**EDITORIAL**

**As We See It**

President Truman in asking for an extension and a strengthening of the Defense Production Act last week, took occasion to set forth once more a good deal of the general economic philosophy upon which the plans of the Administration are based. Some of these basic notions are sound, and we could wish that Congress would conform to them. Others are of definitely dubious validity, and our law makers would do well to study them very carefully before proceeding with legislative enactments intended to give effect to them. At still other points the President and his advisers seem to us to be hopelessly befuddled, and in consequence, in danger not only of proposing unsound legislation but of seriously misleading the rank and file.

There are several of these latter passages, and the doctrines they propound have for the most part been exposed as fallacious in these columns on various occasions in the past. These refutations cannot all be repeated at this time, of course. Neither space nor the reader's patience would hold out. However, one of the President's concepts with which he deals loosely to say the least, warrants more detailed analysis than is usually accorded it. It warrants such treatment not only because the President is fuzzy in his analysis and use of it, but also because this shortcoming appears to us to be widespread among the people of the country—yes, widespread, if we may be excused for saying so, even among economists.

We refer to the notion, or perhaps rather the term, "savings." At two points the President embodies his idea of savings into his conclusions about the proper way to conduct the rearment.

**Continued on page 32**

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**SECURITIES NOW IN REGISTRATION**—Underwriters, dealers and investors in corporate securities are afforded a complete picture of the issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 38.

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**The Outlook for Business**

By BERVARD NICHOLS*  
Professor of Economic Research, University of Pittsburgh

Ascerting for first time in our history, we have a part-wart, part-peace economy that poses new problems, Prof. Nichols gives details of current and prospective business conditions. Says stock market will still relatively low, but weak spots in business outlook are: (1) uncertainty in national debt management; and (2) difficulties in preventing inflation. Wears of a "peace scare" which might mean decline in prices and falling prices. Reviews means of expanding production without inflation, and looks for imposition of additional controls.

As a preface to the discussion, I should like to say that if the war in Korea turns out to be the beginning of World War III, then much of what is presented here can be disregarded. Although it may be only wishful thinking, I have felt along that there will be no all-out war this year.

In any appraisal of the probable business climate in the next year, it must be recognized that a booming peace-time economy was confronted late in June 1950 with an urgent need to mobilize its resources in support of the military program in the Far East and in other possible trouble spots.

Conditions were far different in Japan last year than at the outbreak of World War II. At the start of World War II the economy was just recovering from the severe depression of 1929-38; many were unemployed; most industries were working at less than 50% of capacity; prices were low; industry was eager for new orders; the national debt was relatively small and the volume of consumer credit was low. Here is the picture at the outbreak of the war in

Continued on page 32

*An address by Prof. Nichols at the Consumers Credit Conference of the Pennsylvania Bankers Association, Harrisburg, Pa., April 27, 1951.

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**The MacArthur Crisis**

By DR. MELCHIOR PALYI  

Dr. Palyi contrasts MacArthur's thesis with the "middle-of-the-road" policy of Truman and Acheson. Points out great objective of Allies is to find modus vivendi with Russia. Says overriding problem of Europeans is per¬ vasive security and they fear both provoking Russian aggression and resurgence of German imperialism. Sees strong anti-Americanism in Europe, despite U. S. eco¬ nomic aid, and desire of Europeans to have balance of power between U. S. and Russia. Looks for greater rearment and more inflation.

The MacArthur-Truman conflict—or is it a Marshall vs. MacArthur feud?—is a clash between the great Gen¬ erals on one hand and the great majority of the UN led by Downing Street, on the other hand. Washington takes the middle of the road. This is so widely recognized that a brief review of Palyi's MacArthur's thesis is that unless we fight it out with the Chinese Red, blockading their coast, bomb¬ ing their supply lines and unloading Chiang Kaishey's money will be an endless and extremely expensive venture involving terrific hazards. He implies that the Chinese Com¬ munistus either would give up if bombed, or would retreat to the main¬ land, or their regime might collapse altogether. Russia would not enter the fray (if she wanted to, she would wait for a pretty armlet). And if we are afraid of provoking the Soviets, why not get out of Korea, Formosa, Indo-China, and so forth? Indeed, the sure way to avoid war is by stopping our armaments and surrendering to fate.

The "middle-of-the-road" doctrine of Truman and Acheson is a compromise. It promises not to give up South Korea, the American public would not stand for that; or for letting Mao in on the Japanese Treaty and into the UN, but the appeasers of China are content to the extent of not driving the Chinese Communists out

Continued on page 22

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(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.)

EMERSON B. MORGAN
Petersen Securities Co., Los Angeles 14, Calif.

LANE-WELLS COMPANY
The selection of one's favorite security is a problem, for there are a great many excellent securities available in today's market. I have chosen the stock of a company that qualifies in this community and whose growth has more than kept pace with the tremendous demands of industrial enlargement. This company serves the petroleum industry in the manufacture and utilization of the furnishing of specialized tools to the production of oil. Its increased demands for petroleum products is an extremely promising.
It's a Pipe

By IRA U. COLEBRA

Author of

"How to Make a Killing in Wall Street and Keep It!"

Offering a breezy appraisal of natural gas transmission lines, and stressing their strength, their growth, and their speculative romance.

Today, this column is going under¬
ground. It's awfully fashionable, as you know, to talk about "cells" being built by thou¬
ands of the more nitricate oil companies, and their popu¬
lation; and even one cell a day b a n k a h y quietly latch¬
ed out the mushroom caves, abandoned near¬
racies, or obs¬
curities, to favor the hinter¬
land, for slaying away un¬
tables, and microfilms lest Mos¬
cow get nasty. And the "cells," however, is not about hiding things in the ground, rather, it's about collecting and trans¬
ying energy underground—natural gas, that is. And although you can't even see the product, it's not to be sniffed at! The plant investment of the gas industry is above $3 billion, and gross annual revenue is nearing the $2 billion mark. It's a rather dynamic as Durant! You've all seen, in the leg¬gions sections of the out¬
land our land, great, fat metal cylinders, containing the long¬
scape. Gas holders, they're called. Balloons would be a better word. They're filled up the day, and sink back to the ground of dinner time.竟然 kitchen ranges are converting this energy little stoves and stoves. Well, take a good look at the next flexible gas holder (no personality in¬
cluded) you see, for it's a living being. It's a little pumped due to the number of new houses being built, and are probably around 60,000 miles of major gas transmission lines vibrating like the sub¬
note. (Compare note: U. S. railroad mile¬
age in operation, 22,000.) The growth of these fuel tubes has been so massive that the Federal Power Commission has full author¬
ity over the building of new lines, or extension of old ones. Authorization can be withheld until market demands, steady supplies of gas, and correct and adequate financing have been arranged. So far this regulation seems to have been, in the main, beneficial. Rates have been am¬
plified upon, allowing a return of 6 to 6½% on "prudent invest¬
ment." Valuations. About the fi¬
ancing, the Commission has more than a few lines on "string" operation. You see, pipe lines are curiously adapted to ad¬
vasance financing. With a few line¬
Nhills of gas supply at source, they may be at source, and sell the gas on the other end on long¬
term contracts. So, since before

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**Problem of Investing Pension Fund Reserves**

BY CHARLES V. CAMPBELL*  
President, Campbell and Company,  
Pittsburgh, Pennsylvania

After pointing out fundamental investment principles, Mr. Campbell explains limitations of pension fund organization and problems for accumulation of investment reserves. Stress difference in policy between private and public pension funds, he shows the need for cooperation of different types of investment for private pension fund. Hols pensions should be considered as a call on a certain standard of living rather than needs for healthy family and adequate endowment of funds to government and municipal bonds. Describes stock market as in healthy condition.

Investing money is serious business, and should be given due consideration. Of course all of you know safety of principal is one of the basic principles to govern investments, as it is important toget [sic] your money back. Since it is impossible to judge between good and bad investments, except by hindsight, it is wise to adopt a watchful attitude toward a portfolio. This reminds me of the story about the beautiful young blond who was aspirin[ing] to become a stockbroker, taking a bath and was rescued by the building employees. A newspaper, reader, wanting to make a good story out of it, ran a headline sometime later, 'Beautiful Young Blond Overdose by Gas while Taking a Bath, owes her Life to the Water Boys, elevator boy and the night watchman.' So you see that watchfulness is important.

I want to call your attention to the fact that money is always changing during this discourse or may not apply in all parts of the United States, Canada and its several provinces.

In making these comments we are talking about savings and investment accounts and are not concerned with margin accounts, time or margin accounts, or speculative accounts. Another factor is the time of purchase, which is not important, and the timing determines the price to which the security or commodity is bought or sold.

Diversification  
Another basic principle governing investments is that of diversification. This distribution of risk can be acquired in many ways, one of which is among types of securities such as bonds, preferred stocks, mortgages, common stocks and so forth. It is possible to diversify as to quality and income, consistent with the account object-

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*An address by Mr. Campbell before the National Municipal Finance Officers Association of Canada, Toronto, Canada, Dallas, Texas, April 25, 1931.

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**The Commercial and Financial Chronicle** ... Thursday, May 3, 1951

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A step up in over-all industrial production was evident the past week. As industrial plants throughout the country increased their output responding to the need of a nation preparing for defense. Total industrial production was noticeably higher that of a year ago and almost 10% below the record peak, attained in the latter part of World War II. There were sporadic lags in some localities due to material shortages and conversion difficulties, but total claims for new defense contracts and defense benefits were far less numerous than a year ago.

The steel output increased fractional again last week to 103.3% of capacity; in only one other week on record was total steel output this high. The current week's output is expected to reach a new historical peak at 104.6% of capacity.

Automotive production rose nearly 3% to 154,740 vehicles and was 7% higher than a year ago. Crude oil production reached a new record peak.

Contracts granted during the week for civil engineering construction were for $400 million less than last week and 20% higher than a year ago.

The current week steel production is booming along at record pace, but output falls far short of meeting demands, as defense load on the mills is mounting steadily, says "Steel," the weekly magazine of metalworking. Procurement problems of the defense manufacturers are intensifying as more and more tonnage is diverted to government work. And the end is not far off. Further cutbacks in steel use in consumer goods is planned for third quarter, probably to 70% of the tonnage used in such items in the average quarter of the first half of 1950. Currently, use is held to 80%.

There is little prospect for any improvement in supply conditions for months to come even after the Controlled Materials Plan goes into effect July 1. It will take some time for this distributing system to get into full gear; but even then, it will apply only to defense and defense-support consumption, unused capacity will be left on its own to pick up supplies wherever and whenever they can.

Predictions for automotive production, according to "Ward's Automotive" Yearbook of Industry-wide programming, are that 350,000 cars will be assembled in the U.S. in May for the second highest volume since last October. The highest was in March when 607,000 were produced.

Daily output rates in May are expected to continue at April levels, with the Detroit plants working the day prior to change this month, said this Agency. Prospects are that Chrysler and Ford will continue to maintain their improved position in the industry, taking about 26% of total volume, compared with 21% in March, while General Motors" share will remain at about 39%, compared with 41% in March, Ward's added.

With schedules for May holding at high levels, the auto industry is alarming certain to produce more than 3,000,000 cars during the first six months of the year, and may break its record of 2,100,000 cars set January-June period established in 1950, this trade authority stated.

Consumer debt for installment purchases was reduced $95,000,000 to $2,900,000,000. This was compared with an increase of $200,000,000 in January and $182,000,000 in February. The March 31 total of $12,900,000,000 was $1,200,000,000 higher than a year ago.

The government increased by about 10% the amount of rubber available to civilian industries in May over what was permitted in April. The National Production Authority formally authorized companies making civilian rubber items to use this month 10% of the rubber they used in the average month of the fiscal year ended last June 30. In April, they had been allotted only 70% of the amount. The agency listed about 40 "less essential" products which will not be allowed to use any more rubber. In May, they did. April. The list included passenger car tires and tubes, garden hose and athletic goods, etc.

Steel Output This Week Scheduled at Highest Level

In History

Purchasing agents who have grown wise fighting procurement for defense have the eye on the steel industry's product mix, according to "The Iron Age," national metalworking weekly, for the current week. Product mix is the percentage of various steel items that make up total production. Fluctuations of only a few points in the ratio between items mean a great difference in the steel market.

Unfortunately the impact of defense and related steel pro-

We take pleasure in announcing that Mr. EDWARD G. WEBB has joined our firm as Manager of the Municipal Bond Department

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May 1, 1951

NPA Plans Curtailment of Plant Expansion

Official reveals policy of curtailment in amount of civilian production, affording some, "butler" along with guns.

The government's control authority has been distinctly set the policy of sharply limiting the expansion of industrial plants, for defense as well as the civilian purposes. In addition to its anti-inflationary intent, this restriction is meant to assure production of civilian goods in the national interest.

This was revealed by a high official of the National Production Authority in New York City on May 1.

The NPA authorities are confident that along with the full military program, the production of civilian durable goods can be maintained at 65% of its volume of the third quarter of last year, thus providing some amount of "buffet" along with "the banquet." The official estimated that if such curtailments are adopted, civilian durable goods supply would be cut to a mere 25% of last year's pre-war level.

After C.M.P. goes into effect July 1, a permit system will be given for unlimited expansion, it was revealed. Such limitations will be applied to expansion of power production, petrochemical plants, and other industries of major importance to national defense.

Currey Director of Commercial Solvents

Brownlee O. Currey has been elected president of American Commercial Solvents Corp., it was announced by J. Albert Woods, president.

Currey is President and a director of Equitable Security Corp., Nash- ville, Tenn. He was elected to succeed R. J. Yeager, who resigned.

Chicago's Times Dispatch: The Times of Chicago, Inc., for which Mr. Currey serves as director of advertising, will meet the coming pressure of competition by expanding its advertising and sales field.

Currey, a wholesale druggist, has long had an important seat in the national roll of commerce, where his career has been one of the most brilliant instances of a fatherless boy's achievement of a high position in the business world.

Currey was born in Philadelphia, Pa., on Nov. 10, 1862, and during his earlier years worked in his father's drug store, where he was a constant companion to his father.

Currey was a graduate of the University of Pennsylvania, where he studied pharmacy.

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Inflation and the Individual

By DEXTER KEEGER

Director, Department of Economics, Federal Reserve Bank of St. Louis

Though stating U. S. inflation will not approach run-away type experienced in Europe, Dr. Keezer sees more inflation ahead, since powerful pressure groups thrive on inflation and necessary steps to stop it are unlikely. Says industrial worker has benefited by inflation, but manufacturing has been unorganized and mass of people have been hurt.

In this general session on inflation my assignment is to open up discussion of inflation and the individual. As I see it, this involves the same indicatives of (1) What inflation does to the individual (2) The prospects that it will not keep on doing and (3) What the individual can do to protect himself against inflation.

I shall use a very simple, but I trust not simplistic, definition of inflation. It is that condition which prevails when the cost of living rises; prices are rising. When prices in general are going down there is deflation.

Inflation, as I have defined it, may be divided into two major causes. It may result from having the government print too many units of money; or, other costs, pushed up faster than the buying power of income, and therefore the way is paved for a general change in prices and that, so far as I am concerned, is inflation.

