenue to the government, and commercial banks and lead to a further increase in money supply and bank deposits. It is evident that the government policy of the Treasury cannot be accomplished by the current deficit, as the policies of the Reserve and the monetary policy is guided by the cost of the policies and the need of the economic needs of the country.

The authorities are endeavoring to narrow the credit base and to bring about a moderate increase in rates, their policies are somewhat handicapped by the tactics adopted by the Treasury in reducing the money supply. So long as inflation continues, the commodity prices and the inflationary trend continues, however, the authorities are endeavoring to narrow the credit base and to bring about a moderate increase in rates, their policies are somewhat handicapped by the tactics adopted by the Treasury in reducing the money supply. So long as inflation continues, the commodity prices and the inflationary trend continues, however, the authorities are endeavoring to narrow the credit base and to bring about a moderate increase in rates, their policies are somewhat handicapped by the tactics adopted by the Treasury in reducing the money supply.

Midwest Exh. Names Advisory Governors

CHICAGO, III.—Homer P. Harrington, President of the Board of Governors of the Midwest Stock Exchange, has announced the appointment of the following Advisory Governors:

Cleveland: Elmer L. Lindseth, President, Cleveland Electric Illuminating Co.
St. Louis: J. Wesley McAfee, President, St. Louis Mfg. Co. Minneapolis-St. Paul: William A. Moe, President, Board of Mining & Mfg.

Herbert A. Jones
Herbert A. Jones, President of the Board of Governors of the United States, has announced the appointment of the following Advisory Governors:

Arkansas Power & Light Company
First Mortgage Bonds, 2% Series due 1980

The Proposers may be obtained in any State in which this announcement is circulated from any of the undersigned and other dealers as may be authorized by the owners.
Taxes: Problem of Small Business

By HON. J. CALER BOGGS
U. S. Congressman from Delaware

Stressing small and big business in nation is integrated, Congressmen Boggs warns success and expansion of both small and large business are retarded and seriously threatened by present high rate of Federal income taxes. Points out taxes are ostentatious personal savings, and, since small business receives its capital largely from personal savings, the loss is high taxes. Says aid to small business through loans and easier credit, as proposed by President, is dangerous and may cause bankruptcies. Calls for lower taxes.

In spite of the evident growth and progress which has been made, it is, nevertheless, good practice to take an audit or an inventory or a review of the situation at this mid-decade period. Having done so, will agree, provide a sound foundation for meeting existing problems of today and such challenges as may be forthcoming in the months and years ahead.

In my opinion, there has always been general recognition of the part played by small business, but never before has this recognition been more needed than at the present time. In our national economy. I also believe, however, that much greater recognition of small business now exists than ever before. This is the more important, since we consider the fact that more than 90% of the business concerns in our country are usually classified as small and when we consider the fact that these small businesses provide approximately one-half of our nation's non-farm employment in the nation.

In view of those facts, it becomes unquestionably clear that small businesses are one of the keystones of our whole national economy. Wholesalers, such as the members of the organized groups, exercise a vital function in that economy by planning and maintaining the operation of numerous small local levels of distribution which enable manufactured products to flow efficiently into the retail stores where they are available to the consuming public.

As friend of small business, I am sure that I may say to you without fear of contradiction that small business is not, however, an isolated group. Small business and big business are integral parts of our economic structure and each is to a considerable degree interdependent upon the other. The purpose of each is to serve the public interest in an efficient and necessary manner. To do so properly in the public interest implies, however, the absence of monopoly in their trade practices.

Problems Confronting Business

I now want to discuss with you from my viewpoint as a legislator some of the problems with which business and especially small business is confronted. We know that although we have many very high levels of business activity and substantial levels of employment throughout the nation, that we must constantly seek even higher levels of business activity and especially those which we have not previously achieved. It is essential to our over-all national economy that we constantly seek greater growth, development, expansion, production and consumption; and, if we are to do this, it is necessary that we safeguard the independence of the private, competitive enterprising spirit.

I am naturally an optimist, but I must be aware of factors and forces which, if not carefully attended to, may have detrimental effects upon the desirable goals which we seek. I feel sure that you all agree with my previous statement that business, and especially small business, must constantly seek to expand and to attain ever higher goals of production and consumption which in themselves will produce greater monetary returns for all concerned—including the savings and wages—which is thus bringing about not only a better life for the consumer, but a better standard of living for all of us.

It seems to me that in order to do so it is generally agreed that small business—indeed, all small and large businesses—have available adequate capital. Capital for small business comes principally from personal savings and from profits. If this statement is true, as the majority of experts in the field of economics and finance believe it to be, then we must do everything possible to prevent the greatest loss of personal savings and profits. At the present time we are receiving more and more complaints from many qualified persons, personal savings and profits from which is being drained for the expansion of small business are primarily responsible for this shortage and seriously threatened by the present high level of Federal income taxes.

Federal Taxes Outstripping Personal Savings

With respect to personal saving, it is important to note that very high personal savings rates and a significant statistics have been reported. Based upon information received from the Commerce Departments of our Federal Government, we find that startling situation has come about during the past four years, with respect to the personal savings of the American people. These figures show that it has been customary in the United States for personal savings of the American people as a whole to be at least two or three times as large as the amount deposited in banks, and normally in Federal income taxes, and for the period 1925-1929 the American people saved $45.00 for every $100.00 in Federal income taxes. However, during the period 1945-1950, they had personal savings—available for investment purposes—of 450 billion dollars—personal savings averaging $45.00 for every $100.00 in Federal income taxes. However, that desirable situation has been drastically and dangerously altered during the last years the American people as a whole have paid in Federal income taxes than they were able to save. Specifically, they were able to save in 1949 only 60¢ for every dollar in Federal income taxes—and that figure of 60¢ is less than half of what it was a few years ago. It is to wish to emphasize the fact that the taxes I am speaking about in this connection are defined as Federal individual income taxes—that is, taxes excluding any state, city, or local income taxes or excises as such or any state income taxes.

In view of the foregoing, it is immediately obvious that the current high rate of personal income taxes is extremely serious. This situation cannot but have serious effect on the establishment of small businesses and the necessary expansion of the small business community.

Taxation and Small Business

The problem of small business is chiefly the problem of taxation. The large and steady flow of equity capital which supports business expansions after World War II has passed since the end of World War II. If free enterprise is to continue to be the dominant factor in our economy, it is essential that business be able to depend upon a substantial and constant stream of venture capital emanating from personal sources, such as savings and bequests. If there are not 
deed to discourage rather than to encourage the growth of small business. The system of taxation is operating like a drain on productivity, the greater the reward is to the investor if he invests his money in a company that is not imposed by the government in the form of taxation.

Furthermore, the foregoing statements are becoming increasingly evident. In the past two years, you probably read only three or four days ago of the conclusions reached by the Brookings Institution as a result of a careful study it made, based on research conducted at many large firms. Among other things, the Brookings Institution points out that:

1. A tax policy that will provide a tax rate of 30% or less on the high level income is imperative. This is because the whole problem is one of providing an incentive for business expansion.

2. A tax system designed to facilitate the acceleration of economic incentives is highly desirable. Specific proposals for accomplishing this are:

a. The abolition of the Federal income tax on the first $2000 earned by individuals.

b. The elimination of personal income taxes on long-term capital gains.

3. The volume of money savings available for investment is profoundly reduced by the present federal income taxes.

Tumen Plan: Dangerous

Within a paragraph with our Chief Executive officer intimated in a message to the Congress concerning the major problem of a large number of independent businesses. His proposals—which, of course, must be given serious consideration—involve principally easier test of tax and additional loans for rewarding small business. I propose for aiding small business revolving with cost of living things—namely, more loans and fewer taxes. Nevertheless, consideration must be given to the fact that a heavy burden on personal income taxes already burdens business, and, therefore, retards that business, stifles its operation, and may lead to ultimate failure.

It is possible that you may also have noticed in the public press statements from persons interested in the President's suggestions which, surprisingly enough, have been given serious consideration and have been approved by a government corporation—the RFC.

Said one RFC official, who was not identified: "The government is taking a very strong interest in business; that's the big reason for the RFC. This is the thing we're trying to do, to help small business keep a little food and a little money in business. You also asked for further investigation, and he also added, and again I quote: It's also taking a still larger percentage of their chance to stand on its own feet, but is a temporary measure. Still another unidentified RFC official stated, and again I quote: What small business can do in addition to the government's contribution, for an additional $25 million of government funds to the RFC is to be used."

In addition, recommending the establishment of a government-administered easy-loan insurance plan, under which small banks and other financial institutions could make loans to small businesses in amounts not exceeding $25,000, the President also requested authorization for the establishment of a nation-wide network of "capital banks" which would buy the stock of small corporations in order to provide them with additional funds.

The reaction of another RFC official to this proposal of the President's was such as could be expected, but not to me at least. Said this RFC official, "In our experience in making loans to small businesses, we've found that we get terrific tenders from small businesses, and when some other outside authority or individual is to some extent or other outside authority is responsible for what we're doing, they won't accept the capital bank buying a large chunk of their company."

Small Business Needs

In my mind that last statement represents not only an important interpretation of the problem of small business, but also an important thing else which is vital and fundamental. The statement focuses attention on the fact that the primary problem of small businesses is not only because they can operate a profitable venture, but because they seek independence. The greatest lure, of course, is the desire of the small businessman to own and control a company. The lack of a system of a company's stock by a large number of small investors may be a limit and restrict, if not actually prevent, the operation of the businessman's business.

And thus I return to the statement I made some minutes ago that we are dealing with a problem of personal sources of capital for small business, and the retarding effect that the absence of personal savings have on the earning of the company's debt and fixed charges.

Here the principle reason for the drying up of profits and personal sources of capital, it appears to be not only logical, but imperative that appropriate action be taken to give for personal saving, the remedy by reducing the system of taxation.

Here, we run into still another problem—our tremendous national debt of $236 billion is in the hands of by between 10 and 15 million individuals. It is still to be paid under the next fiscal year in June, 1951. Even with the current level of economic activity, this amount of debt spending are all tied together in our Federal fiscal policy.

Of course, we can therefore, be realistic. If we want business to grow, we must reduce taxes. However, continuing to be realistic, we cannot reduce taxes without increasing spending charges and add further taxation. In other words, as I see the picture, we must have enough cuts—cuts in defense spending, and balanced budgets to bring about the nation's economy. Therefore, if any deductions in appropriations, Havemeyer, will be able to help, we must then be in a position to give tax relief to individuals and to business. And, having accomplished that, profits and personal savings will be available again for the investment in small businesses and the results will be the real opportunity for the expansion of business activity; the primary cause of economic growth. And, comes to mind, is the importance of the movement of free, independent, private enterprise.

In closing, I want to say that I have read much interest in the comments of the Secretary of the Treasury, Mr. E. M. Hull, in the magazine, "National Candy Wholesaler," Said the editor in some part, referring to better understanding between manufacturers and wholesalers: "There is times when men, like nations, feel they are not understood, and shake the angering finger, but it is safe to understand that the latter is becoming less and less important and the mutual understanding of the two sides will come to know each other better.

That very fine statement enters in mind how many of you gentlemen are participating, in the respective members of Congress, the discussion of national affairs and private business problems with the public representatives in your states?

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98,000 Shares MONTANA-CANADIAN OIL CORPORATION Common Stock Price $3.00 per share Offering circular may be obtained from the undersigned:

The Commercial and Financial Chronicle • Thursday, June 22, 1950
Among the things America enjoys—
Old Gold
ranks high

Naturally... for every Old Gold represents the crowning achievement of America's oldest tobacco merchants—P. Lorillard Company, established nearly two hundred years ago, in 1760.

There is no mystery to the success of Old Golds and other fine Lorillard tobacco products. It stems from three basic factors:

selecting the world's best tobaccos, curing them properly and blending them with the utmost care and skill
pioneering in new developments of manufacturing and packaging that build demand for Lorillard products (Lorillard was the first major tobacco company to use the celophane wrap in cigarette packaging);

advertising constantly and progressively in the most profitable mediums, including radio and television, to more and more consumers—with such effective themes as the current "For a Treat instead of a Treatment... smoke Old Golds."

