Curb Inflation With a Purchasing-Power Bond

By SUMNER H. SLICHTER

Lamont University Professor, Harvard University

Pointing out the faults in current proposals for price control, Professor Slichter makes fundamental need for higher rate of personal saving more apparent than ever.

The reason why it is important that the government issue savings bonds payable in a fixed amount of purchasing power is that the volume of personal incomes after taxes (at present tax rates) will rise by nearly $20 billion during the next year while the output of consumer goods will remain about the same. This gap between the size of personal incomes after taxes and the supply of consumer goods represents the heart of the problem of inflation. Individual savers spend their increased incomes for consumer goods, the price of consumers' goods is bound to rise.

Many proposals for controlling the rise of prices are of limited usefulness, because the suggested policy would not reduce the gap between personal incomes and the supply of consumer goods. For example, higher taxes, covering corporations would not reduce the gap because they would not cut personal incomes. A general sales tax would reduce the gap, but it would also increase the pressure for higher wages.

Higher taxes on personal income would be the most effective way of reducing the gap. President Eisenhower is right in calling for a higher tax level. The President is right in calling for a higher tax level. The President is right in calling for a higher tax level.

A Mutual Fund

FRANKLIN CUSTODIAN FUNDS, INC.

STATE AND MUNICIPAL BONDS

THE NATIONAL CITY BANK OF NEW YORK

Bond Dept. Telephone: NY 1-708

We maintain active markets in

Dominion of Canada

Internal Bonds

Brown Company

Goodbody & Co.

Federal Reserve Bank of St. Louis

http://fraser.stlouisfed.org/
The Security I Like Best

A continuous forum in which, each week, a different group of experts in the field of securities management take part and give their reasons for favoring a particular security.

(The articles contained in this forum are not intended to be, nor are they to be regarded as, an offer to sell the securities discussed.)

JOSEPH ANDREWS

Rheem Manufacturing Company

The security I like best for this year's symposium in many respects. To those of the Crown Zellerbach Corporation, which was my selection in 1950, and which reflected the year appreciation of approximating 60% in market value and 19% in increased in dividends, I now turn my mind to a common stock, to my mind, an ideal medium for investors in a period of moderate or wartime economy. For this reason I will spend it not as a two, three, or four-year punt, but as a security to hold even after our defense program has run its course and the natural and inevitable consumption of consumers' goods economy takes place. With its regular dividend rate of 60 cents, at current prices (approximating $32), its yield to the purchaser is in excess of 10%. It is my belief that with our subordinated debtors, its present earnings of some 75 cents per share per month will continue through the year, and might well lead to either an increase in the annual dividend or the declaration of an extra dividend at year end. The average of EPT issue is good.

The company's finances are in excellent shape, and capitalization extremely simple and moderate. The fact that 39% of its 1,100,000 shares of outstanding common stock is owned by the Smith & Edwards Bethlehem Steel Corporation would seem to indicate that the management, I thought, would receive favorable consideration and could produce effective defense contracts. Beem found the manufacturer of non-corrosive steel and aluminum products, which he laughingly describes, in color, plus the company's entrance into the aircraft industry and automation, which, I am sure confirm my strong belief that management is top drawer in every respect. I recommend the purchase of Rheem Manufacturing's common stock at present levels for both income and appreciation.

WARREN A. CASEY


Ferro Enamel

Ferro Enamel has just finished the most successful year in its history. Its quarterly sales figures placed at $33,500,000, a level not attained above the previous period of $22,500,000, from January 1 to March 31, 1948. The company's profits, as a result, are stated at $2,100,000, or $4.77 per share, all of which is available for stockholders. The company is particularly high, far surpassing previous period's figures.

Because of Ferro, one of the largest manufacturers of porcelain enamel in the world, is primarily identified with porcelain time-purposes, mainly in the household and building fields, its stock has been largely held by defense contractors. Today it sells around $19½, substantially below the high of $27½ reached in 1945 and 1946, although it is quite the acceptable 1955 figures cited above. Although the price of management that in 1951 sales will range around the $30,000,000 mark, and experience of $17,000,000 by 1955.

It is excellent reason to believe Ferro Enamel will be able to offset the generally expected decline in civil population through substantial defense work. During World War II, Ferro helped develop, then produced quantities of "worm holes," in the revolutionary new material used in the armament industry's, which devastated Germany, and Japan. Ferro also produced most of the high-quality magnesium which served as powder for explosives, produced trachiloricide for production of 200,000 square feet of magnesium in powder for flares, and magnesium brick for the Army and Navy, besides, magnesium, magnesium metal, alloys, and for the treat-making of many alloys.

In normal times Ferro Enamel produces in its eight domestic and seven foreign plants the following porcelains and iron: plastic finishes for refrigerators, boxes, sinks, steel tubs, washing machines and the like. Through new developments in steel and aluminum, and further improvements in its use have been added, including various electrical components, in industrial and household buildings. The research laboratories maintained in Cleveland, and Chicago, and Bedford, Ohio, have already been reactivated.

The writer for several years has been partial to Dewey and Almy stock as a growth issue. This company's sales increased from about $5,000,000 in 1940 to $22,500,000 last year. Dewey stock has been recently from $15 or so a few years back to $44 today. Farther from the company's sales have expanded from $35,000,000 last year, yet its stock today at $41 is a level which it approached during the 1945 high of $34. We believe the company's excellent research people and facilities and its capable and aggressive management will help it develop this strong growth trend over many years.

The writer has long owned Dewey and Almy stock as a growth issue. The company's sales increased from about $5,000,000 in 1940 to $22,500,000 last year. Dewey stock has been recently from $15 or so a few years back to $44 today. Farther from the company's sales have expanded from $35,000,000 last year, yet its stock today at $41 is a level which it approached during the 1945 high of $34. We believe the company's excellent research people and facilities and its capable and aggressive management will help it develop this strong growth trend over many years.

The writer has long owned Dewey and Almy stock as a growth issue. The company's sales increased from about $5,000,000 in 1940 to $22,500,000 last year. Dewey stock has been recently from $15 or so a few years back to $44 today. Farther from the company's sales have expanded from $35,000,000 last year, yet its stock today at $41 is a level which it approached during the 1945 high of $34. We believe the company's excellent research people and facilities and its capable and aggressive management will help it develop this strong growth trend over many years.
Atomic Bomb Can Destroy Russia, So No War

BY VANNEVAR BUSH*
President, Carnegie Institution of Washington

Leading atomic scientist confides, if Russia sent armies rolling across the German plains, our A-bombs could destroy her and knowing Russia's menace we might provoke the entire Russian de-

terprise army in Europe together with continued increase in striking air and naval forces. Holds our new anti-tank weapons can destroy Russia superiority in artillery. Advocates train-
ing 18 and 19-year-olds recruits as permanent reserve.

The Committee on the Present Danger is beginning tonight a series of meetings on the question of war and the peril that faces the American people, how it can be met. The Com-

mittee is a nonpartisan group of citizens who have organized to work together as the nation prepares for a safeguard freedom. We have never before, as I am sure we all will be glad to be a member of it. We believe the nation's preparation to meet the danger must be on the same scale as the danger itself. We believe balance and armed forces are the heart of such preparation. And we believe the supreme speed with which this speed is essential. I have been asked to begin this series with a discussion on the problems of the defense of the free world, and how the answers to these problems are found.

There is no doubt of the desire of the American people for peace. We wish to avoid war. We wish to preserve our freedom and the free life of a world where aggressive dictators are still at large, but it is our way to achieve these ends. That way is—by being strong. I am con-

fident that the American people realize this. But we need to study just how to build that needed strength.

A-Bomb—the Key

The key to the matter, in my opinion, is the A-Bomb. The end of the war our allies were exasperated—how much do they know that has happened. Russia moved in. Working by intrigue and by distortion of the operations of governments, she took over enormous territory and millions of people. But Russia stopped. Russia stopped at the boundary where the Kremlin was sure there would be war. But she proceeded. She stopped before we shot out at the time of the air lift in Berlin, and we know when we confronted the Russians with true strength they did not force the issue.

The deterrent is nearly as powerful today as it was then. If...

*An address by Dr. Bush, broadcast over Mutual Broadcasting System for the Committee on the Present Danger, March 4, 1951.

We are interested in offerings of

High Grade Public Utility and Industrial
PREFERRED STOCKS

Spencer Trask & Co.

Members New York Stock Exchange

25 Broadway, New York 5
Hawthorne-2-4300

Albany — Chicago — Glens Falls — Poughkeepsie — Worcester

Volume 173 Number 4994 The Commercial and Financial Chronicle

INDEX

Articles and News

Electronic—The Growth Story of a Century—Paul A. Just—Cover
Curb Inflation With a Purchasing-Power Bond—Cover
Summer H. Stichter

Atomic Bomb Can Destroy Russia, So No War—Vannevar Bush

The Stock Market Outlook—Ragnar D. Naess

Forbes

Television: No Hope for Giant Industrial—John S. Meck

What If Peace Comes?—Curtsie Kulle

Educational Opportunities in Television—Frieda 8. Hennock

The Gold Standard—What It Means to Nation—Frederick G. Shutt

Prices Tax Than Are All—Mr. W. Babson

Credit Cuts Are Justified—R. M. Evensen

The Present Market Appeal of Convertible Bonds and Stocks—Sidney Fried

Are Stocks Too High for Prudent Investment?—Howard E. Bristidge

Our Crumbling Price Control—A. L. Gilow

Passenger Automobile Situation—Malcolm D. Brown

Electric Utilities in a War Economy—Walter H. Sammis

Reports FCC to End Freeze on TV Channels—Jim Carr

George Rauer Says Gold Statute Discriminates Against American Citizens


Note on The Great American (Boxed) —J. J. O’Connor

“European Attitude on Our Foreign Situation” (More Letters to Editor on Ernest T. Vanecko)

Patriotic Mailing Matter Circulated by NYSE Firm

Treasury Reveals Gold Sales in 1950

Regular Features

As We See It (Editorial)—Cover
Bank and Insurance Stocks—Cover
Business Man’s Bookshelf—26
Canadian Securities—29
Coming Events in the Investment Field—29
Dealer-Broker Investment Recommendations—8
Did You Know?—8
Elmqvist—“World Trade in the Melting Pot”

From Washington Ahead of the News—Carlisle Barger

Indications of Business Activity—10
Mutual Funds—26
NSTA Notes—33
News About Banks and Bankers—39
Observations—A. Wiltfrod Eberly

Our Reporter’s Report

Our Reporter on Governments—23
Prospectivc Security Offerings—33
Public Utility Securities—38
Railroad Securities—29
Securities Salesman’s Corner—31
Securities New in Registration—42
Then and Now—Guess Who?—30
The Security I Like Best—2
The State of Trade and Industry—5
Tomorrow’s Markets (Walker Whyte Says) 

Washington and You

* Not available this week.
The Stock Market Outlook

By RAGNAR D. NAESS

The New York Stock Exchange is currently one of the most important and rapidly developing financial centers of the world. It has a long and historic tradition of stability and growth, and is well known for its efficient and fair market structure. The New York Stock Exchange is the largest stock exchange in the United States and one of the largest in the world, with a total capitalization exceeding $4 trillion.

However, the current market outlook is mixed. While there are some positive factors, such as strong corporate earnings and low interest rates, there are also several risks that could impact the market in the near future. One of the most significant risks is the potential for a global economic slowdown, which could lead to a decrease in corporate earnings and a subsequent drop in stock prices.

Another risk is the possibility of a trade war between major economies, which could disrupt global supply chains and lead to a decrease in economic growth. Additionally, geopolitical tensions and political instability in certain regions could also have a negative impact on the stock market.

Despite these risks, there are also several positive factors that could support the stock market in the near future. The U.S. economy has been growing steadily, and corporate earnings have been strong. The Federal Reserve has been gradually raising interest rates, which could lead to higher yields for investors.

Overall, the stock market outlook is uncertain, and investors should be prepared for both opportunities and challenges in the near future. It is important to carefully analyze the current market conditions and make informed investment decisions based on a thorough understanding of the potential risks and rewards.

---

The Stock Market Outlook

By RAGNAR D. NAESS

The New York Stock Exchange is currently one of the most important and rapidly developing financial centers of the world. It has a long and historic tradition of stability and growth, and is well known for its efficient and fair market structure. The New York Stock Exchange is the largest stock exchange in the United States and one of the largest in the world, with a total capitalization exceeding $4 trillion.

However, the current market outlook is mixed. While there are some positive factors, such as strong corporate earnings and low interest rates, there are also several risks that could impact the market in the near future. One of the most significant risks is the potential for a global economic slowdown, which could lead to a decrease in corporate earnings and a subsequent drop in stock prices.

Another risk is the possibility of a trade war between major economies, which could disrupt global supply chains and lead to a decrease in economic growth. Additionally, geopolitical tensions and political instability in certain regions could also have a negative impact on the stock market.

Despite these risks, there are also several positive factors that could support the stock market in the near future. The U.S. economy has been growing steadily, and corporate earnings have been strong. The Federal Reserve has been gradually raising interest rates, which could lead to higher yields for investors.

Overall, the stock market outlook is uncertain, and investors should be prepared for both opportunities and challenges in the near future. It is important to carefully analyze the current market conditions and make informed investment decisions based on a thorough understanding of the potential risks and rewards.

---

The Stock Market Outlook

By RAGNAR D. NAESS

The New York Stock Exchange is currently one of the most important and rapidly developing financial centers of the world. It has a long and historic tradition of stability and growth, and is well known for its efficient and fair market structure. The New York Stock Exchange is the largest stock exchange in the United States and one of the largest in the world, with a total capitalization exceeding $4 trillion.

However, the current market outlook is mixed. While there are some positive factors, such as strong corporate earnings and low interest rates, there are also several risks that could impact the market in the near future. One of the most significant risks is the potential for a global economic slowdown, which could lead to a decrease in corporate earnings and a subsequent drop in stock prices.

Another risk is the possibility of a trade war between major economies, which could disrupt global supply chains and lead to a decrease in economic growth. Additionally, geopolitical tensions and political instability in certain regions could also have a negative impact on the stock market.

Despite these risks, there are also several positive factors that could support the stock market in the near future. The U.S. economy has been growing steadily, and corporate earnings have been strong. The Federal Reserve has been gradually raising interest rates, which could lead to higher yields for investors.

Overall, the stock market outlook is uncertain, and investors should be prepared for both opportunities and challenges in the near future. It is important to carefully analyze the current market conditions and make informed investment decisions based on a thorough understanding of the potential risks and rewards.

---

The Stock Market Outlook

By RAGNAR D. NAESS

The New York Stock Exchange is currently one of the most important and rapidly developing financial centers of the world. It has a long and historic tradition of stability and growth, and is well known for its efficient and fair market structure. The New York Stock Exchange is the largest stock exchange in the United States and one of the largest in the world, with a total capitalization exceeding $4 trillion.

However, the current market outlook is mixed. While there are some positive factors, such as strong corporate earnings and low interest rates, there are also several risks that could impact the market in the near future. One of the most significant risks is the potential for a global economic slowdown, which could lead to a decrease in corporate earnings and a subsequent drop in stock prices.

Another risk is the possibility of a trade war between major economies, which could disrupt global supply chains and lead to a decrease in economic growth. Additionally, geopolitical tensions and political instability in certain regions could also have a negative impact on the stock market.

Despite these risks, there are also several positive factors that could support the stock market in the near future. The U.S. economy has been growing steadily, and corporate earnings have been strong. The Federal Reserve has been gradually raising interest rates, which could lead to higher yields for investors.

Overall, the stock market outlook is uncertain, and investors should be prepared for both opportunities and challenges in the near future. It is important to carefully analyze the current market conditions and make informed investment decisions based on a thorough understanding of the potential risks and rewards.
Observations...

By A. Wilfred May

Markets, Advisers, Difficulties

The following comment is devoted to the question whether continuing escalation of individual items, or attempts to time movements of the market as a whole, should be the key-not of an investor's program—with particular reference to Dr. B. K. Thrall's recent discussion with this columnist of the adviser-client difficulties ex¬

tailed in selling decisions. We publish it be¬
cause it exemplifies widespread current think¬
ing on the subject and offers a number of highlights basic forecasting problems.

"Dear Mr. Thrall,-

'have read B. K. Thrall's letter and your reply published in the Feb. 1 issue of the 'Columnist. The gist of that Thrall problem is that although he has been able to buy on a value basis, he has not been able to sell when prices have been sharp.

'I respectfully suggest that perhaps the reason his 'buys' have been good is because we have been in a bull market since 1941. When the market reverses from bull to bear you may find that only his 'sales' on a value basis are good, his 'buys' may then be the next.'

'Let Mr. Thrall look back to the bear markets between 1929 and 1932, or 1937 to 1941. Bear markets are rare but the picture is clear.'

'The point I am trying to make is that on a 'value' basis, there is never a time when any good statistical pattern cannot produce a score of undervalued stocks. If we are in a bull market, these selections will prove to be profitable. If we are in a bear market, they will not. Note, I am not saying that there are not some stocks which will go counter to the general trend. The gold stocks were an outstanding example of this during the 1929-32 bear market. But show me the statistician who recommended gold stocks, or the investment advisor who would have put all his 'eggs in the gold basket' in the early 1920's, and I will show you the statistician who would have bought the market on Nov. 6, 1929, and sold on Sept. 2, 1932.'

'Timing of Prime Importance

"All of which goes to show that the timing is far more im¬
portant than the individual stock selection. In any event, market timing should be the central concern of the investor. If you offer a workable compromise when you suggested a predetermined maximum of say 60% at the top, you would have given an indication that this 60% is to be timed in fit with a period of depressed prices and per contra that our investor hold i.e. minimum of stocks in

times of inflation. This will not do.'

'For 20 years I was in a position similar to Mr. Thrall's. I was always born and raised in the school of sound analysis. And for years I got my clients in too early (before the bottom of the market) and got my clients out too late (before the top of the bull market). On the other hand my "technicals" friends did much better; I prefered for to become acquainted with technical tools against my better judgment.

'We have water 'whys' cut here, people who can talk where to drill, how to drill, and where to sell, (oil or gas) will have peach bork because they will be off in the hands of the 'whit.' Nothing but absurd nomenclature gib¬
bergs are used which serves to befog the mind of the investor who cannot follow. Is it possible that there are things which work which we as yet do not understand?"

Straddling the Dow Theory

'There are two things I have learned. One is that a trend once established can continue for extended periods in the Dow Theory and any research in the direction of deter¬
ning long-term trends. The other is that stocks generally go up in periods of price movement. I have learned that this is no flaw in the theory. It is simply the result of the laws of the market, and is not unique. The Dow Theory was designed to give the long-term trend of the market, and is not subject to market conditions.

Based upon these two simple facts—long trends and wide swings, I have developed the Straddle Plan for managing investments. The Straddle Plan called for a sale in 1937, a buy in 1942, the latter buy signal being still in effect. Unlike most formula plans, the Straddle Plan does not contemplate piecemeal sales of stocks on the way up. Rather it waits until a major bull trend turns down and then sells all at once.

'It is all very well, you say, to have bought in 1942 and con¬
tinued without thinking that my stock is now overvalued. You should take advantage of the gains coming to me now with all cash, and who want to get in on this rip-curing bull market by the hands of the advisors coming in. I am advising my clients to invest only 32% (Dow Jones 233) in stocks, if they come to me with all cash. If they have a little money I have advised them to invest 64% in stocks..."
Outlook for Television, Radio and Motion Pictures

By PAUL RAIHBURN

Asst. Vice-President, Standard Oil Corporation

Assuming motion picture business is "not on way out," Mr. Raihburn outlines the possibilities of linking motion pictures with television, to profit of the producing companies. Estimates about 10% of loss of moving picture business after 1946 is due to television. TV is not tool for degrading. Tons. of "cinema" project, which may help motion picture business. Concludes motion picture industry is "in a schizophrenic situation," with a conflict of unusual ideas induced by war and misdey, which will eventually be overcome.

When I listened to the way I was interested in the moment that perhaps I was in more television than in motion pictures, naturally, because there was so little difference between the two. I would say that if I were to pick two just as much as I am in the other. If you have a television set in operation, you won't necessarily see that television is just another motion picture. So the moment is being picked up at a distance. The effect is just about the same that you have when you're watching a much higher definition in your theatre.

I doubt if many people here have stopped to think about the kind of audiences we are getting. I don't see very many white hair in the audience, although there are a few in the back that could easily have been born before 1900. Those gentlemen, as children, in a civilization which has quite a different basis from the one in which we are now living.

In the 1890's there were no automobiles. We had bicycles and we were moving pretty fast. There were no air- planes. Air-planes were rather esoteric. Electricity had become prevalent in about 1880.

Since that time we have had motion pictures, sound broadcasting, radio, before we had television. Above all, the development of automation. Of all these, probably motion production was most important.

At the same time those advances were being made, there was an enormous change in the political outlook of people. All the speed of transportation and communication brought the whole world closer, and made the political ideas of one nation impossible more on other enations.

Back in 1850, in Germany, a group of people, led by Karl Marx and associated with another gentleman, the name of Engels, wrote a book called "The Communist Manifesto." I had as its thesis, or the fact that materialism had to prevail all over the world, and that the proletariat, being the lowest, would finally control all political activity. We have that now under the name of Communism. There is a development of that political idea that did not exist 60 years ago.

There are further developments of that same idea taking place at the present time, and I think about this for a moment I believe that we are in a situation that is it not, or it is not, or it is not so far from the first of the turn of the century, and I'm saying that we are seeing that same show up, and 1946 is due to television. TV is not tool for degrading. Tons. of "cinema" project, which may help motion picture business. Concludes motion picture industry is "in a schizophrenic situation," with a conflict of unusual ideas induced by war and misdey, which will eventually be overcome.

When I listened to the way I was interested in the moment that perhaps I was in more television than in motion pictures, naturally, because there was so little difference between the two. I would say that if I were to pick two just as much as I am in the other. If you have a television set in operation, you won't necessarily see that television is just another motion picture. So the moment is being picked up at a distance. The effect is just about the same that you have when you're watching a much higher definition in your theatre.

I doubt if many people here have stopped to think about the kind of audiences we are getting. I don't see very many white hair in the audience, although there are a few in the back that could easily have been born before 1900. Those gentlemen, as children, in a civilization which has quite a different basis from the one in which we are now living.

In the 1890's there were no automobiles. We had bicycles and we were moving pretty fast. There were no air-planes. Air-planes were rather esoteric. Electricity had become prevalent in about 1880.

Since that time we have had motion pictures, sound broadcasting, radio, before we had television. Above all, the development of automation. Of all these, probably motion production was most important.

At the same time those advances were being made, there was an enormous change in the political outlook of people. All the speed of transportation and communication brought the whole world closer, and made the political ideas of one nation impossible more on other enations.

Back in 1850, in Germany, a group of people, led by Karl Marx and associated with another gentleman, the name of Engels, wrote a book called "The Communist Manifesto." I had as its thesis, or the fact that materialism had to prevail all over the world, and that the proletariat, being the lowest, would finally control all political activity. We have that now under the name of Communism. There is a development of that political idea that did not exist 60 years ago.

There are further developments of that same idea taking place at the present time, and I think about this for a moment I believe that we are in a situation that is it not, or it is not, or it is not so far from the first of the turn of the century, and I'm saying that we are seeing that same show up, and 1946 is due to television. TV is not tool for degrading. Tons. of "cinema" project, which may help motion picture business. Concludes motion picture industry is "in a schizophrenic situation," with a conflict of unusual ideas induced by war and misdey, which will eventually be overcome.

When I listened to the way I was interested in the moment that perhaps I was in more television than in motion pictures, naturally, because there was so little difference between the two. I would say that if I were to pick two just as much as I am in the other. If you have a television set in operation, you won't necessarily see that television is just another motion picture. So the moment is being picked up at a distance. The effect is just about the same that you have when you're watching a much higher definition in your theatre.

I doubt if many people here have stopped to think about the kind of audiences we are getting. I don't see very many white hair in the audience, although there are a few in the back that could easily have been born before 1900. Those gentlemen, as children, in a civilization which has quite a different basis from the one in which we are now living.

In the 1890's there were no automobiles. We had bicycles and we were moving pretty fast. There were no air-planes. Air-planes were rather esoteric. Electricity had become prevalent in about 1880.

Since that time we have had motion pictures, sound broadcasting, radio, before we had television. Above all, the development of automation. Of all these, probably motion production was most important.

At the same time those advances were being made, there was an enormous change in the political outlook of people. All the speed of transportation and communication brought the whole world closer, and made the political ideas of one nation impossible more on other enations.

Back in 1850, in Germany, a group of people, led by Karl Marx and associated with another gentleman, the name of Engels, wrote a book called "The Communist Manifesto." I had as its thesis, or the fact that materialism had to prevail all over the world, and that the proletariat, being the lowest, would finally control all political activity. We have that now under the name of Communism. There is a development of that political idea that did not exist 60 years ago.

There are further developments of that same idea taking place at the present time, and I think about this for a moment I believe that we are in a situation that is it not, or it is not, or it is not so far from the first of the turn of the century, and I'm saying that we are seeing that same show up, and 1946 is due to television. TV is not tool for degrading. Tons. of "cinema" project, which may help motion picture business. Concludes motion picture industry is "in a schizophrenic situation," with a conflict of unusual ideas induced by war and misdey, which will eventually be overcome.
Dallas telestation KBTV uses this Du Mont Telecruiser—a complete television studio on wheels and beyond question television’s most advanced vehicle for field operations.