It is impossible to indicate by any generalization or general statements what inflation does to the individual. The basic reason is that it does quite different things to different individuals. In fact, it does quite different things to the same individual. For example, an individual may be taking a severe housing inflation on that part of his budget which has been fixed salary. Simultaneously, inflation may be benefiting him by investment in common stocks, if any. However, I shall dwell on that specific case.

In general, they would add more complexity to the individual.

For an individual living exclusively on a fixed money income much inflation may be murder, in the quite literal sense of the term, if it does not become general. In fact, it does become general, in very many cases, a very serious problem. For example, the thousands of new individuals now seeing the current situation are trying to make a living. They have been hurt by inflation. I should like to add more complications to the individual.

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Productivity—The Key To National Security

By HAROLD G. MOUTON
Professor of Economics
Washington University

Holding there is ground for believing we have seen worst of current inflationary movement, Dr. Mouton points to importance of adequate 1951 harvests as effective price rise curb. Continuous requirement for price stability in decade ahead is a major economic challenge, he says. 

The People of this country today are less aware of the danger of inflation. While these two words are connected, it is nonetheless recognized that even small increases in the buying price of goods and services will eventually lead to the decrease in the purchasing power of the dollar. The danger is not so noticeable as the increases in prices. The increased costs of living and the decrease in the value of money are matters of daily concern. 

The recent rapid rise in the cost of living and the expectation that prices will continue to rise during the period of inflation has brought about a new awareness of the danger of inflation. The danger is not so noticeable as the increases in prices. The increased costs of living and the decrease in the value of money are matters of daily concern.

The Importance of 1951 Harvests

The trend of prices over the past two years has been influenced by the world-wide shortage of agricultural products. This shortage has been caused by three factors: the war, the disease, and the weather. The war has caused a great increase in the demand for food and other agricultural products, while the disease has caused a great decrease in the supply of these products. The weather has also been a factor in the shortage of agricultural products.

The disease has been caused by the plague, which has spread throughout the world in recent years. The war has caused a great increase in the demand for food and other agricultural products, while the disease has caused a great decrease in the supply of these products. The weather has also been a factor in the shortage of agricultural products.

The weather has been a factor in the shortage of agricultural products. There have been severe droughts in many parts of the world, which have caused a great decrease in the supply of agricultural products. The war has also caused a great increase in the demand for food and other agricultural products, while the disease has caused a great decrease in the supply of these products.

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The war has caused a great increase in the demand for food and other agricultural products, while the disease has caused a great decrease in the supply of these products. The weather has also been a factor in the shortage of agricultural products.
Truman Seeks New Powers in Extended Defense Production Act

President, in message to Congress, asks new credit curbs and additional primers powers. Presents eight-point program for strengthening Defense Production Act, in which revision of agricultural parity price program and authority of government to build defense plants are included. Wants subsidies for high cost producers.

President Harry S. Truman, on April 26, submitted a message to Congress in which he asked extension of the Defense Production Act, and the insertion in the legislation of provisions which would give the Administration broader and more intensive powers over the national economy.

The text of the President's message follows:

To the Congress of the United States:

I recommend that the Congress extend for two years the Defense Production Act of 1950, which is now scheduled to expire on June 30, 1951. I also recommend that the Act be strengthened in certain respects.

The Defense Production Act was enacted in September, 1950—two months after the President sent to North Korea had made the peril in which all free nations stand. It was a legislative expression of the national resolve to meet the worldwide Communist threat with a vast increase in our military and economic strength.

The Act provides the basic authority for our defense mobilization program. It contains specific provisions for expanding production and for maintaining economic stability—the two essentials of the defense program.

Since last summer we have made a strong beginning in getting defense production started and have laid the basis for an effective program to stabilize prices and the cost of living.

We have doubled the number of men in our active armed forces since last June. We have nearly doubled the rate of production of military phases during the past year. We have deliveries of military equipment and supplies. We have avoided. All our plans must be aimed at and will be aimed at reaching the goal of our national strength. We cannot control the world unless we can control our part of it.

For at least the next two years we will be building a stronger, let us hope, and a better world. For this purpose we must be able not only to hold our own, but to help others secure their freedom. To do this we must be able to meet the demands of this emergency.

We have therefore included in the Defense Production Act two specific provisions which we consider important. These provisions are:

1. The President has been authorized by law to establish priority procedures for certain defense goods. Priorities are to be assigned to users in accordance with the needs of the national defense. This is a vital step in encouraging the production of the necessary goods. It will help to prevent waste and permit more effective use of our limited supply of materials.

2. The President has been authorized by law to establish a program of loan guarantees for defense projects. This will encourage private investment in the construction of necessary defense facilities.

In conclusion, I wish to express my appreciation to the Members of Congress for their cooperation in enabling us to move forward in our defense mobilization program. I urge the prompt enactment of this legislation.

Truman

Federal Reserve Bank of St. Louis
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Dealer-Broker Investment Recommendations and Literature

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


Fire & Casualty Insurance Stocks—Comparison and analysis of 1950 earnings of 30 stocks of Fire & Casualty and Marine—30 Broadway, New York 5, N. Y.

Fusion Electric Company—Term Sheet—Trading—On request—Or if you wish you may enclose $1 and you will also receive next week's sheet of "The Signal" featuring "The Stock in the Spotlight"—Lester B. Robinson, 429 Russ Building, San Francisco 4, Calif.

Graphite Stocks—January issue contains large, clear reproduction of 1,001 charts complete with dividend records for the full year of 1950, showing monthly highs, lows, earnings, capitalizations, volume on virtually every active stock on the New York Stock and Curb Exchanges—single copy $1.00; yearly (8 revised issues) $50.00—special offer of three editions of Graphite Stocks, 1924 through 1925; 1926 through 1927; and 1928 through 1929—W. F. Stephens, 15 William Street, New York 5, N. Y.

"Information Please!"—Brochure explaining what put-and-call option allows—250 Broadway, New York 4, N.Y.


Mexco—Brochure—Banco Comercial Mexicano, S. A., Mexico City, Mexico.


New York Banks and Trusts—4th quarterly comparison—New York Hanseatic Corporation, 120 Broadway, New York 3 S. N.


Over-the-Counter Indicators—Booklet showing an up-to-date comparison of the Dow-Jones Averages and the 32 over-the-counter industrial stocks—National Quotation Bureau Inc.—ask for copy accompanied with list of your stock prices as to yield and market performance over an 11-year period—National Quotation Bureau Inc., 46 Front Street, New York 11, N. Y.


Portfolio Management—List of 18 issues which appear interesting—Frenz 1, d.Platt & Co., 1 Wall Street, New York 5, N. Y. Also in the same issue of "Cleanings" are brief reviews of 126 other issues available in Consolidated Brokerage Co., 50 Milk Street, New York 5, N. Y.

Railroad Industry—Analysis of operating costs—H. Huntz & Co., 69 Beaver Street, New York 4, N. Y.

Railroad Marcas de Seguros—Analysis—Smith, Barney & Co., 14 Wall Street, New York 5, N. Y.

Sovereigns of Commonwealth Bond Warrants—Sidney Fried—Discusses warrants in their different phases, the avenue of their profitable purchase and sale and current opportunities in warrants—Dept. C, R. H. H. Associates, 225 Fifth Avenue, New York 1, N. Y.—$2.00 (or send for free descriptive folders).

Stock Market Timings—Explanatory pamphlet and samples of bulletins—$1.00—Analyst Institute, 126 Lexington Avenue, New York 16, N. Y.


American Chain & Cable Co.—Memorandum—Talmage & Co.; 115 Broadway, New York 6, N. Y.

Continued on page 15

$20,000,000

General American Transportation Corporation

3½% Promissory Notes

Dated April 30, 1951

Kuhn, Loeb & Co.

May 1, 1951

Spencer Chemical

*Mathieson Hydrocarbon

Michigan Chemical

Fosse Mineral & Rights

Primary Markets

*Prospectus on request

TROSTER, SINGER & CO.

Brooklyn, N. Y., Securities Dealers Association

74 Trinity Place, New York 6, N. Y.

Telephone: H철 2-1966, Teletype N. Y. 2-2392, 277, 281

Private: Cleveland—Detroit—Philadelphia—Pittsburgh—St. Louis

The Commercial and Financial Chronicle . . . Thursday, May 3, 1951
From Washington
Ahead of the News

American politics being what it is, Dean Acheson, it is generally believed, will continue as Secretary of State. The heat and pressure against him is looked upon as simply too much for a man even so stubborn as Truman to withstand. This being the case the question arises as to where we go from there.

Nothing basic has been settled; the boys will continue to run up and down the peninsula of Korea and be killed; it will have no bearing on the question of whether these boys should be protected by the bombing of Manchuria, although there is a feeling that this is soon coming, not through any change in the State Secretaryship, but through the action of the Chinese themselves. There is the belief that General Ridgway has orders, or an understanding with Washington, that if the Chinese air forces move in on him in strength, he can retaliate without strings being attached to him. So MacArthur will have accomplished something.

But this will not be due to the dismissal of Acheson. Indeed, for several months his friends have been seeking to convince Washington newspapermen that he is a greatly misunderstood man, that he is not the "ap¬peaser" in the matter of Korea or even in Asia where he has been pictured; that, instead, he has turned out in this regard, to be quite belligerent.

It is a commentary on the muddled state of affairs in the Administration, in fact, that he is represented as having been the prime mover in the decision to "challenge Stalin" in Korea, the hastily ordered war in that country representing a move to the world that we would not fight there and the country was anybody's for the asking.

But if this is so, it is nonetheless true that he was motivated not by any realistic view of the situation but by a desire to stop the criticism that he harbored Communists and Communist symp¬pathizers in the State Department, that he was a Communist ap¬peaser. Parenthetically, this charge against the Administration of being Communist peddlers and appeasers has, as I have written before, been responsible for the Administration's spend¬ing of billions in Europe to "contain communism" there, for the present rearmament program, for the sending of troops to Europe, for the decision to "challenge Stalin" in Korea; in short, we should have been much better off if the Republicans had just gritted their teeth and never said anything about Yalta, Teheran, Potsdam or Communists in the Washington government. This would have been impossible, of course, but there is no doubt that the Admin¬istration being pressed in this wise, has thrown us into a much greater mess by way of defending itself. What better way, for example, to cover up the fact that when Korea came we had spent $75 billion on defense and had none, than to get tremendously patriotic, go all out for rearmament and spend another $100 billion.

We are too deep into things for Acheson's going to mean any¬thing. The overall policy will be the same. Who will succeed him? Either John Foster Dulles or Paul Hoffman, according to the political dopesters hereabouts, with the odds on Hoffman. But whoever it is, there will be no fundamental change in policy. I think the bombing of Manchuria is coming soon from the sheer weight of circumstances, and that could destroy the myth of Stalin's physical might and make a tremendous impact upon this country's thinking; but neither Acheson's staying nor going will have any bearing on that. Indeed, I don't know what his friends are trying to say when they represent him as the "belligerent" one these days.

To say that none of us will be any better off with his dismissal is not to say that he hasn't been culpable in the China mess. He has been part of that school which all during the war sympathized with the Chinese Reds and insisted they were just agrarian re¬formers and that Chiang Kai-shek was, on the other hand, a bandit. This school predominated in the State Department and in the Administration generally. They finally succeeded in scuttling Chiang Kai-shek, though it is their contention he would have fallen anyway. I am sure I don't know whether he would have or not but their argument that the Chinese revolutionists are not ideologists, just hungry people, gets support from MacArthur.

However, this is not the point. What is the point is why, during the war when we were spending millions of dollars and some lives on Chiang Kai-shek as our collaborator against the Japs, there were those in our Washington government who were working to bring about his downfall, who preferred another group of Chinese. It was certainly a poor way to run a railroad. It is the contention of these intellectuals, the State Department crowd, the Achesons and Lattimore's, that had we promptly em¬braced the new Chinese government everything would have hunky¬dory now; we would have weaned the current bandits away from Moscow. But it is an inescapable fact that had Chiang Kai-shek not fallen we would not be in Korea now.

Acheson can't escape his culpability in this. But his replace¬ment will only serve to quiet the Republicans for awhile. There will be no real relief for the American people until this whole 'Washington crowd is ridden out of town on a figuative rail, not necessarily figurative at that.
Abolish the RFC

By MARRINER S. ECCLES*
Member, Board of Governors, Federal Reserve System

Condemning Reconstruction Finance Corporation as socialistic, Mr. Eccles, former Chairman of Federal Reserve Board calls it an inflationary and factor inconsistent with anti-inflationary program. Points out private credit facilities are ample and no direct government lending to business is needed. Says RFC has not aided small business and is subject to political pressures.

I appreciate the opportunity to give my reasons why I feel that the Reconstruction Finance Corporation should be abolished. I am speaking for myself and not for the Federal Reserve Board. I am speaking as one who has been in government service for the last 35 years and who, during that entire period, has taken an active part in helping to solve the problems of maintaining economic stability within the framework of our democratic capitalist society. I have, ever since the termination of the war, viewed with grave misgivings the continuation and expansion of the government in the field of private lending. There are sound and indisputable reasons why the RFC should be abolished. With your permission I shall present as briefly and directly as possible what I consider the most important reasons.

Inflation and Its Control

Throughout the postwar period, and particularly since the Korean invasion, the country has experienced a most serious inflationary development. This was brought about by too much money and credit in the hands of the public relative to the goods and services available in the market. The critical factor, instead of liquidating its outstanding obligations, the RFC, during this postwar period, added to inflationary pressures by extending its lending activities and by taking over the balances of the RFC's former charter holders. Its monthly increases in outstanding obligations, which totaled $1.3 billion during the month of May, 1950, was far greater than any increase in the first five months of 1949. The RFC's purpose, since its inception, has been to stabilize the economy. This is a laudable objective, but the method it has employed to accomplish this purpose is dangerous and has serious consequences.

The RFC is controlled by the Board of Governors of the Federal Reserve System. The RFC has, under the guise of stabilizing the economy, functioned as a bank of last resort. It has not, until recently, placed a premium on prudence in the granting of credit. This is evident in the recent charge against the RFC that it has used its facilities to finance projects which would have been allowed or encouraged by the private banks.
How to Capitalize on America's Fastest Growing Market

By GEORGE DANK JR.

Volume 173 Number 5008
The Commercial and Financial Chronicle

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

$40,000,000
Consolidated Edison Company of New York, Inc.

First and Refunding Mortgage Bonds, 3% Series G
due May 1, 1981

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

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

Halsey, Stuart & Co.
Bear, Stearns & Co.
Equitable Securities Corporation
Otos & Co.
A.G. Becker & Co.
Hirsh & Co.
WM. E. Pollock & Co., Inc.
Central Republic Company
William Blair & Company
Green, Ellis & Anderson
Schwabacher & Co.

Price 102.913% and accrued interest

Amos Lee, Department of the Interior, has been appointed to succeed Secretary of the Interior, who has resigned to become President of the Chamber of Commerce.

This change in personnel is expected to have a beneficial effect on the Chamber's operations.

The Secretary of the Interior is a member of the Board of Directors of the National Association of Manufacturers.