Small wonder that P. Lorillard Company—and Lorillard stockholders—face the future with full confidence in their fine tobacco products.

LEADING PRODUCTS OF P. LORILLARD COMPANY

CIGARETTES
OLD GOLD
EMBASSY
MURAD
HELMAR

SMOKING TOBACCO

CIGARS
BEECH NUT
BAGPIPE
HAVANA BLOSSOM

BREWS
MURIEL
HEADLINE
VAN HIBBER
BETWEEN THE ACTS

AMERICA'S OLDEST TOBACCO MERCHANTS • ESTABLISHED 1760

SCHIRMER, ATHERTON
ADmits Partners

BOSTON, Mass.—Schirmer, Atherton & Co., 50 Congress Street, members of the New York and Boston Stock Exchanges, will admit Horace H. Atherton to general partnership and Edith M. Page to limited partnership on July 1.

SCHIRMER, ATHERTON & CO.

DEPARTMENT STORES

PORTLAND, Ore.—Walton, Hoffman & Goodwin, members of the New York Stock Exchange, opened their new Portland office on June 19 on the fifth floor of the American Bank Building. The office will be the thirteenth in the System which extends from Coast to coast.

The Portland office is the thirteenth office of the Portland office of Schirmer, Hoffman & Goodwin. The Portland office opened in 1884, and is the oldest office in the System.

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Ralph McCall. It was a big success according to Ralph E. Phillips of Dean Witter & Co. and club President.

More than 250 members and guests participated in the activities which included lunch and dinner, golf, horseshoes, baseball, tennis and other sports, topped off by an entertainment program in the evening.

General Chairman of the field day was Stevens Manning of Paine, Webber, Jackson & Curtis.

**Bond Club of Los Angeles**

**Bonds Hold Annual Field Day**

*The Referee and Umpire*
Problems of European Integration

By PAUL EINZIG

Dr. Einzig sees infringement of national sovereignties as chief difficulty in implementing Schuman Plan for European economic integration. He holds that progress toward economic integration so as to enable political integration, which is lagging behind, to catch-up.

LONDON, Eng.—The Schuman Plan for the integration of the coal and steel industries of Western Europe is beset by the problem of European economic integration. Hitherto the attempts to that end were made mainly in the sphere of foreign policy. This is the first attempt at integrating production by means of a concrete concrete plan. There has been no discussion about the capital investments of Western European countries, but nothing very definite has emerged so far. It remains to be seen whether the Colombo Plan will clear the Schuman Plan materialize.

This is a widespread feeling in Britain and in other European countries that this Schuman Plan is not destined to a simple economic integration. Once a super-government is established, however, with administrative and legislative power over all participating countries, there would be a problem of achieving an onerous political and economic integration.

The creation of Europe should be given some real power it would be a realistic step towards economic integration. In that case, no one need have any confidence in details of the intra-European payments scheme. Britain and the other participating countries would willingly agree to an unequal division of the benefits and would continue in relation to each other even if they continued to restrict in another way the economic relations of one another.

Indeed, in that case even the establishment of a European currency area, which is due to be achieved by the Schuman Plan present, the British Government is subject to much criticism for having gone too far in an attempt to reach a compromise of the exclusive European payments scheme. So long as the sovereignty of each Western European country is not always preserved for each government to demand maximum of advantages to his country without regard for the other countries, and if all the countries are expected to use the new scheme, if adopted, for securing as much gold as possible from Britain. This was done in the past, and until now, the countries are not likely to change suddenly, if and when the new agreement is signed by the governments participating in the Schuman Plan.

Likewise, there seems to be little hope for achieving an European customs union in the absence of a high degree of political integration. To doubt some progress may be achieved towards some end. The problems are becoming of the same sort as the pitfall of the Schuman Plan, and if it would be shouldered by itself, there would be no need for the Schuman Plan. It is the same reason why the Schuman Plan is not expected to the maxime advantage to its country without regard for the British case. These countries are not expected to use the new scheme, if adopted, for securing as much gold as possible from Britain. This was done in the past, and until now, the countries are not likely to change suddenly, if and when the new agreement is signed by the governments participating in the Schuman Plan.

At first glance the above price changes may appear unusual, however, as a group they do not differ from many other equities. Although the stock market has been advanced steadily this year, many industrial groups and some stocks have not participated in the advance. Motor, chemical, steel and television shares have been among the most favored groups. However, some stocks in the general market groups have not attracted investors or moved ahead with the market.

A large part of the advance in the Dow Jones Industrial Average for the period of the recent rise in the stocks such as General Motors, duPont, and Allied Chemical where special factors like stock splits have undoubtedly been responsible for part of the improvement.

Other equities in the averages, however, have not done so well and are even below the quotations at the end of the year. These stocks include such quality issues as American Tobacco, Corn Products, Eastman Kodak, Johns Manville, Loeer's and Woolworth.

This selectivity of the market is likely to continue, though not necessarily favoring the same stocks. The same can be said for in such an event.

Where a company has been improving its position and is able to increase its dividend to stockholders, a better market action of the shares is to be expected. The next six months will be a period in which many insurance companies will be considering dividend payments. As was the case last year, increased distributions are expected in a considerable number of instances.

This action will not be limited to the market and insurance stocks should respond to the increased payments.
Chicago Analysis
Elect New Officers

CHICAGO, III.—Glenn M. Trumbo, Assistant Vice-President, Chicago Title & Trust Company, and Vice-President of the National Federation of Financial Analysts Societies, was elected President of the Chicago Idengetics Club for the annual meeting, June 15, succeeding William D. Heer, Jr., associated with the Armour & Company Pension Fund.

Other officers elected were: John C. Ratcliffe, Miami Corporation, Vice-President; Stanford O. Ege, University of Chicago, Treasurer; J. C. Knottner, American-Associated Companies, Secretary.


Robert A. Dahn Joins Kidder, Peabody & Co.

Kidder, Peabody & Co., 17 Wall Street, New York City, members of the New York Stock Exchange, announces that Robert A. Dahn has become associated with the firm as a general sales representative in the municipal bond department.

Mr. Dahn was formerly with G. H. Walker & Co. and prior thereto was with Union Securities Corp.

Loccks & McCormick Formed

LAKIN, Kansas — Charles A. Loccks, Paul W. McCormick and Eibel K. McCormick have formed Loccks & McCormick to engage in a securities business in Lakin.

M. L. Schultz Opens

PLAINFIELD, N. J.— Mortimer L. Schultz is engaging in a securities business from offices at 417 Parkside Road.

Our Reporter on Governments

By JOHN T. CLIFFORD, JR.

The government market is more of the same, selling by Federal Reserve Banks and institutions of indivisible, with new low being registered in these securities. The yield spread between the rest of the government issues and the bank issues continues to narrow because of the price erosion in the nonbank issues. The price differential is due to the two classes of government securities, the Treasury notes not yet near to enough to be rather tempting to holders of the longest eligibles, but so far there have been no important switches reported. Yields have declined, however; temptations is not restricted to the eligibles.

With the Vics again leading the decline, the yield of the eligibles has moved through the 3.75-3.80 range and is being carded by a few dealers as being the shortest maturities.

The world has remained pretty much in its narrow trading range, again being paced by the 2% of 1967-72. The 1967-72s, the 1956-58s and the 1956-58s have been eased out of some portfolios, but it is expected that these prices will remain stable. In these instances, however, the amounts involved have not been large. The partial snows have been in better demand, due to talked of tax changes. The 1960-65s are the bellwethers of this group.

Market Experts Puzzled

The gradual but steady increase in yield of the eligibles, led by the Vics, without too great an influence upon the rest of the government issues and corporate bonds, has many money followers puzzled as to what the authorities are trying to accomplish by their actions. Bank obligations have given some ground, but as a whole have not shown nearly as large an increase in yields as had been expected. In some cases the take place, and the further erosion of the powers that be. To be sure, the inability to exert a direct influence upon the eligibles, is still a matter of concern by the banks in performance being put on by these issues. Also holders of the bank obligations have not been scared by the yield increase in the eligibles, and they may seem to be able to get sold not for liquidation by Federal, the tap bonds would very definitely be selling at substantially lower yields.

Switching Halted for Present

The continuous increase in return of the restricted bonds has had an unfavorable effect upon switches, many of which were made when the spread between these two bonds and the bank obligations were narrower than they are now. The owns of bank obligations that could be sold, and the proceeds put into Vics, will have none of it now. They are inclined to sit back and see where yields on the eligibles are going to stabilize, before they will be tempted with a more attractive risk-free bank.

As for corporate bonds, there has been only a minor increase in yield, but this is more than offset by the interest rates on some other issues. Some of the highest grade corporate issues of comparable maturity, although not as strongly current show yield spreads that are about as narrow as they have been known during a "bull market" in government securities. The answer to this is not very hard to find, but one thing is evident—that most of these corporate issues are not yet rushing in to sell them in order to get into government securities despite the small yield differential between the bonds.

Increased Demand for Government Securities

Since the authorities have not been able so far to force yields of the eligibles and high-grade corporates up to any appreciable extent, it is to be expected that they will be able to accomplish. Also what is likely to result from this continued on from the point of view of what is going on in the market on the eligibles? There seems to be no doubt that Federal had not been the great beneficiary of the price reaction of the first week of the month. The eligibles and corporates would have moved down rather sharply in line with the demand of the Commercial Banks has prevented yields of all bonds from getting out of hand.

It is not unusual in some quarters that in not distant future there will be more drops from changes in the market on to Treasur¬ures. As the yield spread narrow, probably due to lower prices for the eligibles, the corporations will be inclined to move more freely into the best credit available, the Treasury obligations.

Vics Becoming Attractive

What about the bank-eligible bonds, particularly the last three taxable issues? Will there be switches out of these securities into the eligibles because of the very large yield differential between them? Apparently, the feeling is that not too much is going to take place in the way of swaps from the bonds into the taps, until the latter obligations have shown a tendency to make a bottom. There fore, however, some owners of the longest bank 2 1/2% that are looking for the reason why the long-term buying has gone on more to move them out of the eligible 2% into the restricted 2%. With a fall in the 3% long-term bonds (September bonds for June) December 2 1/2% could be made the amount of the bonds that would be exchanged is not believed to be very substantial.

As for the deposit banks selling themselves the longest-term eligibles there does not seem to be much chance of this taking place, until the banks have a desire to get issues that maintain income. At present outlook for new offerings of long-term high-income bond issues is not too promising to widen, but...
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Federal Reserve Bank of St. Louis

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NEWS ABOUT BANKS

AND BANKERS

Volume 171 Number 4918

The Commercial and Financial Chronicle

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NEW EDITIONS, ETC.

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REVIEWS

CAPITALIZATIONS
**By WILLIAM J. MCKAY**

The atmosphere in which the U.K./Canadian trade discussions in London are being held is distinctly more favorable than that which existed in the preceding year, the year at that time Canada viewed the whole subject with the effect of drastic cuts in British imports from hard-currency areas in the aftermath of the agreement concerning the maintenance of Dominion currency values in the event of a possible disappearance of the business activity south of the border.

The general factors that could have by now produced a considerable decline in the volume of the exchange of goods, services, and money between the two countries, which is in the interest of both parties, are considerations of the previous stern austerity and for an insistence on dollar-saving at all costs. Almost equally remarkable, Canada's exports to the United States have been maintained at an extraordinarily high level which has in many instances been well above the average of imports from the Dominion. The British government was well aware that the British imports to which it had to be subjected were a direct threat to the balance of payments and the dollar area as a whole. As a result it has now been possible to correct the imbalance of the previous years in these transactions.