A number of Du Mont Cathode Ray Oscillographs moving through test position after production in the Clifton Plant. Du Mont is the world’s largest manufacturer of this type of scientific equipment.

Du Mont quality is insured by a rigorous program of testing and inspection. Here a highly trained Du Mont inspector is performing an exacting check on a receiver chassis in the East Paterson Plant.

Du Mont Engineer conducting final tests, prior to installation, of Du Mont 5 KW Air-Cooled Transmitter, Series 7000/8000, at Du Mont’s Clifton Plant.

the story of

ELECTRONICS

is the story of

Du Mont

MAIN FACTOR in the new Age of Electronics is the remarkable cathode ray tube. It was Du Mont that developed this tube from a laboratory curiosity to a practical electronic device.

With the tube, the Du Mont research and development staff perfected the first home television sets, the first television network. The tube has made Du Mont the world’s largest producer of cathode ray scientific instruments. As far back as 1933 Du Mont was hard at work applying it to the needs of the armed forces.

Twenty years of experience have made the Du Mont engineering group second to none. No other organization is better founded in the experimental, technological and design principles of this field.

The future will see Du Mont thinking continue to lead the way in the fruitful application of cathode ray electronics to the service of America.

DU MONT

Precision Electronics and Television

© 1951

ALLEN B. DU MONT LABORATORIES, INC. HOME OFFICE, 750 BLOOMFIELD AVENUE, CLIFTON, NEW JERSEY
Television: No. 1 Growth Industry

By JOHN S. MECK

President, John Meck Industries, Inc.

Predicting, at peak level, there will be 40 million TV sets in use, television manufacturer estimates industry will provide jobs for one out of every 65 working persons in U.S. Looks for larger screens and improved advertising devices. Points out important social effects of TV and its value as advertising medium.

Says industry must be competitive in order to progress.

Television is proving to be a powerful influence in the lives of people in the United States and the world—not financially, because we all know how profitable the TV industry has been in the past, but because it seems to defy efforts to chart its course, project its progress or otherwise pin down the laws of economics as bankers, editors or lawyers may wish to do. It's very difficult to plot a curve that goes almost straight up.

However, we can look with some confidence at a few figures: a few predictions and some things that may be on the horizon. The estimates show that 7,450,000 television sets were made, shipped and installed in 1950. At the beginning of that year, the most optimistic seers in the industry said that perhaps 6,000,000; the average of all predictions was about 4,500,000. So even this industry, which is not known for its conservative statements or predictions, was unable to foresee the rate of growth. At the beginning of 1950, there were fewer than 5,000,000 in use, so in 1950 two and a half times as many sets were made as in all previous years combined.

The amazing speed with which television has caught the public's imagination is unprecedented in history. This rate of acceptance has clearly proved that TV is certain to become a basic influence in the lives of almost all Americans.

"The Sensation Point"—We can now safely predict that at a predictable "sensation point," 20,000,000 families will have sets in their homes. We can expect that many homes will have two or more sets, so the older, dirtier sets will have new life. And we can watch their favorite programs simultaneously. Adding the sets in schools, churches and other public places, this will mean a total of about 40,000,000 sets in use when we reach a sort of plateau in average use.

Estimating that sets will be replaced on the average, every five years, this gives us a normal annual selling rate of 4,000,000 sets—well in excess of the record-breaking total of 1950.

If the trend toward larger picture tubes—17- and 20-inch—are our current measures, we can expect an average retail price of about $375. Thus we find a dollar volume of $3 billion as a normal market.

To this must be added service work and parts, radio and phonograph sales, and exports to arrive at the stature of the civilian electronic industry at maturity.

What does this mean to our economy? We can expect one of every five working people to get his income directly from the television industry. Making 8,000,000 receivers will require the year-round services of 300,000 persons, from materials to completed units. Each television set will employ 200,000 more. Distribution and retailing will require 30,000. There will be the personal of television stations, talent, film producers, advertising agencies and others, to bring the total close to 1,000,000 people. Thousands of others, of course, will be affected indirectly, such as grower and manufacturer of direct suppliers of the industry. And if we do justice to a fully developed level this could result in a rate of growth and a resulting economic impact greater than any industry has ever known in the world's history.

And yet, looking at it objectively, the development of television has been slow. Certainly, its real impact has been far faster than that of other major communications media. Television transmission in Chicago in 1928—where it was first tried in 1923—would seem to be the year when we began to see promise of what was to come. Present-day sets can incorporate a half-dozen fundamental developments that have been made since the infancy of their own development. All the factors that make TV possible are offshoots of research in petrochemistry, chemistry, electricity, basic electronics.

John Meck Industries, Inc.

COMMON STOCK

Prospectus on Request

OTIS & CO.

(incorporated)

Established 1899

New York

Chicago

Cleveland

Columbus

Denver

Toledo

Buffalo

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:

Commercial Bank Stocks—Tabulation of 17 out-of-date commercial bank stocks of interest to the Savings Banks of Massachusetts between the Boston Corporation, 100 Broadway, New York, N. Y.

Graphic Stocks—January issue contains large, clear reproductions of advertisements complete for the full year of 1950, showing monthly highs, lows, earnings, capitalization, and other pertinent data on value of stock on the New York Stock and Curb Exchanges—single copy $10.00; yearly set, $35.00—special offer of three editions of Graphic Stocks, 1924 through 1932; 1936 through 1947 and up-to-date current edition, all for $25.00—F. W. Stephens, 15 William Street, New York, N. Y.

Griffith Letter—Investment and business commentary naming the only industry firm believes to be attractive—$10.00—B. Barrett Griffin and Company, Inc., Colorado Springs, Colorado.

How to Be a Money in a Declining Stock Market—A book on short selling—$1.00 per copy—Dep. D-1, Mark Weaver, Box 1130, Los Angeles, California.

"Information Please"—Brochure explaining put-and-call options—Thomas, Haub & Botts, 50 Broadway, New York 4, N. Y.


Oil Reserve—A study—Bache & Co., 36 Wall Street, New York 5, N. Y.

Over-the-Counter Index—Booklet showing an up-to-date comparison of the Dow-Jones averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over an 11-year period—National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

PDQ Dividend Indicator—3 x 5 pocket chart prefiguring recent dividend-paying stocks—$1.00—Thomas Pub. Co., Box 190, Batavia, N. Y.


Planning for Profits in the Stock Market—Discusses three basic principles of correct investment procedure and outlines specific plan of action for applying these to individual investment programs on a week-to-week basis—Included with each copy is a current basic strength analysis of 440 leading stocks—$1.00 per copy—Weekly Standard, Bond & Lynch, Union Trust Building, Pittsburgh 19, Pa.


Television Stock favorably situated in peace or war—Analysis of Motorola, Inc., and Zenith Radio Corp.—Eastman, Dillen & Co., 15 Broad Street, New York 5, N. Y.

Value Line Investment Survey—Special subscription offer for four weekly issues of Ratings and Reports, Weekly Supplement containing complete, up-to-date coverage of all listed stocks; special subscription recommendation: Forthcoming Commercial, for 40 weeks at one set of Supervised Account—$5.00—Arnold Bernhard & Co., Inc., 5 East 44th Street, New York 17, N. Y.

Airline Foods Company—Four-page analysis—Sears, Roebuck & Co., 50 Broadway, New York 7, N. Y.

Allis-Chalmers Manufacturing Company—Analysis—David A. Noyes & Company, Bo8th SoLa Street, Chicago 4, Ill.

Continued on page 41

Polaroid Corp.

Primary Market
QUALITY FIRST
...a Philco Policy

FROM THE MOMENT it is conceived to the moment it is delivered, every Philco product is built to the most rigid standards of performance and dependability. In every step of its design and manufacture, the first consideration is quality. No reduction in cost, no economy of production is permitted that makes the slightest compromise with quality or reliability. To the end that, for the price you pay, you may have confidence that the Philco name on any product gives you the assurance of the finest quality your money can buy.

PHILCO CORPORATION
TELEVISION • RADIO • REFRIGERATION • ELECTRIC RANGES • HOME FREEZERS • AIR CONDITIONERS
ELECTRONIC PRODUCTS FOR INDUSTRY AND THE ARMED SERVICES
What If Peace Comes?  

By CURTIS T. KUHL

Author, asserting it is clear now we are approaching end of war in China, Russian threat might gradually dissipate, foresee, as production of essential goods... 

Whether or not it is fully realized by the average American citizen, it seems quite clear now we are approaching the end of the Chinese War. The reasons for such a belief are derived from the consideration of many factors. To begin with, the Chinese are known to have a very limited supply of ordnance, gasoline, rubber, tires, armament, planes, trucks and food for their soldiers. They did have a certain amount of equipment captured from the Nationalist Army and some supplies by Russia. However, there are signs that both of these sources are steadily drying up. On the other hand, the United States and bar Allies have the advantage of enormous quantities of material, food, medicine, and supplies. The waters around Korea are heavily patrolled by the Allied fleet and are dominated by Allied aircraft. Moreover the Chinese losses have far surpassed their expectations. Red casualties in Korea are now understood to approximate 625,000, including 200,000 Chinese and 419,000 North Korean civilians. The industrial production, maritime supremacy and "will to win" of the Allies are steadily working toward the defeat of massed hordes of ill clothed, ill fed, poorly armed reds, even though they have been commanded by exceptionally capable officers. It may still take a little time before this forecast is clearly indicated. 

A few events would favor our General Staff to give its entire time to the Russian problem. Here comes a series of radio broadcasts by a man who is popular in our country, whom I know to be an able statesman, and a person who can appeal to the American public, a man who I believe has a very clear head in the confusion that surrounds the world today. This man is Dr. Bruce Norris, who is also a member of the Cornell Engineering Society and the New York Society of Security Analysts. 

Curta for Kule

ently the Russian leaders would like to conquer first Europe and then the Far East. For this purpose, however, this ambitious program has been tried twice before in the past 25 years by Hitler and later by Hitler. Both attempts looked very formidable at first, but the Allied armies and navies backed by their countries' industrial productive ability, finally defeated both attempts. 

In considering Russia's chance of world conquest, we should study the question of industrial might, production. Production of steel is probably the most important item to take into account. In 1880, the United States produced over 100,000 tons of iron and steel compared with about 27,000,000 tons by Russia. In 1893 it is estimated that the United States will produce 117,000,000 tons of iron and steel in 1953. This is 9,000,000 tons on petroleum, airplanes and tanks and are in about the same relative proportion as 1895 when we produced 6,700,000 passenger cars and 1,343,000 trucks and busses. We have 48,468,000 motor vehicles at present in the United States. It is doubtful whether Russia has more than 5,000 passenger cars registered in the whole country and their truck and tank production is inadequate to be lagging considerably behind planned schedules. It is true that Russia maintains large armed forces and a considerable number of ordinance. The question is a considerable doubt as to the true extent of their production and it is quite possible that a deficiency of petroleum supplies would hamper any large offensives. 

Curti for Kule

Our Basic Economy Never More Healthy

Our basic economy has never been more healthy. We have 60,000,000 civilians employed in our country and our war force is expanding steadily. About 216,000,000 more are employed in manufacturing this year. We have 20,486,000 farm workers of whom 50 atom bomb; net one atom bomb. We have 3,000,000 men serving in the army. Moreover, it is possible that we also have the hydrogen bomb, a very much more destructive weapon. The recent demonstration of this new weapon report by some experts to have been a show of explosions so violent as force to as indicate that the hydrogen bomb are of various sizes were being tested. 

In view of the clear facts surrounding our possession of industrial might, it seems quite possible that no Russia, or any other, would wish to become involved in a world war in which there is no doubt that in the end they would be defeated. It is true that Russia might be foolish enough to risk its own empire in the attempt but it seems more likely that they will probably elect to threaten, post information with which they believe they can go without actually precipitating an act of conflict. They have their own internal troubles, which they realize quite well, and it may suit their purpose better to continue along present lines of antagonistic rivalry, rather than risk a total loss. 

Now the time to apprise the future.

If the Chinese War should stop and the Russian threat gradually dissipate, investors may well consider whether what other turn of events would have on their holdings. For example, manufacturers, the shipbuilding, armaments, meat packing, textiles, utilities, and the railroads. It would be well to look up in the books of each concern whose securities you hold and make a careful study of their relation with a peace time economy. However, it must be realized that conditions today are not comparable to those obtaining in 1945 after the World War II. This time conversion of manufacturing plants from war work to the production of civilian goods is not rapid. There is very little in the way of a base to take off and build on. The economy of our country is a mixed economy. It is neither regulated nor has its supply of goods been severely drained off. 

Serious Depression Possible

One of the most probable effects of a return to a peacetime economy in this country would be the development of a serious depression. It has been brought up frequently by analysts that were it not for the artificial stimulations of the war and the expected effects of years of excessive production of our goods and services, the decline in bond prices. Short-term government bonds have been the ideal medium for the purpose. Federal Intermediate Credit Bank certificates and yields have been in the 1951 level of 15%. It usually averages about a point below par yield and usually in the 1951 month. The present yield in 15%. It usually averages about a point below par yield and usually in the 1951 month. The present yield in 2 1/2% is inflationary and so is the continued issuance of money without the proper gold backing. Interest rates are artificially low. The value of gold and silver has been reduced to only 46% of its pre-depression value. By mid 1940 purchases by the Federal Reserve Board is actually the final report for the year. The law requires it to protect the value of t.e United States dollar is represented at the Treasury. President should dictate to the Federal Reserve Board. Confidence of insurance companies and of the central banking structure of United States bonds it true, the effect of extreme inflation on the money and bonds of certain European countries. They realize that it can happen here unless our national policies are carefully planned. 

A Rise in Money Rates

As to the investment portfolio of banks, it would seem that steps should be taken to rearrange investments to banks' position against a rise in money rates. Perhaps the best way to attain such an end would be to rearrange investment holdings so as to maintain uniformly balanced at the expense of income. The rise of long maturities and a substitution of medium-term low-grade bonds would protect the banks against a decline in bond prices. Short-term government bonds would be the ideal medium for the purpose. Federal Intermediate Credit Bank certificates and yields have been in the 1951 level of 15%. It usually averages about a point below par yield and usually in the 1951 month. The present yield in 15%. It usually averages about a point below par yield and usually in the 1951 month. The present yield in 2 1/2% is inflationary and so is the continued issuance of money without the proper gold backing. Interest rates are artificially low. The value of gold and silver has been reduced to only 46% of its pre-depression value. By mid 1940 purchases by the Federal Reserve Board is actually the final report for the year. The law requires it to protect the value of t.e United States dollar is represented at the Treasury. President should dictate to the Federal Reserve Board. Confidence of insurance companies and of the central banking structure of United States bonds it true, the effect of extreme inflation on the money and bonds of certain European countries. They realize that it can happen here unless our national policies are carefully planned. 

Advise to Investors

In view of the need for income. The value of gold and silver has been reduced to only 46% of its pre-depression value. By mid 1940 purchases by the Federal Reserve Board is actually the final report for the year. The law requires it to protect the value of t.e United States dollar is represented at the Treasury. President should dictate to the Federal Reserve Board. Confidence of insurance companies and of the central banking structure of United States bonds it true, the effect of extreme inflation on the money and bonds of certain European countries. They realize that it can happen here unless our national policies are carefully planned. 

Three With Merrill Lynch

(Continued to follow. Conclusion in the next issue.)
Educational Opportunities In Television

By FRIEDA R. HENNOCK*  
Member, Federal Communications Commission

Hailing television's progress as a national asset, Commissioner Hennock compares its educational and political value to invention of printing. Explains reason for "freeze" imposed by FCC on additional TV channels, and outlines plans for expansion of TV into field of education and teaching.

These days, suppose television is almost as favorite a topic of conversation as the weather. When you meet a friend on the bus or coming to work in the morning or at a cocktail party after office hours, the discussion usually gets around to "Did you see (so-and-so) on television, yesterday?" and "How did you like it?"

For the most part, the comments usually aren't "it wasn't pretty" to "Wasn't the program terrible?" However, unlike the weather and Mark Twain's famous remark about it, as a member of the Federal Communications Commission, I can tell you that whatever the body talks about television, we have the power to do something about it. I am reminded of Groucho Marx's favorite quip, "I don't pay taxes...I'm just an educated spectator."

Each time someone turns on the television set, he goes into the other room to read a book, and I think we can find room on television for both Groucho Marx and educational programs. That is why I have been advocating that the FCC set aside 5% of the remaining 2,000 available television frequencies for the exclusive non-commercial use of educational institutions.

I think the problem is a most urgent one. There are today over 10 million television receivers in American homes. When President Truman recently addressed the nation to declare the existence of a State of National Emergency, he was viewed and heard by one of the largest audiences ever to see or hear a President of the United States at a single time. His audience surpassed in numbers the total population of this country in 1930.

Recent surveys have shown that children in television homes spend more time watching TV than they do in school. This is a vitally significant statistic. If our youngsters are to be exposed in such numbers to the new medium, it is high time we begin to examine just what this medium is doing for them and perhaps, what uses it can be put to in order to favorably influence their cultural development.

Television's Popularity

"Television has burst upon the American scene like no other invention of our time. It has quickly won the public's fancy and literally captured the imagination of our children. In their interest we have the responsibility to see that this new visual experience is devoted in part for cultural advancement; to education as well as entertainment. But the question that frequently enters our consideration is how television is to be treated, as a national asset and the same consideration as has been given to numerous other of our limited natural resources. Certainly television is as important as the exchange of ideas, public information, and the development of our cultural heritage as mining coal, the production of newspapers, and the distribution of oil is to our economic and industrial growth."

Dr. Earl Hennock

It follows, therefore, that we should adopt the same policy for television as was formulated by our Congress as early as 1787, when, in writing the ordinance for the Northwest Territory, certain areas of land were specifically reserved for the educational institutions to be established in those territories. In later years, Congress went even further and in the Emergency Act of 1950, reserved 15 national historical sites, 28 national parks and 185 national monuments as reservations in the public domain for the recreation, education and general welfare of our citizens. I am firmly of the opinion that 25% of the remaining television frequencies be treated in similar manner and set aside for the exclusive non-commercial use of educational institutions and organizations.

The FCC Freeze

As many of you know, there is in effect today a "freeze" imposed by the Federal Communications Commission on the construction of new television stations in this country. This "freeze" has been in effect since September 1948, yet, despite this "freeze" and despite the fact that there are only 97 stations operating in this nation today, television's growth has been nothing short of phenomenal.

There is good reason for this and I firmly believe that television is the symbol of all the arts. Personally, I am completely sold on television. I think it will prove to be the most influential medium of mass communication ever devised. Already we have seen a small sample of its influence on the habits and morals of our younger generation. Hopalong Cassidy, boy outifts and a heavy belt supporting a pair of six-guns have become standard wearing apparel for many of our small fry.

But think of what television could do if its energies and influence were turned to education and improving our standard of living. Television in the hands of educators can become one of the most vital forces for democratic education that the world has ever seen.

Think of the potentiality of turning every home into a classroom.

Not that education must be dull or bookish—far from it. Education via television need not be compared to eating spinach or taking setting-up exercises. It can be informative and at the same time entertaining and exciting. Take for example the possibilities of teaching science on television.

At our regional educational television hearings before the FCC, Dr. Earl McGrath, U.S. Commissioner of Education, cited the example of a teacher trying to describe the fish. The cuttlefish, he said, is very much like a squid except that it is larger and has no calcified internal shell. He gave an concise description but I dare say that many of you here today are not likely to walk out of this luncheon and recognize the first cuttlefish you meet or be able to distinguish it from a squid. But, said Dr. McGrath, I think the greatest impact and ineradicable impression you would have if you had seen these two animals portrayed on the television screen; you would not be likely to soon forget what they looked like and probably would always remember how to distinguish them. The squid's calcified internal shell would mean more than mere words and would be indelibly impressed upon your memory, and Dr. McGrath.

Or, for another example, take the re-telling of literature on television. A production of Shakespeare's "Henry V." similar to the one done by Lawrence Olivier would make the Bard's words and actions come alive as though he were one of our contemporary dramatists. And then, following the production, an illustrated discussion by a noted Shakespearean... Continued on page 41

*Adapted from a speech before the Women's National Democratic Club of Washington, D.C., Feb. 1, 1952.

Majestic

MIGHTY MONARCH OF THE AIR

America's most beautiful television receiver

17" 6 in 1 home entertainment unit

- 17" "Side Saver" Black Rectangular Tube
- 3-Speed Automatic Changer for 33 1/3, 45, and 78 RPM Records
- Built-in "COLOR CONTROL" Permits Use of ANY ADAPTOR AND/or CONVERTER FOR ANY COLOR SYSTEM

MAJESTIC RÁDIO & TELEVISION

Division of THE WILCOX-GAY CORPORATION

Brooklyn 1, N. Y. - Charlotte, Mich.
The Gold Standard—What It Means to Nation

By FREDERICK G. SHULL

The Federal Reserve Bank of St. Louis

American people to the tune of not far from $10 billion; and if the dollar were to become only one-thirty-fifth of its present value, this would reduce the purchasing power of the dollar from $10 billion to $35 an ounce, which is how it is now in the market. It therefore becomes apparent that this is a subject in which we all have a direct economic interest.

Getting down to the Gold Standard, a nation must firmly establish the value of its money unit, such as our dollar, in terms of gold. This is known as the gold standard, basically, involves just two important principles; and, once these two principles have a firm hold in the gold standard. Those principles are:

1. In order to operate on the gold standard, a nation must firmly establish the value of its currency unit, such as our dollar, in terms of gold. This is known as the gold standard, basically, involves just two important principles; and, once these two principles have a firm hold in the gold standard. Those principles are:

To order in principle, the dollar has to be backed by its gold content, and the dollar can only be exchanged for gold at that fixed value. That factor is a known as the "standard of value." And at any time during the game, and at its conclusion, each player enjoys the privilege of exchanging their chips at that fixed value, which is a good illustration of the gold standard. This is because the gold standard is based on the idea that the value of a currency is equal to the gold that backs it. So, if the gold value of the dollar is $35 an ounce, then that is the maximum value that the dollar can have, and it cannot be exchanged for anything else.

Now this larger game-of-life that we all play is not unlike the game of poker. The paper money we use corresponds very closely to the chips of a poker game; for that paper money, and its multiples, are the trinomial value other than as scrap paper—is also true of the cheapest pressed-paper poker chips. If, therefore, in poker it is absolutely essential that the principles of "fixity-of-value" and "repeatability of exchange" be observed—how much more important is it in a game of life that those principles strictly obtain. Some may say, "Why bother with those frills—aren't the nice paper money issued by the Treasury and the Federal Reserve System just as good money?" That is the answer that it is, then, essential that the two billion million leading nations of the world have been entirely away from the gold standard for a matter of centuries, as the following will clearly show:

Almost two hundred years ago—back in the 17th century—to be exact—a paper high as the "Wealth of Nations," was first published. That is the book by Adam Smith, the man who started the economy.[1] That book is said to be the basis of modern economics as taught in all the schools and colleges. It therefore should be regarded as authoritative.

And in this book, Adam Smith deudes states a sizable number of pages to the subject of money, and he points out firmly that a firm believer in the gold standard. He cites the case of the Bank of England—long prior to 1776—and says that a large, and it is said, as a result, the surplus of these dollars was returned to the bank for redemption in gold, so that the bank could not deplete the bank's supply of gold by making it necessary for the bank to get into the open market and buy gold to replenish the supply. He is the co-founder of the Bank of England.

Adam Smith, the Bank of England and the Gold Standard

If you could be that they could get regular at regular time—this rule—by the pound, those are looking for more gadgets to go on in the business. So there is no question about the selling power of TV. As the number of people who have access to TV is increasing, the number of people who have access to more gadgets is also increasing. Adam Smith, the Bank of England and the Gold Standard

The gold standard, in which the dollar is backed by its gold content, is the standard that has been in place for a long time. It provides a stable value for the dollar and encourages trade and investment. However, the gold standard has its limitations, and it is not always the best option for a country.

For example, during the 1930s, many countries adopted the gold standard to stabilize their economies. However, this led to a decrease in trade and economic growth, as countries were forced to restrict their exports and imports.

Moreover, the gold standard is not always the most appropriate choice for a country's monetary policy. In some cases, it may be more effective for a country to adopt a flexible exchange rate system, which allows for more economic growth and development.

In conclusion, the gold standard is a system that has been in place for a long time, and it has its advantages and disadvantages. Countries need to carefully consider their economic goals and needs before deciding whether to adopt the gold standard or another monetary policy system.

J. Ryan Smith With Reynolds & Co.

Reynolds & Co., 120 Broadway, New York, N. Y.

Elvin Halladay Opens

Elvin Halladay is engaging in securities business from offices in the Tabor Building.
Prices Ten Years Hence

BY ROGER W. BABSON

Predicting dollar in 10 years may be reduced to 50% of its present value, Mr. Babson advises, as protection for savings, investment in health, education, and purchase of a home. Says farmers, merchants and even wage workers will force government to print more money and issue more bonds, and, if war comes, hair cuts will cost $5 and common labor earn $100 per day.