The new Secretary is a graduate of Harvard University and a former member of the faculty of the University of California.
Pennsylvania Brevities

Pittsburgh Railways Company

They are playing a continuing game of pachisi with the street railway system in Pittsburgh. Facing the token collector across the board, it is the company versus the union employees, or in other words, new fares versus a resurrection of wage increases.

At one point in the game, the union's "counters" were slightly ahead, since a new fare has meant a gain in income of $383,929 for 1950. In mid-February, however, the company has threatened a 10-cent fare increase, with a fare increase estimated to add $250,000 to union members' revenues. Moreover, the stockholders hold "die" pretty well loaded in their favor and which may be expected to be introduced into the game when and to the extent needed to win.

The factors favorable to the successful operation of the company's continued fares.

(1) A previous hedge-paddle of $125,000,000 in bonds, notes and stocks held as a replacement by a new company capitalization consisting of 10% preferred stock, a mortgage 5% sinking fund bonds, about $1,938,000 in Car Trust Certificates, and a 100-year common stock.

(2) A property account has been chopped from a previous astronomical figure to a realistic $40,000,000 for the company's purposes, the Public Utility Commission having allowed $46,412,559. Under the accepted formula of property depreciation structure which will return an allowance to the operating company, would be entitled to earn over $3,000,000 per year.

(3) Gross revenues, from which all blessings flow, were for 1950, $35,000,000, more than 50% of which had always high of 1948. Industrially, the Pittsburgh area is humming. Engineering studies have indicated that

We solicit inquiries in

E. & C. Brooks Iron
Leland Electric
American Pulley
A. B. Farquhar
Bearings Co. of America
Riverside Metal

HERBERT H. BLIZZARD & CO.
1421 CHESTNUT STREET

Pennsylvania Water & Power Co.
Common Stock

Free of Pennsylvania Property Tax

This Company's 1950 annual report makes interesting reading for the investor who understands the "SPECIAL SITUATIONS" for income and appreciation.

BOENNING & CO.,

Cambridge Bldg., 5th & Market Streets
A. M. Greentree, President
Leeds & Lippincott Units
Talon Inc. Preferred
Fruit Read Co. Common

Pennsylvania Bldg., Harrisburg, Pa.

Philadelphia, PA.—William B. McPherson, 20th, for chairman of the Board of Directors of the Consolidated Steel Corporation and chairman of the Board of Directors of the Consolidated Steel Corporation, has been appointed by the President of the United States, the President of the United States, to be a member of the United States Joint Economic Committee, to fill a vacancy created by the resignation of Mr. Walter Reuther, who was appointed by the President to the position of Under Secretary of Labor.

The President has appointed Mr. McPherson to the position of Under Secretary of Labor, the position on the Board of Directors of the Consolidated Steel Corporation, and chairman of the Board of Directors of the Consolidated Steel Corporation, has been appointed by the President of the United States, the President of the United States, to be a member of the United States Joint Economic Committee, to fill a vacancy created by the resignation of Mr. Walter Reuther, who was appointed by the President to the position of Under Secretary of Labor.
Inflation and the Individual

Gold as Inflation Hedge

There is one commodity which is quite easy to store and the purchase of which you should be quite a good hedge against the current inflation. The answer is gold. You can tell immediately what future date, you must make a relatively large investment. In the case, you must buy at least $2.50 an ounce because, of the present price of $9 to $10 per ounce (for the September future at Chicago), would cost you $12,500. A great deal of money is required, but if the price goes down, you will be easily covered. Then it is a considerable gold price and bars are smuggled into France.

During the current wave of inflation, many people have tried to escape its impact by buying durable equipment, such as appliances and automobiles, in anticipation of the need for them. However, unless our designers suddenly lose their skill, this is likely to be a self-defeating operation. Obsolescence is apt to outstrip any advantage gained by buying at lower prices. Probably the most common example is the heralded escape route from the ravages of inflation is investment in the common stocks. It is generally the best—for reasons with which we are familiar. The whole group is generally familiar. No one can guarantee that they will come in virtually all denominations. They represent a claim on the income of the individual (or whatever is claimed) which is payable by the owners of common stock. The owner of common stock can perform useful service by his constructive participation in whatever discussion develops. This is why we speak of our instant Montgomery Ward case, not merely in this year's pending, but back a year or annually recurrent items like dividend policy. (Expert stockholder reaction surely is needed for proper and dispersive weighing of the necessity for that company's cash-holdings for in excess of all liabilities, in conjunction with a dividend payout under 40% of earnings—in lieu of the usual wild dividend demand by the uninformed laystockholder.)

The Broker's Influence

In contrast to trust managers who abdicate from their voting obligations, it is a peculiar trait of brokers in the voting of proxies applicable to stock held in Street names, that this is not recognized. The rule imposed by the Stock Exchange is two-fold:

(1) An owner of record (not merely the representative of directors and auditors, the broker has discretion to vote after 10 days, or 20 days, depending upon the equity.

(2) On "controversial" matters, the broker has no discretion.

The broker's influence arises from his advice to the lay shareholder on how to vote; and from his discretion in the voting on directors, which is directed as a non-controversial matter.

A Constructive Pronouncement From the Industry

This writer wishes to believe that the possible giving of any impression that all fund managers wish to shun their responsibilities in this field. Quite the opposite is the case. There are three major class interests. First, the Trust and former member of the Executive Committee of the National Association of Investment Companies, Mr. Merrill Griswold, as follows:

"While the relationship with corporate management, there are several factors which we believe particularly qualify us to act as the investor's advocate. To begin with, being more interested in a given company than any other corporate change. We must point out objections to plans proposed by the corporation without fear of retaliation. We also recognize all the interests of all stockholders. As intelligent and unbiased stockholders, we should also come to the defense of business organizations and the country, against pressures from the leadership.

"It is my belief that investment companies should act directly, in the interests of their shareholders. We should be disinterested and sincere. We must uphold management which acts in the interests of the shareholders, while we also feel they are wrong. Our role is neither that of professional advertisers nor that of constitutional whistleblowers, but of honest and careful protectors of the interests of our stockholders."

Continued fro page 5

Observations...

various companies through the vehicle of the funds' trust technique.

Rubber Stamp-lam Furthered

It is contended—correctly, of course—that little can be accomplished at the annual meeting, both information and remedial action can be best assured through informal discussion with management. This latter course is desirable from the practice point of view, but the annual meeting is to be preferred. It is the responsibility of the wholehearted notification that the annual meeting is subscribed to the shareholders. It is subscribed for this purpose, to the shareholders, that we do not have a complete list of all directors, and the whole group is generally familiar. The members of the group, in addition, are generally aware of the intricacies of common stock investment.

It is generally suggested that it is smart to get in heavily in debt during a period of inflation. The idea is that if we have 

We specialize in and offer our facilities for the purchase and sale of

INSURANCE STOCKS

Our annual comparative analysis of a group of the country's leading insurance companies is now available.

A copy will be sent to you upon request.

Edward K. MacDonald

With F. S. Yantis & Co.

(Special in The Financial Chronicle)

Chicago, Ill. — Edward K. MacDonald has become associated with F. S. Yantis & Co., Inc., 135 LaSalle Street, member of the Midwest Stock Exchange, in Chicago. Mr. MacDonald was an officer of Carl McGee & Co.

JOINS ROBERT R. WELCH

PROCTOR GUARDIAN

NEW ORLEANS, La.—FRANCIS A. Holliard has joined the staff of the Guard, a leading member of the New Orleans Stock Exchange.

Blyth & Co., Inc.

NEW YORK — SAN FRANCISCO — CHICAGO — LOS ANGELES — SEATTLE — PORTLAND

BOSTON — SPRINGFIELD — PHILADELPHIA — PITTSBURGH — CLEVELAND — INDIANAPOLIS

LOUISVILLE — DETROIT — MINNEAPOLIS — SPOKANE — OAKLAND — EUREKA

SACRAMENTO — FRENSO — SAN JOSE — PASADENA — SAN DIEGO

"The Investment Company—Its Responsibility as a Public Stockholder," an address before the Twenty-Seventh Annual Convention of the National Association of Securities Commissioners, Cincinnati, Ohio, Aug. 1, 1942.
To the Stockholders of Union Pacific Railroad Company:

The Board of Directors submits the following report for the year ended December 31, 1950, for Union Pacific Railroad Company, including Oregon Short Line Railroad Company, Oregon-Washington Navigation & Dock Company, and Salt Lake Railroad Company and The St. Joseph and Grand Island Railway Company, whose properties are listed to Union Pacific Railroad Company. The latter companies have certain income and charges, and the figures in the Income Account, other than those relating to transportation operations, and in the Surplus Account and General Balance Sheet and transactions and tables thereof are stated on a consolidated basis, excluding offsetting accounts between companies.

### INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$271,150,136.41</td>
<td>$233,020,006.49</td>
<td>$38,130,129.92</td>
</tr>
</tbody>
</table>

#### Revenue from Transportation Operations

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>$271,150,136.41</td>
<td>$233,020,006.49</td>
<td>$38,130,129.92</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Railroads</td>
<td>$265,956,900.65</td>
<td>$226,520,944.83</td>
<td>$39,435,955.82</td>
</tr>
<tr>
<td>2. Steam and gas</td>
<td>$5,193,235.76</td>
<td>$6,509,061.66</td>
<td>($1,315,825.90)</td>
</tr>
<tr>
<td>3. Other</td>
<td>$3,400,200.00</td>
<td>$3,490,000.00</td>
<td>($99,800.00)</td>
</tr>
<tr>
<td>Total</td>
<td>$265,956,900.65</td>
<td>$226,520,944.83</td>
<td>$39,435,955.82</td>
</tr>
</tbody>
</table>

#### Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$233,020,006.49</td>
<td>$233,020,006.49</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

#### Net Income from Transportation Operations

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income from transportation operations</td>
<td>$38,130,129.92</td>
<td>$38,130,129.92</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

#### Income from Investments and Sources Other Than Transportation Operations

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from net gains on sale of investments</td>
<td>$398,823,082.46</td>
<td>$398,823,082.46</td>
<td>$0.00</td>
</tr>
<tr>
<td>Dividends from preferred stocks</td>
<td>$261,297,577.49</td>
<td>$261,297,577.49</td>
<td>$0.00</td>
</tr>
<tr>
<td>Dividends from common stocks</td>
<td>$137,525,505.00</td>
<td>$137,525,505.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Interest on obligations</td>
<td>$13,925,304.73</td>
<td>$13,925,304.73</td>
<td>$0.00</td>
</tr>
<tr>
<td>Miscellaneous rents</td>
<td>$1,563,877.38</td>
<td>$1,563,877.38</td>
<td>$0.00</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$398,823,082.46</td>
<td>$398,823,082.46</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

#### Total Income

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$398,823,082.46</td>
<td>$398,823,082.46</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

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### FREIGHT TRAFFIC

#### Gross Tons of Freight Shipped

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$42,777,988.70</td>
<td>$36,731,802.46</td>
<td>$6,046,186.24</td>
</tr>
</tbody>
</table>

#### Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>$141,272,320.00</td>
<td>$127,316,125.00</td>
<td>$13,956,195.00</td>
</tr>
</tbody>
</table>

#### Operating Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total operating expenses</td>
<td>$127,316,125.00</td>
<td>$108,386,424.00</td>
<td>$18,929,701.00</td>
</tr>
</tbody>
</table>

#### Net Income

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$141,272,320.00</td>
<td>$127,316,125.00</td>
<td>$13,956,195.00</td>
</tr>
</tbody>
</table>

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### PASSENGER TRAFFIC

#### Revenue from ticket sales

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue from ticket sales</td>
<td>$42,777,988.70</td>
<td>$36,731,802.46</td>
<td>$6,046,186.24</td>
</tr>
</tbody>
</table>

#### Operating Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total operating expenses</td>
<td>$38,442,495.00</td>
<td>$32,630,738.00</td>
<td>$5,811,757.00</td>
</tr>
</tbody>
</table>

#### Net Income

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$4,335,493.70</td>
<td>$4,091,064.46</td>
<td>$244,429.24</td>
</tr>
</tbody>
</table>

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### GENERAL BALANCE SHEET—ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,371,145,200.00</td>
<td>$1,319,921,200.00</td>
<td>$51,224,000.00</td>
</tr>
</tbody>
</table>

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### CURRENT ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,371,145,200.00</td>
<td>$1,319,921,200.00</td>
<td>$51,224,000.00</td>
</tr>
</tbody>
</table>

---

### CURRENT LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes payable (short-term)</td>
<td>$1,418,000,000.00</td>
<td>$1,310,000,000.00</td>
<td>$108,000,000.00</td>
</tr>
</tbody>
</table>

---

### FIXED ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property held for sale or lease</td>
<td>$1,371,145,200.00</td>
<td>$1,319,921,200.00</td>
<td>$51,224,000.00</td>
</tr>
</tbody>
</table>

---

### TUNNELS, SPURS, AND TRACKS

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total tunnels, spurs, and tracks</td>
<td>$1,371,145,200.00</td>
<td>$1,319,921,200.00</td>
<td>$51,224,000.00</td>
</tr>
</tbody>
</table>

---

### DEPRECIATION

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$1,371,145,200.00</td>
<td>$1,319,921,200.00</td>
<td>$51,224,000.00</td>
</tr>
</tbody>
</table>

---

### EARNINGS AND DIVIDENDS

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends per share</td>
<td>$4.40</td>
<td>$4.40</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

---

### Stockholders’ Equity

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock</td>
<td>$1,371,145,200.00</td>
<td>$1,319,921,200.00</td>
<td>$51,224,000.00</td>
</tr>
</tbody>
</table>

---

### ADDITIONAL INFORMATION

<table>
<thead>
<tr>
<th>Description</th>
<th>1950</th>
<th>1949</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue</td>
<td>$271,150,136.41</td>
<td>$233,020,006.49</td>
<td>$38,130,129.92</td>
</tr>
<tr>
<td>Net income</td>
<td>$38,130,129.92</td>
<td>$38,130,129.92</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

---

### ADVERTISEMENT

**UNION PACIFIC RAILROAD COMPANY**

**FIFTIETH ANNUAL REPORT — YEAR ENDDED DECEMBER 31, 1950**

---

The Commercial and Financial Chronicle... Thursday, May 3, 1901
ADVERTISMENT

GENERAL BALANCE SHEET—LIABILITIES.