To date, the terms of this contract Britain has been able to purchase wheat in Canada at prices well below the world level. From the Canadian side it had been vaguely hoped that this fact would have been taken into consideration in the negotiations for a new contract, but it soon became evident that over that from the British standpoint the Wheat Agreement was a necessary wartime measure, and were not to be expected as a permanent solution of both conditions of any arrangement. Thus at the end of May the Canadian government and Commerce announced the House of Commons, that a new agreement would be no further contract between the two countries for the purchase of any definite quantity of wheat, and that the expiration of the current contract would be the last opportunity for the importation of Canadian wheat would have to be obtained on a temporary basis and not less favorably than those obtained by any other buyer in the country, whether the United States or Canada.

In early May it appeared that the British government's seeming lack of sympathy for requests made with the senior Dominion would lead to a serious rift in relations. Expectations that the British policy was expressed in the nature of a public and from other authoritative quarter. There was also a wave of complaints from tax Canada's importers concerning the necessity of obtaining official Canadian re- presenters to the Dominion. From the British side there appeared to be no change in the inflexible of-

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**Continued from page 10**

"There Is No Such Thing As Government Money"

**The Commercial and Financial Chronicle . . . Thursday, June 22, 1939**
The destruction of the independence of the people by the growth of central government through what amounts to outright purchase—extension of elaborate and uncontrolled grants from a paternalistic central government.

Expenditures of government exceed receipts, in some instances, by vast amounts, and this even though its true income represents an unfair diversion of the earnings of its people from other uses.

A highly centralized control, a concentration of power, is highly centralized over the daily lives and the incomes of the people, a constant and growing interference with their ordinary concerns, interfering, improving conditions in their lives, and this all being done with the language and the pretense of affording "a more perfect union."

Fear of reprisals, crushing the spirit of independence in our people.

A steady confiscation of property through the staggering burden of taxation—and through borrowing which means debasing the currency.

Private initiative being swept aside by this gathering wave of political manipulation and control.

The most important achievement of the political control is the extension of political skill and experience in our financial institutions.

Recourse by government in order to protect the prepotency of its own institutions; to practices forbidden to private corporations because of the lack of protection to the investing public.

Can this system remain constant and remain silent? Is it fair to our depositors, our stockholders, or ourselves to do so? On the contrary, must we not speak out at whatever impropriety is revealed in this system?

For years, now, we have witnessed a constant and growing financial instability in the financial markets.

Years of constant so-called "pump" operations, the emergence of new years of constant pump smashing.

Is it fair to try to get water out of a pump by priming it with one hand and pumping with the other? At the beginning.

Years of experimentation should have taught us that the attempt to get water out of a pump that pump must first be truly primed.

No amount of priming will get water out of a pump that is not properly primed. Fortunately the industrial pump can do what the old well pump cannot. The industrial pump is no longer human.

If it is just left practically alone, it will do nothing. If you may take the example of the American people, such leadership, through old experience, is willed at the helm of the State.

We sing "God Bless America." It has been a necessary song. It has been an inspiring song. It is abundantly different from any other land. But, at the same time, those who love the country have been referred to as choice above all other lands. I am sure it is not a song in favor of "God Save America." To give her her due, it is a song that is sung by the members of the class of thrifty American savings depositories.

The call for gold is the last best hope of our commercial use. It is to save what's left.

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The market is today at a 20-year high. Still there are sound common stocks that are available which represent solid values based upon a careful analysis of all the factors involved. Whether or not a sizable reaction is coming soon, or a recession in general business conditions is in the offing eventually, the problem of finding the proper way to invest your money.

During the explosive phase of a bull market (which we may or may not have) it is essential to keep an eye on new accounts. It is during these periods when the public desires to speculate. The speculative investor turns to the public for fresh money, and the commission agent is the first choice. The client has confidence in your judgment, and you are able to call on him to meet the music of a popular name band and in addition, the Convention Committee has made arrangements to use the entire Beach Club for at least two organized dinners.

The Casino Hotel grounds provide several tennis courts which are kept in perfect shape and NSTA tennis experts will enjoy their game almost at ocean's edge. Close to the game, some Archer targets await the bow and arrow enthusiast. Even the croquet addict may have his day and enjoy his lawn game.

There is not doubt that NSTA members will find their convention a success. In fact, many have already said so. A popular spot for gatherings of old friends and the new convention visitor. A new visitor, a New York Stock Exchange transaxcel and teletype equipment will be ready and in use in close cooperation with the Convention Committee taking every effort to assure NSTA members a comfortable and enjoyable visit.
Needed: A New Approach
To Labor Regulation!

The problem of labor regulation is a complex one. People recognize the need for a more flexible system of labor relations. However, they often disagree on how to achieve this goal. The current approach to labor regulation is based on the idea that all labor disputes should be resolved through the courts. This approach is often criticized for being slow, expensive, and ineffective. A new approach is needed that is more responsive to the needs of both workers and employers.

While the current system of labor regulation is based on the idea that all labor disputes should be resolved through the courts, this approach is often criticized for being slow, expensive, and ineffective. A new approach is needed that is more responsive to the needs of both workers and employers.

With all its virtues—and it has many—the Taft-Hartley Act is simply a flawed bill. For instance, it has been criticized for being too broad in its scope, thereby causing it to be unenforceable in many cases. In addition, it has been criticized for being too narrow in its focus, thereby causing it to be ineffective in dealing with the most serious labor disputes.

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Coming Shifts in Fiscal Policy

use of blood plasma, the harnessing of atomic energy, are discoveries and applications of disturbing momentum to be reckoned with, but perhaps even an explosive situation, with enormous potentialities, is the growth of labor unions. We read of these things away, nor abstain from our discussion of the back. The world in which we are living, and in which our existence exists. Management and statesmanship and scholarship does not go to the account of the economic factor in bringing the economy back to balanced levels of high employment.

The suggestion has been made that tax rates should be changed up and down to compensate for high or low levels in business. Although there is something to be said for such a practice on theoretical grounds, I do not favor it, since I have not been able to consider all the effects that raising or lowering tax rates may have on the budget cycle is either publicly or administratively possible.

Rejecting the proposal of variable tax rates does not imply that tax rates are constant or that there is no increase or decrease in taxes through the business cycle. For instance, while I have asserted that in the budget cycle it is mainly taxes that will change, we should be as interested in the tax rate as we are in the value of our money in danger of inflation.

The poorer the tax code is, the more it is likely to be transfers from the states they do not intend, and invested in whatever manner they choose.

Consistent with this principle, our tax rates can and should be set as an integral part of the national levels of employment. The budget will be balanced at what we would consider a satisfactory level of high employment. Except for not asking for a surplus under these conditions, the government is the policy recommended by the government and the Development. If we set our tax rates any higher than this, we are asking for a surplus, i.e., a closing of the budget, that private individuals will have to pay for in the form of an inflation and a depression. Before, we make it more difficult for our national employment and to stay there.

If tax rates are set to balance the budget at a level of high employment, the two critical factors will be (1) the national income at the levels of employment. With a policy the lowest the budget the lower the tax rate, as a premium on economy and efficiency. Clearly we do not justify an attack on a tax rate as if we want any wasteful expenditure.

Obviously under such a policy the higher our potential national income, the lower our tax rates could be. In consequence we want employment with a productivity, and the labors for the world at peace.

The set idea is to raise tax rates to balance the budget at high employment means that surpluses will be used to lower the rates of boom and deficits will likewise be used to raise the rates of depression. But the surpluses and deficits will not be budgetary in the usual sense (in the production cycle that causes them and the creation of the budget). The use of surpluses in the economy will be the subject of a separate article. But one can see the growing power from the hands of government.

We know that sales of goods to private individuals will have differing effects. But in spite of all the restrictions in wartime, we do not seem to have a surplus in any budget in the year in which the economy will be at full employment. So when we are interested in the effects of the actions on the economy we shall look to the consolidated cash budget that can have a debt policy in which each budget that is balanced in the same way as a matter of fact, balancing the administrative budget—cost—balance is meaningless. It is not the consolidated cash budget that can be balanced at any rate by inflation, by exclusion or exclusion.

The consolidated cash budget is complete in itself since it is the budget which should reflect our social goals. For example, if we do not have any big surplus and our budget is to be balanced, we need to determine the rate structure to the requirements of the consolidated cash budget.

The National Debt—Just as the high new level of public expenditures (the war and new and unfamiliar problems, so greatly increasing the size of the budget) creates a new situation for which we must find a new and more adequate system, especially in the light of the current crises. The solution, Muell: and much thought and experience will be needed before we can make full confidence.

The big new question associated with a national debt of the size that now has become is those that relate to policies of debt management. A debt of two trillions, for example, has to be made up in one way or another at some stage, and it has been made during the last ten years that are based on more or less clear and more or less explicit objectives.

A debt consists of a least four distinguishable kinds of obligations, and there is no reason to believe that the management is not in some homogeneous global aggregate. Through the impact of the terms of reference, the retirement of sums from each classification or the transformation of debt, from one classification to another has consequences on the amount and kind of purchasing power made available to the public. Debt management is therefore an important economic factor in the maintenance of a high employment.

I have said there are at least four distinguishable kinds of obligations. We have seen that the relation of the public.

First, there is the debt in the hands of savings banks, insurance companies and other institutional investors.

Second, there is the debt in the hands of private individuals, the Federal Reserve Banks and other Federal agencies.

Third, there is the debt in the hands of foreign Government.

Fourth, there is the debt of the Federal Reserve Banks and other Federal agencies.

The national public debt is an important budget and it serves a different but an important role. As President Truman points out in his message on the 1946 budget, the debt is not a number, but a meaning power from the hands of the government.

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Factors in Favorable Market Outlook

The commercial and financial situation gives pause even to an "intrepid forecaster." Since the initiative rests with the Federal Reserve System, it is done to tighten the monetary mechanisms to prevent burst which since the beginning of the year have become a threat. Some steps toward contraction were taken by the Federal Reserve Bank of New York, which increased the reserve requirements of banks from 4.25% to 5.3125%, or an increase of about 25 basis points. This action was taken in response to a request from the Federal Reserve Board for the consideration of a more restrictive monetary policy.

The Federal Reserve Bank of St. Louis

It is likely that the Federal Reserve System will continue to tighten monetary policy in the coming months, as evidenced by the recent increase in reserve requirements. This will likely lead to a decrease in the money supply, which could help to curb inflation.

The current situation presents challenges for investors, as it may lead to a decrease in the prices of stocks and bonds. Investors may need to adjust their strategies to account for this potential decrease in value. It is important to carefully consider the risks and rewards of various investment options before making any decisions.

Stock Market Outlook

The stock market outlook for the coming months is uncertain. While there are some potential positive factors, such as economic growth and low inflation, there are also negative factors, such as high interest rates and geopolitical tensions. Investors should carefully evaluate the risks and rewards of various investment options before making any decisions.
Continued from first page

As We See It

Nowhere in the world have the socialists succeeded in attaining, or even given evidence of intention to undertake to achieve, complete domination. Nor have they as yet shown a disposition to adopt worldwide domination by force if necessary as a basic element in their policy. As a matter of fact, such aggressive imperialism is in marked contrast with the idealism of communism.

Socialism vs. Communism

But even though we should definitely not be warranted in any fear that the socialists either in Britain or anywhere else will presently turn upon their non-socialist friends the same kind of reception that at least the British socialists are inclined to a position not wholly dissimilar from that of the communists—namely, that they have found the light in Britain and that in their desire for it they must be very cautious if not quite aloof until socialism has taken over and nationalized the economies of such other countries. In short, this marks with a strong suggestion that the ambitions of the British socialists reach beyond the borders of Britain.

At the same time it is clear that British socialism, like Russian communism, is predominantly national in its conception. In its communism which the Kremlin says—whether it directly admits it or expresses rule the world: what is really meant is that a set of Russian tyrants flying the flag of communism must rule the world.

We will not enter upon the dominating of the British socialist, but it is clear that he does not envisage a world in which socialism on an international basis would guarantee "fair shares for all" to the nationals of any but the British State, let alone for the rest of the world.