This week I am not discussing the immediate effects of inflation which I have already covered. Rather, I am telling you what will happen ten years hence. During the next ten years our dollar has declined in value to about fifty cents. If we should get into World War III, I expect, during the ten post-war years, our dollar will become worth less than twenty-five cents. How can readers protect their hard-earned savings under such conditions?

Costs statistics show that the greatest wealth consists of good health and good judgment. The most wasteful people and the poorest investors are those who sacrifice their health for money, pleasure or social position. They will ultimately be treated by society as an orange peel is treated after one has sucked out the juice. Hence, wise investors will put health first. The next best investment is to give our children good, practical education and some religious ideals. Therefore, storing up physical, mental and spiritual resources if great importance. These are the best hedge against the long-term inflation. The less the dollar becomes worth, the more these reserves will be worth.

With these blessings you surely will also want a home. If you have none and have the funds, buy one now. When you buy commodities for less than they can be produced, or buy land for less than it can be cleared, or buy a house for less than it can be built, all for your own use, you are sure to make money. Some day people will see the light and switch some of their bank accounts, which may constantly become of less value, into good land and houses. Remember, there are over $200 billion almost idle in bank accounts or disposable government bonds which could be spent for better homes.

What About World War III? Only Mr. Stalin knows whether World War III will start in 1951. His present policy seems to be to scare us, with violent propaganda, to spend hundreds of billions more on armaments and thereby force serious inflation and de-

With Joseph Jordan
(Special to The Financial Chronicle)
BOSTON, Mass.—Edmund C. Low has become connected with Joseph F. Jordan & Co., 79 Milk Street. He was previously with H. W. Arrington & Co.

Baker, Simonds Adds
(Special to The Financial Chronicle)

Schafer, Long Admits
Schafer, Long & Meany, 15 Broad Street, New York City, members of the New York Stock Exchange, will admit Clinton G. Hough to partnership April 1.

With Goldman, Sachs
PHILADELPHIA, Pa.—Goldman, Sachs & Co. announce that James G. Davis is now associated with the firm in its Philadelphia office, 1416 Chestnut Street.

French & Crawford Add
(Special to The Financial Chronicle)
ATLANTA, Ga.—Philip L. Miller is now with French & Crawford, Inc., 22 Marietta Street Building.

Dempsey-Tegeler Adds
(Special to The Financial Chronicle)
LOS ANGELES, Calif.—Robert D. Spencer has been added to the staff of Dempsey-Tegeler & Co., 210 West Seventh Street.

Roger W. Babson

Under $1 Per Share
S LOW PRICED GROWTH STOCKS

In the Electronic and Radio Industries
(potential War Babies)
with amazing post war growth possibilities.
Plugs or write for details under 50c.

TELLIER & CO.
Established 1921
12 Broadway, N.Y. 4 Big 4-1500
Credit Curbs Are Justified

By R. M. EVANS

Member, Board of Governors, Federal Reserve System

Defending selective credit controls, Federal Reserve Governor stresses responsibility of bankers in fight against inflation.

Says if inflation fight is to be won, we must have fiscal program which will encourage investors to buy and hold government securities. Urges credit restrictions which will curb spending.

The Federal Reserve came into being in March 1913. It was designed to meet the weaknesses of the National Banking System.

The Act has been modified a number of times, and it has undergone a change of heart without disturbing its fundamental purpose in the banking system. Since the establishment of the Federal Reserve System in 1913, our national financial system has had a long and interesting history. It has been the subject of much study and debate, and has been the object of many criticisms.

In the recent past, the Federal Reserve System has been criticized for its lack of power to control the money supply. Some critics argue that the Federal Reserve lacks the ability to control the money supply because it cannot control the demand for money. Others argue that the Federal Reserve lacks the ability to control the money supply because it cannot control the supply of money. Still others argue that the Federal Reserve lacks the ability to control the money supply because it cannot control the growth of the economy.

But the Federal Reserve System has been criticized for its lack of power to control the money supply for other reasons as well. The Federal Reserve System has been criticized for its lack of power to control the money supply because it cannot control the rate of inflation. The Federal Reserve System has been criticized for its lack of power to control the money supply because it cannot control the rate of growth. The Federal Reserve System has been criticized for its lack of power to control the money supply because it cannot control the rate of unemployment.

It is important to recognize that the Federal Reserve System is not a government agency. It is a private institution owned by the banks. The Federal Reserve System is not a government agency because it is not owned by the government. The Federal Reserve System is not a government agency because it is not controlled by the government. The Federal Reserve System is not a government agency because it is not funded by the government.

But the Federal Reserve System is not a private institution. It is a government agency. The Federal Reserve System is a government agency because it is owned by the banks. The Federal Reserve System is a government agency because it is controlled by the banks. The Federal Reserve System is a government agency because it is funded by the banks.

The Federal Reserve System is a government agency because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a government agency because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a government agency because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

However, the Federal Reserve System is not a government agency. It is a private institution owned by the banks. The Federal Reserve System is a private institution because it is owned by the banks. The Federal Reserve System is a private institution because it is controlled by the banks. The Federal Reserve System is a private institution because it is funded by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.

The Federal Reserve System is a private institution because it is owned by the banks. But the Federal Reserve System is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks. It is not a private institution because it is owned by the banks.
REGARDLESS of inflation or deflation, war or peace, fire or flood ... life insurance continues to be the "best buy" in providing for the welfare of your family and in attaining financial security for yourself. This is well indicated by The Equitable's 91st Annual Report. During 1950 more people bought more Equitable life insurance protection than ever before. New Ordinary and Group insurance written last year amounted to $1,410,000,000, bringing The Equitable's total insurance in force to $15,278,000,000.*

This total insurance in force represents money held for future delivery. When due, every dollar of that sum will be paid. But, as a responsible institution of thrift with more than six million people who look to us for economic security, we are concerned with the purchasing power of those dollars when they become due. For mounting inflation, man-made, threatens not only the worth of the dollar but the very existence of our national enterprise.

Indeed this threat is as real and deadly as the Red menace against which we are arming. But the plain fact is that in the fight against inflation we, as a nation, are hiding under the bed! When we freeze wages or prices, we are merely doctoring the symptoms of the inflation-disease rather than the disease itself. If we are to stop the inflationary trend, the makers of our public policies must deal with the monetary causes of the inflation. They must control the expansion of bank deposits and the constantly increasing money supply.

There's nothing mysterious about this inflation. More and more people are beginning to realize that the stories they read on the financial pages of their newspapers have a direct relationship to the prices of food, furniture, and other living essentials advertised in the same newspapers a week later.

Inflation is everybody's concern from the Wall Street banker to the Missouri housewife. In the fight against it, the American people—you and your neighbors—must learn to look beyond the local grocer's bill and the meat prices in the butcher shop . . . you must look to Washington, the seat of our Government, where the monetary policy is made. More than that . . . you must make your own voice heard among the law-makers. Congress should be interested in your views on inflation, and your Congressman is as close as your nearest mail-box or telegram office. Simply stated—the action that you and your neighbors take can well decide the destiny of our country.

That's what we mean by "Operation People U.S.A."

* For a more detailed statement of The Society's operations during 1950 write for a copy of the President's Report to the Board of Directors.

The Equitable Life Assurance Society of The United States

Thomas I. Parkinson • President

393 Seventh Avenue • New York 1, New York

CONDENSED STATEMENT OF CONDITION

as of December 31, 1950

<table>
<thead>
<tr>
<th>Resources</th>
<th>Per Cent</th>
<th>Obligations</th>
<th>Per Cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds and Stocks</td>
<td>575,407,577 (13.7)</td>
<td><strong>Policyholders' Funds</strong></td>
<td>1,448,351,295 (21.5)</td>
</tr>
<tr>
<td>U.S. Government obligations</td>
<td>394,479,719 (9.6)</td>
<td>Insurance and annuity contracts</td>
<td>1,448,351,295 (21.5)</td>
</tr>
<tr>
<td>Dominion of Canada obligations</td>
<td>769,095,972 (19.4)</td>
<td>Health plans for policyholders and beneficiaries</td>
<td>322,311,234 (15.4)</td>
</tr>
<tr>
<td>Public utility bonds</td>
<td>1,689,523,904 (41.5)</td>
<td>Dividends and annuities left unpa id to the Society</td>
<td>128,494,176 (8.2)</td>
</tr>
<tr>
<td>Industrial obligations</td>
<td>933,599,941 (23.0)</td>
<td>Policy claims in process of adjustment</td>
<td>10,191,420 (0.8)</td>
</tr>
<tr>
<td>Other bonds</td>
<td>1,615,739,450 (38.4)</td>
<td>Premiums in advance by policyholders</td>
<td>86,105,097 (2.2)</td>
</tr>
<tr>
<td>Preferred and guaranteed stocks</td>
<td>28,191,420 (0.7)</td>
<td>Dividends due and unpaid to policyholders</td>
<td>6,701,182 (0.0)</td>
</tr>
<tr>
<td>Common stocks</td>
<td>8,645,706 (0.2)</td>
<td>Allocated as dividends for distribution during 1950</td>
<td>69,600,406 (1.0)</td>
</tr>
<tr>
<td>Mortgages and Real Estate</td>
<td>939,836,469 (23.1)</td>
<td><strong>Other Liabilities</strong></td>
<td>11,617,000 (0.2)</td>
</tr>
<tr>
<td>Residential and business mortgages</td>
<td>788,866,339 (19.3)</td>
<td>Taxes, United States and state and local</td>
<td>17,691,000 (0.3)</td>
</tr>
<tr>
<td>Farm mortgages</td>
<td>180,826,351 (4.3)</td>
<td>Expenses written off in connection with insurance issued and other obligations</td>
<td>8,779,417 (0.2)</td>
</tr>
<tr>
<td>Home and branch office buildings</td>
<td>16,573,799 (0.4)</td>
<td>Reserve for realization of Canadian and foreign currency accounts at free market rates of exchange</td>
<td>11,617,000 (0.2)</td>
</tr>
<tr>
<td>Commercial buildings and other real estate purchased</td>
<td>180,826,351 (3.6)</td>
<td>Simplex Funds</td>
<td>359,776,580 (0.5)</td>
</tr>
<tr>
<td>Held for investment</td>
<td>339,566,009 (8.2)</td>
<td>To cover all contingencies</td>
<td>359,776,580 (0.5)</td>
</tr>
<tr>
<td>Residential and business properties</td>
<td>11,617,000 (0.2)</td>
<td><strong>Total</strong></td>
<td>53,701,476,546 (100)</td>
</tr>
<tr>
<td>Other Assets</td>
<td>44,270,550 (0.2)</td>
<td><strong>Total</strong></td>
<td>53,701,476,546 (100)</td>
</tr>
</tbody>
</table>

* Including 6,527,463 on deposit with public authorities.

In accordance with requirements of law all bonds subject to amortization are stated at their amortized values and all other bonds and stocks are valued at the market quotations on December 31, 1950, as prescribed by the National Association of Insurance Commissioners.
The Present Market Appeal of Convertible Bonds and Stocks

By SYDNEY FRIED

Gammack & Co., Members, N. Y. Stock and Curb Exchanges

Mr. Fried points out, in order to hedge against inflation through common stocks, may gain this objective and still be assured of fixed income by purchasing selected convertible bonds and stocks.

With three-million-share commonplace, the averages reaching 20-year highs, and an acceleration in price advance in low-priced, speculative issues, there is wisdom to run up a few warning flags. Nothing means anything, the above symptoms have been described, until what may have some understate-
ment be termed a "rude awaking" for experienced specu-
laors.

Illustrative of the growing complexity of a troubled world, how-
ever, selling out one's security holdings, as some ex-
amination, to be somewhat less than a complete answer. When you sell securities you get dollars, and the reasoner of the public, after analyzing what a safe haven has been taking a mild bashing through the gate.

The realization has generated the public consciousness that the true measurement of what the dollar is the world will buy—and for some time it has not been buying less—and less and less. As a consequence, another theory is gathering currency that because equals represent ownership of securities and because "real things" must appear in value as the increas-
ing power of the dollar goes down, the rational and loi-

gious and ideal haven for hard-

earned savings.

Preceding in logic, some "wealth-in-the-ground stocks have a 500% appreciation in the 1900-31 market. Unfor-
tunately, the typical difficulty with such theories is that their flaws are not apparent until we stand amid the wreckage, painfully try-

ing to put together what went wrong.

This is probably no easy answer to the questions raised above and certainly complete confidence is suggested by all the facts and each answer. The market is high, judged by both arithmetic and arithmetic. Yet, if we sell our securities and go "wealth-in-the-ground," we must question the future of those dollars as we prepare to write off the whole occurrence. The only way to put it even to a height with a century-ending flume of flow of rearmament orders. It is not surprising to find the peril of holding securities fairly well bal-
daged by some weighty arguments on the other side of the seesaw. It is precisely in such a period of uncertainty as we are now passing through that properly selected convertible bonds and convertible Pacific Coast

Securities

Orders Executed on Pacific Coast Exchanges

Schwabacher & Co.

Members New York Stock Exchange New York Curb Exchange (Association) Member of the American Bankers Association

14 Wall Street New York N.Y., 14-1481

Primary offices: San Francisco, Charleston, Mobile, Washington, Boston

San Francisco—Santa Barbara

Chicago—St. Louis

New York—Houston

Inge, Rothschild & Co.

122 Liberty St., New York, N. Y.

Incorporated in Illinois

Incorporated in New York

New York, N. Y.

First 1-900, 2-900, 3-900, 4-900, 5-900

Member of the American Bankers Association

1540 Bayshore Blvd., Santa Barbara, Calif.

1200 Main St., Santa Monica, Calif.

San Francisco—Santa Barbara

10 (1136)

The Commercial and Financial Chronicle . Thursday, March 15, 1951

Friedman, Broekad Admit

ST. LOUIS, Mo.—Friedman, Broekad & Co., 311 Main St., members of the New York and Midwest Stock Exchange, will begin to force the convertible bond and preferred position of convertible in price simply on conver-

sion value.

Recent market history provides us with numerous examples: Reynolds Metals $5.50 cumulative convertible preferred had held near par (100) in 1949. The common sold below 20 and did not go below 10 in 1949. In 1950-51 Reynolds Metals common went from 20 to 30 and preferred went 45 (after a 10% stock dividend). The preferred stock, converted into approximately 3.5 shares of common, went from 100 to 185. Exhibiting the same element of price stability in decreased form into Consolidated Edison 5% convertible bonds went from par to 140; American Cyanamid 3% preferred from 97 to 178; Dow Chemical $3.25 preferred from 101 to 185. In recent weeks, the convertible bonds and convertible preferred stocks of Southern Pacific, Armco Steel and United Air Lines, to mention a few, have shown in the advance of their respective common stocks the conversion privilege.

As the market begins to advance—continues—if the stock market advance continues through actual stocks, total stock pool favorable in favor in turn and the hundreds of convertible bonds and preferred stocks will deserve close attention. For under these conditions it should be possible to single out of many commitments in turn the present portfolio is the possibility that will win attractive over the whole possession. Indeed, this may be the most important thing we have to do in the most dangerous stage of the current advance. Convertibles can prove most use-

FAMED FOR WORLD-WIDE SERVICE from branches located in more than 20 countries, including 50 offices in the United States from coast to coast, the SUN LIFE ASSURANCE COMPANY OF CANADA has won universal recognition for the diversity and usefulness of its comprehensive life insurance and annuity plans.

From the 1950 Annual Report

Benefits paid to policyholders and beneficiaries during 1950: $121,476,500.

Total benefits paid since the first Sun Life policy was issued in 1871: $2,341,869,114.

New Assurances issued during the year: 21,098,568.

Assurances in force: $1,461,915,659.

Write today for a copy of "Sun Life of Canada Reports to You," just address: President, Sun Life of Canada Assurance Co. Ltd., 255 Montreal Street, Montreal, Quebec, Canada. Office, Montreal

Joints Oakes Staff (Special to the Financial Chronicle)

S. E. Oakes, President; Howard G. Miller is now with Mitchum, C. Roney & Co., Buliding, 200 Montgomery St., San Francisco, and Detroit Stock Exchanges.

C. von Gunten Opens

With Paul C. Rudolph

With Mitchum, Tully

(To the Financial Chronicle)

(To the Financial Chronicle)

(To the Financial Chronicle)

(To the Financial Chronicle)

Joints Oakes Staff

(Special to the Financial Chronicle)

(Special to the Financial Chronicle)

(Special to the Financial Chronicle)

(Special to the Financial Chronicle)

Joints Oakes Staff

(Special to the Financial Chronicle)

(Special to the Financial Chronicle)

(Special to the Financial Chronicle)

(Special to the Financial Chronicle)

C. von Gunten Opens

(To the Financial Chronicle)

(To the Financial Chronicle)

(To the Financial Chronicle)

(To the Financial Chronicle)

With Paul C. Rudolph

(To the Financial Chronicle)

(To the Financial Chronicle)

(To the Financial Chronicle)

(To the Financial Chronicle)

Joints Oakes Staff

(To the Financial Chronicle)

(To the Financial Chronicle)

(To the Financial Chronicle)

(To the Financial Chronicle)
READING COMPANY
1950

Revenues from operation were $118,952,178, an increase of 8% over 1949. Recovery from steel and coal industry work stoppages and freight traffic incident to defense effort contributed to this increase.

New equipment added included 24 1,500-hp. diesel road freight locomotive units, 6 1,500-hp. diesel passenger locomotive units and 1,600 freight cars of various types. On order for 1951 are 20 1,600-hp. diesel road switching locomotives and 1,500 freight cars.

All-electric car retarders were installed in Rutherford Westbound Classification Yard. Installation included new lighting, relocation of tracks and improved grade. Similar installation will be made in Rutherford Eastbound Classification Yard in 1951.

Annual Report compares operating efficiency between 1950 and 1940. It also shows in this period reductions of 12% in long-term debt, 36% in interest and 35% in net rentals.

President.

<table>
<thead>
<tr>
<th>SIMPLIFIED EARNING STATEMENT</th>
<th>December 31</th>
<th>Increase or Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES FROM OPERATION</td>
<td>$118,952,178</td>
<td>$109,747,175</td>
</tr>
<tr>
<td>EXPENSES OF OPERATION</td>
<td>93,330,278</td>
<td>91,266,297</td>
</tr>
<tr>
<td>NET REVENUE FROM OPERATIONS</td>
<td>$25,421,900</td>
<td>$18,480,878</td>
</tr>
<tr>
<td>TAX ACCRUALS</td>
<td>$12,229,871</td>
<td>$8,900,159</td>
</tr>
<tr>
<td>NET EQUIMENT AND JOINT FACILITY RENTALS</td>
<td>$200,360</td>
<td>$202,166</td>
</tr>
<tr>
<td>NET RAILWAY OPERATING INCOME</td>
<td>$12,991,669</td>
<td>$9,378,533</td>
</tr>
<tr>
<td>OTHER INCOME—Dividends, interest and rentals</td>
<td>$1,852,263</td>
<td>$1,932,286</td>
</tr>
<tr>
<td>GROSS INCOME AVAILABLE FOR FIXED CHARGES</td>
<td>$14,843,932</td>
<td>$11,310,839</td>
</tr>
<tr>
<td>FIXED CHARGES—Interest on funded and unfunded debt, rent for leased roads, and amortization of discount on funded debt</td>
<td>$5,536,281</td>
<td>$5,421,784</td>
</tr>
<tr>
<td>NET INCOME AVAILABLE FOR DIVIDENDS, CAPITAL EXPENDITURES AND OTHER CORPORATE PURPOSES</td>
<td>$9,307,651</td>
<td>$5,889,055</td>
</tr>
</tbody>
</table>
Are Stocks Too High for Prudent Investment?  

By Horatio L. Whitted

Associated with John C. Legg & Company, Baltimore, Md.

Stock Exchange

After analyzing basic facts and figures relating to stock market movements, Mr. Whitted contends that consumer corporations should continue to be held for investment, despite current speculation in speculative values is still at a level

Many investors are asking themselves the question: What is the Stock Market at a level that is too high for prudent investment and are they taking profits? Having in mind Doctor Einstein’s Relativity, the question is: ‘Compared to what is the Stock Market high?’ It is quite natural that when investors read in the financial columns that the market is now at its 20-year high, they are reminded of the market of 1929, the low of 1932 and the following depression. However, the recent high of 255.71 as of Feb. 13 for the Dow-Jones Industrial Average was a long way to go to reach the Sept., 1929, high of 381.11, and there is considerable doubt whether the market, were it to continue higher, would be able to hold its gains. The speculative temperatures must be carefully watched, particularly during periods of new business activity.

The Federal Government’s basic concern will be with mobilizing the nation’s resources for the military and other expenditures. The basic challenge to production will be with the rapid growth of the economy, a potential that will grow further in 1951.

Conclusion

On the basis of the facts and figures given in this article, I am of the opinion that the stocks of this country’s leading corporations should be held. I am not sure that at present time there are so many inconvertibles in the world that the market has never been more difficult, and also risks, including those that are not usually associated with the speculative psychology of 21 years ago.

In 1929, capital gain was the greatest factor in the bull market. This was disregarded. Interest rates of call money rose to 15% and six-month Treasury a range from 7% to 8%. During 1932, taxes, foreclosures, and sales on 3½% sold at 6% while high-grade common stocks at the high of 252,342,270 shares on a turnover of only about 6%. As of Feb. 13, 1951, the number of shares listed, both preferred and common, was 264,082,600 while the stock trading volume during the year was 1,124,844,740, a turnover of 119% of the average shares outstanding.

For Jan. 1, 1951, the Exchange reported total members’ total borrowing for the year as a ratio of only 0.74, or less than 1% of the 0.79 of 1929 and the 0.70 of 1932. This indicates a very high degree of short-term worth to the market.

For 1929, the Permanent organization was on the wing during the ‘New Era’ of 1929. On the other hand, the presision market is predominantly an insurance company. The emphasis is laid upon growth characteristics rather than the financial strength of the companies, earnings and dividend records as compared to earnings.

While the market was 255.71, the total dividend paid by the 3,930 listed common stocks was $65,630,000 giving an average of $38.99 per share for the 2,498,722,900 shares listed.

The 1929 high dividend paid by the 3,930 listed common stocks was $65,630,000, or an average of $38.99 per share for the 2,498,722,900 shares listed.


Calkins Chairman of Albert Frank Agency

Howard W. Calkins has been elected chairman of the Board of Directors of Albert Frank & Co., Inc., Edward L. Anderson being elected chairman, December 21, 1950.

Calkins has been associated with the firm since it was founded in 1928. He is a member of the Board of Governors of the New York Stock Exchange, and the National Association of Securities Dealers; and a past chairman of the Committee on the Financial Markets, the United States Chamber of Commerce.


Calkins Chairman of Albert Frank Agency

Howard W. Calkins has been elected chairman of the Board of Directors of Albert Frank & Co., Inc., Edward L. Anderson being elected chairman, December 21, 1950.

Calkins has been associated with the firm since it was founded in 1928. He is a member of the Board of Governors of the New York Stock Exchange, and the National Association of Securities Dealers; and a past chairman of the Committee on the Financial Markets, the United States Chamber of Commerce.


Calkins Chairman of Albert Frank Agency

Howard W. Calkins has been elected chairman of the Board of Directors of Albert Frank & Co., Inc., Edward L. Anderson being elected chairman, December 21, 1950.

Calkins has been associated with the firm since it was founded in 1928. He is a member of the Board of Governors of the New York Stock Exchange, and the National Association of Securities Dealers; and a past chairman of the Committee on the Financial Markets, the United States Chamber of Commerce.


Calkins Chairman of Albert Frank Agency

Howard W. Calkins has been elected chairman of the Board of Directors of Albert Frank & Co., Inc., Edward L. Anderson being elected chairman, December 21, 1950.

Calkins has been associated with the firm since it was founded in 1928. He is a member of the Board of Governors of the New York Stock Exchange, and the National Association of Securities Dealers; and a past chairman of the Committee on the Financial Markets, the United States Chamber of Commerce.


Calkins Chairman of Albert Frank Agency

Howard W. Calkins has been elected chairman of the Board of Directors of Albert Frank & Co., Inc., Edward L. Anderson being elected chairman, December 21, 1950.

Calkins has been associated with the firm since it was founded in 1928. He is a member of the Board of Governors of the New York Stock Exchange, and the National Association of Securities Dealers; and a past chairman of the Committee on the Financial Markets, the United States Chamber of Commerce.


Calkins Chairman of Albert Frank Agency

Howard W. Calkins has been elected chairman of the Board of Directors of Albert Frank & Co., Inc., Edward L. Anderson being elected chairman, December 21, 1950.

Calkins has been associated with the firm since it was founded in 1928. He is a member of the Board of Governors of the New York Stock Exchange, and the National Association of Securities Dealers; and a past chairman of the Committee on the Financial Markets, the United States Chamber of Commerce.


Calkins Chairman of Albert Frank Agency

Howard W. Calkins has been elected chairman of the Board of Directors of Albert Frank & Co., Inc., Edward L. Anderson being elected chairman, December 21, 1950.

Calkins has been associated with the firm since it was founded in 1928. He is a member of the Board of Governors of the New York Stock Exchange, and the National Association of Securities Dealers; and a past chairman of the Committee on the Financial Markets, the United States Chamber of Commerce.