<table>
<thead>
<tr>
<th>December 31, 1958</th>
<th>December 31, 1959</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Stock</td>
<td>$227,320,500.00</td>
<td>$227,320,500.00</td>
</tr>
<tr>
<td>Preferred stock</td>
<td>$49,561,070.70</td>
<td>$49,561,070.70</td>
</tr>
<tr>
<td>Total Capital Stock</td>
<td>$276,881,570.70</td>
<td>$276,881,570.70</td>
</tr>
<tr>
<td>Federal Deposit</td>
<td>$215,398,183.21</td>
<td>$265,981,378.87</td>
</tr>
<tr>
<td>Total Capital St. and Federal Deposit</td>
<td>$492,279,754.01</td>
<td>$543,861,959.57</td>
</tr>
<tr>
<td>Due to Affiliated Companies</td>
<td>$1,109,517.40</td>
<td>$977,516,666.00</td>
</tr>
<tr>
<td>Current Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts and wages payable</td>
<td>$26,210,030.81</td>
<td>$32,526,730.40</td>
</tr>
<tr>
<td>Interest matured unpaid</td>
<td>$8,671,916.24</td>
<td>$9,094,983.02</td>
</tr>
<tr>
<td>Dividends matured unpaid</td>
<td>$366,070.32</td>
<td>$366,070.32</td>
</tr>
<tr>
<td>Dividends due but unracked</td>
<td>$10,033,095.00</td>
<td>$3,695,255.30</td>
</tr>
<tr>
<td>Rent dividends on common stock declared January 2, 1954, payable at stockholders of record May 4, 1954.</td>
<td>$15,443,475.00</td>
<td>$15,443,475.00</td>
</tr>
<tr>
<td>Dividends on common stock payable June 29, 1954</td>
<td>$132,143.16</td>
<td>$132,143.16</td>
</tr>
<tr>
<td>Unearned interest</td>
<td>$267,625.33</td>
<td>$267,625.33</td>
</tr>
<tr>
<td>Accrued accounts receivable</td>
<td>$96,829,525.00</td>
<td>$108,276,140.00</td>
</tr>
<tr>
<td>Taxes and licenses paid</td>
<td>$1,234,760.00</td>
<td>$1,234,760.00</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>$2,210,460.60</td>
<td>$2,194,024.80</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>$192,000,050.70</td>
<td>$215,778,547.50</td>
</tr>
<tr>
<td>Deferred Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unearned premium earned to date</td>
<td>$1,344,310.17</td>
<td>$1,714,542.91</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ADVERTISMENT

With Waddell & Reed

(see also, page 8, Dealership Investment Recommendations and Literature)

Name: Chemical & Manufacturing Company

Address: New York, N. Y.

Type of Business: Chemical and Manufacturing

City: New York

State: New York

With Standard Investment

(see also, page 8, Dealership Investment Recommendations and Literature)

Name: Pennsylvania-Dixie Cement Company

Address: New York, N. Y.

Type of Business: Cement

City: New York

State: New York

Columns 11-17, page 8

Continued from page 8
### Mutual Funds

**By ROBERT E. RICH**

**Trends in Mutual Funds’ Statistics**

Although the march of mutual funds is as strong as ever, with new high records in total assets, not $2,602,250,000, and with an ever-increasing number of shareholders, an analysis of the relatively complicated mutual funds’ statistics prepared by the National Association of Investment Companies indicates some rather interesting trends for the statistically-minded.

As is shown in the table below, total repurchases, as a percent of total assets, has increased from 2.7% in the third quarter “trough” of 1949 to 2.27% at the end of the first quarter “peak” of 1951; or, going back to the halcyon days of the third quarter of 1948, the repurchases have increased from 1.21% of total assets to almost 4%.

To break down overall figures into common stock, balanced stock and specialty fund groups, the same rising repurchase trend is noticed, with common stock repurchases rising from 2.16% in the third quarter of 1949 to 2.77% at the end of this last quarter, with balanced fund percentages increasing from 1.44% to 1.83%, and bond and specialty fund figures rising from 3.55% to 9.28%, all for the same period.

However, one should exercise caution in reading these figures, since they apply only to the aggregate and therefore should not be accepted as representative of the behavior of any particular mutual fund.

<table>
<thead>
<tr>
<th>Mutual Funds’ Repurchases as Percent of Assets (by quarters)</th>
<th>July 1, 1949 to March 31, 1951</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year</strong></td>
<td>1st Quarter</td>
</tr>
<tr>
<td>1951</td>
<td>2.27%</td>
</tr>
<tr>
<td>1949</td>
<td>1.21%</td>
</tr>
<tr>
<td>1948</td>
<td>0.96%</td>
</tr>
</tbody>
</table>

### Open-End Statistics—March 31, 1951

<table>
<thead>
<tr>
<th>Fund</th>
<th>Total Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>45 Common Stock Funds</td>
<td>$2,602,250,000</td>
</tr>
<tr>
<td>25 Bond Funds</td>
<td>$870,942,000</td>
</tr>
<tr>
<td>30 Bond &amp; Specialty Funds</td>
<td>$887,518,000</td>
</tr>
<tr>
<td>Total</td>
<td>$4,363,704,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Sales</th>
<th>1st Quarter</th>
<th>2nd Quarter</th>
<th>3rd Quarter</th>
<th>4th Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>$138,172</td>
<td>$130,357</td>
<td>$140,506</td>
<td>$158,812</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Repurchases</th>
<th>1st Quarter</th>
<th>2nd Quarter</th>
<th>3rd Quarter</th>
<th>4th Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>$1,302,271</td>
<td>$1,386,524</td>
<td>$1,381,960</td>
<td>$1,427,883</td>
</tr>
</tbody>
</table>

### A Mutual Investment Fund

**Investors Stock Fund, Inc.**

**Dividend Notice**

The Board of Directors of the Investors Stock Fund has declared a quarterly dividend of $0.05 per share payable on May 21, 2001 to shareholders of record on May 1, 2001. INTERMEDIATE DIVIDEND DATES: M. H. BREEDING, President

**A Flexible Plan for Systematic Investment**

**Commonwealth Investment Company**

Prospectus and details from investment dealers or North American Securities Co., 2550 Russ Blvd., San Francisco 4

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**The Commercial and Financial Chronicle . . . Thursday, May 3, 1951**

Various explanations have been given for the low but rising rate of repurchases. One answer is that he pushes mutual funds harder when the market "is low" (i.e., when the market is low), because he can sell them "for income," so naturally, "mutual funds" investors are getting in at the bottom and out at the top. Another comment was that investors were pressed for cash, and the very negotiability of mutual fund’s shares, selling at net asset value and not a "discount," tended to make them more liquid as assets, particularly in a rising or steady market. This is understandable because the net asset value feature of fund shares is usually one of the stronger selling points made to the prospect, and, perhaps, in his mind overshadowed the "long-term investment view," which is also impressed on him.

Someone, usually outside of the securities business, always manages to bring up the idea of "switching" as a reason for rising repurchases. The figures in the two tables above move more or less in rhythmical harmony, which, seemingly, would contradict the idea of "switching" on a large scale between funds; "switching" out of funds altogether, and into individual securities, seems to be belied by the stability of the growth curves. Since not even a casual and informal survey has been made on this subject, the idea ought to be relegated to "un-substantiated hearsay," until some proof is offered.

One further explanation, which sounds the most valid, is that the industry in enlarging, is incorporating "marginal shareholders,"
or put it another way, it's getting some of the milk in the cream.

Certainly, there is a problem for funds in keeping a shareholder "sold" if the enterprise as a whole is made. Tobacco companies, food companies, and the like are continuing to meet the costs of fighting battles to keep their customers' checks by way of advertising, insurance, durable goods and savings, but they appear to be winning the battle as a whole.

Probably, the existing central agencies, if granted wider powers, might do much in market research, development, promotion of efforts now denied to the individual and dealer, all of which would be geared to the basic problems of making mutual funds more widely known, but keeping shareholders "sold"—for their own best interests. As Alfred Marshall has said, "A company can grow at the expense of its neighbors or as the industry grows, and the latter is by far the best."

**INDICATION THAT common stocks are becoming vastly more popular as investments is coming from many sources, according to the managers of Affiliated Fund.**

To cite one example, the investment fund points out that in early 1950 the Federal Reserve Board's sampling survey of 17,000 families disclosed that one out of every 10 families earning more than $1,000 per year chose Common Stocks and Real Estate as their first investment. In early 1951 two out of every 10 thought they should be first choice. These figures suggest that the shares of U. S. corporations are enjoying a broadening market; also that ample opportunity remains to bring the equity story to the general public.

Until recent years, it is said, one of the problems of the stock market has been that the general public has shied away from any form of risk investment. This fear is being gradually dispelled as 1955 fades into history. Recent tests by the New York Stock Exchange would indicate that the principal problem is not fear but ignorance of how to go about the purchase of stocks.

**COMBINED net assets of the 19 Keystone Custodian Funds on March 31, 1951, were $220,633,500.** It was disclosed by the semi-annual reports of Keystone Funds B4 and SI that this total represents an increase of $15,614,300 over the combined assets of $204,019,200 in the corresponding date last year. Net assets of the Discount Bond Fund B4 increased to $34,785,302 at the close of March, 1951, from $33,991,517 a year earlier, and the number of shares to 3,007,628 from 3,001,580.

The Keystone High-Grade Common Stock Fund SI reported net assets of $3,901,572 at the close of the first half of the present fiscal year, an increase of 12.57% since the beginning of the fiscal year.

**DIVIDEND shares announced yesterday the highest total net assets for the close of any reporting period in the company's history.** Net assets on March 31 totaled $93,980,960, equal to $1.80 a share, compared with $89,683,743 or $1.75 a share on Dec. 31, 1950. On March 31, 1950 net assets amounted to $81,042,592 or $1.58 a share.

Of the total net assets on March 31, last, 83.38% was invested in industrial common stocks, 11.26% in U. S. Government securities, 4.08% in common stocks, and 1.38% in cash. The largest common stock group as of March 31 was oil and gas, representing 11.73% of total net assets. Holdings of utility

**HELPING TO KEEP AMERICA STRONG**

**Civilian Defense.** The telephone is an essential link in national, state and local defense. One of the Bell System's most important current undertakings is the installation of telephone facilities for a Radar Network rimming the country.

**Meeting Military Needs.** Thousands of miles of private line networks have already been provided for military needs. Long Distance as well as local telephone facilities are also being built and installed in record time for military bases and training camps all over the country.

**Arms and Radar Leader.** The Nation's largest producer of gun directors, radar equipment, radio and telephones for military use during the last war was the Western Electric Company, manufacturing and supply unit of the Bell System. Western Electric and Bell Laboratories completed over 1200 military projects. They are again working on special defense assignments.

**Value of Growth.** Times of national emergency emphasize the value of a nationwide telephone system. Enough and good enough to meet the needs of its people, its armed forces, and its industries.

Whatever the job, you can depend on the telephone and on telephone people to help get it done.

**BELL TELEPHONE SYSTEM**
Dollars and Sense

By FRANK LILLY

Statisticians, Mines Research Bureau

Economist asserts last decade's dollar depreciation is equivalent of a 50% capital levy. Noting that 11 days' wages in 1939 were enough to buy 1 cent's worth of goods in 1948, he concludes, "currency redenomination and partial currency redemption are ineffectual." Mr. Lilly maintains only currency redefinability in hard money can be effective.

"If, back in 1940, your doctor told you that you were suffering from apoplexy, that you were "sounded as a dollar," and then he added, "and, in addition, you now have the palpitations and the athema and the lactic acid exudation," your treatment, sir, would be a very happy choice of medical adviser."

If your doctor had been absolutely right—"you were as sound as the 1940 dollar which has had a bad case of inflation, and at present has a present value of less than 50 cents on the dollar. It is worth no more than 27 cents for such items as bread, butter, meat, sugar, coffee, tea, coal, lard, copper, lead, zinc, tin, among numerous examples that could be given.

Thus, even if you now have a dollar in your bank, twice as much savings, life insurance, bonds, real estate, and money as you had in 1940, you are not quite so well off as you were at that time, and 11 years of your life are gone. Be- longing to you are not well off as you were in 1933 unless you now have assets more than 50% larger than that depression figure. The "constant dollar" used in a recent report of the United States Department of Commerce, a 50% Capitol Levy.

The practical effect of this def- lection was not entirely the same as if the government had printed 50 cents, leaving you the short end of your savings, life insurance and the like, but earning in the service of an em- ployment which you would have had, even if you had never had the dollar. It is true that a part of the dollar's depreciation was due to the government's failure to hold the gold line in the teeth. But the loss sustained in the purchase of the so-called "savings-bonds" is not the fact that the deprecia- tion started before the war, and that the largest part of the loss occurred in the last five years.

It is important to bear in mind that the dollar has no meaning except in terms of what it will buy. Confusion arises because the word "dollar" is responsible for many of the muddled thinking and the hue and cry over inflation. Even those who are some new obscure and strange as one pamphlet has asserted, "inflation is the corollary of the corollary act," or, definition of, the coin's life.

The stage for inflation was set back in 1929, when we "went off gold" and adopted irredeemable and "legal" tender. Like the sawdust that Mortimer Dendro substituted for the wheat when the thrifty farmer seemed to work, but was in- terest. For some years later we would find ourselves getting woodchoppers instead of little cut-ups on our catalogue. They are the same predatory currency system works. Federal Reserve notes (FRNs) are issued against something which is not there, and, because such so-called money is a "by-product" of business spent sooner or later, sooner or later under the impact of inflation come so numerous that they lose a part of their buying power. In other words, their prices rise and they have inflation through deflation of all their buying power.

At this juncture, I suggest that you take a good look at one of your $10 "bills." You will find that it is a Federal Reserve note not backed by legal money in the United States Treasury or other gold or silver to back it up, as you go. If you say, as some people have said to me, you don't care what it is, money, currency or what you have, and then you say, you're not going to buy it, you'd better go. If inflation is needed to buy what is needed, it will be increased to meet higher prices and more and more debt are growing and more and more and more paper currency. This puts a premium on having the urge up again and so on and so on.

Stopping the Paper Money Basket

Eventually efforts are made to curb the inflation. Price and wage controls are tripped with resultant black markets and strikes. Bankers are required to tighten up on loans which, for the most part, are required only by the next bank that usually has ample funds, or can obtain them by short-term loans by hiring the right attorney or with the gift of a pink muff kiss.

In some quarters, it has been suggested that we simply will halit balloon. Maybe so, but an increase of 1.11%, 1940 to 1948, and the increase of income and has not stopped inflation. Under the present monetary set-up, any increase in the tax-taking will, in all probability, be offset by more printing press debt-bonded currency.

The plain unsullicated and simple truth of the matter is that we must restore to this country's banking, a sound tax, after, which all other taxes are sound. Managed currency required a new monetary system and personal prices and management of personal affairs, and these, in turn, lead to inflation.

And if when an American citi- zens dollar has been hard money, his bonds will have a sound and relatively constant value. The present situation does not give us honest, gold-backed bonds. They are the only thing that we must buy will go down through the years. Pro- bably that we must do is to put on expensive bonds, buy and hold them, or to pay more. And if we are to do this, it is because the interest is made payable in gold.

The United States set an example for the world by pro- viding its citizens with the best money in the world. As matters now stand, the paper currency is not as good as some other currency. The people of the United States have paper dollars except to buy goods from foreign countries. They have money, and gold which we sell abroad at a lower price than any other country. This results in a greater period of time denying the right to own gold.

To put back into the dollar the cents it has lost, we must put back the gold. That is the only way to discern and discard the practices which have encouraged exorbitant economists and Marxists. No na- tion can truly be free unless it is able to redeem in something which has a storage of value.

Gold and Silver Definite Wealth

Gold and silver are simple and definite forms of wealth, unaltered by men through the complex- ited world. They are not tainted with any such second-rate in something which has a storage of value.

The history of the Republic teaches a similar lesson. As Rome was destroyed by the most complete Welfare State which has ex- isted. People eat for government, food, entertainment, just, homes, houses, not for long, Rome went bank- rupt, lost its trade and could no longer defend its citizens.