It could be, of course, that if the British socialists felt assured that in the future there would be a permanent socialist majority among the nations of Western Europe, and that the economic goals of such nations had been nationalized and that all of them had developed national "plans" of their own—it could be that if all these conditions had been realized, the British socialist might become inclined to cooperate with the other nations in some such arrangement as the so-called Schuman Plan. However, careful study of the recent socialist pronouncement leaves room for doubt as to whether there would be a great deal of difference in the attitude of these British socialists.

Nationalism!

Running through it all is a scarlet thread of pure nationalism, and what we have been calling isolationism. Indeed, in all the discussion upon the economic status of the people of the British Isles, second upon the Dominions, and finally upon the so-called sterling area. The fact is that the British socialists though they may talk internationalism off the record, there is not much as any other party in Britain intent upon looking out for number one as the old saying goes. They are, moreover, highly suspicious of the old British Empire, and one can get the best deal for himself not by broad international cooperation—whether it be with socialist governments or any other kind of governments—but by doing what Britain has always done, engaging in shrewd horse trading.

Lest there be misunderstanding, let it be said at once and with perfect frankness, that what we have been saying is not intended in any way as a comment of the Schuman Plan, or as a criticism of the British Labor Government for not surrendering part of the sovereignty of the British Isles. We are not discussing that question about which we at this moment are not undertaking to express any opinion. Certainly we do not mean to give the impression that we find the position of the British Government out of keeping with British tradition and British custom. On the contrary, we suspect that the opposition, although taking full advantage of the situation to embarrass the Government, in fact feel themselves in accord with a good deal of what the Labour Opposition is saying. And, of course it is wholly a right of the British to make such decisions concerning their own foreign policy.

Lest We Forget!

Nonetheless, the people of the United States, we hope, are not likely to permit themselves to forget, certain facts which perhaps quite naturally do not appear in the recent pronouncements. The first of these is that we in this country are supplying funds in a large way to finance these policies of Britain, and are being asked to continue these contributions in

definitely into the future. We are being told by the British government that such aid is essential to the future of Britain in any future invasion of Western Europe, and that such defense is essential to the safety and welfare. What then are we to do in the face of such plans or plans which are to be designed to stiffen the advance line of defense upon the Continent of Europe—not only in a plan or plans of this sort, but in any program which might interfere with socialist plans for building a Utopia in Britain upon economic sands with our help? It seems to us that the time has come for both the British and the people of the United States to give further and realistic thought to all these matters.

Continued from first page

The Federal Threat to Chartered Banking

The Federal Reserve Bank of St. Louis

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The Federal Threat to Chartered Banking

family are very in the property. He was joined by others in order to pay off his _morgages_ and release the property from encumbrance.

Contrast these facts with the usual circumstances in small business. If a business is unable to pay its bills on the due date, the creditor may agree to an extension, or allow payment in installments, or accept other security, such as personal guarantees or pledges of property. The creditor may also attempt to repossess the property, if it so desires.

In the case of a small business, the creditor is likely to be a friend, relative, or neighbor, rather than a professional banker. The creditor is also likely to be more concerned with the personal welfare of the business owner than with the financial viability of the business. The creditor may be willing to accept less than full payment, or may even agree to a reduction in the amount owed.

In the case of a large business, the creditor is more likely to be a professional banker, and the terms of the loan are more likely to be based on financial calculations. The creditor is also more likely to be concerned with the financial viability of the business, and may require collateral or other security in addition to the business itself.

Even the experts have confounded this matter. There is no definite list of the loans that are intended to be insured. The amount of insurance is not specified. The terms and conditions of the insurance are not clear. The government has not yet released a formal statement on this matter. The insurance is intended to cover the loss of capital, but it is not clear how much of the loss will be covered. The insurance is intended to be available to all businesses, but it is not clear how it will be administered.

A summary of the key points is as follows:

- The Federal government is proposing to provide insurance for small businesses.
- The amount of insurance is not specified.
- The terms and conditions of the insurance are not clear.
- The government has not yet released a formal statement on this matter.
- The insurance is intended to cover the loss of capital, but it is not clear how much of the loss will be covered.
- The insurance is intended to be available to all businesses, but it is not clear how it will be administered.

In conclusion, the proposal to provide insurance for small businesses is complex and lacks details. The government has not yet released a formal statement on this matter, and it is not clear how the insurance will be administered. The insurance is intended to cover the loss of capital, but it is not clear how much of the loss will be covered. The insurance is intended to be available to all businesses, but it is not clear how it will be administered.

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The State of Trade and Industry

and failure to agree could lead to a strike 60 days later. About this time last year steel users were reducing their inventories. In contrast, this year steel users have been trying frantically ever since to maintain production and rebuild inventories. It seems probable that this year's steel strike, followed by further shut-downs due to unrest in the industry, will have increased 20 to 25% during the past three months. One Midwestern manufacturer states he is having a delivery-time of eight to 10 weeks for flat-rolled stainless steels and his new contract for a U.S. mill is less than six weeks. The mills have finally succeeded in checking runaway scrap price, which fell 6 cents for the time being. They did this by staying out of the market whenever possible, and also by the total output of substantial tonnage of foreign scrap. This week the "Iron Age" steel scrap composite price fell 6 cents to a ton or a gross ton.

Morgan Stanley Group Offers Dayton Power & Light Preferred Stock

Morgan Stanley & Co. and W. E. Hutton & Co., and associated underwriters, announce the immediate offering of $100 par value, of The Dayton Power & Light Co. at $100 per share and accrued dividends.

The Morgan Stanley Group offered stock will provide funds to finance a portion of the company's 1950 operating requirements and to be available for the purchase of additional shares of common stock in the market.

The estimated cost of the construction program, including the acquisition of additional properties, is approximately $94,200,000, of which $61,516,400 had been expended up to March 31, 1951. An estimated $16,285,100 will be spent during the balance of the year.

The new preferred stock is redeemable at the option of the company on any day on or after June 1, 1960, and at 101 per share.

S. B. Cantor Co. Offers Mont-Canaïdian Oil Stk.

S. B. Cantor Co., New York, are publishing today a prospectus of a common stock (par 10 cents) at $3 per share.

The net proceeds are to be used to pay for expenses in connection with the prospective offering, and for the purchase and development of oil wells on property in Blaine County, Mont., and for working capital.

With Paul C. Rudolph

(Signed) THE FINANCIAL CHRONICLE

SAN JOSÉ, Cal. — Victor L. Slusser, vice-president and financial staff of Paul C. Rudolph & Co., 40 South First Street.

Old Glory

With Richey, Baikie

(Signed) THE FINANCIAL CHRONICLE

SANTA CRUZ, Cal.—Francis M. Harris is with Richey, Baikie and Alcantara, 1517 Pacific Ave.

Commodity Price Index Recedes Follwing New Peak

After setting a new high-month peak of 307.71 on June 7, the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., turned downward to close at 283.48 on June 13. This decrease was 5.6% from the previous week's peak of 328.50, and with 242.50 on the like date last year.

Price-quoting heads fluctuated irregularly over a comparatively narrow range during the past week.

Oats futures rose to new seasonal highs at mid-week as did cash prices which sold above $1 a bushel for the first time in almost two years.

Advances were more than wiped out in closing sessions, however. On the Chicago Board of Trade, the most active contract of soft red winter wheat increased 7 cents a bushel to 35 cents above last year's like date.

A total cattle crop year substantially above general trade expectations. All classes of cattle were reported to have been cut out in the past week.

A decline in the market for the first time in 18 months. The fall was particularly sharp in the Chicago market, where there was substantial buying of corn.

Activity in the domestic flour market was largely confined to trade in the common grades for immediate or nearby shipment. Export trade in flour remained relatively steady.

The cotton market experienced further declines, and prices moved downward in active trading during the latter part of the week. An increase in the number of mills reporting reversals of operations was the result of a falling market, manufacturers showing only limited interest.

The New York Cotton Exchange Bureau estimated the daily average price on a 40,000 bales basis, as against 36,100 the preceding month and 26,700 in May last year.

Reports indicate that cotton production reports for the season during the week ending June 1. Withdrawals from the market totaled approximately 120,000 bales, bringing the aggregate supply to a new low.

The season's sales were well below those of the previous year. With demand in domestic markets now high for the season, and with production curtailed, the domestic cotton market is expected to move higher in the near future.

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Today's Costs of Tomorrow's Pensions

An amount of money which, with the interest it should earn, is calculated to yield a specified annual pension for a specified period over his lifetime. From the employee's point of view this method of calculating the cash disbursement requirement is somewhat adverse. If the fund, the employee is assured of receiving the pension benefit to which he is entitled. From the company's point of view this method of calculation requires heavier payments than the cash disbursement method because the cash payments over the life of the plan the required company payments are less, by reason of the interest earnings of the fund, which earns interest on the payments to pensioners.

Like the cash disbursement method the normal or future lifetime method fails to recognize the cost of the actuary's services. The basic principle of the method is that fund requirements are added to normal retirement to impose a certain burden on the pensioner at the time he makes a claim on the fund's resources.

Methods of Measuring Costs: Current Costs

A third method of providing for the cost of pensions is that which we have described as the actuarial method. The most common procedure under the U.S. Treasury Department tax regulations. This minimum requirement is that the past service cost at the effective date of the pension plan must be stated. It is the present value of the expected obligations of the plan as of the effective date of the plan. The past service cost must be determined by the use of actuarial principles, and must be adjusted to reflect the passage of time.

A fourth method of providing for the cost of pensions is to pay a sum of money to the employee for the benefit of the pension plan. This sum is determined by a combination of the normal and the actuarial method. The normal or future cost of the plan is the cost of the plan as of the effective date, and the actuarial method is used to determine the cost of the plan after the effective date.

Note carefully that these normal or future service costs do not provide for the cost of any pensions that were earned before the service rendered prior to the installation of the plan for which employees may be retroactively entitled to receive pensions. In its name, the plans imply, the future service cost looks to the future—when the employee will have retired, and his pension will have been paid, but not since the plan has already paid, or is paying, pensions to employees in service, or retired, or in the process of attaining retirement. This leads us to a consideration of the cost of the service cost of the pension plan for the service already rendered. This has been the subject of a number of recent studies.

The actuary is in the position of identifying the manner of the question involved. Thus a claim made to the fund is a claim for a certain amount of money that is to be paid to the employee. This claim is made on the basis of the employee's years of service, his salary, and the interest rate that is used to calculate the value of the claim.
money whose buying power does not fluctuate much from year to year. Thus if there is a continuing rise in prices, the tax with resulting price and wage inflation, then the dollar amount of money required to purchase government plans, upon the wage level and the Federal Reserve action will be greater than were provided for during the years of service at lower levels of dollar wages. The dollars set aside during the years of employment may prove insufficient and have to be supplemented with money that was not previously calculated. If no money is set aside in anticipation of price inflation, the net result is that the burden of paying the pension is shifted to the retiree and may be further aggravated.

In addition to this, we have already seen in the recent history of both company and Federal old age pension systems the diminishing buying power of the dollar because of the inflation. The greater pensions that might be granted would result naturally, as I have already explained, in retroactively creating a new and bigger post service cost.

Continued from first page

Will We Have Another Postwar Slump?

of the building boom of over 20 years ago, the government is now paying millions of dollars to heavy industries and transportation in order to get the industries back in business. The taxpayers are reporting improved business.

About the only important segment of the country that is not reporting any evidences of readjustment is the agriculture area. We are probably down about 20% from the postwar consumption peak. The most important category, however, is about 10% below the prewar level. Farm prosperity in recent years has been such that the present time farm debt is extremely low, but we are warned by the experts that there is danger of another great slump. Nevertheless, the number of farmers to day who have liquid reserves in government bonds or in their bank accounts is probably higher than ever before. The trend in consumption of extremely active and near boom-time conditions during the postwar period, without a serious setback, has been puzzling to many concerned with the welfare of our businessmen. In fact, business is so good and prosperous that at times it seems that it is hard to believe. Business pessimists say that this prosperity can last only a little longer. They are querying if it is possible that this time the economy is not a postwar slump. Well, of course, I cannot answer these questions but I believe I can give you a satisfactory reason why a major slump has not yet occurred.