Calkins Chairman of Albert Frank Agency

Howard W. Calkins has been elected chairman of the Board of Directors of Albert Frank & Co., Inc., Edward L. Anderson being elected chairman, December 21, 1950.

Calkins has been associated with the firm since it was founded in 1928. He is a member of the Board of Governors of the New York Stock Exchange, and the National Association of Securities Dealers; and a past chairman of the Committee on the Financial Markets, the United States Chamber of Commerce.

LANE-WELLS COMPANY
SUMMARY OF ANNUAL REPORT FOR 1950

SETTING a new peak, consolidated gross income for 1950 was $17,299,366, an increase of nearly 8% over the $15,990,908 reported for 1949.

 Consolidated net income for 1950 amounted to $2,308,895, or $6.41 per share, compared with $2,273,910, or $6.32 per share earned in 1949.

In December, 1950, Lane-Wells acquired a half interest in Well Surveys, Inc. of Tulsa, Oklahoma, a company engaged in the development and exploitation of radioactivity well logging techniques and equipment. Lane-Wells has been the exclusive licensee under Well Surveys patents in the United States and Canada. The other half of Well Surveys stock is owned by Socony-Vacuum Oil Company, Inc.

Net current assets increased from $1,829,081 to $2,265,644, despite the reduction of $475,000 in funded debt and the investment of $328,497 in a non-affiliated company.

Net investment in property, plant and equipment increased only $88,731 to a total of $7,525,913.

New field stations were opened during 1950 in Fallfuirias, Texas; and Stockton and El Dorado, Kansas. Lane-Wells is now operating 68 service and sales stations, including 57 in this country, 9 in Venezuela, and 2 in Canada.

During the year Petro-Tech Service Company added new facilities in several field camps and opened stations in Tucupido and Casigua, Venezuela. Construction of new or additional shop and office facilities was completed during the year in Houston, Oklahoma City, Shreveport, Houma, Pampa and Bay City, and work was in progress at the end of the year on an office building in Oklahoma City and buildings in Snyder, Texas.

Marked progress was made during the year in the design and development of new and improved equipment and products. New electronic apparatus and recorders for electrical logging, major improvements in bullet type perforators, a new cast iron, open-hole, shaped-charge gun, and further refinements of a shaped-charge Koneshot gun were a few of the important accomplishments during 1950.

Four quarterly dividends and extras were paid during the year totalling $2.80 per share. Lane-Wells had 2285 stockholders of record at the end of the year. Company’s capital stock is listed on the New York Stock Exchange and Los Angeles Stock Exchange.

LANE-WELLS COMPANY
CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 1950

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and advances for working fund</td>
<td>$ 1,652,456.75</td>
</tr>
<tr>
<td>Accounts and notes receivable (less $115,660.44 reserve for doubtful accounts)</td>
<td>2,231,779.61</td>
</tr>
<tr>
<td>Inventories</td>
<td>1,287,733.13</td>
</tr>
<tr>
<td>Investment in non-affiliated company</td>
<td>528,497.05</td>
</tr>
<tr>
<td>Property, plant and equipment (less $4,523,902.18 reserve for depreciation)</td>
<td>7,525,912.81</td>
</tr>
<tr>
<td>Patents and other intangibles</td>
<td>157,359.81</td>
</tr>
<tr>
<td>Deferred charges</td>
<td>373,088.86</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$13,536,819.02</strong></td>
</tr>
<tr>
<td>Accounts payable and other accruals</td>
<td>$ 910,542.77</td>
</tr>
<tr>
<td>Note payments due within one year</td>
<td>225,000.00</td>
</tr>
<tr>
<td>Federal and foreign income taxes estimated</td>
<td>1,750,782.00</td>
</tr>
<tr>
<td>Long term debt</td>
<td>1,575,000.00</td>
</tr>
<tr>
<td>Minority interest in subsidiary</td>
<td>170,676.74</td>
</tr>
<tr>
<td>Capital stock - Authorized 500,000 shares, par value $1, issued and outstanding 360,000 shares</td>
<td>360,000.00</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>1,567,714.60</td>
</tr>
<tr>
<td>Earned surplus</td>
<td>6,937,160.31</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$13,536,819.02</strong></td>
</tr>
</tbody>
</table>

A Copy of the Annual Report will be sent on Request

LANE-WELLS COMPANY
Bullets and Koneshot Perforating - Radioactivity Well Logging
Electrologging - Packers - Bridging Plugs

GENERAL OFFICES AND PLANT • 5610 S O. SOTO ST. • LOS ANGELES 58

57 Branches in Principal Oil Fields of the United States.
Petro-Tech Service Co., a subsidiary, 9 branches in Venezuela.
Lane-Wells Canadian Co., a subsidiary, 2 branches in Canada.
Connecticut Brevities

Federal Reserve Bank of St. Louis

Directors of United Air

Connecticut Brevities

Missouri Brevities

Fifty years on any job is a long
time, but fifty years as a "huck-

Vic" Gevase 50 Yrs.

with Albert Frank

and the development of the
government's financial district is an accom-

The annual report of Edisons

Bretser, Inc., was the highest in the
ever-issued stock. In 1950 the

American Roofing Corporation

20 (1140)

dition to stockholders at the annual

meeting on April 24 a proposal to

increase the authorized number of

shares of common stock from 3,0-

00,000 to 15,000,000 was

approved. If approved, the com-

pany intends to use the new

authorized shares as a basis for

distributing surplus to stockholders

in the future.

10

Tiff Brothers

Established 1897

New York & New England

39 West 20th Street

New York 10, N. Y.

Mr. Hartung, Mr. Hockstader,

Mr. Page and Mr. Steinhardt

were appointed to serve with the

Presidential Committee of the

corporation for the ensuing

year, it was announced.

Mr. Hartung, Mr. Hockstader,

Mr. Page and Mr. Steinhardt

were appointed to serve with the

Presidential Committee of the

corporation for the ensuing

year, it was announced.

Mr. Hartung, Mr. Hockstader,

Mr. Page and Mr. Steinhardt

were appointed to serve with the

Presidential Committee of the

corporation for the ensuing

year, it was announced.

Mr. Hartung, Mr. Hockstader,

Mr. Page and Mr. Steinhardt

were appointed to serve with the

Presidential Committee of the

corporation for the ensuing

year, it was announced.

Mr. Hartung, Mr. Hockstader,

Mr. Page and Mr. Steinhardt

were appointed to serve with the

Presidential Committee of the

corporation for the ensuing

year, it was announced.

Mr. Hartung, Mr. Hockstader,

Mr. Page and Mr. Steinhardt

were appointed to serve with the

Presidential Committee of the

corporation for the ensuing

year, it was announced.

Mr. Hartung, Mr. Hockstader,

Mr. Page and Mr. Steinhardt

were appointed to serve with the

Presidential Committee of the

corporation for the ensuing

year, it was announced.

Mr. Hartung, Mr. Hockstader,

Mr. Page and Mr. Steinhardt

were appointed to serve with the

Presidential Committee of the

corporation for the ensuing

year, it was announced.
"New Deal's" Currency Policy

Sired by Benighted Infidels And Damned by Dark Ages!

Editor, The Commercial and Financial Chronicle:

I take pleasure in presenting you herewith a copy of one of your delightful books, "The Travels of Marco Polo," wherein I bespeak your attention. In Book Two, Chapter 24, because it bears such close similarity to my mind the fact that the New Deal's recent policy, which is now nourished by the eunuchs of Yalta, and Potdam was sired by the New Deal's infidels Kublai Khan, and Thule, and damned by the Dark Ages.

Supplementing, I also present some incriminating bits of evidence from Book Two, Chapter 24 for convenient reference.

Proceding, I remind you that on Nov. 4, 1932 the New Deal candidate for President in a campaign address declared that there was no truth to a prediction the Republican candidate had made on Oct. 4, that the Democrats would debase and tamper with the currency, and that he unqualifiedly supported the plank of his party's platform which read, "We advocate a sound currency to be preserved at all hazards."

Some New Deal candidate also cast strong implications against the Democrats by the 26th of June for having suggested that the country was close going off the gold standard and pronounced it "Was a libel on the credit of the United States."

Yet on June 5, 1933, 42 days after the Treasury had launched a billion dollar worth of government securities, payable in gold, the same said candidate who had become President, approved an Act of Congress abolishing the gold standard in all credit and security contracts, both public and private. The admission of the people was thereby willfully broken, without one word of regret.

Later that New Deal President signed into law authorizing himself to issue $3 billion in fast money unsecured notes; and still later reduced the gold content of the dollar by 40.4%. Of which declaration of the dollar Senator Carter Glass commented, "To me it means dishonor. In my estimation of it, it is immoral."

"Fair Deal" Truman, on Oct. 22, 1948 at Wilkes-Barre, Pa., said, "We need controls on inflation. A New Deal progress will give us these controls."

Well, the people elected a Democratic Congress but inflation, plus waste and extravagance are more uncontrolled than ever, and every hundred which has been added nicked, confusion and war.

Each year, as long as a New Deal-Fair Deal Administration is in power, it is long will this country not have a sound government, but will suffer for it has been proved that neither the New Deal's or Fair Deal's spoken word or public pledge can be trusted.

Both have discovered and put in practice what "the man" Billo said he discovered by visiting the Bureau of Printing and Engraving,

namely, that it "cost no more to print a hundred dollar bill than a hundred dollar bill." As everybody wants hundred dollar bills, hold yours, here we go!

New Deal-Fair Deal technique has improved, but not its morals.

BERKELEY WILLIAMS
March 12, 1961
Richmond, Va.

Editor's Note: The chapter of "The Travels of Marco Polo" describing the early Chinese paper money follows:

"In this city of Kanshal is the mint of the Great Khan, who may truly be said to possess the secret of the alchemists, as he has the art of producing money by the following process: "He causes the bark to be stripped from those mulberry trees, the leaves of which are used for feeding silk-worms, and takes from it that thin inner rind which lies between the outer bark and the wood of the tree. This being steeped, and afterwards pounded in a mortar until reduced to pulp, is made into paper, resembling, in substance, that which is manufactured from cotton, and is quite black. When ready for use, he has it cut into pieces of most different sizes, nearly square, but somewhat longer than the field of tiles. Of these, the smallest pass for a half-tolourne; the next, for a Venetian silver groat; others for two, five, and ten; and for others, for one, three, and as far as ten bezants of gold. The coinage of this paper money is authenticated with a mark on the edge and a small piece of the paper. Separate acts of Parliament establish the form and dignity of this paper coin. To each of the officers, specially appointed, only subscribe their names, but affix their seals also. When this has been regularly done, the whole of them, the principal officer, appointed by his Majesty, having dipped into vermilion the royal seal committed to his custody, stamps it with the piece of paper, so that the form of the seal tinged with the vermilion remains impressed upon it. In this way it receives full authenticity and current money, and the act of counterfeiting it is punished as a capital offence. "When thus coined in large quantities, this paper money was distributed all over the whole of the Great Empire, and is not disdained by any person, at the peril of his life, refuse to accept it in payment. All his subjects receive it without hesitation, because they knew that his Majesty was not to be imposed upon. Once his name became known, it was considered that the coinage of this paper money was as good as bullion, and that it was used in the purchase of merchandise they may require, such as pearls, jewels, gold, or silver. With it, in short, every article may be procured."

"Several times in the course of the year, large caravans of merchants arrive with such articles as have just been mentioned, together with others not before used in that country, and they liey before the Great Khan. The厚公as comes together twelve experienced and skilful persons, selected for this purpose, whom he commands to examine the goods and articles of importance, and to fix the value at which they should be accepted. Upon the sum at which they have been thus conscientiously appraised he allows a reasonable profit, and immediately pays for them with this paper. To this the owners can have no objection, because, as has been observed, it answers the purposes of their own disbursements, and even though they should be inhabitants of a country where this paper money is not current, they can easily convert it in some other country where it is more than a shilling." Giles, "The Civilization of China."
Our Crumbling Price Control

By A. L. GITLOW
School of Commerce, Accounts, and Finance, New York University

Dr. Gitlow warns Congress against maintaining lenient attitude toward passing necessary monetary and fiscal measures, provided with such price controls. Maintaining existing anti-inflation steps are crumbling; and, in any event, no price control law could prevent inflation. States organized farmers and labor are performing a response and Gaston act, in which they succeed in raising the existing price level.

Recent days have shown significant retreats by the price control authorities, who have not clarified a basic flaw of the control over food prices, law. That flaw is the omission of the explicit central role of farm prices which underlie our inflationary condition. This vital shift warrants attention and a fair return to the farmers, labor and public.

The "fair" return to be derived from present price policies varies with the inflationary situation. In the same statement calling for the exclusion of farmers from control, the "Board of trade" might stand a type of logic which refined its rank and file members privileges, but left employees. Therefore, it would not be surprising if the retreat on wage stabilization turned into a rout.

In addition, all the points made by Mr. Johnston have been noted and criticized. The benefits would be for by the law. The cost of labor, in a recent past, business costs rise. Accep-

Our Crumbling Price Control

By A. L. GITLOW
School of Commerce, Accounts, and Finance, New York University

Dr. Gitlow warns Congress against maintaining a lenient attitude toward passing necessary monetary and fiscal measures, provided with such price controls. Maintaining existing anti-inflation steps are crumbling; and, in any event, no price control law could prevent inflation. States organized farmers and labor are performing a response and Gaston act, in which they succeed in raising the existing price level.

Recent days have shown significant retreats by the price control authorities, who have not clarified a basic flaw of the control over food prices, law. That flaw is the omission of the explicit central role of farm prices which underlie our inflationary condition. This vital shift warrants attention and a fair return to the farmers, labor and public.

The "fair" return to be derived from present price policies varies with the inflationary situation. In the same statement calling for the exclusion of farmers from control, the "Board of trade" might stand a type of logic which refined its rank and file members privileges, but left employees. Therefore, it would not be surprising if the retreat on wage stabilization turned into a rout.

In addition, all the points made by Mr. Johnston have been noted and criticized. The benefits would be for by the law. The cost of labor, in a recent past, business costs rise. Accep-

The pressures forcing organized labor to accept the wage stabilization were noted above. The retention of organized labor laborers withdrew from the application of wage standards, and the Board made it clear that their return to the Board was the price of the returned. Thus, Mr. Johnston issued a state-

Cost of Living Escalation

Mr. Johnston followed the above policy statement with an order allowing cost-of-living clauses in wage contracts. The order also stated that subse-

Fringe Benefits

Mr. Johnston's statement presents four reasons for excluding fringe benefits. They are a form of saving, and so noninflationary. Fourth, they are difficult to estimate.

We can consider points one and two. To exclude fringe benefits (which include programs such as health and welfare) from price control, the workers would not be able to purchase power. Instead, they are a form of saving, and so noninflationary. Fourth, they are difficult to estimate.

The pressures forcing organized labor to accept the wage stabilization were noted above. The retention of organized labor laborers withdrew from the application of wage standards, and the Board made it clear that their return to the Board was the price of the returned. Thus, Mr. Johnston issued a state-

Cost of Living Escalation

Mr. Johnston followed the above policy statement with an order allowing cost-of-living clauses in wage contracts. The order also stated that subse-

Fringe Benefits

Mr. Johnston's statement presents four reasons for excluding fringe benefits. They are a form of saving, and so noninflationary. Fourth, they are difficult to estimate.

We can consider points one and two. To exclude fringe benefits (which include programs such as health and welfare) from price control, the workers would not be able to purchase power. Instead, they are a form of saving, and so noninflationary. Fourth, they are difficult to estimate.

The pressures forcing organized labor to accept the wage stabilization were noted above. The retention of organized labor laborers withdrew from the application of wage standards, and the Board made it clear that their return to the Board was the price of the returned. Thus, Mr. Johnston issued a state-

Cost of Living Escalation

Mr. Johnston followed the above policy statement with an order allowing cost-of-living clauses in wage contracts. The order also stated that subse-

Fringe Benefits

Mr. Johnston's statement presents four reasons for excluding fringe benefits. They are a form of saving, and so noninflationary. Fourth, they are difficult to estimate.

We can consider points one and two. To exclude fringe benefits (which include programs such as health and welfare) from price control, the workers would not be able to purchase power. Instead, they are a form of saving, and so noninflationary. Fourth, they are difficult to estimate.
Federal Reserve Bank of St. Louis

Digitized for FRASER

LETTERS TO THE EDITOR:

"European Attitude on Our Foreign Situation"

More letters on article by Ernest T. Weir, Chairman of National Steel Corporation, giving his impressions of a European trip and in which he expresses adverse attitudes toward our foreign policies.

We give in today's issue some more of the letters received by the editorial department in connection with the article by Ernest T. Weir, which appeared on the cover page of the Jan. 18 issue. Mr. Weir, who is Chairman of the National Steel Corporation of Pittsburgh, prepared a long article, "European Attitude on Our Foreign Situation," subsequent to a trip to Europe where he had the opportunity to discuss the effects of the United States foreign policy with public officials and business men in various countries. Mr. Weir reported that an atmosphere of caution and anxiety did not exist in any of the countries visited, as the U. S. policy in the Far East, Our European policies, and even our motives in Latin America were not held to be warlike, and believe that the problem of balancing our foreign and domestic strength, according to Mr. Weir, centers directly in the relationship between U. S. and Russia, as well as in the weak spot of the Chinese problem, to prevent World War III.

The following letters are in addition to those given in our last issue (page 3) and March 8 (page 13).

BERNARD M. BARUCH
New York, N. Y.

I have a very high opinion of Mr. Weir—very high indeed—but I do not agree with him.

HON. EDGAR A. JONAS
U. S. Congressman from Illinois

I have read Mr. Weir's views on our foreign situation and react most favorably. Indubitably, his proposals make sense to one who understands particularly to those individuals, and those to whom we refer, who are asked to do the fighting.

ROBERT E. YOUNG
Chairman, Chesapeake & Ohio Railway Co.

I have already read Mr. Weir's views on our foreign situation and react most favorably. Indubitably, his proposals make sense to one who understands particularly to those individuals, and those to whom we refer, who are asked to do the fighting.

C. P. CONRAD
President, Iowa Natural Gas & Electric Co., Davenport, Iowa

I have read Mr. Ernest T. Weir's article "European Attitude on Our Foreign Situation" and find in it much sound sense. I depart from his view as to the fundamental desirability of recognizing the Russian government; I believe one of the greatest achievements of American policy in the United States was to recognize this Communist Russian government. It would seem to me reasonable and consistent with the obligations of the world to establish minimum standards of conduct and respect for international law, and for the observance of these standards to be met. Criminal acts committed by one nation against another, such as those committed against China, would be boycotted and isolated. By doing so we might reduce the tragedy of futility and war.

Mr. Weir does not appear to have read "The Commercial and Financial Chronicle" in the Jan. 18 issue of "The Commercial and Financial Chronicle" is the most outstanding and very courageous article I have seen. It expresses the need for leadership, ideas, if they can be implemented soon enough, which will accomplish the great things for America, emburk us into the great American future. Before we ever have known, and save us and the world from the tragedy of futile war.

I believe that you will make reprints of this article available quickly.

HON. GEORGE H. BENEDER
U. S. Congressman from Ohio

We have found Mr. Weir's observations on recognition of Communist China most disquieting, and believe sincerely that any such sanction by our government or by the United Nations would be a signal for the communism of vast sections of Asia. In my judgment, it would be disastrous to the future of the world as we seek it.

ALBERT C. LORD
Assistant Professor of Economics,
The University of Connecticut

New Haven, Conn.

Mr. Weir's article "European Attitude on Our Foreign Situation" is the most outstanding and very courageous article I have seen. It expresses the need for leadership, ideas, if they can be implemented soon enough, which will accomplish the great things for America, emburk us into the great American future. Before we ever have known, and save us and the world from the tragedy of futile war.

HON. GEORGE H. BENEDER
U. S. Congressman from Ohio

I have found Mr. Weir's observations on recognition of Communist China most disquieting, and believe sincerely that any such sanction by our government or by the United Nations would be a signal for the communism of vast sections of Asia. In my judgment, it would be disastrous to the future of the world as we seek it.

THOMAS SMALL
Boston, Mass.

The article is thought-provoking and especially effective because of a man of Mr. Weir's position and reputation. It is fashionable to attack the "red" label to anyone who expresses the opinion that the present Chinese Government is truly representative of its people and is acting to protect what it considers to be its own national interest rather than at Russia's behest. Certainly, Mr. Weir's past action to one preclude any possibility of calling him a "Red." I will effort we were possible for Mr. Weir's article and viewpoint to be spread through the general press, but I might say that American people have been by the terms resulting from the Chinese war are so little subject to dispassionate reasoning.

JOHN A. SCHOOOGOYER
The Idaho First National Bank, Boise, Idaho.

This is an excellent article and I thoroughly agree with Mr. Weir. In my opinion, we have not used much intelligence in the conduct of our foreign policy for over 10 years. The Korean affair is inexcusable, and I suppose that stubborn born-in-China government may eventually lead us into World War III. Headlines in today's newspaper give the inference that we are now fighting the Chinese Reds. A few more months of this sort of thing and we will be at actual war with them.

It is the opinion of many millions of folks who feel as Mr. Weir does could not hear by those of us who believe that the difference in Washington.

H. E. MILTON
President, Milton Oil Company, St. Louis, Mo.

I am in wholehearted agreement with Mr. Weir's views. I only wish that this information could be disseminated more widely.

Alfred Oldaker With Greenfield & Co. Inc.

Greenfield & Co., Inc., 40 Exchange Square, New York City, announce that Alfred E. Oldaker, President, has been appointed to the executive committee. In the past, he was with Greenfield, Lux & Co. and P. F. Reilly & Co.

Fewel Adds to Staff

Fewel & Co., 400 West Los Angeles, Calif.—Jerome Goldsmith has become affiliated with Fewel & Co. 433 South Spring Street, members of the Los Angeles Stock Exchange. He was formerly with the Pacific Stock Co. and Morgan & Co.

Manufacturers of WAll & FLOOR TILE

AMERICAN ENCAUSTIC TILING COMPANY, INC.

ANNUAL REPORT 1950

OPERATIONAL HIGHLIGHTS

Manufacturing operations throughout the year were at full capacity, producing a volume of $13.7 million of sales. Selling expenses and excess profits taxes was a substantial increase over 1949 earnings of $1.12 per share. Dividends were continued at 50¢ per share annually. Billings were 28% higher in 1950 than in 1949. The new manufacturing facilities raised physical capacity over 40%. Net worth increased 18% by retained earnings. Backlog of orders continues to be at more than seven months' productive capacity. Labor contract was renewed for three-year period with wage increase and Cost of Living adjustment, Selling prices were increased to cover higher labor and material costs. Sales outlook appears good for 1951, subject to national defense programs and restrictions.

MALCOLM A. SCHWINDLER, President

A copy of this annual report may be obtained by writing the Company at Los Angeles, Pennsylvania.
Throughout the year the demand for our Company’s products exceeded our capacity to supply. This situation existed in all the major divisions of our Company’s operations—chemicals, chemical yarns and fibers, and plastics. Our facilities were operated substantially at capacity, with the exception of a limited reduction in the fourth quarter caused by the occurrence of some raw material shortages.

In an effort to meet the demand, steps were taken to increase production through process improvements, standardization of operations within individual plants, and by adding facilities to our existing plants. As a further step, construction of a new acetate staple fiber unit was begun at the Celriver plant, scheduled to come into production late in 1951.

As another step in our program to assure continuing and expanding sources of raw materials, the cellulose plant near Prince Rupert, British Columbia, was brought almost to completion by our Company’s subsidiary, Columbia Cellulose Company, Limited. Production from this plant, which is scheduled to begin operations soon, should go far toward relieving the world-wide shortage of high grade cellulose.

The plant has been designed so as to be capable of expansion as our Company’s requirements increase. This development ranks along with our chemical plant operation at Bishop, Texas. By these two long-range measures, a supply of our principal raw materials is being provided for use in the manufacture of our finished products, as well as for many defense requirements.

A further development in Canada was initiated late in the year with the organization of Canadian Chemical Company, Limited, with the object of producing cellulose acetate and industrial chemicals on a large scale, near Edmonton, Alberta, utilizing natural gases drawn from the extensive oil fields in the Province. Original processes for the manufacture of chemicals from natural gas, developed by our Company and utilized in the operation of its Texas plant, will be utilized extensively in this Canadian development.

Another significant development was the extension of our operations in Latin-American countries, particularly Mexico and Colombia.

Our Company stands on the threshold of a new era of development, not only for our domestic economy but for the economic growth of Canada and of other countries in the Western Hemisphere.
PLANT EXPANSION:

Plant expenditures for the year were directed largely to completing our Company's long-range program of bringing existing plants to their maximum productive capacity.

Since the war more than $150,000,000 has been expended by our Company and its affiliates in the expansion of plant facilities, with the bulk of this expenditure falling in the years 1946 to 1948.

In the last two years efforts have been directed largely to rounding out these facilities, bringing them to peak efficiency. Expenditures for additional plants in the United States for the year amounted to $6,056,064.

Major additions of the year were the installation of facilities at the Celco plant for the production of acetate staple fiber, resulting in a substantially increased capacity, and additional facilities for the production of acetate filament yarn at the Celriver plant.

Construction was started on an acetate staple fiber unit at the Celriver plant which is scheduled to come into production late in 1951. The completion of this unit will increase the output of staple fiber substantially.