In recent years people all over the world have become aware of the precious value of the gold, and the price, the really questionable security. In alarming numbers, thoughtful people have surren- dered the safety of a once aching "socialized" security. Whole nations are beginning to abandon the want freedom enough to stand effectively. Even the United States, there is evidence that not everyone is militarily service, but so much is the true that men of thought and goodwill are now worried by the cure in which people in still free countries swing toward the dictatorship.

Three basic lessons emerge from these experiences, and we must pay heed to three lessons as never before. First, the possessions of a nation is not security only by a single socialized people unless it is based on the fact that, the first line of defense against dictatorship. Second, the duty of every citizen is to a free society is not to fake care of it, but to make it possible for these citizens to care of themselves. History has a further lesson for us when it shows the kind of leadership that has been successful in attaining security while preserving freedom through self- reliance.

The record shows that business- men principally have been the leaders for such freedom as Athens en- joyed before the fall of Rome and as Rome had before the time of Marius and Sulla, and is certainly in modern times, freedom for the common man has been the outstanding objective of national and international civilizations, such as Switzerland, Great Brit- ain and America.

William R. Eppel

William R. Eppel, Treasurer of Harriman Ripley & Co., Inc. New York City, has been named as successor April 19.

With Danker Bros.

(Adviser to The Financial Chronicle)

WASHINGTON, Mass.—Lester B. Cohn, Ch of Drexel Bros. & Co., Inc., of New York City, has been named as successor April 19.

Government Largesse—Destroyer Of Personal Liberties

By HUBERT DOWELL

Vice-President, New York Life Insurance Company

Asserting worst enemy of freedom is public's attitude of "Let Uncle Sam take care of me," Mr. Dowell condemns government paternalism and urges business and professional men recognize their mission to lead way, through education, example and action, to build a new America.

Nineteen centuries ago Plutarch sagely observed, "The first and greatest destroyer of freedom is the people who is he first gave them bounties and a bargain."

In fact, the Greek democracy, the State began spending its money to buy the citizens in turn sought to spend more from the public purse.

The history of the Roman Republic teaches a similar lesson. As Rome was destroyed by the most complete Welfare State which has existed. People ate for government, food, entertainment, just, houses, not for long, Rome went bankrupt, lost its trade and could no longer defend its citizens.

In recent years people all over the world have become aware of the precious value of the gold, and the price, the really questionable security. In alarming numbers, thoughtful people have surrendered the safety of a once aching "socialized" security. Whole nations are beginning to abandon the want freedom enough to stand effectively. Even the United States, there is evidence that not everyone is militarily service, but so much is the true that men of thought and goodwill are now worried by the cure in which people in still free countries swing toward the dictatorship.

Three basic lessons emerge from these experiences, and we must pay heed to three lessons as never before. First, the possessions of a nation is not security only by a single socialized people unless it is based on the fact that, the first line of defense against dictatorship. Second, the duty of every citizen is to a free society is not to fake care of it, but to make it possible for these citizens to care of themselves. History has a further lesson for us when it shows the kind of leadership that has been successful in attaining security while preserving freedom through self-reliance.

The record shows that business- men principally have been the leaders for such freedom as Athens enjoyed before the fall of Rome and as Rome had before the time of Marius and Sulla, and is certainly in modern times, freedom for the common man has been the outstanding objective of national and international civilizations, such as Switzerland, Great Brit- ain and America.

The worst enemy of freedom but the mere existence of eco- nomic insecurity of a nation is not sufficient to guar- antee the destruction of freedom. Freedom survives only when men want it badly enough for personal sacrifice. The worst enemy of freedom is apathy.

From an address by Mr. Dowell before the Sales Men's Association of the New York Life Insurance Company, April 19, 1948.
Kuhn, Loeb Underwrite Wheeling Steel Corp. Debenture Offering

The Wheeling Steel Corp. is offering to holders of its common stock of record April 30, 1951, the right to subscribe at a price of 100% for $14,238,900 of 3½% debentures, due May 1, 1956. The rights will entitle stockholders to subscribe for the debentures at the rate of one for 100 principal amount of debentures for each ten shares of common stock held. The rights will expire at 3:00 p.m. on May 10, 1951.

Kuhn, Loeb & Co. heads a group of investment bankers which is underwriting the offering and will purchase all unsubscribed debentures.

Proceeds from the financing will be added to the general funds of the corporation and will be applied to its 1951-53 construction and improvement program, chiefly for increasing capacity and reducing costs. Part of the proceeds will also be used in the company's participation in the development of iron ore reserves in the Labrador-Quebec area of Canada.

The debentures will be convertible into common stock at $45 a share to and including May 1, 1956, and at $48 a share thereafter to but not including May 1, 1958. They may be redeemed at the option of the company after May 1, 1955, at prices ranging from 102% for the first year to 100% after May 1, 1956, and will have the benefit of an annual sinking fund commencing in 1955 calculated to retire approximately 4½% of the entire issue by maturity.

Wheeling Steel Corp. is a large integrated steel company. In addition to manufacturing pig iron, steel and various steel products, it is a leading producer of a wide variety of light fabricated steel products. Plants of the company are now nearing a rated annual ingot capacity of 1,800,000 net tons.

George F. Byron Opens MANHASSET, N. Y.—George F. Byron is engaging in a securities business from offices at 282 Plandome Road.

CONTINUOUS PLANNING and reinvestment of profits in the business brought ALCOA's income to $481,167,056 during 1950.

The money we took in was divided among many people. The largest portion—40½% out of each income dollar—was used to buy materials and to pay for work done by people outside the Company.

The next largest share—35½% of each dollar—went for wages, salaries and benefits for ALCOA employees.

Fifty million dollars, representing 52% of total profit, went to national, state and local governments for taxes, exclusive of Social Security taxes. Indirectly, everyone benefited from this money.

In addition to allowing 4% out of every dollar for depreciation, we reinvested 7½% in the business, to assure job security, to build new plants and to replace worn-out equipment.

The remaining 2½% went to stockholders for the use of their money.

Our new plants and facilities have now expanded through 17 states. Our ability to earn a profit is the best assurance of new plants and new jobs in ALCOA in the future.
Timing Investment Purchases

By RUTH H. AXE
President, Axe Securities Co.

Mutual funds expect maintaining of credit situation, rather than theoretical economics, is guide to stock market movements. Lists specific statistical series to be followed in investment of agricultural, export trade and strikes.

Of what use is economics or economic statistics in timing investment movements? Is there any number of such studies for the larger number of fund managers? Is there any appreciable body of results which is not adapted for the smaller investor? And what is the one way, if any, the larger investor can obtain a competitive advantage in investing?

In the first place, it is clear that the different investors must find their own methods of investment. If one emphasises the present of agricultural prices and materials, another will probably emphasise the present of London's metal market. But we may note that in this chapter we want to be interested in the way economics and statistics are used by the larger investor in analysing the present market situation. The answer to the question is that it is possible to obtain a significant advantage by studying the present of the market in this way. It is possible to find a number of factors which are relevant to the present of the market which are not taken into account by the present of agricultural statistics. The answer to the question is that it is possible to obtain a significant advantage by studying the present of the market in this way. It is possible to find a number of factors which are relevant to the present of the market which are not taken into account by the present of agricultural statistics.

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Mexico—Banco Commercial Mexicano, S. A., Mexico, D. F., Mexico—paper.


Stock Market Timing—Explan¬atory pamphlet and samples of $1.60—Analty Insti¬tute, 136 Lexington Avenue, New York 16, N. Y.


R. Shipman, Others

With L. D. Sherman

L. D. Sherman & Co., 30 Pine Street, New York City, assures that Richard Shipman, formerly manager of the New York office of Blair F. Claybaugh & Co., has be¬come associated with the firm in charge of its syndi¬cate depart¬ment. The firm also announces the opening of a new branch office in the Loew Build¬ing, Syracuse, N. Y., under the manage¬ment of John P. Miles, Frank Posen, Charles Barker, Hilda Beigel, Frances Schmitt, and Ralph Schott, and formerly associated with Blair F. Claybaugh & Co., will also be in the new Syracuse office. A private wire will connect the New York, Jersey City and Syracuse offices.

Richard Shipman

Bailey-Davidson Adds

(Special to the Financial Chronicle)

FRESNO, Calif.—Leland E. Scott, with Bailey & Davidson, 2133 Fresno Street.

Business

Man's Bookshelf

IDAC Certificates

In Study Course

TORONTO, Canada.—Nineteen employees of member firms of the Investment Dealers' Association of Canada have completed the term work and passed the final exami¬nation for the Association's Certificate in "Principles and Practices of Investment Finance in Canada." The successful candidates, who will receive their certificates later this year, are as follows:


<table>
<thead>
<tr>
<th>Company</th>
<th>Limited Name</th>
<th>Address</th>
<th>City</th>
<th>Province</th>
</tr>
</thead>
<tbody>
<tr>
<td>W. F. Fairlow &amp; Company, Limited</td>
<td>Toronto</td>
<td>Toronto</td>
<td>Ontario</td>
<td></td>
</tr>
<tr>
<td>W. C. Pitfield &amp; Company, Limited</td>
<td>Moncton</td>
<td>Toronto</td>
<td>Ontario</td>
<td></td>
</tr>
<tr>
<td>W. Murray &amp; Company, Limited</td>
<td>Toronto</td>
<td>Toronto</td>
<td>Ontario</td>
<td></td>
</tr>
<tr>
<td>W. G. Davies</td>
<td>Greenshields &amp; Co., Montreal</td>
<td>Montreal</td>
<td>Quebec</td>
<td></td>
</tr>
<tr>
<td>J. K. Turner</td>
<td>W. C. Pitfield &amp; Company, Limited</td>
<td>Toronto</td>
<td>Ontario</td>
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</tr>
</tbody>
</table>

Household Finance Corporation was established in 1878; incorporated in 1925. The annual volume of loans handled has grown markedly during these seventy-two years, but the essential nature of the loans themselves has remained relatively constant. All loans were instalment loans, payable from customers' future income. A consumable number of these loans were used to retire debt which already existed. In consolidating their obligations, customers refund their obligations into a form suited to their ability to retire the loan in small periodic payments. This is the only way many people can get out of debt.

Household's lending makes possible liquidation of debts within the makers' ability to repay. Debt retirement in this manner is not inflationary.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Branch Offices at Year-end</th>
<th>Amount of Loans Made during Year</th>
<th>Average Balance per Note Receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>254</td>
<td>$1,651,824</td>
<td>$425.534,359</td>
</tr>
<tr>
<td>1949</td>
<td>254</td>
<td>$1,651,824</td>
<td>$425.534,359</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Employees at Year-end</th>
<th>Total Assets Employed at Year-end</th>
<th>Total Liabilities</th>
<th>Total Accounts Payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>4,907</td>
<td>$267,175,370</td>
<td>$207,012,050</td>
<td>$230,921,040</td>
</tr>
<tr>
<td>1949</td>
<td>4,907</td>
<td>$267,175,370</td>
<td>$207,012,050</td>
<td>$230,921,040</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Income</th>
<th>Net Income as % of Average Employed Assets</th>
<th>Net Income per Common Share</th>
<th>Dividends per Common Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>$11,925,514</td>
<td>4.82%</td>
<td>$4.09</td>
<td>$2.30</td>
</tr>
<tr>
<td>1949</td>
<td>$10,123,507</td>
<td>4.82%</td>
<td>$4.09</td>
<td>$2.30</td>
</tr>
</tbody>
</table>

The successful candidates, who will receive their certificates later this year, are as follows:

- Eric Blachet, W. C. Pitfield & Company, Limited, Toronto
- A. S. Brooks, Mead, Young, Weir & Company Limited, Toronto
- W. Clarke, W. C. Pitfield & Company Limited, Vancouver
- M. G. Davies, Greenshields & Co., Inc., Montreal

1. The Annual Meeting at Jasper Park Lodge on June 12 to study the ex¬perience gained this winter and to decide on changes to be made in future courses.

2. With Raymond & Co.

3. With Goodbody & Co.

Proctor, Cook Adds

(Special to the Financial Chronicle)

BOSTON, Mass.—Charles L. Proctor, Jr., is now connected with Proctor, Cook & Co., 35 Congress Street, members of the New York and Boston Stock Exchanges.

With C. F. Cassell & Co.

CHARLOTTEVILLE, Va.—Her¬ len L. Yost is representing C. F. Cassell & Co., Inc., in Harrisonburg, Va. In Woodstock, Va., James C. Ratcliffe and John Mul¬ der are now representing the firm.

Joints Goodbody & Co.

(Special to the Financial Chronicle)

LOUISVILLE, Ky.—William G. Bade is now connected with Good¬ body & Co., Heyburn Building.

highlights of the 1950 ANNUAL REPORT

HOUSEHOLD FINANCE

Corporation

Established 1878

BOSTON, Mass.—Eva Amolksky has joined the staff of Raymond & Co., 148 State Street.


- Where except indicated, Canadian dollars are expressed in terms of U. S. dollars.

- Shares under.
of North Korea, still less to attack them both. The same nebulous fish-nor-fowl policy is to be followed in the case of Turkey; it is neither to be abandoned nor to be strengthened or enlarged. This, of course, amounts to no policy at all. How could we, e.g., stop at the "narrowing point of no return?" By building up a Maginot Line and waiting for the other side to prepare a counter stroke. As an outstanding English military scientist has pointed out, the order not to advance beyond a certain line, combined with the necessity to keep moving and not to disengage, means that from there on we can only retreat. The position is perfectly ridiculous—with a big idea in it.

Curiously enough, in the American debate, the real point at stake is virtually overlooked, while the European press posterizes it time and again. There is a lack of understanding behind this combination of simultaneously fighting and appeasing Red China. It has something to do with the four-power conference in Paris which has been all but forgotten, though it is still being "postponed"—i.e., the great objective is to arrive at some general settlement with Russia by way of a "final" redistribution of the world between East and West—irrevocably consolidating the two spheres of influence which Roosevelt and Churchill established on a rather loose fashion. As the "London Economist" put it right after the Korean incident broke out, "It cannot be repeated too often that the overriding aim of Western diplomacy is to find a modus vivendi with Russia, to achieve a peaceful accommodation, a modication of interest, and, even if necessary, to make some sort of division of spheres of interest, or at least, an agreement on a framework for a workable proposition. This is the same "workable proposition" for a general and amicable settlement which was so successful at Munich and at Yalta.

Anyhow, Korea and Formosa are to be as many bargaining items. Bargaining and the implicit prospect of a peace settlement should not be prejudiced by military action against China.

The Problem

The crux of the MacArthur problem should be clear in the light of the above. The General does not believe in appeasement by whatever name it may go. Nor does he believe in dilly-dallying at the huge cost in human lives and immeasurable economic losses. And he wants to finish one "inevitable" before another one starts elsewhere, if not to discourage such repetition. But the Europeans do believe in such a "breakthrough" when the overriding problem of their permanent security (as they see it) is at stake. Their problem is not Korea or Formosa, nor similar details, but Russia. A settlement over the Reich that would oblige Germany to rearm of that pivitol country—lithe German armament both ways: that it might check Russian aggression, or it might resuscitate German imperialism—what matters to them. They are ready for concessions in the Far East, and no doubt with a mind a weakening of what our military leaders regard as a part of America's defense line in the Pacific. They charged by the reproach of appeasement; they consider "compromise" as the normal way of diplomatic procedure, and at any rate, a majority

of the British and French are willing to make a great deal of sacrifice at our and other people's expense even for a temporary postponement of the armed conflict.