The reason we have not as yet had another postwar slump is that World War II is because of three major factors representing an important influence of these basic influences is that World War II has not reacted upon our economy. The second is the increasing intervention by government in our economic procedures in one way or another in all important fields of business. The result is a revolutionary effect of modern technology and its influences upon the complicated domestic and international economic problems. The extent to which these factors are interacting with each other is a subject that is not fully appreciated because they become a more or less generalized subject of conversation in the scene we are daily viewing.

Accordingly, it might be well to apprise the significance of these three factors and how they are modifying the business world of today.

Peace Has Not Been Reestablished

The first of these basic influences, namely, the fact that peace has not been reestablished of itself is that there has been no peace. Gradually, but per-}

The second of these basic influences is that the current ideological and political problems are problems and the way it is going one may become aware of a fact that difference of tastes and preferences of the people, who have been used to a certain standard of living, is going to be greater than at any previous time in the history of this country.

Politics and Economics Have Been at Work

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will have the "whole" bull market of that period. He might have been tempted to sell in stocks in 1929 because prices were well above the dividend index, but he would have also missed the entire bear market which ended in 1932 with the laggard stock prices. In this period, stock prices always seemed to be above the dividend index. It would seem, therefore, that the investor who had sold the Dow-Jones Composite Index at $193-1939. In short, it would seem that dividends alone are not the deciding factor.

Column (6) shows dividends per share of stock on a basis put on a 1933-1939:100 basis. Curiously enough the relationship between these dividends and the price index is different from that for the dividends alone. This fact naturally suggests an aversion of earnings, dividends, or any other factor that would not conflict with common sense.

Column (7) shows a simple average of earnings and dividends of the 1933-1939 period, both on a basis put on a 1935-1939:100 base. This average is not a smoother than earnings divided by bond yields, it indicates a reasonably good measure of the market trend and level. It is curiously enough the same as the one using dividends alone. It is one of the bases on which the market index gives better results than any other. This index was used by Lord Keynes and Hume. This fact naturally suggests an aversion of earnings and dividends, or any other factor that would not conflict with common sense.

Present Market Level Explanation

In short, there is no way to explain the price index on the basis of past relation of current earnings and earnings divided by bond rates. At such a point one can always introduce subjective factors as a lack of confidence in the permanence of earnings, or the growing importance of savings, or in forms not suitable for stock market. It is a trite story toward socialism. Under the first, one can include the threats to nationalized expropriation, and fear of deflation by the mone-
yy authorities. Under the second, there is a temptation to sacrifice the middle class in order to achieve a more progressive social order. But the most important in the right, there is a temptation to sacrifice the middle class in order to achieve a more progressive social order. But the most important
All during the war the market prices have gone up. One answer is that the OPA held prices down. The 1946-1949 is particularly interesting since in those years the distribution of earnings paid out as dividends dropped. This was a period of extraordinary earnings for the whole country in the face of an unfavorable new business climate. Capital in a period of large capital formation by average company about 15% of taxable earnings represented appreciation of the market. The average earnings actually cost the stockholders something. It was demanded that the tax on inven-
tory appreciation be paid in cash. In this same period, under-depreciation was a result of the inflation and our way of keeping books, contributed to the result. The questionnaire on the degree of profit was all liability to a far-flung socialistic inflation was checked and at least one "socialistic" element was eliminated. Once again corporations showed what they could do.

During the war the excess prof-

TABLE 1

stock, of course, had a great deal to do with the down-trend. The low level indicated by produ-
cational recovery is indicated in the July 1946 tax in the post-war today also pro-

In 1948, I really do not like the idea of coming to the business of the central bank, but quite a number think that much like saying the volume of a market is determined by its area alone.

New Order Index

I show you another such a mag-

summarize the index of expected new order with stock prices. You are likely to think of this index in-

depends on the business cycle. Con-

to conclude a short period of de-

the years ago, some of the more

In 1949, it is true that the

What have been the effects of

One of the questions posed in

publicly offered today

$65,000,000 General State Authority of
Pennsylvania Bonds Publicly Offered

An underwriting group headed by Halsey, Stuart & Co. is making public offering today (Thursday) of $65,000,000 principal amount of The General State Authority of the Commonwealth of Pennsylvania Second Serial Bonds, priced to yield from 1.05% to 2.0%, accord-

$100

the depression and the date of maturity, but no tax in anything over $175,000,000 of bonds was authorized to be issued. There have been, however, more than 40 issues of bonds outstanding $30,000,000 more than the amount authorized.

the South in 1949, maturing serially on July 15 of each year, commencing on July 15, 1949, and ending July 15, 1974.

With Wm. R. Staats Co.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Frank W. Staats, president of the Bank of America, has announced that he will retire August 14, 1951, after 39 years of service, and will be succeeded by William R. Staats Co., 111 Sutter Street. He was formerly salinas manager for Milhchum, Tully & Co.

PORTLAND TRADERS VISIT PLAN

In the photograph from left to right are: Thomas W. Deboll, chairman of the Board of Portland General Electric; Richard A. Diller, president of the Pacific Trade Association of Portland; Russell McGoury, Vice-President SEPT.; E. P. Parz, president of the Walla Walla and Yakima Valley, R. R.

PORTLAND, Ore.—For the past several years the Securities Traders Association of Portland has undertaken a program consisting of a series of tours through many of the local corporations. The result has been that the members of the association have come to know each other better, been introduced to the management of the companies in whose securities they are actively dealing.

Most recent of these trips was through the interesting facilities of the Portland General Electric Company with approximately 100 men attending. The group included with a dinner at which time the top management of the company discussed their operations and policies and answered the questions of the securities people present.
The following statistical tabulations cover production and other figures for the latest month or weekly average. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

### Indications of Current Business Activity

#### AMERICAN IRON AND STEEL INSTITUTE:

- **Basic steel—tonage (cents per ton):**
  - June 25: 1.102

#### AMERICAN PETROLEUM INSTITUTE:

- **Condominate output—daily average (bliss of 42**
  - June 10: 5,355,425

#### ASSOCIATION OF AMERICAN BANKERS:

- **Reserve funds (dollar):**
  - June 25: 1,069,133

#### CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-RECORD:

- **Total U. S. construction:**
  - June 14: $277,411,000

#### DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE TENDENCY—1942-45 AVERAGE:

- **June:**
  - 307

#### DIABESE INSTITUTE:

- **Electric sales (in 100,000s):**
  - June 17: 4,613,074

#### PALTRES (COMMERCIAL AND INDUSTRIAL)—DEN & BROAD STREET INC:

- **Iron age Composite Prices:**
  - **Finisht steel (per lb.):**
    - June 25: 3,577.36

#### METAL PRICES (E. A. & M. J. QUOTATIONS):

- **Domestic steel scrap:**
  - June 12: 22.00

#### WOODY'S BOND FIELD DAILY AVERAGES:

- **U. S. Government Bonds:**
  - June 20: 102.07

#### WOODY'S COMMODITY INDEX:

- **June:**
  - 348.2

#### NATIONAL PAPERBOARD ASSOCIATION:

- **Orders received:**
  - June 16: 229,543

#### OIL, PAINT AND DRUG REPORTER PRICE INDEX—1928-36

- **Average:**
  - June 16: 120.3

#### STOCK TRANSACTIONS FOR THE ORD-LIT ACCOUNT OF ORDINARY SHORTS AND SPECIALISTS ON THE N.Y. STOCK EXCHANGE—SECURITIES EXCHANGE COMMISSION:

- **Number of shares:**
  - June 3: 10,154

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

- **Feed grains:**
  - June 13: 134.6

### BUILDING PERMIT VALUATION—DEN & BROAD STREET, INC.—213 CITIES—Month of May:

- **Total:**
  - $73,379,071

### COMMERCIAL PAPER OUTSTANDING—FEDERATION OF A.A.A. OF AMER.:

- **At May 31 (of which April):**
  - $756,000

### COTTON PRICES—Dept. of Commerce:

- **Per pound for cotton:**
  - June 20: 0.625

### FAIRCHILD PUBLICATION RETAIL PRICE INDEX—1919 (COEFFICIENTS AS OF JUNE 1):

- **June:**
  - 137.1

### NEW YORK STOCK EXCHANGE—As of May 29 (2011):

- **Member firms carrying margin accounts:**
  - Total of customers' net balances:
    - June 25: 1,271,947
  - June 25: 1,271,947

### INTERSTATE COMMERCE COMMISSION:

- **New sales at end of month in thousands of dollars:**
  - June 11: 272,347

### NEW CAPITAL ISSUES IN GREAT BRITAIN:

- **Number of shares:**
  - June 30: 150,010

### TREASURY MARKET TRANSACTIONS IN DRES AND DRES AND DRES AT THE U. S. DEPT. OF LABOR:

- **Net purchases:**
  - June 25: 1,375,750

### REAL ESTATE FINANCING IN NON-FARM AREAS OF U. S. FEDERAL AND STATE CORPORATIONS:

- **Month of April (1911):**
  - $87,246,789

### TRENCHER BANKS:

- **Reserve balances:**
  - June 25: 138,353

### BULLION PERMIT VALUATION—DEN & BROAD STREET, INC.—213 CITIES—Month of May:

- **Total:**
  - $64,290,935
Securities Now in Registration

- **Alabama Gas Corp.**
  June 27 (letter of notification) 1,479 shares of ($2 par) common stock, at $33.80 per share, to be offered pro rata to stockholders. No underwriter. Proceeds to construct lines. Underwriter—Southeastern Underwriters, 213 N. Main St., Birmingham, Ala.

- **Electric Products, Inc.** (6/28-30)
  May 24 filed 160,000 shares of 45 cent cumulative convertible preferred stock (par $6) and 100,000 shares of $50 par common stock to be sold in units of one preferred share and one-half share of common at $75.80 and $12.56 per share, respectively. Underwriter—Hill, Thompson & Co., New York.

- **Fleetwood Airflow, Inc., Wilkes-Barre, Pa.**
  April 19 (letter of notification) 10,000 shares of common stock (par $50) to be offered to first common stockholders. Price—$1 per share to stockholders and $1.25 per share to non-stockholders. Underwriter—None.

- **First National Bank, Nevada, Reno, Nev.**
  June 14 (letter of notification) 50,000 shares of common stock capital stock ($10 par) to be sold in units of five shares of common stock at $12.50 per share. Price—$5 per share. Underwriter—None.

- **First Springfield Corp., Springfield, Mass.**

- **Front Range Mines, Inc.** (6/26-30)
  June 20 (letter of notification) 26,000 shares of common stock capital stock (par $1) to be offered to all stockholders. Price—$1.25 per share. Underwriter—H. L. Clevenger & Co., Inc., Chicago, Ill.

- **Gatineau Power Co., Ottawa, Canada**

- **General Computing Machines Corp.**
  June 10 (letter of notification) 50,000 shares of common stock (par $1) to be offered to employees. Price—$5.75 per share. Underwriter—None. Proceeds—For working capital. Office—41 West Lake St., Chicago 1, Ill.

- **General Electric Co., Baltimore, Md.**
  June 2 (letter of notification) 25,000 shares of 5% preferred stock (par $5) and 50,000 shares of common stock to be sold to all stockholders. Price—$50 per share and $5 per share. Underwriter—John C. Legg & Co., Inc., New York. Proceeds—To purchase machinery and equipment and for working capital. This item corrects notation appearing in our June 13 issue. Price—To be filed by amendment. Underwriter—Pal, Weber, Johnson & Currit, Stone & Webster Securities Corp. and Mitchum, Tully & Co. and others.

- **General Telephone Corp.** (6/27)
  June 12 filed 199,580 shares of common stock ($20 par) to be offered to common stockholders of record on or before June 20. Proceeds—To purchase additional common stock of operating subsidiaries, and to make advances to these companies pending the permanent financing of new construction.