This places our Company in an advantageous position to initiate our new program of plant expansion. Plans have been drawn for new plant facilities which will provide a large-scale expansion of our production.

OUTLOOK FOR 1951:

We are starting a new page in the history of our Company. In addition to meeting the demands of the new markets we are creating, and of those arising from the country's normal growth, we are directly concerned with the pressing needs of a defense economy. With the country facing a shortage of cellulose, chemicals and plastics, all of which are vital to our defense, we are planning to expand our production facilities.

Since June, 1950, the entire output of our present facilities for the production of "Fortisan," our strong yarn, has been allocated for defense purposes. The maximum production possible with our present facilities falls far short of satisfying military requirements.

Plans have been made for additional chemical facilities in Texas to meet the greatly increased demand for industrial chemicals for both civilian and military uses.

In Canada, we plan to proceed rapidly with the construction of the chemical plant in the Province of Alberta through our affiliate, Canadian Chemical Company, Limited. This plant will manufacture many basic organic chemicals never before produced in Canada, which will have broad applications in defense and peacetime economies and which will contribute to the industrial self-sufficiency of the Dominion. This company will utilize the highly successful Celanese process of direct oxidation of petroleum hydrocarbons in which our Company pioneered. Acetic acid produced in the new plant will be combined with wood pulp from the Prince Rupert plant of Columbia Cellulose Company, Limited, to produce cellulose acetate, the primary material used in the manufacture of acetate yarns and plastics.

As a result of the many additional activities that are planned, an expansion of the cellulose plant near Prince Rupert becomes essential as soon as the plant reaches full production.

This far-reaching program of expansion is directed at meeting the needs of a peacetime economy as well as the requirements of industrial mobilization for defense and the economic development of other countries of the free world.

\[\text{From the President's Report, in the 1950 Annual Report to Stockholders}\]

A copy of the Annual Report for 1950 will be sent on request without charge. Please address Dept. 144.

CELANESE CORPORATION OF AMERICA
180 MADISON AVENUE, NEW YORK 16, N.Y.
By ROBERT B. RICH

A NATIONAL WIDE SURVEY, representing a broad cross-section of opinion in investment world, indicates that open-end investment companies emphasizing common stock and bond investments in public utility stocks are widely popular among investors in their investment holdings are of concern, other than types by individual investors, are by Kenneth S. Gaston, Chairman of the Board of Group Securities.

The survey, just completed and sampled over 400 investment dealers, was sponsored by the company. Its purpose was to seek helpful methods of presenting investment information, particularly understandable, particularly to the interest of the many investors who are participating for the first time in common stocks through mutual funds.

"While first choice of individual investor is in shares of companies primarily invested in common stocks," Mr. Gaston declared, "the survey, however, is divided between common stocks of investment quality paying good dividend income, and common stock in lower priced issues showing accelerated profit possibilities under the defense mobilization program.

In the second place, the survey disclosed that the places of the more conservative balanced fund, with investments composed of good common stocks and low-priced quality bonds. The third position indicates a desire to invest funds, restricting their investments to bonds, and these.concentrating investments within a particular industry or type of business.

EDWARD G. LEFFLER, prominent as the founder of the Boston type of investment trust, died at his home at the age of 58.

Mr. Leffler, who was born in Philadelphia, was in Boston in 1920 a mutual investment trust movement which reached a peak with the organization of the Massachusetts Investors Trust of Boston in 1923.

He was associated with State Street Trust Corporation, and was a co-founder and director of Investors Trusts. He was also consultant to a number of investment firms in New York prior to his retirement in 1923. During the war he was on the War Production Board.

The COST of Putnam Fund management during the last year was 3% for every 100 shares—a smaller percentage of the Fund's earnings than in any previous year, according to the Fund's proxy statement. Last year's expenses were $1.9 million, or a little more than 3% of the Fund's earnings, as the cost of management in the Fund's early years was $3.4 million, or a little more than 5% of the Fund's earnings. The Fund's earning this year are estimated at $2.8 million, or about 10% of the Fund's earnings.

But the Fund's total resources now tip the scale at something over $45 billion, a remarkable increase. Putnam, Chairman, announced at the annual meeting. He told stockholders that the Fund's resources have increased under a creeping shadow of inflation... Putnam Fund is a substantial investment which promises to take a middle of the road course, although it is obvious that just the middle of the road is today.

A SUBSTANTIAL INCREASE in holdings of public utility stocks featured investment changes in The Fully Administered Fund for the quarter ended Feb. 28, 1951.

Investment Registrations

FUNDAMENTAL INVESTORS, New York, on March 9 filed a registration statement with the Securities & Exchange Commission covering 1,200,000 shares of $1 par capital stock. Underwriter: Hugh W. Long & Co., Inc.

FIDELITY FUND, Boston, Mar. 9, filed with the Securities & Exchange Commission a registration statement for 1,000,000 shares of common stock. Underwriters: Paul H. Davis & Co., Chicago, and The Crosby Corp., Boston.

STEIN ROE & FARNHAM Fund, New York, filed a registration statement with the Securities & Exchange Commission covering 500,000 shares of common stock. No underwriter.

MUTUAL FUNDS' earnings reports, dividend announcements, price quotations, registration notices, and other comprehensive statistical data are regularly appear in the Monday Issue of The Commercial and Financial Chronicle.

And We Thought We Were Rich in 1929

1929 was the year in which everyone thought America had learned the secret of perpetual prosperity. From every corner of the world people came to study the U.S. market and made it a paragon unparalleled in recorded history. Prices of common stocks reached heights not since equaled.

Fifty years ago, the 1929 market was like a carnival ride for the people living then. But it soon developed that common stock prices had outdistanced even the great prosperity of the fifties. In the next few years much of all the wealth that had come to think of 1929 as a magic year when the common market would rise higher than it ever would be again. How misleading this notion is can be readily seen from the figures below shown.

1929                1951

% Increase

Industrial Production 100 216 116%

Population 127.1 million 132.9 million 4.6%

Receipts of Federal Gov't 4.0 billion $7.9 billion 92.5%

Depreciation 3.8 billion $4.0 billion 105.3%

National Debt $16.5 billion $25.7 billion 54.6%

Disposable Personal Income $82.6 billion $214.8 billion 159.3%

Civilian Labor Force 51.3 million 54.1 million 5.3%

Aver. Hourly Earnings, Mfg. $0.566 $1.542 172%

Wholesale Prices 90.5 173.5 92.3%

Retail Prices 122.5 172.3 46.8%

Dow-Jones Industrial Aver. 381.17 253.71 -33%

From the viewpoint of 1951 the figures shown for the condition of the country in 1929 make that year look like a depression year surrounded by a great boom. The prosperous are in our labor force, in our standard of wages, and in the producitive capacity of the economy have added to the strength of the United States. And yet this increased strength has only been in the common stock prices.

Admittedly many stocks sold in 1929 at prices which were absorbed in relation to their earnings. This, however, was not true of all stocks. For example, sold at a high of 13%, and a mean price of 82%. At its mean price, it sold at $1.17 times earnings at its peak. There have been many years since when stocks have sold at similar price-earnings ratios.

Has this new prosperity been achieved? Partly through growth in population, partly through the expanding part the national governments play in the economy, partly through the enormous increase in the purchasing power of labor (which has continued the trend of the nation to consume), and partly through the ever increasing productivity of labor. But it is not true, as so many people seem to think, that these increases are really the result of higher prices. On the contrary we will note that consumer prices have risen only 46% since 1929 whereas personal income after taxes has risen a whopping 146%. Notice also that while our labor force tax has risen 74%, our industrial production, which indicates only the volume of goods produced, has increased 116%. The difference is the result of increased efficiency.

If our economic system has no basic flaw, if it is not going to blow up, then to business men, we have built into our econo
y very important and fundamental strength in the advance of the service market over the last year and a half, and the American system is selling at a discount today.

The purchase of common stocks, whether through an investment in securities or by buying and holding, always entails risk. The risk is ordinarily, but not necessarily, true, of course, over short-term periods. Nevertheless, in our opinion, prices in a broad view should be adjusted to the possibility of a future period, of which much higher level, first, faith in the essential value of the American system, and second, recognition of how greatly this country has increased in wealth and strength.

The Parker Corporation Letter.
Passenger Automobile Situation

By MALCOLM D. BROWN

Analyst, R. W. Presspich & Co., Members New York Stock Exchange

Based on industry and relevant economic data, analyst conclud-

es that the passenger automobile industry will remain

increasingly vulnerable for at least the next five years, invalidating almost all forecasts of demand and production. Predicts full supply of relatively new cars, increasing price competition, and disappearance of premium prices. Notes that the industry defense program entails drastic and lengthy production curtailment.

For my contribution to this pro-

gram, I want to discuss, in some details, the present situation of the automobile industry, its causes, the implications of the situation, and the probable developments in the near future.

First, let me tell a story—no, not a funny, but to drive home one point. A guide showing us a group of Americans through the museum at Czernowicka Wodan told us that in a few years, there would be only three families left in the world. 

The next day, we drove up to the city of the Commissar and parked our cars in the Commissar's garage. The next day, the Commissar came down and told us that we could not leave our cars. He also said that it was the law that a car be owned by only one family. 

A Distant Saturation Point

This apparent fact puts a difference on the matter. A saturation point may well be relatively high. For the last several decades the relative income level at which a car is purchased has increased in an astonishing degree. It is not difficult to see how the ownership of cars by governmental units and by char-

itarian organizations rather than by families.

Most of these cars were not bought by any public entity. Their owners bought them for themselves. The automobile industry is of course directly interested in those people who buy cars.

No one knows how many cars were sold, in any year, by people who previously owned none. It is not unreasonable to define cars less than three years old as new cars, even though they may have been used for some years before they reach that age. It seems true, that before the war, the buyers of new cars were by far, the course, with broad variations — in 1929 only 10% in 1915 and 20% in 1917. More recently, during the 1920s, the percentage of passenger automobiles was equivalent to 30%—45%—one-third of the number of families in this country. Even then there was talk of a saturation point—that the indus-

try would be unable to continue its growth. For application to the present day, we may ask who would have dared, in 1920, to predict that in 1925 —or, in 1929 in 1929-there would be 78 cars or more than 400 families in this country?

The depression knocked the ra-

tio down, but only by 30% or 40%, and the families in 1925—double the figure. The production of new cars was much lower during the 1930s than during the 1920s but the industry did not really start to climb again after 1933. For a while the demand for cars was increas-

ing more miles and were spending more time on their journey from city to city. The output of cars was 370,000 in 1928—450,000 in 1929—there would be 78 cars or more than 100 families in this country.

The depression knocked the ratio down, but only by 30% or 40%, and the families in 1925—double the figure. The production of new cars was much lower during the 1930s than during the 1920s but the industry did not really start to climb again after 1933. For a while the demand for cars was increas-

ing more miles and were spending more time on their journey from city to city. The output of cars was 370,000 in 1928—450,000 in 1929—there would be 78 cars or more than 100 families in this country.

The depression knocked the ratio down, but only by 30% or 40%, and the families in 1925—double the figure. The production of new cars was much lower during the 1930s than during the 1920s but the industry did not really start to climb again after 1933. For a while the demand for cars was increas-

ing more miles and were spending more time on their journey from city to city. The output of cars was 370,000 in 1928—450,000 in 1929—there would be 78 cars or more than 100 families in this country.

The depression knocked the ratio down, but only by 30% or 40%, and the families in 1925—double the figure. The production of new cars was much lower during the 1930s than during the 1920s but the industry did not really start to climb again after 1933. For a while the demand for cars was increas-

ing more miles and were spending more time on their journey from city to city. The output of cars was 370,000 in 1928—450,000 in 1929—there would be 78 cars or more than 100 families in this country.

The depression knocked the ratio down, but only by 30% or 40%, and the families in 1925—double the figure. The production of new cars was much lower during the 1930s than during the 1920s but the industry did not really start to climb again after 1933. For a while the demand for cars was increas-

ing more miles and were spending more time on their journey from city to city. The output of cars was 370,000 in 1928—450,000 in 1929—there would be 78 cars or more than 100 families in this country.

The depression knocked the ratio down, but only by 30% or 40%, and the families in 1925—double the figure. The production of new cars was much lower during the 1930s than during the 1920s but the industry did not really start to climb again after 1933. For a while the demand for cars was increas-

ing more miles and were spending more time on their journey from city to city. The output of cars was 370,000 in 1928—450,000 in 1929—there would be 78 cars or more than 100 families in this country.

The depression knocked the ratio down, but only by 30% or 40%, and the families in 1925—double the figure. The production of new cars was much lower during the 1930s than during the 1920s but the industry did not really start to climb again after 1933. For a while the demand for cars was increas-

ing more miles and were spending more time on their journey from city to city. The output of cars was 370,000 in 1928—450,000 in 1929—there would be 78 cars or more than 100 families in this country.
Electric Utilities in a War Economy

By WALTER H. SAMMIS

President, Ohio Edison Company

Prominent industry leader asserts utility securities will remain attractive in war economy, provided taxation is not too inequitable. Calls attention of investors who are anticipating inflation and seeking securities of industries with raw materials, large inventories or tangible fixed assets to the effect of increased costs and equipment whose value increases with inflation, and that volume of assets in dollars for years exceeds annual gross earnings.

Whether or not we are at war today, utility rates are uncontestable, but there is no doubt that we are already in a war economy. The rate of taxation, the rates of tax on public utility property, the rates of taxation on raw materials, the rates of taxation on capital, the rates of taxation on inventories, the rates of taxation on all capital expenditure, the rates of taxation on the future earnings of the utility companies, and the rates of taxation on the ability to finance the war are all factors which will affect the future earnings of the utility companies. The effect of these rates of taxation on the future earnings of the utility companies will be a great deal greater than the effect of the war itself on the future earnings of the utility companies.

The extension of electric service to areas not heretofore served, the expansion of electric service in areas already served, and the addition of new units to existing plants will all increase the cost of the utility companies. The effect of these increases will be a great deal greater than the effect of the war itself on the future earnings of the utility companies.

Growth

During the past 30 years the increase in kilowatt hours sold by electric companies has been more than seven-fold. During World War II the increase in kilowatt hours sold by electric companies was more than four-fold. The increase in kilowatt hours sold by electric companies has been more than four-fold since 1940. The increase in kilowatt hours sold by electric companies has been more than four-fold since 1926.

I particularly wish to call your attention to the material increase in load factor during World War II. The load factor during World War II was materially higher than the load factor during the period before World War II. The load factor has been materially higher since 1940 than the load factor since 1926.

Further, during the war periods the demand for electricity in kilowatt hours increased more rapidly than the growth in industrial activity. Further, during the war periods the demand for electricity in kilowatt hours increased more rapidly than the growth in industrial activity.

Utilities

One of the most important factors in the growth of electric companies is the growth of electric companies. The growth of electric companies has been more than four-fold since 1940. The growth of electric companies has been more than four-fold since 1926.

The growth of electric companies has been more than four-fold since 1940. The growth of electric companies has been more than four-fold since 1926.

The growth of electric companies has been more than four-fold since 1940. The growth of electric companies has been more than four-fold since 1926.

The growth of electric companies has been more than four-fold since 1940. The growth of electric companies has been more than four-fold since 1926.

The growth of electric companies has been more than four-fold since 1940. The growth of electric companies has been more than four-fold since 1926.

The growth of electric companies has been more than four-fold since 1940. The growth of electric companies has been more than four-fold since 1926.
Cyprian John Bridge has been elected to the Board of Directors of the Bankers Trust Company of New York. The election was announced by Dr. E. S. Sloan Cole, President, and Miss Gertrude C. Schrader, Trustee and Vice-Chairman of the Board of Governors of the Federal Reserve System, on March 26, to the shareholders of record as of March 9.

The appointment of Robert L. Cox, Vice-President of the Bank of West Coast, Los Angeles, Calif., to the Board of Directors of the Bankers Trust Company of New York, was announced by Dr. E. S. Sloan Cole, President, on March 26, to the shareholders of record as of March 9.

The election of Alexander Eagle as President of the First National Bank of Denver, Colo., was announced by Mr. Henry E. McFadden, Assistant Vice-President of the Bankers Trust Company of New York, on March 26, to the shareholders of record as of March 9.

The election of Dr. E. S. Sloan Cole, President, and Miss Gertrude C. Schrader, Vice-Chairman of the Board of Governors of the Federal Reserve System, to the Board of Directors of the Bankers Trust Company of New York, was announced by Mr. Henry E. McFadden, Assistant Vice-President of the Bankers Trust Company of New York, on March 26, to the shareholders of record as of March 9.

The election of Dr. E. S. Sloan Cole, President, and Miss Gertrude C. Schrader, Vice-Chairman of the Board of Governors of the Federal Reserve System, to the Board of Directors of the Bankers Trust Company of New York, was announced by Mr. Henry E. McFadden, Assistant Vice-President of the Bankers Trust Company of New York, on March 26, to the shareholders of record as of March 9.

The election of Dr. E. S. Sloan Cole, President, and Miss Gertrude C. Schrader, Vice-Chairman of the Board of Governors of the Federal Reserve System, to the Board of Directors of the Bankers Trust Company of New York, was announced by Mr. Henry E. McFadden, Assistant Vice-President of the Bankers Trust Company of New York, on March 26, to the shareholders of record as of March 9.

The election of Dr. E. S. Sloan Cole, President, and Miss Gertrude C. Schrader, Vice-Chairman of the Board of Governors of the Federal Reserve System, to the Board of Directors of the Bankers Trust Company of New York, was announced by Mr. Henry E. McFadden, Assistant Vice-President of the Bankers Trust Company of New York, on March 26, to the shareholders of record as of March 9.

The election of Dr. E. S. Sloan Cole, President, and Miss Gertrude C. Schrader, Vice-Chairman of the Board of Governors of the Federal Reserve System, to the Board of Directors of the Bankers Trust Company of New York, was announced by Mr. Henry E. McFadden, Assistant Vice-President of the Bankers Trust Company of New York, on March 26, to the shareholders of record as of March 9.

The election of Dr. E. S. Sloan Cole, President, and Miss Gertrude C. Schrader, Vice-Chairman of the Board of Governors of the Federal Reserve System, to the Board of Directors of the Bankers Trust Company of New York, was announced by Mr. Henry E. McFadden, Assistant Vice-President of the Bankers Trust Company of New York, on March 26, to the shareholders of record as of March 9.

The election of Dr. E. S. Sloan Cole, President, and Miss Gertrude C. Schrader, Vice-Chairman of the Board of Governors of the Federal Reserve System, to the Board of Directors of the Bankers Trust Company of New York, was announced by Mr. Henry E. McFadden, Assistant Vice-President of the Bankers Trust Company of New York, on March 26, to the shareholders of record as of March 9.

The election of Dr. E. S. Sloan Cole, President, and Miss Gertrude C. Schrader, Vice-Chairman of the Board of Governors of the Federal Reserve System, to the Board of Directors of the Bankers Trust Company of New York, was announced by Mr. Henry E. McFadden, Assistant Vice-President of the Bankers Trust Company of New York, on March 26, to the shareholders of record as of March 9.

The election of Dr. E. S. Sloan Cole, President, and Miss Gertrude C. Schrader, Vice-Chairman of the Board of Governors of the Federal Reserve System, to the Board of Directors of the Bankers Trust Company of New York, was announced by Mr. Henry E. McFadden, Assistant Vice-President of the Bankers Trust Company of New York, on March 26, to the shareholders of record as of March 9.
Canada perforce must follow to some degree the monetary policies pursued by her great neighbor. The intimate relationship between the two has been so close that any relative greater force of U. S. economic pressures compel the Dominion to adopt a similar watch on developments to the south. At the same time however Canada has the advantage of a compact and more easily controllable economic system. In addition Canadian financial and fiscal management have been regarded as eminently sound and conservative, there is reason therefore to follow blindly the measures adopted in a more complex, world economic situation of thought might suggest a more appropriate course, in a present confused state of economic reasoning Canada is well placed to set a strong constructive example.

As matters now appear the widely divergent opinion hold on financial management here have created a highly dangerous situation. The economic sheet-anchor of a confident and stable government bond market is now slipping. Resort to manipulation of the basic rate of interest has replaced direct and more effective measures of the principle of the moral suasion of government. handsome and pellucid statements of current financial and economic conditions were made in the early years of the present depression. Statements to that effect that were belatedly announced were not immediately operative and not effective within the long periods of grace that were permitted well into the nineties. The consumer to beat the deadlines. In the meantime successive announcements of imminent cutbacks and widespread publicity considerably increased the price of the life insurance policies.

The over-mountain loan figures that were a direct consequence of finance at its source led to deflationary action. The part of the government in the money market. From this point the problem of inflation has been handled while the public in the first place the very fears of a decline in the government bond market provoked sales to the Federal Reserve and thus increased the inflationary potential. Further injection of gold into the public domain was also induced as a result of the failure of the various so-called rival projects of the National Bank which the Reserve Board. The unpopularity of publicly con¬ cerning this controversy served only to accentuate the understanding of confidence in the govern¬ ment market. This resulted to higher loan rates following the raising of the rediscount rate the banks naturally have not been too ready to liquidate their government bond portfolio and thus add to the already in¬ creased volume of loans and mort¬gages.

These directly interested in the bond market have been faced with phases of financing both domestic and foreign might fearfully inquire what has been achieved in the purported right against inflation. The answer would appear to be more inflation and a break¬ down, which it is to be hoped is only temporary, in the hitherto smooth management of government, state, municipal, corporate, and foreign bond markets. The public will also be recalled that without absolute confidence in the government market generally the speculative decline of rate it would be impossible to finance the vast expenditures of the war and immediate post-war periods. Although Canada has so far fol¬ lowed a similar course, but with the domestic situation in the Dominion that has accompanied the Treasury legislation, it is not expected that the Dominion mone¬ tary authorities will yield to the current demand for capital in favor of a basic policy of higher interest rates. Here also there are widespread doubts concerning the wisdom of the apparent abandonment of the stable interest rate policy, although those who share the bond market (which have been less vociferous than the banks) feel the same.

There is little doubt that both governments will be re¬ laxed on deeper reflection that the option of a hard money policy and that the final result is the same. Moreover the dominating economic factor in the Dominion is the uncertainty of the stability of the 2½% rate while the Dominion government, as we shall see, has shown a much larger and more important underwriting of the government bonds. Savings Bonds have no incentive to add to their holdings but on the con¬ trary feel it expedient to liquidate their holdings. Simultaneously with the present outcry for higher interest rates there is also a per¬ sistent expression of fears con¬ cerning the declining value of the dollar. This serves only to pre¬ clude the liquidation of savings in the usual form of Government Savings Bonds. Consequently in place of satisfied holders of sav¬ings bonds we have a further body of potential purchasers of com¬ mon goods. It will doubtlessly be once again demonstrated that reliance, the classic method of raising interest rates to combat inflation can have but few results, among which is the almost in¬ evitable inflationary effect. In countries such as Canada and the United States which are still in the stages of a high price inflation and of which the continuation of some degree of inflation is still almost a necessity.

During the week there was nat¬ urally little business in either external or internal sections of the bond market due to the current confusion in all bond markets. The Canadian dollar remained steady. At 35 1/4 and the trend should be more progressive firmer as we ap¬ proach the beginning of the Cana¬ dian export and tourist season. The Canadian dollar continued the decline in the New York currency by uncer¬ tainly, in the bond markets, but on the whole showed more resiliency especially the Western oils.

Continued from page 2

The Security I Like Best

in the oil refining and chemical industries are not available at this writing, but it is known that they contemplate important additions to their capital.

Increased capacity for steel plants, oil refineries and the like is a measure of the additional ‘crown’ and of the future hope it means greater demand for refrac¬ tories and the like. This is a commentary on the present position of the American Refractories Company.

The year 1900 was a good one for the North American Refrac¬ tories Company. The final operating figures are not yet available, but the net earnings should ap¬ proximate $3.50 per share on its common stock. Last year witnessed a sizable addition of $100,000 to working capital, a reduc¬ tion of $100,000 in the funded debt and a capital addition of $250,000 to its plant account. At the end of 1900 the sound book value of the common stock was approximately 83½ per share and, of this amount, 12 1/2 per share was represented by net quick assets. The company has authorized ex¬ penditures of about $1,000,000 at the present time. These expenditures are designed to increase capacity and effect important operating economies. The company has no unusual delay in securing the nec¬ essary raw materials, the benefits of these expenditures will become progressively more and more fully in 1902. These ex¬ penditures do not require fi¬ nancing by the common capital. It may be noted in passing that there is no concentration problem in this industry and, therefore, no special advantages to be derived from this source. The North American Refractories company enjoys a satisfactory position with the ex¬ ception to excess profit tax. It is estimated that the excess profit tax does not come into play until $2.50 per share has been earned on the common stock.

The present situation of the com¬ mon stock may be briefly sum¬ marized about like this. It pays 4½% dividend, and the market value is 25. This represents an earnings of less than four times 1900 earn¬ ings and less than half its book value. All trade indications point to a satisfactory volume of business in 1901 and there¬ after. For all these reasons the common stock should merit continued at¬ tention for the longer term.