Anti-Americanism

There, then, are domestic issues at stake in the Allied countries. Under the combined impact of warfearisms and armaments, Europe is facing the danger of reinitiated inflation, a fact that is loaded with political dynamite in view of the forthcoming French and Italian elections. British labor, in particular, is losing ground rapidly due to declining living standards. Its only prospect of winning the forthcoming elections (next fall, presumably) is by claiming that the Tories would make England an American colony, dragging it into an "imperialistic" war. Moreover, the Party is threatened by its own left wing's ascension. Anurin Bevan ousted the Cabinet (not the Party as yet) as leader of the radicals who are not inclined to sacrifice an iota of the advantages for the benefit of the Garrison State. The latter they blame on us.

Indeed, it would be difficult to find any period in the history of Western Europe in which the Yankees were as unpopular as they are today. The $35 billions we have poured on them since 1945, and whatever else we did before, momentarily overshadowed by the sentiment that we are responsible for unduly magnifying the Russian threat, and for dragging the world into an armament program that spells economic ruin and ultimate war.

This last point should be underlined. It is that the combined socialist and pacificist sentiment which is rampant in France, Paris, Rome and New Delhi—though fearful of Soviet expansion—does not believe in Russia's bellicose intentions.

Self-contradiction? Well, this would not be the first instance of muddled political thinking on a semi-global scale. Did not the leading statements of England and France apprise Hitler's intentions in the same illogical fashion? They do not consider war inevitable, nor armaments on the American-inspired scale really necessary. What is more, they do not even rejoice in the thought of a U. S. victory over Russia. The Atlantic, in particular, but many Europeans and Latin Americans as well, look at this situation as a balance of power between the United States and Russia, the disturbance of which would result presumably in American preponderance—by no means a pleasant outlook, given our allegedly impetuous desire to found the capitalistic system on other people.

The sum total of anti-American sentiment is focused on MacArthur, and it reverberates in the State Department that lives "naturally" in close contact with the European chancelleries which, in turn, reflect their own country's

Sections of this report should be of timely interest to the general public as well as policyholders.

Excerpts from Our 106th Annual Report...

Financial Highlights

The New York Life Insurance Company's operations for the year 1950, and its financial position at the close of the year, may be briefly summarized as follows:

Assets of $4,907,729,002 compared with $4,674,990,644 at the previous year-end; and liabilities of $5,559,016,700 compared with $4,366,397,324.

Surplus funds held for general contingencies were increased from $283,593,320 to $297,812,712; and the asset fluctuation fund was increased from $25,000,000 to $46,000,000.

Sales, amounting to $1,012,322,500, established a new high record.

Life insurance in force at year-end totaled $10,585,897,488 under 3,999,990 policies as against $9,970,371,347 under 3,964,338 policies at the end of the previous year.

Interest earnings improved; mortality was favorably low; expenses were higher although new economies were introduced.

Payments to living policyholders amounted to $140,430,485 and payments to beneficiaries, $84,466,289. The comparable figures for the preceding year were $131,802,411 and $96,447,820.

Total dividends to policyholders in 1951 will be higher.

The Company will enter the fields of group insurance and accident and sickness insurance in 1951.
public opinion. As the Bevan resignation indicates, the undertaking in favor of appeasement is very strong in Britain; the French political situation is equally crucial. It would be history's greatest irony if we were left alone to hold the Russian bag—which is a distinct possibility.

What is to be expected as the near-term outlook? It is most unlikely that an understanding with Russia can come about without a considerable degree of French cooperation, and one thing MacArthur has accomplished is to make impossible such a policy so far as this country is concerned.

If so, the Korean conflict will drag out, and American public displeasure will mount.

More Spending?

All of this means continued if not heightened international tension, and a continued high level of armament. As a matter of fact, the one compromise that may be in the offing is in terms of more armaments: more money for the Acheson program to protect Europe, and more money for the MacArthur program to protect the Pacific. The one implies top-level spending for ground forces; the other, top-level spending for naval and air forces. More spending is by this time the classical American formula by which we overcome (or postpone) crises, political as well as economic.

Businesswise, the current set-back in industrial activity is due to an expansion, consumer buying, etc., soon may be overshadowed by an invigorated upsurge of military spending. Especially so, after the inflated inventories have been trimmed somewhat, and the speculators have had time to catch their breath. Indeed, it is doubtful whether the current stage of business conditions is anything like a serious setback; it may be a mere pause in the inflationary process.

It should be clear, by this time, that prosperity of any prosperity has become a function of government spending. Their prime determinant is the international picture. In other words, we prosper by sustained global crises—through the more—provided they remain "normal" and do not become a total war preparations plus incidents.

Two With Waddell-Redd

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif.—R. R. Johnson and Louis M. Wiskow have been added to the staff of Waddell & Reed, Inc., 8943 Wilshire Boulevard.

With Fewel & Co.

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Gustav D. von Salzen is with Fewel & Co., 433 South Spring Street, members of the Los Angeles Stock Exchange.

Honor P. Hargrave John A. Isaacs, Jr.
Committee's nominee for offices to be filled at the annual meeting to be held June 5, 1951.

Honor P. Hargrave of Merrill Lynch, Pierce, Fogg & Fish, Chicago, was renominated for Chairman of the Board of Governors.

John A. Isaacs, Jr. of Semple, Jacobson, Zenick & Co., was nominated to serve as Vice-Chairman of the Board.

The following were nominated to fill vacancies on the Board of Governors:


St. Louis: John H. Crago, Smith, Moshier, Gay & Company; Gustav Stiefel, Nicolaus & Company, Inc.; and Iris E. Wight, Jr., Newcomb, Cook & Co.

M. Ralph Cleary, Cleary & Company, Chicago, was nominated as Chairman of the Nominating Committee for 1952.

Chase National Bank Announces Promotions

The following officers of the Chase National Bank have been promoted to second directorships by the bank's board of directors:

Foster R. Clemente, Jr., of the Mississippi district; Thomas F. Glavesty of the insurance department; John K. Fitzgerald of the real estate department; and Louis A. Rums, of the legal division.

 Newly appointed to the official staff were Robert J. Pollock, retirement system, and Theodore Barlow, assistant cashiers, and Henry R. Newsham, personal trust officer.

Consolidated Inv. Adds

SAN FRANCISCO, Calif.—Gerard B. Laemmli and Ralph Olmen are now affiliated with Consolidated Investments, Inc., Russell & Co.

Now Proprietor

Edward F. Bigoncy is now proprietor of E. F. Bigoncy & Co., 14 Wall Street, New York City.

2. Urge our representatives in government to fight the forces that threaten peace. We need to pay-as-you-go in sales of public funds, we need to pay-as-you-go in sales of public funds.

3. Don't buy what we don't need; use what we have. This will reduce the demand for goods.

4. Pay higher taxes ungrudgingly. It is better to pay for the same taxes that inflation makes us pay by the doubled value of an exaggerated income and reckon later with a damaged economy.

5. Increase our savings. Money put into life insurance, government savings bonds and other forms of saving, helps to curb the demand for goods.

I, recognize that there cannot be either magical avoidance or effortless solutions of the problems we face.

WHERE WE INVEST...AND WHY

"Every working day in 1950 the New York Life invested an average of $3,700,000. Part of this was new money, coming chiefly from premiums payments made by policyholders. Part of it came from the repayment or sale of investments already owned, and from earnings on investments.

"Income from investments contributes materially toward building up the reserves that make it possible for us to meet our promises to policyholders when they fall due. It is also a substantial factor in reducing the total cost of life insurance.

"At the same time such investments serve a broader purpose. For more than a hundred years American history the funds invested by the New York Life have made for a more secure nation and a better living for all the people. Through peace and war these funds have tended to flow where they were most needed by the national economy; whether to build the railroads of the nation or to help our government protect the country in time of war. The kind of investments the New York Life made during the past decade will illustrate this role especially as it affects the making of buying power.

Introduction to an illustrated article in the Annual Report on the changing pattern of investing during the past ten years.

HAVE YOU LOOKED IN YOUR MEDICINE CHEST LATELY?

"If it's anything like the average family's, it's well stocked with sundry specifics for last year's ailments... pills and poulticides, syrups, salves and potions, lozenges and capsules—and the extra key to the garage. But where is that roll of sterile gauze? Adhesive tape? Antiseptic?"
Kuhn, Loeb Arranges Private Placement

General American Transportation Corp. has negotiated through Kuhn, Loeb & Co. a loan of three institutional investors of $20,000,000 evidenced by its 3½% promissory notes, dated April 15, 1951, and due April 30, 1971. Proceeds of the loan were used in part for the redemption on May 1, 1951, at $103.25 per share, plus accrued dividends from Feb. 1, 1951, of the entire issue of the corporation's $4.25 preferred stock series A, of which 126,000 shares were outstanding. The balance of the proceeds were added to working capital.

With A. M. Kidder Co.

(Special to The Commercial Financial)

FT. MYERS, Fla—Edward W. Doyle is now with A. M. Kidder Co., First National Bank Building.

Canadian Securities

By WILLIAM J. McRAE

Canada's emergence as a major oil producing country is one of the most significant developments of the past two decades. Since 1945, when oil was discovered in Alberta, the nation has emerged as a major oil producer. Today, the oil industry is one of the most important sources of income for Canada, and is expected to continue to be so in the future.

In 1950, the Canadian oil industry produced 3.1 billion barrels of oil, which was equivalent to about 3% of the world's total production. In 1951, production increased to 3.4 billion barrels, or about 4% of the world's total.

The Canadian oil industry is centered in the province of Alberta, which contains more than 90% of Canada's oil reserves. Alberta is situated on the western edge of the Canadian prairies, and is bordered by the Rocky Mountains to the west and southwest. The province is characterized by a dry, arid climate, with long summers and short winters.

The oil industry in Alberta is primarily a result of the discovery of the McMurray formation, which is a major oil-producing formation in the province. The McMurray formation is a series of sandstone deposits that were deposited in a tropical sea during the Cretaceous period, about 100 million years ago. The formation contains a thick layer of oil-prone sandstone, which is the principal source of oil in the province.

The oil industry in Alberta has been in operation since 1947, when the first commercial oil well was drilled near the town of Cardium. Since then, the industry has grown rapidly, and has become one of the most important industries in the province. The success of the oil industry has been due to a combination of factors, including favorable geological conditions, a skilled workforce, and government support.

The oil industry has had a significant impact on the economy of Alberta, and has contributed greatly to the province's growth and development. The industry has provided employment opportunities for thousands of people, and has generated substantial revenues for the province in the form of taxes and royalties.

The oil industry in Alberta is expected to continue to be a major source of income for the province in the future. The discovery of new oil reserves, and the development of existing ones, will ensure that the industry will remain a significant contributor to Alberta's economy for many years to come.
The British Budget and Inflationary Taxation

BY PAUL EINZIG

Commenting on the criticism of the 1951-52 British budget arising from failure to increase taxation to meet higher outlays, Dr. Einzig points out additional taxation under current full-employment conditions would be more inflationary than deflationary.

LONDON, Eng.—There has been a certain amount of criticism of the 1951-52 British budget for its failure to increase taxation to meet the growth in government expenditure. But the criticism has been made without the recognition that a proportion of the increased expenditure is not covered by a corresponding increase in taxation, and that the larger part of the increased expenditure is not covered by a corresponding increase in taxation. Keynes has made it clear that, if the Chancellor of the Exchequer were to have produced an inflationary budget, in so far as the critics blame the government for having failed to cut taxes in order to offset the increase of military expenditure, that the precaution would have been the Chancellor's duty to raise a corresponding amount of revenue. The critics work upon the impression that increase of taxation is essentially distillation, and so do the buyers.

Unfortunately the types of inflationary situation to which Keynes referred are not of the same character as the situation in which most of the buyers have participated during the 'thirties. In the view of the government, however, it must be subjected to reconsideration.

Beyond doubt, increase of taxation during a period of deflation tends to produce a deflationary effect. Manufacturers and merchants are accustomed to pass on the whole burden of taxation to the consumer, owing to the slackness of demand. In a buyers' market it is often impossible to add the tax to the price of the articles, and it is impossible to add to them more than part of the tax. Likewise, during a period of large-scale unemployment, interest on increased direct or indirect taxation is not in a sufficiently strong bargaining position to demand a corresponding increase of their wages and salaries. Consequently the power of the government and the buyers of manufactures and employs is reduced to the extent of a large part of the additional taxation. In the position of which manufacturers and merchants are unable to pass on to the buyers the burden of the additional taxes, their profits will decline, which is also a deflationary factor.

The state of affairs is totally different during a period of inflation when full employment prevails. Employment means a sellers' market, and manufacturers and merchants are in a position to raise the price of their products in the consumer the burden of additional taxes. Purchase tax and other indirect taxes are automatically added to the prices. Higher profit tends to raise the price of their products, and merchants follow their example whenever possible by raising their wholesale or retail margins. Wherever this is possible they can pass on to the buyers the increased prices of taxes, and there is enough purchasing power in circulation to enable buyers to pay higher prices. In so far as the buyers are employers, scarcity of labor and rising prices place them in a strong bargaining position. Any increase of their income tax or of prices due to higher indirect taxation leads to new wage contracts to which employers are unable to resist. There is thus an increase of costs of production, which lead to a further increase of prices.

Increases of taxation during a period of inflation like the one we are experiencing now set, therefore, in motion new inflationary vicious circles, the result of which is a new round in the cycle as the price of wages increases. This is not all. Realizing that increases of the taxation on lower incomes only tend to increase the price of the products in such circumstances to place the main burden of the increases on the higher incomes. This means that those who usually save a larger proportion of their incomes have to pay more taxes, and this reduces the extent of their savings. On the other hand, those belonging to the lower income groups have to pay more taxes, and this reduces the extent of their earnings. Thus on balance the increase of taxation tends to produce a relatively substantial decline in savings, which itself tends to counteract such distillationary effect as the increase of revenue might produce.

On the basis of the above consideration it seems that if Mr. Gaitskell had reduced the deficit by imposing additional taxes to the extent of some hundreds of millions of pounds, his distillationary effort would have largely defeated its object. The choice was between inflation through unbalanced budget or inflation through higher taxation. But it has not been possible to make a clear-cut decision, by no means certain that the effect of the former on prices would have been stronger or swifter than that of the latter. In any case, the consequence of the latter is covered by means of borrowing it will reduce the extent to which the extra expenditure adds to the active purchasing power in circulation. Much depends, of course, on the extent of its effect of borrowing. If the recent increase of the rate of interest on savings certificates and defense bonds should result in their falling below the general average amount the interest on other types of securities, then the inflationary effect of borrowing would be reduced to a minimum, because those issues appeal to small savings.