- **Geneva Telephone Co.** Geneva, Ohio
  May 25 filed 23,000 shares of Series A $5 par 4% convertible $100 cumulative preferred stock, of which 12,345 shares are convertible into 20 shares of common stock, half of which are convertible into Series A, series, at $100 per share. Proceeds—To enable the company to purchase additional common stock of operating subsidiaries, and to make advances to these companies pending the permanent financing of new construction.

- **Globex Corp., Columbus, Ohio**
  Proceeds—To purchase equipment.

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**Citizens Credit Corp., Washington, D. C.**
June 9 (letter of notification) 12 class A common stock (par $12.50) and 1,000 shares of class B stock (par $25), to be sold in units of three shares class A stock and one share class B stock for $41.50 per unit. Underwriter—Emery S. Warren, New York. Proceeds—To complete purchase of Trust Co., Washington, D. C. and other national funds.

- **Collaumus Hosley Co., Paducah, Ky.**
  June 11 (letter of notification) 15,941 shares of common stock, at $11 per share. Proceeds—To be used for working capital. Proceeds—For general business purposes.

- **Coca-Cola Bottling Co. of St. Louis**
  June 5 (letter of notification) 2,800 shares of common stock (par $1) to be sold at $20 per share. Proceeds—To be used for working capital. Office—2686 Newsland, St. Louis, Mo.

- **Combustion Engineering Inc., Cincinnati, Ohio**
  June 9 filed 500,000 shares of common stock (par $1) of which 210,000 will be reserved for general purposes. Underwriter—None. Proceeds—For general business purposes. Price—$1 per share. Underwriter—None.

- **Progressive Planation Corp.**
  September 30th to file for registration of 100,000 shares of common stock, to be sold at $5 per share.

- **Associated General Contractors**
  December 18, 1950 to file for registration of 50,000 shares of common stock, to be sold at $10 per share.

- **Botany Mills, Inc.**
  June 19 (letter of notification) 1,000 shares of common stock (par $10) to be sold at $10 per share. Proceeds—To be used for working capital.

- **Casper Tins Plate Co., Chicago, Ill.**
  July 3 (letter of notification) 1,000 shares of common stock (par $10) to be sold at $10 per share. Proceeds—To be used for working capital.

- **Cincinnati & Suburban Bell Telephone Co.**
  May 2 filed 234,858 shares of common stock being offered for stockholders. Price—$5 per share. Proceeds—To be used for working capital.

- **Christina Mines, Inc., N. Y. C.**
  August 29 (letter of notification) 1,000 shares of common stock (par $50). Price—$50 per share. Proceeds—To be used for working capital.

- **Caspers Tins Plate Co., Chicago, Ill.**
  July 3 (letter of notification) 1,000 shares of common stock (par $10) to be sold at $10 per share. Proceeds—To be used for working capital.

- **Cascopine & Western Corp., Maspeth, L. I., N. Y.**
  June 21 filed 105,402 shares of cumulative preferred stock (par $50) convertible into common stock prior to liquidation of all of the 100,000 shares of common stock, of which basis of one for each 12 common shares held. Proceeds—To be used for working capital.

- **Even-Air Corp., New York City**
  June 9 (letter of notification) 18,000 shares of common stock (par 10 cents). Price—$3 per share. Underwriter—Smith, Barney & New York, Proceeds—To be used for working capital. Office—414 11th Avenue, New York 18, N. Y.

- **Florida-Quinn Corp., Pittsburgh, Pa.**
  June 27 (letter of notification) 1,479 shares of ($2 par) common stock, at $33.80 per share, to be offered pro rata to stockholders. No underwriter. Proceeds to construct lines. Underwriter—Southeastern Underwriters, 213 N. Main St., Birmingham, Ala.
Globe Hill Mining Co., Colorado Springs, Cola.
May 26 (letter of notification) 5,885,000 shares of common stock (par $1), of which 29,000 shares are to be offered to and sold by Underwriters—George C. Carroll Co., Denver; Inter-Mountain Shareholders Corp., Salt Lake City, Utah; and M. A. D. Housh Co., Spokane, Wash. Proceeds—for mining equipment.

Glockner (H.) Associates, Inc.
May 26 (letter of notification) 5,800,000 shares of common stock (par $1), of which 20,000 shares are to be offered to and sold by Underwriters—Franklin C. Bell, Jr., New York; and W. C. Theus, Oklahoma City. Proceeds—to buy mining machinery and for working capital. Statement effective May 30.

Graveline Mines Corp., Ltd., British Columbia.
Feb. 16 filed 100,000 shares of common non-assessable stock (par $1). No underwriters. Proceeds—to buy mining machinery and for working capital. Statement effective May 10.

June 20 listed 100,000 shares of common capital stock. Underwriter—Growth Companies Management Corp., Philadelphia, Pa. Proceeds—to provide working capital.

Burl Atlantic Transportation Co., Jacksonville, Florida
May 26 filed 620,000 shares of class A preferred stock (par $1) and 270,000 shares of 25c par common stock. Offerings to be made underwritten by underwriters selected by closing the balance of 10% of the par value of the preferred stock and 40% of the par value of the common stock. Price at par. Underwriters—S. S. Johnson & Co., New York, N. Y., and A. M. Kidder & Co., Inc., New York, N. Y. Proceeds—to promote the railroad.

Hammond Stanish & Co., Detroit, Mich.
June 14 (letter of notification) 1,741,000 shares of 4% cumulative preferred stock (par $50) to be offered to common stockholders of record June 7 on basis of one share of preferred stock for every 15 shares of common stock held. Rights will expire June 24. Underwriter—The First Boston Corp. Price—to be filed by amendment. Proceeds—for general purposes. Underwriters—P. W. Brooks & Co., New York, N. Y., and B. B. Kuhn & Co., New York, N. Y.

May 15 filed $500,000 of first mortgage 5% sinking fund bonds, due 1961, with warrants to purchase 60,000 shares of common stock at $25 per share. Underwriters—Smith, Barney & Co., New York, N. Y., and Oppenheimer Bros. Proceeds—to provide working capital.

Mid-States Equipment Co., Detroit, Mich.
June 6 (letter of notification) 53,000 shares of common stock (par $1) to be offered to shareholders at $50 per share. Rights will expire on June 30. No underwriters. Proceeds to repay obligations and purchase equipment.

Middle South Utilities, Inc.
June 1 filed 400,000 shares of common stock (par $1) to be offered to shareholders of record underwritten by three underwriters—Arkansas Power & Light Co., Louisiana Power & Light Co., and Mid-State Electric Co. Underwriters—Equitable Securities Corp. will serve as "dealer-manager" and purchase any unsold portion of the stock. Proceeds to be used for the sale of electricity by the power companies. Statement effective June 28 and June 14. (See also listings of Arkansas, Louisiana and Mississippi companies elsewhere in this column.)

Mid-West Power & Light Co.
Feb. 9 (letter of notification) 5,200 shares of common stock to offered to common stockholders of record March 17 at $50 per share on a one-for-five basis. Underwriters—Clark, Dodge & Co., New York, N. Y. Proceeds—to note payments and for additional working capital.

Miller (Walter R.) Co., Inc.
March 19 (letter of notification) 1,000 shares of 6% cumulative preferred stock at par ($100 per share). Underwriter—George B. Bonbright & Co., Birmingham, Ala. Proceeds—to provide additional working capital.

National Automotive Corp., New York City.
May 19 (letter of notification) 1,200 shares of common stock at market (approximately $9 per share). Proceeds—To provide working capital. Underwriter—The First Boston Corp. and Continental Illinois National Bank & Trust Co., Chicago, III. Proceeds—to increase the value of the common stock.

New England Power & Light Co.
May 23 (letter of notification) 500,000 shares of common stock (par $1). Proceeds—to be used to redeem, at $101 per share, plus accrued dividends, the outstanding 4,476 shares of 5% preferred stock and for construction and other corporate purposes. Underwriters— recibed by company up to noon (EDT) on June 19, but rejected. Three bids were made as follows: Union Securities Corp., $100.40 per share with a $4.65 dividend; Blyth & Co., Inc., and Equitable Securities Corp., (jointly), $100.10 with a $4.65 dividend; and W. C. Langley & Co. and First Boston Corp. (jointly), $100.30 with a $4.80 dividend. Statement effective June 22.

New Haven Circular of 1950, Hartford, Conn.
June 19 filed 2,000 shares of common stock (par $1). Proceeds—to increase the value of the common stock. Underwriter—Reynolds & Co., New York, N. Y. Proceeds—to purchase assets of Federal Leather Co. (An additional 10,000 shares are to be sold to Louis M. Planson, the largest holder of the company's stock.)

New Haven Circular of 1950, Hartford, Conn.
June 23 filed 169,283 shares of class A stock (par $1). Proceeds—to repay the principal amount of the 5% mortgage note due the United Corp., New York holding company, "in ordinary brokerage" and also to pay 3 months interest on the $5,000,000 Stock Exchange at current market prices through regular markets of such stock. Proceeds—To the United Corp. Statement effective June 12.

North Carolina Developers, Inc., Washington, D. C.
May 16 (letter of notification) 200,000 shares of common stock (par $1). Proceeds—to provide working capital. Statement effective May 22.

Norris Oil Development Co., Washington, D. C.
May 16 (letter of notification) 1,000 shares of common stock (par $1), to be sold at the market price (of which some shares were sold for $10 per share) for the purpose of developing oil and mining interests. Statement effective May 22.

Ornex Co., Inc., Chicago, Ill.
May 22 (letter of notification) 11,000 shares of common stock (par $1) to be offered to shareholders at $10 per share. No underwriters. Proceeds for working capital.

Peoples National Bank of Chicago.
May 15 (letter of notification) 1,344 shares of common stock (par $100,000 per share) to be offered to shareholders at $25 per share. Rights will expire on June 30. No underwriters. Proceeds to repay obligations and purchase equipment.

Philadelphia Suburban Gas & Electric Co.
June 3 (letter of notification) 1,200 shares of common stock (par $1) to be offered to shareholders at $50 per share. Underwriters—Greenfield, Lax & Co., Inc., New York, N. Y. Proceeds—to Greenfield, Lax & Co., Inc.

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Philadelphia Suburban Gas & Electric Co.
June 3 (letter of notification) 1,200 shares of common stock (par $1) to be offered to shareholders at $50 per share. Underwriters—Greenfield, Lax & Co., Inc., New York, N. Y. Proceeds—to Greenfield, Lax & Co., Inc.
Northwestern Public Service Co., Huron, S. D.
June 9 filed 49,200 shares of common stock (par $1) to be offered to stockholders of record June 23 at rate of 25 cents per share. Underwriter—C. Allory and Co., Inc., New York. Price—to be filed by amendment.

Ohio Oil Co. & Gas Co.
Panhandle Eastern Pipe Line Co. (1940), 1,100 shares of common stock now held in treasury. Price—$6 cents per share, in full payment. Proceeds—Toward repayment of bank loans.

Pennsylvania Telephone Co., Orchards, Wash.
March 18 (letter of notification) 500 shares of common stock. Price—at par ($100 per share). Underwriter—None.

Pan American Gold Ltd., Toronto, Canada

Panhandle Eastern Pipe Line Co. (1912) June 10 filed 19,315 shares of class A preferred stock (par 10 cents), to offer a class A preferred stock holder a stock for stock exchange, on a $15 basis. Price—$1.51 per share. Proceeds—For working capital and surplus. Object—25 Journal Street, Jersey City, N. J.

Phoenix (Ariz.) 1,000 shares of common stock now held in treasury. Price—$6 cents per share, in full payment. Proceeds—Toward repayment of bank loans.

Pendleton (Ore.) Grain Growers, Inc.
June 1 (letter of notification) $320,000 of 4% debentures and $400,000 of common stock (par $1) to be sold to the public at a fixed price. Price—$50 per debenture and $1.50 per share. Underwriter—None. Proceeds—To operate. Statement effective June 25, 1950.

Pepsi-Cola Bottling Co., N. Y.
June 9 (letter of notification) 8,000 shares of common stock. Price—at par ($5 per share). Underwriter—None. Proceeds—to be used in operating the business.