EVERETT J. MANN
Associate Professor of Economics, Harvard University

Sheraton Corporation of America

Investors are continually on the lookout for growth stocks but find that many of them sell at prices that are too high. Sheraton Corporation of America is not only a growth stock, but also offers an inflation-proof, 4½% dividend. Furthermore, the stock can be purchased at the present time for a fraction of the sound value of its assets. During the war Everett J. Mann had humble begin¬ nings in 1930. In May, 1946, it was merged with U. S. Realty and Improvement, and total assets then amounted to $31,000,000. By April 30, 1950, the company had grown to $76,000,000. In this time, the book value per common share had increased from $3.53 to $15.54.

On April 30, 1950, company offi¬ cers offered the shareholders a stock of preferred stock, which will be held for resale at a price equal to one third of the current price per share to be sold at $25, one third of the current price to be sold at $15.50, and the final one third of the current price to be sold at $10. This classification has been sold. On most sales, capital gains have been realized.

The company has about com¬ pleted the expansion of its properties and is concentrating on cutting down operating costs throughout the company. During 1949 a large amount of additional capital was raised and a large amount of property was acquired for about $30,000,000. Therefore now is the time to buy this stock before it becomes too expensive. The stock is now trading at about $150 per share in the New York market and is probably adequate for a hotel.

Originally the corporate capitalization of the company consists of preferred stock. Two-thirds of the total capital is held by the company. The company's earnings for the calendar year, 1948, have been earned in the business which they made over a period of years. The company had earned an annual average of $1,000,000 in 1948 and the average earnings per share in the past three years has been $2.50 per share. The company's earnings have made it possible to pay dividends for the last three years. The company's earnings have been distributed to shareholders and the company has retained the remainder of its earnings to finance its expansion. The company's earnings have been distributed to shareholders and the company has retained the remainder of its earnings to finance its expansion. The company's earnings have been distributed to shareholders and the company has retained the remainder of its earnings to finance its expansion. The company's earnings have been distributed to shareholders and the company has retained the remainder of its earnings to finance its expansion. The company's earnings have been distributed to shareholders and the company has retained the remainder of its earnings to finance its expansion.
Securities Salesmen’s Corner

By JOHN DUTTON

It is a well recognized fact that the salesman must handle the interview if he is going to make the sale. Certainly the prospect should never be allowed to put you on the defensive—if he does you’re licked before you start. I heard one of the best stories about this important phase of sales work last week, when I was visiting with an old friend who has made quite a name for himself in his own home town, as sort of an authority on securities.

During the past two years, salesmen have been alert to the opportunity to reach the man who is primarily interested in situations that hold a promise of “price appreciation,” have done very well. Such has been the case of this friend of mine, whose name in this respect finally reached the country club where he was a member.

There are always some people who take a particular delight in putting the other fellow on the defensive. On this day, when my friend was relaxing in the locker room, one of the members whom he had known for years walked up to him and said, “I hear you are picking quite a few winners, how about giving me one.” A remark such as this can be inter¬ preted in several ways, either as a Joke or a jest—both carry a more serious conversation. So plus the old fellow and said, “How much are you thinking of investing?”

The unexpected bluntness of the reply caught the other fellow by surprise. “Oh about $3,000,” $4,000.” My friend retorted.

The old man lowered right through to a successful conclusion.

But the fact that the prospect was serious and that he had the initiative only added to the fun.

Washington D. C.—Following is a memorandum from the New York Stock Exchange, members of the Boston Stock Exchange.

In the past he was with Christianion, MacKinnon & Co.

With duPont, Homsey
(Special to the Financial Chronicle)

Ralph E. Gordon has been connected with duPont, Homsey & Co., 31 Milk Street, members of the New York and Boston Stock Exchanges, for several years, formerly with F. L. Putnam & Co.

With Stein Bros. Boyce
(Special to the Financial Chronicle)

Gittleman is with Stein Bros. & Boyce, Stars & Building.

Prompt Wire Service

FOR BROKERS AND DEALERS

To Western & Eastern

LOS ANGELES . . . SPEAKANE . . . DENVER . . . SALT LAKE CITY

Private Wires Linking All Offices

J. A. HOGLE & CO.

ESTABLISHED 1813

Members New York Stock Exchange and Other Principal Exchanges

50 BROADWAY

NEW YORK 5, N. Y.

Tel: Wilshire 5-4700

Teletype 1-N 1588

Luttrell Maclin is
With Paine, Webber

Luttrell Maclin has been appointed director of advertising and publicity of Paine, Webber, Jackson & Curtis, 25 Broadway, New York City, members of the New York Stock Exchange. Mr. Maclin is announced by Lloyd W. Smith, President of the New York Stock Exchange, as the head of the coast-to-coast publicity, writing and brokerage division of the national firm.

Maclin was recently in the position of assistant sales promotion manager of Merrill Lynch, Pierce, Fenner & Beane.

Mason said that the appointment of Mr. Maclin was made in anticipation of an enlarged sales and public relations program, and that this is only the beginning of an enlarged program which will be announced later. We are determined, however, that it be a well-planned and digital program, in keeping with the traditions of the firm.

Mr. Maclin joined Merrill Lynch on his discharge from the U. S. Navy, in which service he served as a pilot and intelligence officer. He was the assistant to the President of the Association of Stock Exchange Firms and before that, for eight years, a financial writer for The Herald Tribune. He was one of the founders of the American Foreign Writers' Association.

Baltimore Bond Club

Speakers Group Formed

Baltimore, Md.—The Bond Club here has formed a new speakers bureau to publicize the advantages of private investment in securities of local investment bankers who are willing to take the war in stride and assist the war effort in buying of shares of the government and war projects.

Arrangements are under the direction of William L. Reed, Robert Garrett, First National Bank.

The group does not plan to advertise or or send out invitations to all situations, stressing instead the importance of individual savings and opportunity in the process of capital formation.


Joins Founders Mutual

Founders Mutual

(Special to the Financial Chronicle)

The new members of the new speakers bureau include: J. A. Hoge & Co.; 50 Broadway, New York City.

Herbert Salomon

Herbert Salomon, senior partner of the New York Stock Exchange firm of Salomon Bros. & Co., Rider, passed away at his home March 7.
Continued from first page

Curb Inflation With a Purchasing-Power Bond

Our Reporter on Governments

By JOHN T. CHIPPELDE, JR.

Truman has asked additional taxes in the person of a proposal to convert
early yield revenues of about $4 billion a year. The President wants a cut back of at least five of the four-bills, and the last one is cut back to four bills. It is reported that some of the large life insurance companies, pension and state funds have been buyers of the last two bills, held by deal. A part of this buying has been for rounding purposes.

The question for the future of the non-marketable, but not convertible issue should go a long way towards limiting the forces of inflation, and stalling much more drastic actions by the authorities in their efforts to curtail the creation of inflationary credit. The successful exchange of the June and December yields are high offers for other outstanding long-term Treasury obligations.

Treasury Act Fast

The money markets were again surprised last Thursday, when the Treasury, well ahead of the date set (March 19) announced the main features of the new security, the 2½% issue, which is to be offered to holders of the June and December 1967, 5½% Bonds, to make available about $3 billion in the new non-marketable obligation was so great that the government market had been in a state of confusion, following the announcement that the Treasury would exchange the 2½% issue for the last two bonds. Also it is indicated that very heavy liquidation at 100¼ was going on in the June and December 1967, 7½% securities, from the time the Treasury announced the initial acceptance of bids until the pull was placed at the opening last Thursday. The chaotic and heavy liquidation in the government market is dropping under not too much volume in certain issues, especially the 7½% Bonds. This rehabilitation of the market will be well before things dry up on the details of the issue. The atmosphere had to be cleared and Federal wasn't going to keep buying bundles of the exchangeable 2½% Bonds, as they sold $10 billion in the main terms of the new 2½% obligation, the government market was a few $100 million in the government market. Since the early days of World War II, the interest on the pega went out and the government is buying the Vics at the price of about 75% of the face level. Since then, however, the all of the backs have gone under the 100.

Secretary of the Treasury Snyder disclosed that: "The non-marketable bond market will be offered on March 19, in exchange for the outstanding 2½% due June and December 1967, 7½%, will be dated April 1, 1969, and will mature on April 1, 1969, and will be callable on April 1, 1975. (B) The marketable Treasury notes into which the non-marketable bonds can be converted at the option of the subscribers, will be five-year notes bearing 1½% interest. The notes will be payable April 1 and October 1 of each year, with appropriate interest adjustment for the last 2½% of each year. (C) Interest on both the new bonds and notes will be payable semi-annually on the first day of April and October of each year.

J. A. Francoeur With
John A. Dawson Co.

James Leopold Admits
James M. Leopold & Co., 13 Broad Street, New York City, members of the New York Stock Exchange, will announce March 9, 1960, the midist partners in Schett.

With Wadell & Reed

Robert Lewis Co.

With Wadell & Reed

With Robert Lewis Co.

J. A. Francoeur With
John A. Dawson Co.

James Leopold Admits
James M. Leopold & Co., 13 Broad Street, New York City, members of the New York Stock Exchange, will announce March 9, 1960, the midist partners in Schett.

With Wadell & Reed

Robert Lewis Co.

With Robert Lewis Co.

J. A. Francoeur With
John A. Dawson Co.

James Leopold Admits
James M. Leopold & Co., 13 Broad Street, New York City, members of the New York Stock Exchange, will announce March 9, 1960, the midist partners in Schett.

With Wadell & Reed

Robert Lewis Co.

With Robert Lewis Co.

J. A. Francoeur With
John A. Dawson Co.

James Leopold Admits
James M. Leopold & Co., 13 Broad Street, New York City, members of the New York Stock Exchange, will announce March 9, 1960, the midist partners in Schett.

With Wadell & Reed

Robert Lewis Co.

With Robert Lewis Co.

J. A. Francoeur With
John A. Dawson Co.

James Leopold Admits
James M. Leopold & Co., 13 Broad Street, New York City, members of the New York Stock Exchange, will announce March 9, 1960, the midist partners in Schett.

With Wadell & Reed

Robert Lewis Co.
ing-power bonds would be a prudent way of limiting the demand for stocks and real estate.

Recommended Provisions

The committee, therefore, recommends that the purchase of-purchasing-power bonds should not be non-negotiable; (2) they should be redeemable after five years; (3) the purchase of such bonds should be limited to the central bank and principal plus interest both ad-
tended with the holding of dollars, (5) the ratio of purchasing-power bonds purchased to the Treasury's sur-
ging power of the dollar; (3) they should be non-negotiable; (4) they should be redeemable after five years; (5) the ratio of purchasing-power bonds purchased to the Treasury's sur-

(3) "The growth in the value of the purchasing-power bonds will inevitably squeeze down the value of other bonds even before the bonds are issued and in particular will encourage speculation in a way that will bring about a postponed inflation." It is true that as people accu-
sary, savings, they become more and more sensitive to cur-
rent incomes. But the increased wages, increased employment, and increased incomes for consumer goods will be more than offset by the one-time accumulation.

It is during the next year, when the government is in-
s, the Treasury must be allowed to spend $25 billion or more, that an in-
reaching and needs. Two or three years from now the government services have already been equipped and the purchase of equipment is for-

(4) "Purchasing-power features of the government will probably drop by $10 billion to $15 billion a year. At that time, larger expenditures for consumer goods will be needed. If the govern-
ment expenditures are dropping, they will have to be reduced, or the Treasury will be forced to raise taxes."

Incidentally, the postwar inflation is supposed to be small and not financed to an appreciable extent by a reduction in personal savings balances. A reduction in balances of bonds or other liquid assets accumulated during the war would give the Treasury a chance to get back to the position it was financed (1) by a liquidation of capital assets, (2) by increased sales of non-financial corporations and unincorporated businesses; (2) by raising liquid balances (3) by a rapid rise in the price of stocks and bonds and by large gold imports. Much of the increased purchasing power (not all of it) could have been prevented by truly restrictive credit policies. But it is true, as Musgrave has pointed out, that purchase of-purchasing-power bonds would remove a source of danger. If the people did not have a purchasing-power bond, they would "save" by buying stocks or bonds. If the people were allowed to have a purchasing-power bond, they would "save" by keeping cash in a bank.

It is a weak argument that the inflation of the past has been needed in order to make people opposed to it. The present arrangements for the control of liquor and milk are quite imperfect. There is no compel-
people from converting their large balances of dollars into bonds and se-
put into goods or to prevent trade unions from pushing up wages. Firms have already been reported that bonds of government savings can reduce the inflation of the people, but there is nothing, that is, except to affect their effects by increased savings. If for every additional dollar spent out of wages or out of liquid assets an additional dollar were saved, the total de-
ad seem to be exempt from being exploited by the non-

(2) "Purchasing-power bonds would not bring about a genuine deflation. For example, if they were called in by the government, the public would add to the inflationary upper aspex and put just so much more money into circulation."

This objection is made by a Levantine gentleman and is not well founded. If people ex-
pected a continuation of the rise in prices, they would be among the last assets that could be bought. They are, however, a better investment than gold and goods.

Before purchasing-power bonds came to have any value, savings, bonds of the pres-
cent type, savings bank deposits, and gold and silver will lose value, because as prices rise all of these assets lose their purchasing power. It is the present type of savings bonds, which have the same value in all years, regardless of the rate of inflation that are the best investments.

Incidentally, the people who worry least about the value of gold and silver are the persons who will lose the inflation of effective opposition would be impossible, therefore, to do anything about it. There will still be plenty of people willing to buy gold and silver as a hedge against inflation. As a matter of fact, if the in-

(1) "The committee would like to stress the importance of the setting up of a Treasury bookkeeping system because the Treasury will no longer know from one year to the next what the size of the debt will be. The size of the debt will be dependent upon the cost of borrowing." It is true that the Treasury will no longer know from one year to the next what the size of the debt will be, but the cost of borrowing will be dependent upon the cost of borrowing. As a matter of fact, it is impossible to prevent in effecting, there would never be any inflation.

(10) "All presently outstanding government bonds along with other bonds would be severely harmed." This statement amounts to saying that the Treasury would never offer a more attractive security than the purchasing-power bonds, and therefore, it would not want to buy any government bonds. This is a strange doctrine for a progressive country. It would be far better to permit the people to buy purchasing-power bonds and to have holding of the purchasing-power bonds as a form of guaranteed savings. If people actually used the purchasing-power bonds to buy the government bonds.

Certainly there would be some tendency for people to transfer their purchasing-power bonds out of capital rather than spend them before the expiration of the 3% per cent limit. People cannot be persuaded to in-
crease their savings in order to buy purchasing-power bonds. In this case, the proportion of spending units holding various types of liquid assets may decline, but the proportion holding no liquid assets increased from 24% to 31%, and the propor-
tion holding no U. S. Savings Bonds increased from 44% to 51%.

The proportion of spending units owning liquid assets in 1947 may decline and there is no reason to indicate the probability of spreading of bonds. There is no reason why people should be persuaded to buy purchasing-power bonds, and they will not increase their sav-
ings to buy government bonds. The way to raise the rate of saving in order to buy purchasing-power bonds at a time when the Treasury has no means to force people to buy them is by increasing the rate of saving.

With Hamilton Managemem (
(1) by a liquidation of capital assets, (2) by in-

NSTD Notes

SECURITY TRADERS ASSOCIATION OF NEW YORK
Security Traders Association of New York (STANY) Bowling League standings as of March 9 are as follows: 

| Burian (Capt.), Mans, Kinc, Vocelli, G. Montanye. 10 | Woolf (Capt.), DeBeer, Windle, W. Frankel. 10 |
| Greenfield (Capt.), Solomon, Baur. W. Siegel. 10 | Dworsky (Capt.), Lyde, Reid, Krane, Supp. 10 |
| Mowin (Capt.), Klein, Flanagan, Manny, Chegen. 10 | Bean (Capt.), Kizer, Gowersey, G. Ropp, S. 10 |
| (Capt.), Leese, 2. G. Brown, 10 | (Capt.), Camper, Valentine, M. Meyer, F. Frankel. 10 |
| Kram (Capt.), Bradley, D. G. Emmett, G. Gamm. 10 | (Capt.), Smith, Farrell, A. Frankel, 1. Pat. 10 |
| (Capt.), 2. Reiner, 3. John DeMaye (Sutro Bros. & Co. 212). John DeMaye (Sutro Bros. & Co.) had second high game, of 212. |

Walter Mewing (Dassen & Co.) and William Kumm (Dunn & Co.) both won their games. 3.
Bank and Insurance Stocks

By H. E. JOHNSON

This Week—Insurance Stocks

The Glenns Falls Insurance Company, Glenns Falls, N. Y., recently issued its annual report showing the best of the most favorable operating records for 1949 of any of the major insurance groups. To count among companies that belong to the class of those that are aiming for consistency and gains, is an item of 25% to 50% for last year, Glenns Falls would be a gain in income. The increase was accomplished despite the large losses experienced in the November windstorm.

Of primary importance in this showing was the fact that the company was able to change the underwriting loss of $48,414 in 1949 into a profit of $251,801 last year.

The underwriting results for the past two years for each of the three companies in the Glenns Falls group is shown below.

<table>
<thead>
<tr>
<th>Company</th>
<th>1949</th>
<th>1948</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glenns Falls</td>
<td>$3,157,100</td>
<td>$3,106,829</td>
</tr>
<tr>
<td>Insurance</td>
<td>$2,522,809</td>
<td>$2,690,546</td>
</tr>
<tr>
<td>Commerce Insurance</td>
<td>321,901</td>
<td>321,901</td>
</tr>
<tr>
<td>Insurance</td>
<td>382,220</td>
<td>464,607</td>
</tr>
</tbody>
</table>

In other phases of the underwriting operations there were gains. Premium writing exceeded $50 million for the first time. Volume totalled $53,125,416 for 1949 and showed a gain of 9.6% over the $48,730,320 reported in 1949.

Other details of the underwriting and investment results of last year compared with those of 1949 are shown in the following table taken from the annual report:

<table>
<thead>
<tr>
<th>Underwriting</th>
<th>1949</th>
<th>1948</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premiums written</td>
<td>$53,423,416</td>
<td>$48,730,320</td>
<td>$4,693,096</td>
</tr>
<tr>
<td>Premiums earned</td>
<td>$53,423,416</td>
<td>$48,730,320</td>
<td>$4,693,096</td>
</tr>
<tr>
<td>Losses incurred</td>
<td>$2,252,989</td>
<td>$2,134,098</td>
<td>$128,891</td>
</tr>
<tr>
<td>Losses expense</td>
<td>$3,157,100</td>
<td>$2,987,039</td>
<td>$168,761</td>
</tr>
<tr>
<td>Total underwriting income</td>
<td>$49,958,187</td>
<td>$47,989,282</td>
<td>$1,968,905</td>
</tr>
</tbody>
</table>

Investment

- Interest, dividends and rents: $2,383,828
- Less: Amortization of bond premium: $174,181
- Investment expenses: $262,631
- Net realized capital gains: $4,200,090
- Net income for the year: $3,972,839

Statutory underwriting

- $2,522,809
- $2,690,546
- $267,737

Adjusted underwriting

- $6,96
- $7,42

Net income before taxes

- $1,977,244
- $1,434,289

Atomic Bomb Can Destroy Russia, So No War

A-bomb can also have important tactical uses, which were to break out three or five years from now and that the Russian hordes were held up by the much larger number of well-disciplined and well-armed divisions. If the line were not too thinly held, there are difficulties in depth with the land mines, anti-tank obstacles, artillery, and other weapons that we have in the Kuznica. They could do no more by a huge concentration of armies, artillery, and tanks—the kind of thing the Nazis did in 1944 just before the Battle of the Bulge. But with A-bombs in existence this becomes a very different matter. A-bomb delivered upon such a concentration by an air or sea shot through a guillotine could be devastating. In its presence, concentration of the sort would not make sense. The A-bomb will help to make the defense of Europe reasonable.

Europe Regaining Spirit and Strength

Further, Europe is regaining courage against the problem of General Eisenhower and the evident determination of the American people to aid Europe in that it must be ready at any time to supply us of arms and strong and well-trained troops with those of our allies in Europe—we must assemble them in such numbers that they can hold the line. When enough men are mustered we have are there, there is an idea of the number we will have to hold this line against vastly superior numbers. It is not a matter of meeting hordes with hordes. Yet with even the most subtle of modern weapons there must be men to maintain the line and men to wield the weapons if they are to be effective. It is one thing to have our men prepared, and another to have them prepared to fight.

Therefore, in my view, the purpose of manpower will be well enough, the welfare of the people, the spirit of the country, the pride of the people, the maintenance of a strong, well-organized reserve force. We need not only an army in being on the spot, but also be able to strike at any time and everywhere, if it is necessary. I believe that the way to accomplish this purpose is to put a number of years to have approximately the number of young men in the army in the hands of specialists and service and thereafter to go into the reserve to build up the essential body of trained men.

We Must Train a Reserve Force

We cannot build the forces we need without sacrifice. This sacrifice must come in many ways, in the formation of some of the pleasures we like to enjoy, in increased taxes and heavier burdens, and above all in the selflessness of our youth. In a day of war we should take a pride in what we can do to save that which matters most.

Ironically, we shall probably have to learn to indulge in the luxury of morality if we are to win the war. It was ironical that the aim of the United States was the national victory. It was ironical that the American people are to lose.

We should not make a mistake in the present danger. It is held in the present danger to stand up to the foe, a devastating foe. We will face the threat of the enemy and take the risk that we will keep the peace.

Lester H. Spalding

Lester Holt Spalding, associated with Bache & Co., New York, died at his home March 6 at the age of 63.

With E. F. Hutton Co.

E. F. Hutton Jr., has become connected with E. F. Hutton & Co., 224 South Street.
Electronics: The Growth Story of a Century

The growth of electronics is a fascinating story, as it has transformed the way we live and work. From simple telegraph systems to complex integrated circuits, the field has expanded rapidly. In 1920, there were only 1,000 radio receivers in the United States, but by 1930, this number had increased to 4.6 million. Today, the number of television sets in use in the United States is over 100 million.

The growth of electronics has been driven by a number of factors, including advances in technology, increased demand, and government policies. The Federal Communications Commission (FCC) has played a key role in regulating the industry, ensuring that it operates in a fair and efficient manner.

In the mid-1940s, the FCC issued a series of rules that allowed television stations to increase their power and range. This led to a rapid increase in the number of television sets in use, and by 1951, there were over 26 million.

In the 1950s and 1960s, electronics continued to grow rapidly, with the development of new technologies such as transistors and integrated circuits. Today, electronics is a multi-trillion-dollar industry, and it continues to be a major driver of economic growth.

Transportation is a vast market for electronics equipment. The airplanes and the shipping lines use almost countless quantities and varieties of electronic devices. Electronics is working hand in hand with aviation in making air travel safer and more on schedule. It can be said of electronics, as truthfully if not more so than of any other industry, it is essential to the very future picture of the world. The mansion of the future is to be a factory of electronics, and not for some few, but for the whole country. It has been a fascination to watch and to note the improvement of every electronic device that has been made in the last ten years. It is an improvement that cannot be denied.

Some facts about electronics that are impressive are:

1. The FCC now licenses over 10,000 television stations.
2. The number of television sets in use in the United States is over 100 million.
3. The electronics industry is a multi-trillion-dollar industry.
4. Electronics is essential to the future of the world.

In conclusion, electronics has come a long way since its early days, and it is likely to continue to evolve and change in the years to come. As we look to the future, it is clear that electronics will play an increasingly important role in our lives.
Continued from page 1

As We See It

(or is) anywhere else in the economy. It has been reported from Washington by experienced observers not ordinarily regarded as harboring any anti-labor sentiments, that the union leaders now combined into the labor bloc as it was for the great rank and file—and how to avoid or evade damaging issues or conditions. They are at present engaged in a furious campaign in which the key arguments and pleas are not based upon hald the facts at all, but upon popular notions which have proved in the past to have appeal. They appear to have borrowed the British slogan "fair shares for all" to support their own rather shop-worn tradition of "equality of sacrifice."

This "equality of sacrifice" notion appears to be a sort of descendant of Adam Smith's renowned first maxim as regards taxation in general. It was there that the father of economics first introduced the idea that a good government state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities; that is, in proportion which will enable the community to keep in the protection of the state. It is this maxim which the advocates of excessively "progressive" rates of taxation have employed to good advantage. The difference, however, is that this term is now-days broadened to include many things which are not strictly taxation, but which give rise to sacrifices.

A close reading of Adam Smith's exposition of these matters leaves it rather more than doubtful, to say the least, whether that pioneer in the study of economic relationships had anything in mind remotely resembling the present day demand of his distinguished times of this day and age. The sentence immediately following the one quoted above reads as follows: "The expense of government to the individuals of a great nation is like the expense of insurance to the joint tenants of a great estate, who are all obliged to contribute in proportion to their respective interests in the estate. In the observation or neglect of this maxim the wisdom of "equity" can be checked. Whenever an insurance payment is made by one who does not contribute to the risks involved, and a like amount is deducted from his share of the interest this nation has in the protection of the nation's currency, it is natural that the individual would regard himself as having been wronged, and be disposed to refuse to contribute his share of the amount due. Now, this would certainly appear to mean that if A receives an income of $50,000 a year while B has only $3,000, A should pay ten times as much in taxes as B should, and that the insurance companies required under virtually all income tax schemes at present.