The above arguments show the need for a thorough reconstruc-
tion of monetary economics in the light of the present situation of over-full employment. Thanks largely to Keynes, economic science in general and monetary theory in particular has become a subject of study for two world wars, in Britain in any rate, not inflation but deflation. If Keynes were alive today he would, no doubt, completely restate his theories in the light of the inflationary experience of our days.

During the American War of Independence Benjamin Franklin put forward the idea that the government should finance the war by increasing taxation. This theory holds good also in reverse—taxation is a form of inflation, at any rate in the circumstances prevailing in Britain and many other countries in 1951.

Charles G. Lord Is Baker, Watts Partner

BALTIMORE, Md.—Baker, Watts & Co., Baltimore and New York, have announced that Charles G. Lord has been admitted as a general partner in the firm. Mr. Lord has been associated with them since 1927. He is a native of Baltimore, was educated at the Boys' Latin School, Johns Hopkins University, is a former member of the State Legislature and was a member of the Tax Revision Commission of 1939.

Mr. Lord has left a leave of absence from the firm 1942 to 1946 when he served with the U. S. Army as District Intelligence Officer for Maryland, and was awarded the Army Commendation Ribbon. At present he is on the state staff of the Maryland National Guard with the rank of lieutenant colonel.

He is a member of the Bachelors Cotillion, Alpha Delta Phi Fraternity, the Baltimore Country Club and the Johns Hopkins Club. He is a son of the late Mr. J. Charles Lord who was for 40 years a Baltimore stockbroker, and the late Mrs. Lord.

Detroit Exchange to Change Tradg' Session

DETROIT, Mich.—Trading sessions on the Detroit Stock Exchange are starting one hour earlier effective Monday, April 30. Hours will be 8 a.m. to 2:15 p.m. except Saturdays, when hours will be 9:15 a.m. to 2:15 p.m.

The time change was adopted to conform to hours on the New York Stock Exchange which is operating under daylight saving time. Starting June 2, the Detroit Stock Exchange and other Exchanges will adopt a five-day week for the summer months.

Frank Hall Partner in Gersten & Frenkel

Frank L. Hall has joined the brokerage firm of Gersten & Frenkel, 150 Broadway, New York City, as a partner. Mr. Hall, for many years a specialist in reorganization securities, was formerly with Pflugfelder & Hunt, and with Sutro Bros. & Co. He was recently a partner in Nielsen, Gordon & Hall.

Ogden Edwards Joins Equitable Securities

Equitable Securities Corporation, 2 Wall Street, New York City, announces that Ogden Edwards is now associated with the firm's sales department. Mr. Edwards was formerly with Bear, Stearns & Co., Union Securities Corp., and Barr Brothers Co.

NOTICE OF REDEMPTION

Celanese Corporation of America
First Preferred Stock, $4.75 Series

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Certificate of Incorporation, as amended, of Celanese Corporation of America, the Corporation has elected to redeem, on May 31, 1951, 420,000 shares of its First Preferred Stock, $4.75 Series, being all of the shares of First Preferred Stock, $4.75 Series now issued and outstanding.

Accordingly, on May 31, 1951, there will become due and payable with respect to each of such shares, at the office of J. P. Morgan & Co. Incorporated, 23 Wall Street, New York 15, N. Y., Redemption Agent for such shares, the amount payable on redemption thereof, namely, $105 per share plus an amount equal to accrued dividends from April 1, 1951 to said redemption date, amounting to 79 cents per share. The amounts aforesaid will be paid to record holders of the shares to be redeemed or to their assigns, upon surrender of certificates for said shares at such office, provided that if payment is to be made to an assignee the surrendered stock certificate should be properly endorsed or accompanied by a stock transfer receipt duly executed by the holder thereof and delivered together with the certificate thereof, the signature of the holder of the certificate, or his duly authorized agent.

In accordance with the Certificate of Incorporation of the Corporation, upon the mailing of this notice and the setting aside of the funds for redemption, shares of First Preferred Stock, $4.75 Series, are no longer deemed outstanding, and the holder of a certificate or certificates thereof, has no rights in or with respect to the Corporation except, in the case of a redemption, to receive the redemption price, without interest, upon the surrender of such certificate or certificates.

Stock transfer books for the First Preferred Stock, $4.75 Series have been closed at the date hereof and will not be reopened.

NOTICE OF IMMEDIATE PAYMENT

Holders of outstanding shares of First Preferred Stock, $4.75 Series, may at any time on or after the date hereof surrender to said Redemption Agent certificates representing shares of said stock held by them and receive the full amount which they would be entitled to receive on the redemption date.

CELANESE CORPORATION OF AMERICA,
By HAROLD BLANCKE, President
May 1, 1951.
Securities Salesman's Corner

BY JOHN DUTTON

In specialty selling 83% of all sales are made on the first or second interview, 10% of all sales are made on the third interview, and only 7% of all sales are made after the third interview. Those who are specializing in the sale of mutual fund shares, this survey (which gave the foregoing figures) might provide a very important clue to the fact that some salesmen are not obtaining better results. Does a specialty sale of 8%, that is 8 out of 100, mean that it is 92% of all sales are not made by the specialty salesman? I do not believe this holds true when you are attempting to cultivate an interest and you hope to develop into a regular buyer of general market securities. There the situation is probably different. There are too many companies in the specialty field which eliminate a hard and fast sale. A sale may be closed after the third interview, but even here, I would say that if you can open an account, you will not be able to close a sale on those shares, and you will get another chance. You might get another sales person and you will get another chance. You might get another sales person and you are entitled to it. A sale may be made after the third interview, but even here, I would say that if you can open an account, you will not be able to close a sale on those shares, and you will get another chance. You might get another sales person and you are entitled to it.

In specialty selling, such as is undertaken when you go out to sell, say a mutual fund, the account is in your strongest, your second is about 15% as effective, and your third is about 5% effective. What you can develop without fear of repetition, or without repeating yourself, is just a curiosity too far, too often the way to make your accountes, the way to sustain interest and develop a reason for purchase. But on your average call, you have told your story. There is very little that is new in the average call out of ten percent your prospect will say to himself, "I don't care; I've heard it all before. Now how can I talk about that?" That is why you must have to move in some way. You have to have a new idea. You have to have a new call. You have to have a new technique. You have to have a new method. You have to have a new plan.

That is why good salesmen "get the sale" on the first call if they can. That is why they believe in "sell 'em or cure 'em." Get the order on the first call if at all possible. Of course this does not mean that you can get a sale out of every call, but you should be working on a basis that you are looking for a sale, and you are not looking for a call on a chance sale, but you are looking for a sale on a chance visit, and if you have a new order, you have a new call. That is why good salesmen "get the sale" on the first call if they can. That is why they believe in "sell 'em or cure 'em." Get the order on the first call if at all possible. Of course this does not mean that you can get a sale out of every call, but you should be working on a basis that you are looking for a sale, and you are not looking for a call on a chance sale, but you are looking for a sale on a chance visit, and if you have a new order, you have a new call.

If you can get a new sale out of every call, you will be working on a basis that you are looking for a sale, and you are not looking for a call on a chance sale, but you are looking for a sale on a chance visit, and if you have a new order, you have a new call. You should think of a sales phone call as a strategic opportunity for a new sales opportunity. You should think of a sales phone call as a strategic opportunity for a new sales opportunity.

Abolish the RFC

In the end unproductive. The RFC does not have the specialized facilities required to provide adequate managerial and technical supervision to local business. It is entirely different. "We must be left to develop enterprize to develop them, as well as to supply whatsoever deficiencies of credit are needed, especially under present conditions.

RFC Lending Subject to Credit Policy

One of the most striking facts brought to light during the recent investigation of the RFC is the extent to which its lending activities have been subject to political influence. The RFC is designed to make or guarantee loans to credit-worthy borrowers who cannot secure credit on reasonable terms from primary sources. Under this arrangement, heavy political pressures have been brought to bear by and on behalf of borrowers who expect to benefit from the credits. The problems of a public lending agency, as compared with that of a bank or corporation, are immeasurably increased by such political pressures. In the case of small, inflexible loans were granted, there would be greater criticisms of the ability of the would-be borrowers and their political representatives. If it does great questionable loans in response to political requirements, then, as the recent investigation has shown, it will be utterly criticized by the public. So long as there is a government lending agency like the RFC there will be great need and undeniable demands for unsound and unjustified credit. The record of Congress under more or less public pressure to assist applicants in receiving such credit. I should think in these circumstances the RFC be the first ones to want to liquidate the RFC and be relieved of the pressures which only add to their responsibilities and can serve no useful public purpose.

Aside from the economic considerations, there are strong collateral reasons for abolishing the RFC. It is well known that the system is run on a sound basis and that where a government agency has wide discretion, the basic standards deteriorate over a period of time as a result of inevitability. This has the unfortunate effect of tending to underwrite the risks of the people in their government.

Credit for Defense Purposes

In letting defense contracts, priority should be given to those prime contractors or subcontractors who have the greatest amount of productive facilities and financial resources. It may be the case that, as in World War II, to facilitate defense production by giving some contracts to those who do not have adequate financial resources we may have to rely on private financing institutions. In such cases, some government help may be essential, but it should be provided in the form of a government guarantee of private credit and not by a direct government loan. Such guarantees would be most effectively handled under a single program, such as that authorized by the Defense Production Act of 1950. This program provides for loans of agencies engaged in defense activities, using the Federal Reserve Banks as fiscal agencies in arranging the guarantees. To this the same as the Regulation V-law program which was used in World War II. Under this regulation the Federal Reserve Banks and their branches throughout the country gained extensive experience in authorizing guarantees on $8,000,000,000, amounting to over $1 billion. The net proceeds of the V-loan program was a net profit of $24 million from the loan guarantee fees charged, after deducting all expenses and losses.

Under the V-law program, a defense contractor or subcontractor engaged in defense production who is unable to obtain the necessary loan to his local bank or other private financing institution, may secure a loan from the Federal Reserve Banks, as fiscal agents for those government agencies which are loan guarantors, review and recommendation to be taken on loan applications. Upon approval by the guaranteeing agency, the Federal Reserve Bank will issue a guaranty, the amount of the loan and a fee is charged, the nature of the guaranty the loan. The guaranty fee ranges from 10% to 40% of the amount of the loan based upon the percentage of the loan. In most cases the banks carry 10% of the loan, but the guarantee, such as is payable, is possible. Not only is the financing dovetailed, but the bank have a real interest in the loan and can be depended upon to watch the loan. The requirement of approval by

the guaranteeing agencies assure that credit extension is being concentrated in those areas most essential to the defense effort.

PABSEC loan program to provide essential defense industries. The continued existence of the RFC is indeed very important, but particularly true at a time when heavy inflationary pressures require a proper allocation of credit and secondly to the defense. The RFC is not labor are transferred, rather than try to supplement defense credit on top of the existing volume of outstanding credit.

I do not like to say that the evidence, both from an economic and a political point, strongly suggests the view that the liquidation of the RFC is long overdue.

Halsey, Stuart Group Offers Consolidated Edison 31/4% Bonds

Halsey, Stuart & Co., Inc. and associates offered yesterday (May 27) $5,000,000 par value Consolidated Edison Co. of New York, Inc., first and refunding mortgage bonds, 31/4% interest, at a price of 102.915% and accrued interest, $4,000,000, at a price of 102.915% and accrued interest, priced at $5,102,953, in competition for the award of the issue at competitive sale tomorrow on bid of 102.950-999/100.

Proceeds of the offering will be used to pay off $5,000,000 at the payment of short term obligations with interest due by the end of May, and with the interim financing of the company's operations for the next six months. The balance will be used to reimburse the treasury in part for consolidated Edison Co. of New York, Inc. is a public utility operating company which manufactures, purchases, transmits and distributes gas and electricity to consumers and is a holding corporation which controls Staten Island Gas and Electric Co., New York Steam Corp., and Consolidated Gas and Electric Co.

The company supplies electric service to four boroughs of New York City and in part of Westchester County. Its service area includes the boroughs of Manhattan and the Bronx and the west\-east strip of Queens and Westchester County.

The company is engaged in a construction program which, it is estimated, will involve expenditure of approximately $532,000,000, on the basis of present prices and conditions, for the years 1951 through 1955. Of this amount, it is estimated that the company will be required to finance in addition to the bonds now being sold, $200,000,000 through the sale of securities at par.

Net income of the company for 1949 was $38,206,823 compared with $31,876,000 for 1948. Net operating revenues for 1949 were $210,769,000, compared with $191,294,000 for 1948.

Joins Davies & Meja

Special to The Commercial Chronicle)

SAN FRANCISCO, Calif.—Alejo J. B. Davies & Co.,-has joined forces with Davies & Meja, Ross, Building and Loan, which will be known as Davies & Meja, Ross, Building and Loan, San Francisco Stock Exchange. It was previously with Walston, Hoffman & Goodwin.

With Baring-Gould

SANTA BARBARA, Calif.—Archibald D. Baring-Gould, is the new manager of The Commercial and Financial Chronicle, 26 East Canon Perdido Street.
Shareholders of the National City Bank of New York at a special meeting on May 2 ratified the proposal by the directors to increase the capital funds of the bank by $125,000,000, an additional share of stock, increasing the number outstanding from 6,000,000 shares to 6,125,000. The par value is unchanged at $20 per share. The directors, on receipt of the shareholders' approval, the capital stock will be divided between the common stock, $124,000,000 to $144,000,000 and the surplus from $136,000,000 to $156,000,000. The new capital would be approximately $59,000,000. The figures do not include the capital funds of the City Bank Farmers' Loan & Trust Company, which exceed $50,000,000, or unallocated reserves of the bank of slightly more than $30,000,000. Further details were given in our issue of March 29, page 1352.

DeCoursey Fales, President of The Chemical Bank & Trust Company of New York, recently has been appointed by the bank as a Trustee of the bank. Mr. Streeter is a Vice-President of the Bank of New York and Fifth Avenue Bank.

Walter Wilks has been appoin ted Assistant-Presi dent of the Detroit Bank & Trust Company, which is now $100,000,000, or unallocated reserves of the bank of slightly more than $30,000,000. Further details were given in our issue of March 29, page 1352.

Walter R. Williams, Jr., Vice-President of the Union Dime Savings Bank, New York, in an interview with the New York Times, said that the bank, according to an appointment by N. B. Baker, Chairman of the Board, the bank will be able to make a profit of $500,000 on the new capital, which will be added to the capital, $125,000,000 to $144,000,000 and the surplus from $136,000,000 to $156,000,000. The new capital would be approximately $59,000,000. The figures do not include the capital funds of the City Bank Farmers' Loan & Trust Company, which exceed $50,000,000, or unallocated reserves of the bank of slightly more than $30,000,000. Further details were given in our issue of March 29, page 1352.

The Lake Shore National Bank of Dunkirk, N. Y., has increased its capital from $125,000 to $200,000 through a stock dividend of $25,000. The new capital became operative on April 2.

Dorrance Sexton has been elected President of the Western National Bank of Chicago, Mr. Sexton is a former Trustee of the National Bank of Chicago, according to an announcement by Mr. Sexton, the bank will be able to make a profit of $500,000 on the new capital, which will be added to the capital, $125,000,000 to $144,000,000 and the surplus from $136,000,000 to $156,000,000. The new capital would be approximately $59,000,000. The figures do not include the capital funds of the City Bank Farmers' Loan & Trust Company, which exceed $50,000,000, or unallocated reserves of the bank of slightly more than $30,000,000. Further details were given in our issue of March 29, page 1352.