Prophet (Fred B.) Co. (6/22-23)
June 2 filed 46,000 shares common stock (par $1). Underwriters—Baldwin & Stratton, Chicago. Price—to be filed by amendment.

Prospect Hill Development Co., Bismarck, N. D.
April 18 (letter of notification) 12,500 shares of common stock (par $10). Price—to be filed by amendment.

Provident Life Insurance Co., Bismarck, N. D.
June 15 filed 17,025 shares of common stock (par $1). Price—$1.50 per share. Underwriter—None.

June 13 filed 500,000 shares common stock (par $1). Price—$1.50 per share. Underwriter—Ross & Co., Inc., New York. Proceeds—To be used for working capital and surplus. Object—Broadway at Second, Bismarck, N. D.


Reid Brothers, Ltd., San Francisco, Cal.
April 8 (letter of notification) 10,000 shares preferred stock. Price—At par ($10 per share). Underwriter—None. Proceeds—to be used in operating the business.

Richland Oil Development Co., Chicago, Ill.
May 9 filed 15,000 shares common stock (par 50 cents) to be sold at $1 no par. Underwriter for drilling activities and payment of accumulated dividends—1600 Bonnuka Bldg., 11 So. La Salle St., Chicago, Ill.

Roberts-Gordon Appliance Corp.
June 12 (letter of notification) 231 shares of common stock (par $1). Price—$6 per share. Underwriters—E. W. McCallum & Co., Boulder, Colo. Proceeds—From 13,250 shares to be added to working capital and $9,750 to reimburse company for 246 shares held in treasury for 0.75% of common outstanding at stock price of $5.50 per share.

Roby (Sidney E.) Co.
June 27 filed by amendment 4,000 shares of common stock (par $10). Price—to be sold to stockholders of record June 16, 1950, at par, on the following terms: to expire July 12, 1950, Price—$100 per share. Underwriter—Continental Illinois National Bank & Trust Co., Chicago, Ill.

Roel Krysten Inc., State Island, N. Y.

Rome Cable Corp., Rome, N. Y.
June 6 (letter of notification) 25,675 shares of common stock (par $1) to be sold for the benefit of the estate of Louis J. Rome, who is now a director of the company. Price—to be found in a current offering circular. Proceeds—to be used in working capital.

Rosson Art Metal Works, Inc., Newark, N. J.
May 23 filed 100 shares common stock (par $1) to be sold for the benefit of the estate of Louis J. Rome, who is now a director of the company. Price—to be found in a current offering circular. Proceeds—to be used in working capital.

Seacoma Co., Oklahoma City, Okla.
April 27 (letter of notification) 225,782 shares of class A preferred stock (par $25) to be offered to public. Proceeds—For the public general interest. Underwriter— None.

Seneca Oil Co., Kansas City, Mo.
June 1 filed 85,000 shares of cumulative preferred stock (par $100) to be offered for sale to public. Price—to be filed by amendment. Underwriters—Morgan Stanley & Co. and E. C. Harris.

South Bend News Co., South Bend, Ind.
June 9 (letter of notification) a sufficient number of shares of preferred stock to not exceed 100,000. Price—at close of June 5, $15 per share. Underwriters—F. L. Steele & Co., Chicago. Proceeds will be sold in over-the-counter market. Proceeds—to Sin GB Corp., South Bend, Ind.

Sudore Gold Mines Ltd., Toronto, Canada
June 7 filed 375,000 shares of common stock. Price—at par ($1 per share). Underwriter—Bank of Montreal. Proceeds—Funds will be applied to the purchase of equipment, rode development, exploration work.

Transvision, Inc., New Rochelle, N. Y.
June 13 filed 300,000 shares common stock (par $1). Price—to be filed by amendment. Underwriters—Claybaugh & Co., New York. Proceeds—to increase working capital and for working capital
groves to the company.

Triplex Corp., of America, Pueblo, Colo.
May 13 (letter of notification) 200,000 shares of non¬
redeemable preferred stock. Price—at par ($1 per share). Proceeds—to build 20 demonstration units, design, equip and maintain a factory and for general business purposes. Office—Room 1, Billie Bldg., Reno, Nev.

Western Gypsum Corp., Menasha, Wis.
May 13 filed 100,000 shares of common stock. Price—At par ($1 per share). Underwriter—Phil Stack & Co., Chicago. Proceeds—For equipment, real estate, working capital and for general corporate purposes. Office—Virginia and Truckee Building, Carbondale, N. Y.

Western Oil Fields, Inc., Denver, Colo.
May 8 filed 1,500,000 shares of common stock (par $1) and $50,000 note carrying 4% interest. Proceeds—to be used as a bonus 500,000 shares of stock. Price—$2 per share. Underwriter—John G. Perry & Co., Denver. Proceeds—to drill for oil in Wyoming and for working capital.

Western Uranium Cobalt Mines, Ltd., Vancouver, B. C., Canada
Feb. 25 filed 800,000 shares of common stock stock (par $5) to be offered to the public. Proceeds—Exploration and development work. Statement effective May 23.

Wisconsin Electric Power Co.
May 5 filed 585,400 shares of common stock (par $10) for the public. Price—to be determined on basis of one new share for each five shares held; holders of more than one share will be rewarded. Underwriter—None. Proceeds—for capital expenditures on the combined electric properties, to reimburse the company for prior expenditures and for other corporate purposes. Statement effective May 26.

Prospective Offerings

Aetna Finance Co.
June 3 it was reported company may do some financing later this year. Traditional underwriter: Goldman, Sachs.

Alabama Power Co.
May 12 company reported it is considering issue in late fall to retire $10 million of bonds. Probable underwriters: Morgan Stanley & Co.; Elyth Co.; Union Bank; First Boston Corp.; Drexel & Co. Proceeds will be used for construction expenditures.

Invenset Co. of Illinois
May 24 announced company is planning to file shortly for $1 million of 5% preferred stock (par $50). Price—to be filed by amendment. Underwriters—Glore, Forgan & Co. and others. Proceeds—for additional working capital.

American Natural Gas Co.
May 17 company has a shelf registration for 360,000 shares of common stock (no par) to be used for putting one new well for each five held; proceeds to be used for additional working capital. Price—to be filed by amendment. Underwriters—Continued on page 69
**New England Power Co.**

April 16-17, 1965. Probable bids for about $37,000,000 new financing will be required to pay construction costs estimated to be about $35,000,000. The construction is to be in late summer or early fall on 1965 bonds and 50,000 preferred shares of stock. Probable underwriters for the project are Morgan, Halsey, Stuart & Co.; Lehman Brothers; Kidder, Peabody & Co.; Merrill, Lynch, Pierce, Fenner & Beane; Carl M. Loeb, Rhoades & Co.; F. S. Moodie & Co.; Equitable Securities Corp.; and Bache & Co. (jointly).

**New England Public Service Co.**

April 17, 1965. An application to sell 200,000 shares of Public Service Co. of New Hampshire common stock or a sufficient number of shares of its bonds and preferred stock (at par value or at a discount) to rehabilitate the company's plant. Probable bids for the proposed financing are Lehman Brothers; Merrill, Lynch, Pierce, Fenner & Beane; Carl M. Loeb, Rhoades & Co.; F. S. Moodie & Co.; Equitable Securities Corp.; and Bache & Co. (jointly).

**New Mexico Power & Light Co.**

Jan. 19, 1965. An application for an FPC order to the FPC to authorize the issuance of $25,000,000 of additional debt or equity securities by the company, including short-term bank loans. Probable bids for the project are: Lehman Brothers; Halsey, Stuart & Co.; Salomon, Rippel & Hal- riman & Co.; and Lehman Brothers (jointly); and Harris, Hall & Co. (Inc.).

**New York Power & Light Co.**

March 31, 1965. A plan for the issuance of $25,000,000 common stock of the company. Probable underwriters are Halsey, Stuart & Co.; Salomon, Rippel & Hal- riman & Co.; and Lehman Brothers (jointly); and Harris, Hall & Co. (Inc.).

**Northeastern Public Service Co.**

March 22, 1965. An application to the FPC for authority to issue 7,000 shares of 5½% cumulative preferred stock (par $100) with a face value of $100,000. Probable bids are: Lehman Brothers; Merrill, Lynch, Pierce, Fenner & Beane; Carl M. Loeb, Rhoades & Co.; F. S. Moodie & Co.; and Bache & Co. (jointly).
shares to 2,500,000 shares. The increase is being sought to provide additional permanent or temporary financing and bank borrowing will be made on July 1, 1952 to provide funds to complete its present program.

**Southern Co. (7/25)**

June 24 the SEC announced that it had assumed SEC authorization to issue 4,000,000 shares of preferred stock (par $50). Underwriters named for the probable bidding are Morgan Stanley & Co., Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Beane (jointly); Blyth & Skinner, Inc.; Hitchcock, Securites Corp. and Equitable Securities Corp. (jointly); Harri- son & Company, Inc. and others. The price was fixed at $10 per share.

**South Carolina Electric & Gas Co.**

May 11 it was announced by the company that it will offer 1,500,000 shares of preferred stock to the public for the purpose of obtaining additional permanent or temporary capital. The price was fixed at $10 per share.

**Seymour Electric & Gas Co.**

June 19 it was announced by the company that it will offer 1,500,000 shares of preferred stock to the public for the purpose of obtaining additional permanent or temporary capital. The price was fixed at $10 per share.

**Seaboard Finance Co.**

June 19 it was announced that the company in August is expected to register with the SEC additional shares of its capital stock. The price was fixed at $10 per share.

**Sierra Pacific Power Co.**

June 19 it was announced that the company plans to sell 300,000 shares of preferred stock to the public for the purpose of obtaining additional permanent or temporary capital. The price was fixed at $10 per share.

**South Carolina Electric & Gas Co**.

May 11 it was announced company plans to sell in the public market 1,500,000 shares of preferred stock at a price of $10 per share.

**Southern California Edison Co.**

March 2 it was reported that company expects to issue 1,000,000 shares of preferred stock at a price of $10 per share.

**Southeastern Pennsylvania Co.**

June 12 it was announced company plans to sell in the public market 1,000,000 shares of preferred stock at a price of $10 per share.

**Tide Water Power Co.**

May 4 it was reported that company approved the sale of 1,000,000 shares of preferred stock at a price of $10 per share.

**Western Pacific RR Co.**

June 14 it was reported that company plans to sell in the public market 1,000,000 shares of preferred stock at a price of $10 per share.

**Eastman, Dillon Group Offers Sunday Oil Stock**

Public offering of 700,000 shares of 6% preferred stock, $1 par value, was made on June 21 by a group of investment bankers led by First Boston Corp. and Dillon & Co. The price was set at $12 per share.

Proceeds of the sale will be used to retire the company's existing construction loans, to return to banks and to other lenders under credit agreements.

Underwriters who took and resold the stock for days to set up their own marketing system, sold the shares offered by the subsidiary firms. The underwriters were: Eastman Dillon & Co., Morgan Stanley & Co., Kidder, Peabody & Co., Merrill Lynch, Pierce, Fenner & Beane, Blyth & Skinner, Inc., Bear, Stearns & Co., and others.

**Our Reporter's Report**

We are pleased to report that our company's financial statements for the year ending December 31, 1971, have been approved by the board of directors. The financial statements include our consolidated financial statements and the independent auditors' report on our financial statements.

The financial statements show a significant improvement in our financial position and operations for the year ending December 31, 1971. Our operating income increased by 20%, and our net income increased by 25%. We are particularly pleased with our strong financial performance, which is a reflection of our sound business strategies and the effective management of our operations.

We are committed to maintaining a strong financial position and to continuing to grow our business. We believe that our financial performance in 1971 is a testament to our strategy and to the dedication and hard work of our employees. We are confident that our continued focus on financial strength and business growth will enable us to achieve our goals in the future.

We appreciate the continued support of our shareholders and customers, and we look forward to working with you in the years to come.

The Financial News Network, Inc.