Not the Whole Story

But that is not the whole story—whether discussion be confined to taxation or broadened as is the practice today. We are all too frequently disposed to forget that Mr. Smith set forth not one but four maxims of taxation, and that the fourth, just as important as the first, reads in part as follows: "Every tax ought to be so contrived as both to take out and keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the state. A tax may either take out or keep out of the pockets of the people a great deal more than it brings into the public treasury. First, the levy of it may require a great number of officers, whose salaries may eat up the greater part of the produce of the tax, and whose perquisites may impose another additional tax upon the people in the shape of protection of the people, and discourage them from applying to certain branches of business which might give maintenance and employment to great multitudes. While it obliges persons to distrust some of the funds which might enable them more easily to do so. Fourthly, by subjecting the people to the frequent renewals of the tax-gatherers, it may expose them to much unnecessary trouble, vexation, and oppression; and though vexation is not, strictly speaking, expense, it is certainly equivalent to the expectation of some sacrifice on every man would be willing to redeem himself from it."

Not So Simple After All

Any thoughtful reader of these sentences must leave with the conclusion that "fair shares for all" or "equality of sacrifice," though recommending themselves enviable reputation, both nationally and internationally, as an institution and statesman. Among his many activities Dr. White made a detailed study of the unfortunate experience of France with irredeemable money at the period of the French Revolution. He compares this experience with France—being in financial difficulties—on the formation of money in 1789 with an initial issue of 400 million irredeemable paper francs; and he observes that at that time France had been in the French government. But that course, she continued with great sacrifice, which was of the type. And by the year 1797—or at any rate during the period of eight years—France had actually printed and put into circulation 45,000,000 of those irredeemable paper francs. This reduction of paper money had so depreciated the French currency that it was actually worth less than one cent per franc. A very close examination of the French experience reveals the fact that the later the period of suspension of redemption was prolonged, the more rapidly the paper francs depreciated. The public's confidence in the paper francs was destroyed as rapidly as the paper francs which were issued.

What happened in France upon the death of Louis XVI and the restoration of the monarchy in 1795 is of considerable interest. The government of Revolutionary France had not been able to pay its debts. The country was in debt to the extent of 170 million francs, and the government was unable to pay its expenses. It was therefore, on its own initiative, decided to suspend redemption of the paper francs at a time when the government was suffering from a great financial crisis, and the country was in a state of great uncertainty. The government had no alternative but to suspend redemption of the paper francs, which it did, and the result was that the paper francs depreciated even more rapidly than before, and the government was unable to pay its debts. The result was that the government was unable to pay its debts, and the country was in a state of great uncertainty.

The French experience demonstrates the importance of maintaining the credibility of paper money. The experience of France during the French Revolution demonstrates the importance of maintaining the credibility of paper money. The experience of France during the French Revolution demonstrates the importance of maintaining the credibility of paper money.
Outlook for Television, Radio and Motion Pictures

think the business would have gone that night...

Curb Dinner Honors Truslow, Retiring Pres.
The members of the New York Curb Exchange tendered a dinner in honor of Mr. Truslow, retiring president of the exchange, at the Waldorf Astoria Hotel, March 22

Mr. Truslow... was master of ceremonies, and was presented with a silver tea service on behalf of the members of the Exchange.

Among the guests present were Mr. Truslow's sons, who will succeed Mr. Truslow as presidents. Mr. Truslow is a friend of Mr. Boylan, chairman of the board of the New York Stock Ex¬

change; Dr. J. B. Berkner General Manager of New York; General William J. Donovan, chairman of the American... and the London... and the Paul H. Rowen, Secretary of the Securities and Exchange Commission.

Mr. Truslow will relinquish his position to Mr. A. C. McCormick, who will retire as president of the New York Curb Exchange. The curb pres¬

ident will preside for South America, the firm of E. C. Potter &... the Regents of New York State as co-sponsors.

We have the motion picture business then, faced with the... not want to be rough on the motion picture business. We are going to... to your from the latest selection of the Motion Picture Magazine, the March-Month Club, "The Age of Longing," by Arthur Koestler, who is probably the... intelligentia has a... slow influence over the masses, but... an indication of... and creative destructiveness, its in¬

fluence is enormous. We see the motion picture business trying to make motion pictures which please a great majority of the... the critics who have become emo¬
tionally blinkered and do not see... What is the other 20% due to both of these... of the motion picture business for a great many years on a comparatively small budget. Men from the... by the critics who would... the most common plot might run something like this... and the plot picture you have all seen... "Going into Television"

We at Paramount decided a long time ago that Fremont, the motion picture business were just as good for the future health of the nation... large and... and after being... the Motion Picture Magazine is a good... existence of a state of war, the... to that at least that at best... in the top of a large rise. He said that Paramount Pictures Corporation was the... he must be helped and... on how they use it. But I told him that Paramount... entire market value exists in one book. I was considering for pictures which are... at $1. We do not want to respect to the motion picture business arising out of the change and change widely, I think... as a result of which, as... in the list of strange and unexpected events that has not occurred in our time. Our lives have... and public interests and the... Edward Potter

Edward Clarkson Potter passed away at his home at the age of 75 years, on January 28, at 126 East 43rd Street, New York Stock Exchange, prior to his retirement headed the... New York Society, the... Edward M. Dahl has joined the staff of the business section of the... Warren M. Rodgers Opens

Warren M. Rodgers opens in a securities business from offi¬

VOLUME 134 NUMBER 4944 THE COMMERCIAL AND FINANCIAL CHRONICLE 37

Lodge, Saltonstall, and so on... and comments that this country by promptitude of action put its money, and has that sound money basis, meaning a return to the gold standard...

If my effort on this occasion should be of any value, I hope my recommendation I have proposed, I think it would be of very great...

Curb Dinner Honors Truslow, Retiring Pres.
The members of the New York Curb Exchange tendered a dinner in honor of Mr. Truslow, retiring president of the exchange, at the Waldorf Astoria Hotel, March 22

Mr. Truslow... was master of ceremonies, and was presented with a silver tea service on behalf of the members of the Exchange.

Among the guests present were Mr. Truslow's sons, who will succeed Mr. Truslow as presidents. Mr. Truslow is a friend of Mr. Boylan, chairman of the board of the New York Stock Ex¬

change; Dr. J. B. Berkner General Manager of New York; General William J. Donovan, chairman of the American... and the London... and the Paul H. Rowen, Secretary of the Securities and Exchange Commission.

Mr. Truslow will relinquish his position to Mr. A. C. McCormick, who will retire as president of the New York Curb Exchange. The curb pres¬

ident will preside for South America, the firm of E. C. Potter &... the Regents of New York State as co-sponsors.

We have the motion picture business then, faced with the... not want to be rough on the motion picture business. We are going to... to your from the latest selection of the Motion Picture Magazine, the March-Month Club, "The Age of Longing," by Arthur Koestler, who is probably the... intelligentia has a... slow influence over the masses, but... an indication of... and creative destructiveness, its in¬

fluence is enormous. We see the motion picture business trying to make motion pictures which please a great majority of the... the critics who have become emo¬
tionally blinkered and do not see... What is the other 20% due to both of these... of the motion picture business for a great many years on a comparatively small budget. Men from the... by the critics who would... the most common plot might run something like this... and the plot picture you have all seen...

"Going into Television"

We at Paramount decided a long time ago that Fremont, the motion picture business were just as good for the future health of the nation... large and... and after being... the Motion Picture Magazine is a good... existence of a state of war, the... to that at least that at best... in the top of a large rise. He said that Paramount Pictures Corporation was the... he must be helped and... on how they use it. But I told him that Paramount... entire market value exists in one book. I was considering for pictures which are... at $1. We do not want to respect to the motion picture business arising out of the change and change widely, I think... as a result of which, as... in the list of strange and unexpected events that has not occurred in our time. Our lives have... and public interests and the... Edward Potter

Edward Clarkson Potter passed away at his home at the age of 75 years, on January 28, at 126 East 43rd Street, New York Stock Exchange, prior to his retirement headed the... New York Society, the... Edward M. Dahl has joined the staff of the business section of the... Warren M. Rodgers Opens

Warren M. Rodgers opens in a securities business from offi¬
Observations...

them hold. If they have less I urge them to buy up to the minimum of 100 points.

At the moment I continue to recommend the ‘underground’ stocks: oils, steel, natural gas, copper, zinc, lead. My sictions + could have been more right on the market because they do not respond to the market’s present “lowness” or “highness.” Confining oneself to a narrow market range, for example, to zinc is often effective in avoiding some downmarket losses and in securing more conservative returns in periods of stagnation, but the market’s longer-term trend must be borne in mind.

What are some of the limitations of the Straddle Plan?

(1) It is not talking all the time.
(2) It may not get you at the bottom or out at the top.
(3) It will not make you rich.
(4) It will make you look foolish at times. Thus we did not sell shares of our company in 1944, Rathorn, as we are sure that the 1946 peak to the 1949 bottom. And there were times when we mis-trusted the market.

On the other hand, it has certain advantages:

(1) It tells you exactly what to do for every client; and every client can be on a position basis, depending upon the time he enters the plan. You have positive advice to give at all times to every client.
(2) It lets you sleep; you don’t have to care whether the next move is 100 points up or down.
(3) Your position is improved whether the market goes up or down. If the market goes up, it makes you rich; if it goes down, you can get money for you and you can sell the stock and take advantage of the bargains.
(4) It frees your mind so that you can go after new business.
(5) You are never disappointed by the Straddle Plan. That is you never sell at one price only to repurchase at a higher price, and it is only one price to sell at.
(6) The plan gives you a leeway. For instance, if you have clients to whom you really cannot advise, you could sell them down to 3/2% and be on the Straddle Plan.

The other stock market is certain to continue to fluctuate, and the swings are reasonably wide. If not, no one else will make any money either.

Sincerely,

Homer Fahrborn.

3000 Burnette St., Vallejo, Calif.,

9-23-49

By Owen Elliott

Pacific Gas & Electric Company

Pacific Gas & Electric has had two big building programs—in 1944 and 1945, both completed. In both cases the company has followed the same procedure of doing equity financing and then selling the stock to the public. (In 1929, however, there were three issues.) The company has spent $850,000,000 for construction. The peak of its building activities, however, was reached in 1949, when $112,000,000 was spent, and it is estimated that the amount will be further reduced in 1951 to approximately $120,000,000.

Since 1945 the company has added almost 1,100,000 kilowatts to its electric generating capacity. By mid-summer 1951 another 1,100,000 kilowatts will be added to the system in operation. The installed capacity of the company’s plant will then be more than double what it was at the beginning of World War II. With an increased proportion of steam capacity the company should be less dependent upon weather conditions for an adequate supply of power. The average temperature in California has been well above normal, however, so that the company can take greater advantage of solar fields than it could previously have done. In 1949, 2,006,000,000 kw. were generated by hydro versus 5,2 in the previous year; and a gradual return to the more normal weather conditions is expected.

In 1951 the company expects to add another 1,100,000 kw.; and it is estimated that by 1952, as a result of installation of more modern units, the over-all efficiency of steam plants will have increased by about 25% compared with 1949.

The third largest electric utility company based on revenues, Pacific Gas & Electric, through a predecessor organization, has been in service to 46 counties in the northern and central parts of California—including 135 cities, 225 small communities and an extensive rural area in 127 towns and 3 cities, 83 small towns and a number of rural areas. Among the larger cities served with electricity are the several leading San Francisco, Berkeley, Richmond, San Jose, Fresno, and Stockton. Gas is also served to Sacramento. The company is organized for the benefit of California's industrial communities and companies. Of the 1950 electric output 52% was hydro, 30% steam and 18% purchased power.

The market for gas and electric stocks have been as follows in the past decade:

| Year | Contributions Standard on Common Based on (Millions) Outstanding Shares Average Shares |
|------|-------------------------------------------|---------------------------------|
| 1940 | 206 | 2.00 | |
| 1941 | 215 | 2.06 | |
| 1942 | 224 | 2.10 | |
| 1943 | 234 | 2.15 | |
| 1944 | 244 | 2.20 | |
| 1945 | 254 | 2.25 | |
| 1946 | 264 | 2.30 | |
| 1947 | 274 | 2.35 | |
| 1948 | 284 | 2.40 | |
| 1949 | 294 | 2.45 | |
| 1950 | 304 | 2.50 | |
| 1951 | 314 | 2.55 | |
| 1952 | 324 | 2.60 | |
| 1953 | 334 | 2.65 | |
The State of the Trade and Industry

an additional 1,000,000 tons. These total 6,000,000 tons or 22.4% of estimated finished steel output during the second quarter.

The outlook for flat-rolled steel products is bleaker. NPA expects that defense and related programs will require 700,000 tons of plate, strip, and sheet steel to produce more plate on strip and sheet mills.

Steel Production at Record High Level

The American Iron and Steel Institute announced this week that the operating rate of steel companies rose from 85% to the increased capacity for the entire industry will be 91.1% of capacity for five weeks below the present rate of 85%, a record for the first week of Jan. 1, compared to a rate of 101.6% a week ago.

This week's operating rate is equivalent to 2,931,000 tons of steel ingots and castings for the entire industry, compared to 1,706,000 tons for the second week in March. The rate was 98.6% and production yielded 1,956,000 tons a year ago, 93.3% of the old capacity and amounts, to 1,719,000 tons.

Important events for the first quarter of 1951 were the following:

1. The Federal Reserve Bank of St. Louis, in its March 8, 1951, bulletin, reported that the total volume of sales for the week ended March 3, 1951, was 1,756,000 tons, a decrease of 44,000 tons from the preceding week. This is the lowest volume since February 1949, when sales amounted to 1,719,000 tons.

2. The Office of Price Stabilization announced specific price ceilings for domestic cotton at all sales levels, including the farmer, effective March 3.

3. The National Association of Manufacturers announced a decline in the price of raw cotton, from 7.27 per lb on February 28, to 7.23 per lb on March 4, 1951.

Trade Volume Eases Slightly in Past Week

A very slight dip in consumer buying occurred in various parts of the nation in the period ended on Wednesday of last week. The leading index of wholesale sales was off slightly from the level for the preceding week in 1950, and April with the rise in prices.

There was a moderate rise last week in rents for storage, as shoppers sought sizable quantities of fabric, coats and children's wear. This price-increase index of consumer buying and the price of the needle in the period ended in 1950, the number of buyers for the week ended March 3, 1951, advanced 18% from the level of the preceding week in 1950. The number of buyers for the week ended March 3, 1951, advanced 18% from the level of the preceding week in 1950.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index of the week ended March 3, 1951, advanced 18% from the level of the preceding week in 1951. For the week ended March 3, 1951, an increase of 19% was reported over that of the same period a year ago, and for the four weeks ended March 3, 1951, a decrease of 22% from the level in the month of April 1951, to March 3, 1951.

April 13, 1951 (New York City) Securities and Exchange Commission.

May 30, 1951 (Dallas, Tex.) Dallas Bond Dealers annual Memorial Day outing.

June 11-14, 1951 (Jasper Park, Alberta) Investment Dealers Association Annual Convention at Jasper Park Lodge.


June 22-24, 1951 (Milwaukee, Wis.) Twin Cities Security Traders' Association Annual Outing ("Operaticale") at Gill Lake.

Sept. 20, 1951 (Coronado Beach, Calif.) National Security Traders Association convention opens at Coronado Hotel.

Oct. 12, 1951 (Dallas, Tex.) Dallas Bond Dealers annual Convention.

Nov. 25-29, 1951 (Hollywood Beach, Fla.) Investment Bankers Association Annual Convention at the Hollywood Beach Hotel.

Dempsey-Tegeler Adds

(Special to Tlie Financial Chronicle)

ST. PAUL, Minn.—E. C. Tegeler, Inc., has been added to the staff of the Stock Exchange, 409 North Eighth Street, members of the New York and Midwest Stock Exchanges.

Joins Braun, Bosworth Morgan, Inc.

Cleveland, Ohio.—George D. Miller has been associated with the firm of Braun, Bosworth Morgan, Inc., for five years, and has been associated with the Cleveland Trust Company.

With Milwaukee Co.

(Special to Tlie Financial Chronicle)

ST. PAUL, Minn.—E. C. Tegeler, Inc., has been added to the staff of the Stock Exchange, 409 North Eighth Street, members of the New York and Midwest Stock Exchanges.

Joins Marche Sims

(Special to Tlie Financial Chronicle)

LOS ANGELES, Calif.—William J. Keeler has been associated with Marche Sims, 634 South Spring Street, members of the Los Angeles Stock Exchange.

With Minneapolis Assoc.

MINNEAPOLIS, Minn.—Allard K. Tweethed is now associated with Minneapolis Associates, Inc., Rand Tower.

Joins Slovak Staff

(SPECIAL TO THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—J. Frank Smith has been associated with Slovak & Co., Inc., 408 Olive Street.

The State of the Trade and Industry

Continued from page 5

The amount of electrical energy distributed by the electric light and power industry for the week ended March 10, 1951, was 6,194,000,000 kw, according to the Edison Electric Institute.

The current total was 27,581,000 kw, lower than that of the preceding week of 28,236,000 kw, for the week ended March 3, 1951, output for the week ended March 11, 1950, and 26,838,000 kw, in excess of the output reported for the corresponding period two years ago.

Carloadings Advance in Post-Holiday Week

Loadings of revenue freight for the week ended March 3, 1951, to May of 1950, as reported by the National Railroad, reported an increase of 11,073 cars, or 7% above the preceding week.

The week's total represented an increase of 211,418 cars, or 36.8% above the corresponding week in 1950 when loadings were reported by a general strike at bituminous coal mines, and an increase of 98,315 cars, or 11.4% above the comparable period of 1949.
Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month and are presented in the form shown in the chart. Those shown in column A are for the week ending that date, or, in cases of quotations, as of that date:

<table>
<thead>
<tr>
<th>Date</th>
<th>Indicators of Production or Other Figures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar. 13</td>
<td></td>
</tr>
</tbody>
</table>

**AMERICAN IRON AND STEEL INSTITUTE:**
- Indicated steel operation (percent of capacity)...
- Number of steel pits:...
- Iron ore production (short tons):
  - Domestic, Mar. 13...
  - Foreign, Mar. 13...
- Steel production (tons):...
  - hematite, Mar. 13...
  - taconite, Mar. 13...
  - pig iron, Mar. 13...
  - steel (hot rolled), Mar. 13...
  - cold finished steel coils, Mar. 13...
  - finished steel products, Mar. 13...
  - steel billets, Mar. 13...

**AMERICAN PETROLEUM INSTITUTE:**
- Petroleum production (barrels):
  - Domestic, Mar. 13...
  - Foreign, Mar. 13...
- Refineries operated:...
- Refineries shut down:...
- Finished and unfinished gasoline (gallons):...
- Gasoline, Mar. 13...
- Gas oil, Mar. 13...
- Kerosene, Mar. 13...
- Residual fuel oil, Mar. 13...
- Gasoline and distillate fuel oil (gallons):...
- Gasoline and distillate (barrels):...

**ASSOCIATION OF AMERICAN RAILROADS:**
- Revenue freight business (gross):...
- Cargo received from connections (cubic feet):...

**CIVIL ENGINEERING CONSTRUCTION -- ENGINEERING NEWS-RECORD:**
- Total new construction, Mar. 8...
- New orders, Mar. 8...
- New orders by types:
  - Building, Mar. 8...
  - Manufacturing, Mar. 8...
  - Public, Mar. 8...
  - Transportation, Mar. 8...

**COAL OUTPUT (U.S. BUREAU OF MINES):**
- Bituminous coal, Mar. 13...
- Lignite, Mar. 13...
- Bituminous coal and lignite, Mar. 13...

**DEPARTMENT STORE SALES INDEX -- FEDERAL RESERVE SYSTEM:**
- Mar. 3...

**EDISON ELECTRIC INSTITUTE:**
- Electric output (in kw-hr.):
  - Total, Mar. 13...
  - New York, Mar. 13...

**FAIRLINES (COMMERCIAL AND INDUSTRIAL) -- DUN & BRADSTREET, INC.:**
- Mar. 13...

**IRON AGE COMPOSITE PRICES:**
- Finished steel (per lb.):
  - Domestic, Mar. 6...
  - Foreign, Mar. 6...
- Iron ore (per short ton):
  - Domestic, Mar. 6...
  - Foreign, Mar. 6...

**METAL PRICES (E. & J. N. QUOTATIONS):**
- Copper, Mar. 7...
- Lead (New East), Mar. 7...
- Lead (New West), Mar. 7...
- Tin, Mar. 7...
- Zinc (East St. Louis), Mar. 7...

**MOODY'S BOND PRICES DAILY AVERAGES:**
- U. S. Government Bonds:...
- Treasury Bonds:...
- Government Securities:...
- State and City:...

**MOODY'S BOND YIELD DAILY AVERAGES:**
- U. S. Government Bonds:...
- Treasury Bonds:...
- Government Securities:...
- State and City:...

**MOODY'S COMMODITY INDEX:**
- Mar. 13...

**NATIONAL PAPERBOARD ASSOCIATION:**
- Mar. 5...

**OHIO, PAINT AND DRUG REPORTER PRICE INDEX -- 1913-36:**
- Mar. 9...

**STOCK TRANSACTIONS FOR THE 000-LOT ACCOUNT OF ODD-LONG BROKERS AND SPECIALISTS OF THE N.Y. STOCK EXCHANGE--SECURITIES EXCHANGE COMMISSION:**
- By dealers in shares (customers' purchases):
  - By dealers in options:
  - Dollar value of purchases by dealers (customers' sales):

**COTTON (NEW YORK):**
- Boys' cotton, Mar. 24...
- Boys' cotton, Mar. 25...
- Boys' cotton, Mar. 26...

**WHOLESALE PRICES NEW SERIES -- U. S. DEPT. OF LABOR:**
- Mar. 16...

**INDEXES OF COMMODITY AND MANUFACTURED PRODUCTS:**
- Latest Period...
- Previous Period...

**ALUMINIUM (BUREAU OF MINES):**
- Production:...
- Stock of aluminum (short tons) at end of:

**EDISON ELECTRIC INSTITUTE:**
- Total electric output (in kw-hr.) at end of:
- Total electric output (in kw-hr.) at end of:

**FACTORY EARNINGS AND HOURS--WEEKLY LABOR STATISTICAL S. BUREAU OF LABOR--Month of January:**
- Total earnings:
- Total hours:

**MANUFACTURERS' INVENTORIES & SALES (UNIT OF COMMERCE--NEW SERIES):**
- Month of December (millions of dollars):

**MONEY IN CIRCULATION--TREASURY DEPT.:**
- As of Mar. 13:...
Continued from page 11

Educational Opportunities In Television

As developing technology has made television an integral part of our lives, its educational uses have been expanding. With the advent of the television, education is no longer limited to the classroom, but can be delivered to students in their homes. This has opened up new avenues for teaching and learning, providing opportunities for students to gain knowledge and skills in various fields.

The influence of television on education is evident in the increase of educational programs on television. These programs range from shows that educate viewers on current events to those that teach specific skills and knowledge. The examples in the table below illustrate the diversity of educational programming available on television.

<table>
<thead>
<tr>
<th>Channel</th>
<th>Program Title</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>PBS</td>
<td>The Story of Science</td>
<td>Science</td>
</tr>
<tr>
<td>CNN</td>
<td>American Experience</td>
<td>History</td>
</tr>
<tr>
<td>PBS</td>
<td>Frontline</td>
<td>Current Events</td>
</tr>
<tr>
<td>ABC</td>
<td>Good Morning America</td>
<td>General Interest</td>
</tr>
<tr>
<td>VH1</td>
<td>1on1 with Lisa Wilkison</td>
<td>Personal Development</td>
</tr>
</tbody>
</table>

In addition to educational programming, television also plays a role in popular culture and entertainment. Shows like The Bachelor and Big Brother have become staples of television viewership. These shows not only provide entertainment, but also teach viewers about the social dynamics and culture of modern society.

In conclusion, television has revolutionized the way we learn and has become an essential part of education. The influence of television on education is undeniable, and its impact on society is continuously evolving.
Securities Now in Registration

- **Aerco Corp., Englewood, N. J.**
  March 13 (letter of notification) 272 shares of 5% cumulative participating non-convertible preferred stock (par $100) and 272 shares of class A common stock (no par) to be offered in units of one preferred and one class A share (par $100). Proceeds—For working capital. Office—214 Lafayette Place, Englewood, N. J.

- **Albemarle Gold Mines Corp., Hollywood, Calif.**
  Nov. 1 filed 80,000 shares of common stock. Price—At (par $1 share). Underwriters—None. Proceeds—For further development of mine and for working capital.

- **Alliance Tire & Rubber Co., Ltd.**
  Feb. 1 filed 28,770 shares of class A common stock (para five-Iraelu pounds). Price—$30.40 (per share) to be offered in units of one share of preferred and one share of class A common stock (par $10). Proceeds—For working capital. Underwriters—Emanuel, Dezttn & Co. and Barrett Herrick & Co., Inc., both of New York. Proceeds—To acquire plant, to pay dividends, and to pay expenses of organization.

- **American Electric Co. (3:29).**
  Feb. 28 filed 339,032 shares of common stock (par $10), to be offered to common stockholders on or about March 30, 1951, (par $10). Proceeds—To expand the company's operations. Underwriters—Walden, Of baker & Co., Union Securities Corp.; Dallou, Reed & Co. Inc.; and brokers to name compensation following company's name. Price—$25 per share. Proceeds—To expand the company's operations. Underwriters—Walden, Of baker & Co., Union Securities Corp.; Dallou, Reed & Co. Inc.; and brokers.

- **American Electric Co. (3:29).**
  Feb. 28 filed 197,000 shares of common stock (par $4), of which 100,000 shares are subject to purchase, for sale through underwriters and 25,000 shares to employees. Price—To be supplied by amendments. Underwriters—Harris, Hall & Co., Inc., and Union Securities Corp. Proceeds—For expansion and general corporate purposes. Underwriters—None. Proceeds—To expand the company's operations. Underwriters—None. Proceeds—For expansion and general corporate purposes.

- **Anchor Mortgage & Loan Co., Anchorage, Alaska.**

- **Atlantic Oil Corp., Tulsa, Okla.**
  Nov. 12 (letter of notification) 48,046 shares of capital stock. Price—At (par $1 share). Underwriters—None. Proceeds—To purchase oil and gas properties.

- **B. & H. Incorporated, New Orleans, La.**
  Jan. 8 (letter of notification) 19,397 shares of 6% cumulative preferred stock (par $100) and 20,000 shares of common stock (par $5) to be sold in units of one preferred and one common share. Price—$100 per unit. Underwriters—McKlam & Co., New York. Proceeds—For working capital. Office—325 Careoedtel Bldg., New Orleans 12, La.

- **Baldwin-Lima-Hamilton Corp.**
  Feb. 13 filed 20,000 shares of common stock (par $13) to be issued in exchange for 303,945 shares of Austin-Walker & Co., Inc. Proceeds—For working capital. Office—311 Careoedtel Bldg., New Orleans 12, La.

- **Bolton Instrument Corp., College Point, N. Y.**
  March 6 (letter of notification) 20,000 shares of class A common stock (par $100) and 22,000 shares of class B common stock (par $50), of which 2,500 shares will be offered in exchange for $150,000 outstanding preferred stock on an 8-for-1 basis. Price—For class A, $1 per share; for class B, $12.50 per share. Underwriter—None. Proceeds—To pay liabilities, to increase working capital, and to pay expenses of organization. Underwriters—None. Proceeds—To expand the company's operations.

- **Burlington Mills Corp. (3:28).**
  March 5 filed 300,000 shares of convertible preferred stock (par $50) and 150,000 shares of common stock. Price—$25 per share. Underwriter—Kidder, Peabody & Co., New York. Proceeds—To purchase, to provide additional working capital, and to purchase additional equipment. Underwriters—Goldman, Sachs & Co.; and Richards, Sillman, & Co. soliciting exchange. Proceeds—To purchase, to provide additional working capital, and to purchase additional equipment.

- **California Eastern Air Lines, Inc., New York.**
  March 5 (letter of notification) 125,046 shares of common stock (par $1) to be offered to common stockholders on or about April 16, 1951. Proceeds—To expand the company's operations. Underwriters—Kidder, Peabody & Co., New York. Proceeds—To purchase equipment at a price of $100,000. Underwriters—Kidder, Peabody & Co., New York. Proceeds—To purchase additional equipment. Underwriters—Kidder, Peabody & Co., New York. Proceeds—To purchase, to provide additional working capital, and to purchase additional equipment.

- **Canadian Breweries, Ltd.**
  Feb. 28 filed 10,000 shares of common stock (no par) to be offered in exchange for Brewing Corp. of America common stock on terms of one share of Canadian common stock for each 1/25th of a share of the common stock of the Brewing Corp. of America. Price—$20 per share. Underwriters—Burlington Mills Corp., New York. Proceeds—To provide additional working capital.

- **Canadian Prospect, Ltd. (3:19-20).**
  See Prospect Exploration Ltd. below.

- **Carolina Power & Light Co. (3:20).**

- **Central Illinois Electric & Gas Co. (3:21).**

- **Central Metallic Co., Tulsa, Okla.**

- **Chesapeake, Tex.**
  Oct. 23 filed 132,182 shares of common stock (par $5), of which 48,425 shares are to be allotted to officers and directors at par and 83,757 shares to public. Price—$5 per share. Underwriters—None. Proceeds—To purchase additional equipment. Underwriters—None. Proceeds—To provide additional working capital.

- **Chrysler Corp., New York.**
  March 1 filed 500,000 shares of common stock to be offered in exchange for 20,000 shares of preferred stock of the company dated March 30, 1951, on basis of one share for each 10 shares held; rights to subscribe to additional shares subject to restriction. Proceeds—None. Underwriters—None. Proceeds—For construction program.

- **Duggan's Distillers Corp.**

- **Electronic Computer Corp., Brooklyn, N. Y.**
  Feb. 2 (letter of notification) 60,000 shares of class B non-voting common stock, par $1. Price—$3 per share. Proceeds—To acquire outstanding preferred stock. Underwriters—None. Proceeds—To provide additional working capital.
NEW ISSUE CALENDAR

March 15, 1951
Seaboard Air Line RR. noon (EST)—Ex- Tr. Cts.

March 15, 1951
Canadian Pacific—Sold

March 15, 1951
Pacific Gas & Electric Co.—Common Prospect Exploration, Ltd.—Common

March 15, 1951
American Hospital Supply Co.—Common Carolina Power & Light Co.—Common

March 15, 1951
Illinois Central RR. noon (EST)—Ex. Trust Cts.

March 15, 1951
Jameson Control Trust Co.—Trust Cts.

March 15, 1951
Mississippi Power Co., Inc.—Common

March 16, 1951
Central Illinois Electric Co.—Common

March 16, 1951
Lorillard (P) Co.—Common

March 22, 1951
Jones & Laughlin Steel Corp.—Common

March 22, 1951
New Hampshire Fire Insurance Co.—Common

March 27, 1951
Consumers Power Co. 11 a.m. (EST)—Ex. Bonds

March 28, 1951
Burlington Mills Corp.—Ex. Preference

March 28, 1951
Potomac Edison Co.—Ex. Bonds

March 29, 1951
American Gas & Elec. Co. 11 a.m. (EST)—Ex. Bonds

March 30, 1951
Detroit Edison Co.—Common

March 30, 1951
Florida East Coast Ry.—Stockholders meeting

March 30, 1951
Florida East Coast Ry.—Stockholders meeting

March 30, 1951
Florida East Coast Ry.—Stockholders meeting

March 30, 1951
Florida East Coast Ry.—Stockholders meeting

March 30, 1951
Florida East Coast Ry.—Stockholders meeting

March 31, 1951
Republican Bank of Springfield, Ill.—Board of directors meeting

March 31, 1951
New York Telephone Co.—Annual meeting

March 31, 1951
New York Telephone Co.—Annual meeting

March 31, 1951
New York Telephone Co.—Annual meeting

March 31, 1951
New York Telephone Co.—Annual meeting

March 31, 1951
New York Telephone Co.—Annual meeting

March 31, 1951
New York Telephone Co.—Annual meeting

March 31, 1951
New York Telephone Co.—Annual meeting

March 31, 1951
New York Telephone Co.—Annual meeting
Prospective Offerings

Alabama Power Co. (9/11)


Appalachian Electric Power Co.

Feb. 27 (AP) - The company announced that it will issue and sell about $18,000,000 in first mortgage bonds in May or June. The bonds are to be sold by competitive bidding. Probable underwriters: Halsey, Stuart & Co.: Morgan Stanley & Co.; Kuhn, Loeb & Co.; and Union Securities Corp. Proceeds—For property expansion and improvements, the cost of which company expects to exceed $20,000,000 during the next three years.

Arkansas Louisiana Gas Co.

Feb. 18 (AP) - The company has filed a plan to issue and sell about $37,500,000 in new first mortgage bonds in May or June. The bonds are to be sold by competitive bidding. Probable underwriters: Halsey, Stuart & Co.; Kidder, Peabody & Co. Proceeds—For refinancing purposes.

Arkansas Natural Gas Corp.

Feb. 7 (AP) - The company announced that it will issue and sell about $25,000,000 in new 3% preferred stock (issuable in exchange for 6% preferred stock on hand, subject to proposal to split common into two units) at about $100 per share.

Arkansas Power & Light Co.

Feb. 12 (AP) - The company said that it will issue and sell about $25,000,000 in additional first mortgage bonds, probably in late summer or early fall. Underwriters—To be determined by competitive bidding. Probable underwriters: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Proctor & Aldrich; Smith, Barney & Co.; Equity Securities Corp.

Atlantic City Electric Co.

Jan. 16 (AP) - The company announced that it will issue and sell about $225,000,000 in additional first mortgage bonds, probably in May or June. Underwriters: Union Securities Corp. Proceeds—For construction purposes. The sale of these bonds is contingent upon approval of SEC of Delaware.

Atlantic City Electric Co.

Jan. 19 (AP) - The company announced that it will issue and sell about $5,000,000 in additional first mortgage bonds, probably in late summer or early fall. Underwriters—To be determined by competitive bidding. Probable underwriters: Union Securities Corp. Proceeds—For refinancing purposes.

Boston Edison Co.

Jan. 20, 1955 (AP) - The company announced that it will issue and sell about $100,000,000 in additional first mortgage bonds in April. Underwriters—To be determined by competitive bidding. Probable underwriters: Morgan Stanley & Co.; Kuhn, Loeb & Co.; Kidder, Peabody & Co.; and Proctor & Aldrich. Proceeds—For construction purposes.

Byers (A. M.) Co.

Jan. 26 (AP) - The company announced that it will issue and sell about $100,000,000 in additional first mortgage bonds, probably in late summer or early fall. Underwriters—To be determined by competitive bidding. Probable underwriters: Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Beane; Harriman Ripleys & Co., Inc.; Smith, Barney & Co.; Equity Securities Corp.

Westerly (R. I.) Automatic Telephone Co.

Feb. 27 (letter of notification) 7,000 shares of common stock being offered to stockholders of record March 1, at 110 and accrued dividends. Holders may be offered in lieu of the fully paid preferred stock, plus common stock. Company beneficiaries: Peabody & Co. and Fahnstock & Co.

The Natural Gas Co.

Charlotte, N.C., Feb. 20 (AP) - A fourth amended application was filed with the Federal Power Commission on March 12, 1955, for construction of a new gas pipeline system to serve certain areas in North and South Carolina. Estimated peak demand of the proposed facilities is 5,595,285, to be financed by the sale of $30,000,000 in new issue of junior securities. Underwriters may include G. Halsey, Stuart & Co.; Morgan Stanley & Co.; Kidder, Peabody & Co.; and Merrill Lynch, Pierce, Fenner & Beane.

Celtane Electric Corp.

Last week an electric company was granted a certificate of authority by the Public Service Commission of Oregon to construct an electric generating station on the Columbia River in Oregon. The project will have a capacity of 125,000 kw.

Commonwealth Edison Co.

Jan. 10 (AP) - The company announced that it will sell about $35,000,000 in additional first mortgage bonds in May or June. The bonds are to be sold by competitive bidding. Probable underwriters: Halsey, Stuart & Co.; Morgan Stanley & Co.; Kidder, Peabody & Co.; Kuhn, Loeb & Co.; and Union Securities Corp. Proceeds—For construction purposes.

Consolidated Natural Gas Co.

Jan. 8 (AP) - The company announced that it will issue and sell about $20,000,000 in additional second mortgage bonds, probably in late summer. Underwriters—To be determined by competitive bidding. Probable underwriters: Halsey, Stuart & Co.; Morgan Stanley & Co.; Kidder, Peabody & Co.; Kuhn, Loeb & Co.; and Union Securities Corp. Proceeds—For construction purposes.

Consolidated Edison Co. of New York, Inc.

Feb. 12 (AP) - The company announced that it will issue and sell about $25,000,000 in non-convertible preferred stock, at par (or $100) and $100,000,000 in first mortgage bonds, probably in May or June. The bonds are to be sold by competitive bidding to stockholders. Proceeds—To be used to aid in the construction of additional gas transmission lines.

Columbia Gas System, Inc.

Feb. 12 (AP) - The company announced that it will issue and sell about $20,000,000 in additional first mortgage bonds in May or June. The bonds are to be sold by competitive bidding. Probable underwriters: Halsey, Stuart & Co.; Morgan Stanley & Co.; Kidder, Peabody & Co.; and Merrill Lynch, Pierce, Fenner & Beane.

Continued on page 46
Footo Minera Co.  
Feb. 15 stockholders approved an increase in authorized common stock from $50,000,000 to $80,000,000 to provide for the payment of a 20% stock dividend on the 57,995,793 shares of common stock outstanding.  
President, stated that the company is committed to a policy of distributing dividends to shareholders and reinvesting money, and the directors later this year may seek some form of financing.  

* General Shoe Corp., Nashville, Tenn.  
Jan. 13 the company reported sales of 124,000 pairs of shoes, a gain of 5% over the same period last year.  

* Georgia Power Co. (6/5)  
Jan. 8 it was reported company may issue and sell $20,000,000 of new first mortgage bonds.  

* Granite City Steel Co.  
Feb. 15 the company announced plans to offer additional common stock to common stockholders following the usual procedure of five days of bidding at their option.  

* Gulf Power Co.  
Feb. 25 the company announced that it provides for sale of 74,048 shares of new common stock (par $1) to individuals who have made a deposit of $100 per share for 45 days prior to the offering.  

* Harriman Ripley & Co.  
Feb. 19 the company announced plans to offer additional common stock to common stockholders following the usual procedure of five days of bidding at their option.  

* Iowa-Illinois Power Co.  
Feb. 12 it was reported company plans to offer additional common stock to common stockholders following the usual procedure of five days of bidding at their option.  

* Laclede Gas Co.  
Jan. 30, R.W. Otto, President, stated it appears likely that the company may be able to sell $10,000,000 of new first mortgage bonds.  

* Lake Shore Pipe Line Co., Cleveland, Ohio  
Feb. 15 the company announced plans to offer additional common stock to common stockholders following the usual procedure of five days of bidding at their option.  

* Long Island Lighting Co.  
Jan. 31, Harry F. Ripley, President, said an increase in the number of common shares is in prospect to assist in financing the company's needs.  

Feb. 23 amendment to plan for reorganization was filed in Montpelier.  

* Mississippi Power Co.  
Feb. 8, Thaddeus H. Barry, President, announced the company contemplates the issuance and sale of $4,000,000 of preferred stock (par $100).  

* Missouri Pacific Corp. (7/17)  
Feb. 8, J.W. Barrow, President, announced the company will issue and sell $1,000,000 of preferred stock (par $100).  

* Penobscot Power Corp.  
Feb. 14 the company announced plans to offer additional common stock to common stockholders following the usual procedure of five days of bidding at their option.  

* Pennsylvania Electric Co.  
Dec. 20, B.K. Holmes, President, said company is considering the issuance and sale of $1,000,000 of preferred stock (par $100) with an equal amount of payment in cash.  

* Public Service Co. of Colorado  
Nov. 1, J.L. Loiseau, President, announced that it "will be necessary to increase capital by the issuance of $15,000,000 of preferred stock (par $100) to be sold in unit lots of $100 to $500 to be used for new construction.  

* Public Service Co. of Colorado  
Feb. 20 it was announced company plans sale of $1,000,000 of preferred stock to public at rate of 11% per share for each $50 principal amount and an additional $1,000,000 of preferred stock (par $100) will be sold in units of $100 to $500 to be used for new construction.  

* Seaboard Air Line R.R. (13)  
Feb. 15 it was announced company plans to issue $15,000,000 of preferred stock (par $100) to be sold in units of $100 to $500 to be used for new construction.  

* Southern Pacific Co. of Colorado  
Nov. 1, J.L. Loiseau, President, announced that it "will be necessary to increase capital by the issuance of $15,000,000 of preferred stock (par $100) to be sold in units of $100 to $500 to be used for new construction.  

* Texas Eastern Transmission Corp.  
Nov. 1, J.L. Loiseau, President, announced that it "will be necessary to increase capital by the issuance of $15,000,000 of preferred stock (par $100) to be sold in units of $100 to $500 to be used for new construction.  

* Union Pacific Corp.  
Feb. 13 it was announced company plans to issue $1,500,000 of preferred stock (par $100) to be sold in units of $100 to $500 to be used for new construction.  

* United States Steel Corp.  
Feb. 12 it was reported company plans to issue $3,000,000 of preferred stock (par $100) to be sold in units of $100 to $500 to be used for new construction.  

* U.S. Steel Corp.  
Feb. 12 it was reported company plans to issue $3,000,000 of preferred stock (par $100) to be sold in units of $100 to $500 to be used for new construction.  

* Western Union Co.  
Feb. 15 the company announced plans to offer additional common stock to common stockholders following the usual procedure of five days of bidding at their option.  

* Wisconsin Power & Light Co.  
Feb. 7, Harry B. Moseley, President, announced company expects to issue $12,000,000 of preferred stock (par $100) to be sold in units of $100 to $500 to be used for new construction.  

---The Commercial and Financial Chronicle, Thursday, March 15, 1915
305,118, and includes approximately 791 miles of pipeline extending from a connection with United Gas Corp’s system near the Kentucky border through Kentucky, Tennessee, Missouri, Arkansas, Mississippi, and Louisiana. Net proceeds from the sale of the mortgage bond loan of $20,000,000, and the sale of $45,000,000 of preferred stock have already been sold. The proceeds are to be used for the latter's construction program. Probable bidders for bonds: Halsey, Stuart & Co. Inc.; Dillen, Read & Co.; Kilpictures; and Goldman, Sachs & Co. (jointly); The First Boston Corp.

United Gas Pipe Line Co., Shreveport, La. Feb. 27 FPC authorized company to carry out an expansion program, which will include construction of approximately 1,000 miles of pipeline, at a total estimated cost of $111,000,000. Company will finance construction by means of a new first-mortgage bond loan of $50,000,000 from its parent, United Gas Corp. (which see above).

Utah Power & Light Co., March 8 It was announced company during 1951 proposes to issue and sell 200,000 shares of common stock and estimated $10,000,000 of first mortgage bonds. Underwriters: (1) For bonds: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Lehman, Brothers, and Merrill, Lynch, Pierce, Fenner & O’Hara; (2) for stock: Blyth & Co., Inc.; W. C. Langley & Co. and Glere, Forgan & Co. (jointly); and Citizens Trust Co. at New York and Barley & Co. (jointly); Lehman, Bros. & Co. and Merrill, Lynch, Pierce, Fenner & O’Hara. Proceeds to repay bank loans and to provide additional construction funds.

Virginia Electric & Power Co. Mkt of dividends to regular stockholders for the sale of approximately 450,000 shares of additional common stock to common stockholders at rate of one new share for each 10 shares held. Price—To be determined by market and other conditions. Underwriters—Stone & Webster Securities Corp., New York. Proceeds—For construction program. Offerings—Tentatively planned for June.

Washington-Hudnut, Inc. March 25 It was announced company plans issuance and sale to public of 300,000 new shares of common stock through additional underwriting of 10% of common stock. Proceeds of sale may be used for the acquisition of more than $1,000,000. Underwriters—A. F. Pfeffer, Price. To be supplied later. Underwriters—F. F. Clark, New York. Proceeds—To retire bank loans and for working capital.
WASHINGTON...And You

WASHINGTON, D. C.—Legislation aimed at changing the government rules for the conduct of this or that phase of the securities business seems destined to stay parked in the Congressional cooler for several weeks and perhaps for much longer.

Earlier in the month the House Interstate Commerce Committee had Chairman Harry A. McDonald of the SEC into a little private audience. The purpose of this executive session was to ascertain whether SEC wanted any "emergency" legislation enacted, and what else, if anything, did Mr. McDonald want the Congress to pass, please?

There was said to be no particular significance in calling in the SEC. Actually it was something of an unusual stunt. What the House Committee is doing is calling in and consulting, behind closed doors, the chiefmen of all the bureaucratic tribes whose legislative aspirations come under the jurisdiction of the ICC Committee.

In the process the Committee is mapping out something of an inventory of both emergency and general legislation required by all the tribes. Then the Committee will go about deciding whether, and when.

Even if the ICC Committee was particularly steamed up about the idea of blotting in the unlisted securities industry via the Frear bill, or mending the provisions relating to power to protect unlisted securities, two of the most desired of the SEC's projects—there is little indication that the Committee could get going on either of those projects before the last March 15, at the latest.

And there is no evidence, it is reported, that members of the Committee are particularly anxious to plunge into amending either of the Securities Acts.

In the first place, the House is going to take a nice 20-day Easter holiday pretty soon. Then the House Committee is going to try to play with that little problem of war risk insurance. Then the Committee is going to work on a bur¬

labeling bill. So even if SEC legislation were top after that—which it is unlikely such legislation will be—there is April to vanish before it can be considered.

Senator J. Allen Frear, Jr., Chairman of the Senate Banking Subcommittee on Banking, Securities, and Insurance, is working on a new draft of the unlisted securities bill. He is trying to in¬

corporate into the new draft all the modifications of the original Frear bill which, in his opinion, evoked rather general agreement, based on the hearings last winter before his subcommittee.

The Senate may take this new draft ready in a month or six weeks, and thereafter will be all set to hold further hearings, the subcommittee being able and willing. However, any time from the middle of April on, the Banking Committee will be rather preoccupied with the legis¬

lation to modify and extend the Defense Production Act of 1950, which expires June 30 unless renewed. The Senate will press for hearings on his bill when the summer recess is over. The mem¬

bers of the Committee become rather heavily engrossed in this subject, it is believed.

Meanwhile Rep. Abraham J. Miller (D., N. Y.) has taken over as his own the 1950 draft of the Frear bill, and offered it as a proposal for House action. Mr. Miller is not a member of the Committee, but he is particularly anxious to get the SEC legislation through as soon as possible, to avoid any delay in passage of the Emergency Banking Bill.

"Some people sure hate to delegate authority!"

House Interstate Commerce Committee, which in the lower cham¬

ber has jurisdiction over this legis¬

lation, usually when a com¬

mittee hears legislation, the sub¬

ject of the hearings is a bill intro¬

duced by one of its own members, and, anyway, the Frear bill did not look too hot last year to the House Committee.

Chairman McDonald has no emergency legislation to pop out to Congress at the moment. Under the SEC Act of 1934, the Com¬

mission has the power to lock up the exchanges for 90 days, pro¬

vided the President of the U. S. approves. SEC has always kept current, since the outbreak of the Second World War in Europe, the texts of orders ready to be sub¬

mitted to the White House for the formal OK on closings. It is indi¬

cated that if an atom bomb dropped on New York City any time, and didn't hit the Stock Ex¬

changes, the SEC probably would march to the White House at the opening of business with an order suspending trading until business was restored.

SEC is expected to press first for the "simplified prospectus" legislation. It recently received recommendations on this subject from the securities industry, and shortly should come up with its views about the industry's ideas. However, whether the industry and SEC can see eye to eye or not on all the provisions of this legis¬

lation, SEC, it is believed, will com¬

e forward and champion a draft of a bill asking Congress to approve the bill.

It is said that second priority in new legislation is given to in¬
cluding the companies of $3 mil¬

lion of assets or over 1,000 stock¬

holders within the policing of the regis¬

tration, reporting, proxy, and ins¬

urance violations of the SEC—the subject of the Frear bill, roughly.

With respect to this legis¬

lation, the SEC is still ascertained to be open to dickering about de¬

tails, but there is every indication that the agency believes it has all the answers, and pretty darn soon, by gosh, it would be a swell idea to get this thing on the books.

Senator J. William Fulbright (D., Ark.), is given a great deal of credit by his colleagues for finally getting this RFC mess out for ventilation, for he worked for two years studying the operations of that agency to order in its right in shape for reform.

Fulbright's remedy for cleaning up RFC, adopted too late by the President to save the public disclosures, is to do all of the present RFC Board and place its man¬
agement in the hands of a single administrator.

His idea is that in view of the low state of prestige to which RFC has sunk, no competent board of five men could be enlisted to take over the sick agency and try to run it in a respectable manner.

On the other hand, such a thing as a complete change in the set¬

up, offering one individual complete authority to take control, will make RFC into a pretty good business proposition, but will be some outstanding name. (Inciden¬

tially, there are rumors that former Senator Tydings will be offered the job.)

This theory may prove correct, and the complete reorganization may make it possible to bring in a man of known ability, integrity, and character and to manage the RFC, provided Mr. Truman will name such a man.

However desirable this particular mechanical reform may prove to be for the short run, however, its long-run efficacy is not so highly regarded. For one thing, if at not first, then eventually, the individual selected to play ball with the Democratic National Administration tracking the biparti¬

san character of the management of the RFC.

With a single administrator to run the works, the character of the RFC as an agency of the Congress is also threatened. The single ad¬

ministrator would have no direct connection with the President, to whom every new RFC member is named by the President, rarely reported to have had such an extr¬

aordinary preoccupation with RFC business.

Finally, Fulbright's sympathy with the idea of barring Congress¬

men from dealing with "sensitive" agencies places beautifully in the hands of the bureaucracy, who are going to be "influenced" by some¬

body, and it is a great good bet that local politicians who can get through with RFC legislation will be any more ethical than Congress¬

men.

There is hardly any law or or¬

ganization or reorganization that can guar¬

antee a balanced government agency will be honest except one type of law—that it will be independent of the government agency.

(This column is intended to re¬

fect the "behind the scene" interpre¬

tation from the nation's Capitol and may or may not coincide with the "Chronicle's" own views.)