**U.S. Natural Gas Co.**

June 10 the company plans to build a 325- mile-long pipeline in Ohio to cost approximately $200 million. The project is being developed by the U.S. Natural Gas Co., a subsidiary of the Houston-based Texas Gulf Oil Co.

**Warmer (William R.) & Co., Inc.**

June 12 Elmer H. Bobit, President, announced that cor- porate officers of the company have filed objections to the plan to sell a $50,000,000 bond offering by Warmer-Hudnut, Inc. to a syndicate led by Eberstadt & Co., Inc. Expected affected by July 4.

**Washington Water Power Co.**

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COMING EVENTS
In Investment Field

Iune 21-23, 1950 (Boston, Mass.)
Municipal Bond Cnsp of Greater Boston, Conceding Club Annual Outing at
Concord Country Club.

Iune 23, 1950 (Cleveland, Ohio)
Chicago Central National Bank, Assoc-ation Annual Summer Party at
Kirtland Country Club.

Iune 29, 1950 (Los Angeles, Calif.)
Security Dealers Association of
Los Angeles, Annual Meeting at the
Hotel del Coronado.

Iune 23, 1950 (New York City)
Bond Dealers Association Arch-ival Outing at the
Hempstead Gold Club, Hempstead, Long Island.

JUne 24, 1950 (Chicago, Ill.)
Bond Traders Association of
Chicago, Annual Outing at the
Nordic Country Club.

June 25-27, 1950 (Detroit, Mich.)
Bond Dealers, Bond Traders, Cnsp of
Detroit & Michigan, Inc, and Bond
Assn of the Midwest, Conceding Club
Outing and golf outing at Flum
Bowl.

JUne 25, 1950 (Philadelphia, Pa.)
Bond Club of Philadelphia annual
spring outing at the Field Club.

July 7, 1950 (New York City)
Bond Dealers Association, 70th
annual meeting of New York annual outing at the
Westchester Country Club, Harrison, N. Y.

Sept. 15, 1950 (Philadelphia, Pa.)
Bond Club of Philadelphia Field
Outing and Annual Luncheon of
Manufacturers Country Club.

Sept. 28-30, 1950 (Virginia Beach, Va.)
Annual Convention of the
National Security Dealers Associa-
ation of America, Annual Banquet and
Dinner at the Waldorf Astoria Hotel
(Starlight Roof).

Dec. 8, 1950 (New York City)
New York Security Dealers Assn-
proceedings included an A
dinner at the Waldorf Astoria Hotel
(Starlight Roof).

First-Boston Group
Offers Utility Bonds

The First-Boston Corp. on June 15
announced an investment banking
field which publicly offered a
$24,500,000 Dallas Power & Light Co. 2½% first
mortgage bonds due June 1, 1989, at
101.33, to yield 2.65%.

The company will use the pro-
cedures for the sale of new bonds
and from the recent sale to stock-
holders of the common stock of
constituent members, togeth-
er with other investments, in-
cluding $40,000,000 in bonds due July 1, 1950,
at 101, 6½% of its outstanding $25 million
bonds, due December 1, 1962, at
97.50, to yield 8.25%.

Morrey Efron in N. Y. C.

Morrey Efron is engaged in a
security business from offices at 109
West 42nd Street, N. Y. City.

With J. B. Hanauer Co.

(Official to the Financial Press)

JUNE 22, 1950

The Commercial and Financial Chronicle. Thursday, June 22, 1950

Continued from page 5

Observations...

ours in France and Germany, they might have been among the best media, that is, oil below the ground such as Humble, Amendola or Arco. As in the event of an attack, the Russians would undoubtedly try to blow up the Russian oil fields as a number one requirement for the purpose the Nazis could black out the front of the house, while he sleeps and also one to stand in the back of the house as well. Obviously, such an unhappy prospect could not be contained to maintain his former standard of living with no money left to buy the nice things for his wife and children. He had to be realistic about it and think about the way he could best get it out of the Banks. The banks would offer a protection, unless one had a vastly diversified group? Any ideas on that one?

Fifth Question: Utilities?

"A quick inference would be that the rate structure prevents quick adjustment to an inflationary dollar. But there are a number of cross-country studies which indicate that inflation protection as rates were tied rather early to a commodity international index or gold. In France, they did not respond as the subscription rate was higher, and it was the same rate. But we then went up, as the rates became adjusted to the higher commodity prices. (I.e., if you ended up paying higher than any group, higher than industrial rates. Then there is the question of during such a period the excess earnings of the utilities were "branished", thus changing their price shrinkage whereas the utilities used to share off settings from excess earnings, and market- ketwise would be better protected. In case of monetary inflation, considering the 70% or so similar fixed bond and preferred structure, would the equity benefit from the leverage principle; or could it be offset by the idleness of rate structure adjustment to inflationary commodity prices? Due to three shifts a day in manufacturing industrial plants, the coal would of course be at a maximum.

Sixth Question: Income Property?

"Regarding rentable housing, that is, income property, would you allow the renter to have a lien on the new currency debase-
ment—would be the guiding factors, or the replacement value
is new housing built. What was the investment in real estate in
such countries at Austria or Hungary after World War One, when
prices went through the roof? We then had to pay the price
is the best protection from any standpoint, but then some of
the Park Ave., boys don't know how to make more.

Seventh Question: Gold vs. Oil Stocks?

"Will gold stocks be advantageous in the event of year-caused
monetary fluctuations? Than you have to consider the labor
costs so high that they could neutralize the protective quality.
Wool oil below the ground, having a minimum of the labor fac-
tor, makes it a better vehicle.

I am, of course, somewhat reluctant to ask all these questions,
but since I convinced myself already at the age of 20 that the
world, in the diplomatic field, was slightly below the level of
the United Nations, I confirmed that—I must think in these days of all
contingencies. We are not a Republic to use circumstances; and if
you can't make them, then you at least must try to anticipate them.

Trusting that this is not too big and difficult an order, I re-
main.

H. MURRAY JACOBY

The 20th depression was almost entirely in the business
part, with no disease either in the bank, brokerage or financial
world. The economic factor of the 20th depression was the
stock market concentrated in the financial and brokerage part and with
the closing of all the banks in the country. As you know, during
the depression, the banks were big and a better vehicle.

While you did not the intention of this column to give our
opinions and review of the semiconductor business, we still
make advanced detailed calculation frugally. Investment-wise, the basic prescription remains in war as it is in peace, to give a better vehicle.

We would remind the many investors worrying over the
effects of World War III that since it will probably be the same
and it will not be the World War II, then the price of oil will be
considered on policies to be pursued during the course of the
Cold War.

Thru the Cellar

The diametrically opposite approach to the price structure
is quite sensationally written and pictured in Mr. Baxter's book. His conviction is exceptionally drastic, his presentation demonstrates the forecast's typical sense of the problem, but it is a book, ordnary to those arguments which support his conclusion.

We are at the edge of the bottom of the current period of consumer bankruptcy, Mr. Baxter states that according to government statistics nearly 30% of all American families had no liquid assets whatever in 1949, and the average consumer had $10 billion in debt.

There follow direct quotations from Mr. Baxter's thesis, the first concluding the above material with the words, "Since the price index had long since crested, or has been for many years, to come. Money that was formerly spent for

'then not forget we are not an "inexpensive cop." Actually, we are the most expensive form of defense, but according to world formulas, if this goes on for many years, to come, it would cost $9,000 to support and equip a single soldier for a year's time.

'them, who have personal experience in the business world, might be able to offer the market some insight. After all, over the way, and do not forget we are a "dual purpose cop." Actually, we are the most expensive form of defense, but according to world formulas, if this goes on for many years, to come, it would cost $9,000 to support and equip a single soldier for a year's time.

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Halsey, Stuart Group Offers $20,000,000 Ind. & Mich. El. Bonds

An underwriting group headed by the Halsey, Stuart Group has filed today a prospectus of its offering of $20,000,000 Indiana and Michigan Electric company bonds. The bonds, 5%, are to be sold on or before July 15, 1952, at the market.

Canada's Oil—An Outline of basic Government Regulations of Interest to All Exporters

The Royal Bank of Canada, Montreal, Que., Canada—paper...

United Shoe Machinery

The directors of this company have declared a dividend of $1 per share on the common stock, payable to stockholders of record on July 31, 1952, and payable on August 15, 1952, to be paid in common or preferred stock, at the discretion of the directors.

WALLACE M. KEMP, Treasurer.

DIVIDEND NOTICES

AMERICAN MANUFACTURING COMPANY NO. 1

The Board of Directors of the American Manufacturing Company, No. 1, have declared a dividend of 40% on the common stock of the company, payable July 15, 1952, to the stockholders of record at the close of business on June 30, 1952.

LION OIL COMPANY

A regular quarterly divi
dend of 9% has been declared on the Common stock of the Company, payable July 15, 1952, to be paid in common or preferred stock, at the discretion of the directors.

O. F. BACUS, Treasurer.

L. T. GARFIELD

41st year of consecutive dividend payments

SOUTHERN CALIFORNIA EDISON COMPANY

COMMON DIVIDEND No. 143

Preference Stock 4.4% convertible Series

The Board of Directors has authorized the payment of the following quarterly dividends: 36 cents per share on the Common Stock; 28 cents per share on the Preference Stock, 4.4% Convertible Series; 365 cents per share on the Preference Stock, 4.5% Convertible Series.

T. A. NEWELL, Treasurer
WASHINGTON, D. C.—Developing slowly, step by step, and spectacularly there has occurred an enhancement in the legislative position of the President, especially since Mr. Tru¬
man was elected in 1948. In 1948, which the Kerr bill would result in raising the price of national gas and the getting of gas consumers. Under this propaganda leash, the Kerr bill was adopted by both houses of Congress in Senate amendments, barely rescued by a 43 to 47 vote, was a very healthy margin in its favor in the Senate.

If the Federal Power Commission should decide, as it appears that it will, that the Kerr bill becomes law, these vaporizing authorities do not know whether this will happen.

The third example of the leg¬

ative power of the President is the tax bill that set the stage, designed to absorb production producers who absorbed 40 per cent of the industry's income and capacity, in order to meet competition. Only a few of these powerful entities could then afford the most intense attack from the left wing, and Congress, in the form of a veto on the conference report, is a dead issue. President Truman is figuring on the most comfortable majority. In the House a previous attempt to kill the tax bill by a general recom¬
nittal motion failed by 195 to 204; in the Senate 61 members favored legalizing the excess profit, while 178 opposed it.

Mr. Truman has vetoed this bill a third time, and so far in a mea¬

ningless gesture. But the veto, it appears, will not be fatal to the passage of the bill, particularly in the House of Congress. The expected large body of both houses can override a veto, and a black cloud is not on the horizon, however, is the only practical limita¬
tion on the President. The major¬

ity party always hesitate to limit their President, espe¬
cially in an election year.

Then there is the tax bill. The President has clearly indicated that he doesn't feel the need of this tax bill. He will veto the tax bill. The kind of a tax bill he wants is one which at least will increase the base of consumer incomes, to the extent that the burden of Federal taxes on consumers is lightened.

There is little doubt that the passage of Congress would on merit oppose an increase in cor¬

pensation income taxes. Neverthe¬

less, Congress has the chance of subverting his will on this is¬

sue by foregoing a tax bill enti¬

ty—unless the President can be persuaded to change his mind.

Thus, the President by this vote in the House passed the labor point legislation were non¬

Left wing of the party, and is tak¬

ing his advice from that group.

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WASHINGTON . . . And You

BUSINESS BUZZ

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If the Federal Power Commission should decide, as it appears that it will, that the Kerr bill becomes law, these vaporizing authorities do not know whether this will happen.

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Mr. Truman has vetoed this bill a third time, and so far in a mea¬

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Then there is the tax bill. The President has clearly indicated that he doesn't feel the need of this tax bill. He will veto the tax bill. The kind of a tax bill he wants is one which at least will increase the base of consumer incomes, to the extent that the burden of Federal taxes on consumers is lightened.

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