Dobley Wood, former Vice- President of the First National Bank of Bluefield, W. Va., has been elected a Vice-President of the First National Bank of Richmond, Va., according to an announcement by the First National Bank of Richmond, Va., the bank will be able to make a profit of $500,000 on the new capital, which will be added to the capital, $125,000,000 to $144,000,000 and the surplus from $136,000,000 to $156,000,000. The new capital would be approximately $59,000,000. The figures do not include the capital funds of the City Bank Farmers' Loan & Trust Company, which exceed $50,000,000, or unallocated reserves of the bank of slightly more than $30,000,000. Further details were given in our issue of March 29, page 1352.

Bear, Stearns Advises

Bear, Stearns & Co. has announced plans to purchase the shares of the Western National Bank of Chicago, Mr. Wood will begin his duties May 1 at the bank's 8th and Madison office in Richmond, Va. Mr. Wood was a graduate of the University of Chicago, and was an Assistant Cashier at Chase Bank. He later was Cashier at First National Bank of Bluefield, W. Va., advancing from there to the post of Executive Vice-President of the Peoples National Bank of Pulaski, Va. Mr. Wood is a graduate of the University of Virginia, and is the President of the First National Bank of Pulaski. Mr. Wood has served as Executive Vice-President of the First National Bank of Pulaski, and was recently appointed as Chairman of the board of Virginia Bankers Association, and as Chairman of Group A, West Virginia Bankers Association.

The National Bank of Pittsburgh, Pa., reports a capital as of April 2, of $2,500,000,000, having been increased from $1,500,000,000 by a stock dividend of $500,000,000. The National Bank of Pittsburgh, according to the Federal Reserve System has any additional strength to the bank on the Federal Reserve Act.

The capital of the Fort Worth National Bank of Fort Worth, Texas, was increased April 3 from $5,000,000 to $6,500,000, the sale of $1,500,000 of new stock.

At a special meeting held on April 23, stockholders of the Re- publicans of the United States, have unanimously approved the increase of capital in surplus to $35,000,000 by a stock dividend of $10,000,000. The shareholders are to stockholders to purchase at the bank's discretion at the time, the bank's capital stock. Stockholders will be allowed to purchase one share of stock for each five shares now held. The company's surplus can be increased by $5,000,000 of new stock.

The Bank of America National Bank of New York, has increased its capital from $15,000,000 to $35,000,000 by a stock dividend.

The Lake Shore National Bank of Dunkirk, N. Y., has increased its capital from $125,000 to $200,000 through a stock dividend of $25,000. The new capital became operative on April 2.

The New York Agency of the Credit Suisse, the Swiss and American Commercial Bank, has announced the removal of their New York offices on April 30 to 25 Pine Street.

Stockholders of Clinton Trust Company of New York at a special meeting on April 25 approved an increase in the authorized amount of stock capital from 45,000 to 50,000 shares, par value $20 a share. The directors of the additional 5,000 shares are being offered for subscription under the close of business on May 15, at $20 a share on the basis of one.
The problem of investing pension fund reserves

Our Reporter on Governments

By John T. Chippendale, Jr.

The government market has assumed a constructive attitude, which has been demonstrated through its ability to rally from recent lows. Although there will no doubt be considerable back- ing and filling, and a large part, if not all, of the recovery in prices may be attributed to the fact that the market was in a position to move away from its lower reaches, as a favorable development. Buyers have been more successful in the public market in such a fashion as which means that the not too sizable amount of securities which have been bought there has been absorbed and quotations still work ahead. Yields of Treasuries have become attractive enough to bring in the buyers into the market. That, of course, has been a strong factor in the rally. Pensions, state funds and trust funds, according to reports, have been the principal buyers of the higher interest long-term governments. The above-mentioned list has definitely, and to a considerable steadiness, and this is due in no small measure to the desire of these buyers to place their money in securities.

Although the restricted issues, led by the Vics and the 1939/62s, have been making a good showing, the longer eligibles have shown cautious. The former is not going to exhaust all the buying power at one level, because of the fear that prices might go lower. The longer eligibles are out along a bit by the purchasers and also because of the desire to get the best possible price for the obligations that are being liquidated.

It seems that the really important factor to the money market has been the appearance of buyers which had been decided out of the market. They will be a very powerful force and might even be frightened away again, but it is not expected that they will be turned down on the market and more and more attractive from the standpoint of income. There is a growing confidence appearing that will be a more important market force and have been under-estimate long and the uncertainty has been the factor which has even put the possibility of new highs on the recovery or new closing of the uptrend. Long-term securities are in the making, with the opinion that this movement is from weak into strong hands. It will take time to bring about a significant amount of buying by the public, operating within a trading range which is in the process of being established.

Treasury Dilemma?

The mid-year financing is beginning to stare the Treasury in the face, because there isn't too much time left in which to condition the market for this sizable undertaking. One thing seems rather certain and that the operation will be handled mainly with short-term obligations. Herein, again, it appears to be "Tobin's choice," because there are practically no funds available for investment from insurance companies and savings banks, the usual buyers of long-term securities. The near term securities, will they be certificates or fifteen or eighteen months notes? Will there be some cash payments or will there be a combination offer? Will there be a combination of the B's and August maturities? Will there be an offer to non-commercial bank owners of these maturities to convert into non-marketable 2%? These are some of the questions that are being discussed in the money markets now in connection with the impending Treasury refunding.

Liquidity preference is again a very important factor in the money market, and this is building up a stronger position for short-term Treasuries. The buyers of the shorts include nearly all types of investors but the commercial banks are the leaders of this movement.

Although the market rally has not been under way long and activity has not been too great, switches and swaps are again being suggested and are being made by the investors, those being suggested is from the 2%4s of June 1939/62 into the 2%4s of June 1938/62. Also sale of the December 2% or of 1939/62 is being recommended with the proceeds to be reinvested in the December 2% of 1938/62. In both cases, income would be better, and the bank eligibility date would be shortened slightly.

The first difference which occurs to me is that of the political character—most of the changes you have heard of elections and the results thereof. It is not necessary for a pension fund to be thinking about that certain condition, the pension fund could be considered campaign material and could get into politics. Another difference is that of the nature of the private pension funds is that there is some difficulty in fixing the responsibility for the public fund. Also, which corporate income tax rates for the money cost of private pensions, no such saving as a separate tax. It often means that it is a little more difficult to get the money into the municipalities than would be the case in a corporation under a direct. The pension fund is maintained in an account at this bank and having any of the contributions would be 2%0% by the Federal Government through reduction of taxes. This is so because corporations are, for the most part, under the Excess Profits Tax law, and so the part of the investment procedure between the public and private funds, except that some of them are "gold fish bowl" type of atmosphere and the tax payer must be considered, as he is contributing in most cases out of his private funds. While the tax payer must be educated about this type of money, as his continuous support of the program. It is past the point where cases public fund members may not be businessmen and may be out of touch with business. This increases the chance of their becoming discouraged at the moment. This could be a colossal error in an investment plan. It is necessary to advertise plan and follow through it if it is to be successful.

Types of Investments to be Acquired

There are many types of investments which can be acquired by pension funds. We will discuss a few of the main categories. The first is the general purpose bond; all of your investment will go into these bonds, the return is around 2.50% on the municipal bond of large and medium-sized companies, the return is around 2.50% on the industrial bond. The second is the so-called "a" bonds, including state, county and revenue bonds, provide tax-free income which is really no need for municipalities in most of the local instances. We see no reason for a tax-free organization to be buying these bonds. The third is the money market fund, which will be available in price by wealthy individuals who are not too valuable to them. Corporation bonds are acquiring a yield of from 2.50% to 3.00% Preferred stocks are giving a yield of around 5.00% to 6.00%

Common stocks of good quality provide from 5.50% to 6.50%. In the case of real estate, the yields are available for real estate, and term prospects are favorable. In the case of mutual funds, the usual feature is the low-bald of earnings over the years. This can be illustrated by studying one mutual company, General Electric Company. This important company in 1937 had 60 odd plants. In 1950 it owned 116 plants. Since this has been the result, the change is the capitalization during this period it is obviously that the plants were acquired through earnings. Another illustration of this same factor can be applied to the Dow-Jones averages. The Dow-Jones index for 1937 was 195, while in 1950 earned approximately $105 per share, while dividends of $5 per share, leaving some $5 per share retained in the business for the benefit of the shareholders. This means that there is more and more capital put into the business by the shareholder. Stockholders own their proportionate part of these earnings.

Relative Proportions of Different Types to Be Maintained

There are many investment companies which are interested in hearing about is that of the relative proportion of the different classes which is maintained in an account at this bank and having any of the contributions would be 2%0% by the Federal Government through reduction of taxes. This is so because corporations are, for the most part, under the Excess Profits Tax law, and so the part of the investment procedure between the public and private funds, except that some of them are "gold fish bowl" type of atmosphere and the tax payer must be considered, as he is contributing in most cases out of his private funds. While the tax payer must be educated about this type of money, as his continuous support of the program. It is past the point where cases public fund members may not be businessmen and may be out of touch with business. This increases the chance of their becoming discouraged at the moment. This could be a colossal error in an investment plan. It is necessary to advertise plan and follow through it if it is to be successful.

Almost all programs will have 20% of their investment in this class of money. The income is made up of dividends and interest and stock prices, which are virtually the same as the income from other investments. However, the money will be put into tax-free money only by the municipalities, which is the one class of money that will be used for this purpose.
Federal Reserve Bank of St. Louis
Digitized for FRASER

Living years decreased.

Pension managers, following diversified investment policy, can disassociate the State in the system by taking some of the vehicles investment performances, bumper, they would reach younger people under 25% of their money in non- equities even though the will of the majority which they were operating stated.

This is a very important point.

These legal restrictions and the machinery that can be illustrated by talking about other similar situations known to us, has been said that the State of Texas has backed financially and industrially, and that the State of New York in 1940.

In the case of the, with high rates are when we do things down here, it is considered the way they can catch up soon. However, a study of the state permanent funds and the way they can be influenced may be enlightening.

It is observed that in 1935, of a total of $108 million, you will find $11 million in insurance bonds and the rest in cash and bank deposits in the State Teachers' Retirement System.

In 1935, for example, you will find $38 million in government bonds in the state of Texas.

In the State Teachers' Retirement System of New York, you will find $36 million in government bonds and $10 million in trusts.

It is observed that the funds invested in the state permanent funds of all the state and national states have increased in the past few years and is expected to have a significant increase in the next few years, thus being able to be an investment in the government market.

It is the importance of the government bonds in the market, which can be a significant increase in the government market.

The improved financial status and the growing strength of Illinois Central put it in a position to participate fully in the national economy.

Marcus Goodbody, former president of the board, is rounding out his 30th year with the firm.


The Northern Trust Company of Chicago announced that John F. Place has been associated with the Bank Department in New York City office, 15 Broad Street, representing the Bankers Trust Company, New York City.

Three with Hamilton

Waddell-Reed Adds

Jules Graubard has joined Graubard & Co.

Bache, senior partner of the firm.

Nathan C. Graubard, has been joined Bache & Co., 38 Wall Street, New York 38, by Joseph H. Graubard in charge of employee relations. Mr. Graubard is a member of the Department of Industrial and Labor Relations, Cornell University, where he is an instructor and conference leader. Mr. Graubard has been associated with the firm since 1947. He is also an instructor and conference leader for the Executive and Supervisory Training Methods, Human Relations for Executives, and Management Relations, for management and industrial groups.

Ryan, Hanauer Co. Formed in Newark

Visiting Barclays Co.

With Barclay Inv. Co. (Related to the Fenn & Co. Corporation)
CHICAGO, III.—John L. Bru- man, has been associated with Barclay Investment Co., 39 South La Salle Street, Mr. Bru- man was formerly with Paul C. Rad- del & Co., of San Francisco.

Specialists in RAILROAD SECURITIES

Selected Situations at all Times

1929, 413,992 of net real income, however, included $3,591,186 interest on mortgage bonds and a tax credit of $3,955,920 for overaccumulation of previous years. The dividend of these are obviously non-re- current in nature, and therefore, last year's results can be matched in 1929. Nevertheless, it is difficult for earnings of Bache & Co. to reach $170 million in 1930. A level of earnings should be expected similar to that of 1929. The expected increase later this year, it is expected will be those of the dividend above the present 13.00 annual level.

Jules Graubard has joined Graubard & Co.

Jules M. Graubard has joined Graubard & Co., 134 Nassau Street, New York 38, by Joseph H. Graubard in charge of employee relations. Mr. Graubard is a member of the Department of Industrial and Labor Relations, Cornell University, where he is an instructor and conference leader. Mr. Graubard has been associated with the firm since 1947. He is also an instructor and conference leader for the Executive and Supervisory Training Methods, Human Relations for Executives, and Management Relations, for management and industrial groups.

Ryan, Hanauer Co. Formed in Newark

NEWARK, N. J.—Ryan, Hanna- ter Co., has been formed with offices at 76 Broad Street, to conduct a business investment in tax-exempt securities. Mr. Ryan, Ross & Co. Leonard Hanauer have been dissolved.

Principals of the firm are John G. Ryan and William Beckman, a limited partner.

With Barclay Inv. Co. (Related to the Fenn & Co. Corporation)
Truman Seeks New Powers inExtendedDefense Production Act

for meeting any new military de-
mand.

For example, the capacity of the industry, which was 100,000,000 tons a year, will be expanded, within two years, to 220,000,000 tons a year. The aluminum industry had been producing 10,000,000 tons a year; by 1953, it should rise to 13,000,000 tons. The electric-furnace capacity in 36-75,000,000 tons at the beginning of the year, and was rapidly increased; we need to add at least 5,000,000 tons in the next three years.

The Defense Production Act can provide under which the government is building to help new plants and finance additional outputs of goods guaranteeing or guaranteeing loans to pri-

ties will be given some critical materials and equip-

ments—chiefly the materials—supplies and building up of the defense industries. These priorities will have to be respected to the expanding our defense expansions.

In addition to this production aid, the Defense Production Act, under the Revenue Act of 1951, is allowing businessmen, in certain cases, to write off part of the cost of new equipment and buildings in the defense effort more rapidly than they would have under the old tax laws. Some $5,000,000,000 of new plant construction is being encouraged in this way.

More Powers Needed to Expand Production

Even with the existing production aid, the government also needs the power to provide special financial aid to help these new industries to get under way.

Truman is asking Congress to authorize for the first time federalized lending. Under the new plan, the government would be able to lend to the public and private businesses for the first time, provided the businesses are meeting certain needs such as defense industries, the government has the authority to obtain essential production.

To help expand defense produc-
tion, and because there is a national need for special financial aid to the highest producers in order to obtain essential production from them without increasing prices in the market, the government has been successful in bringing us to the American consumer and taxpay-
er may have to pay as much as $5,000,000 for a piece of machinery.

In summary, to accomplish our defense for prices that are higher than they were a year ago. The inflation is building up to the point where it will be hit by the full force of inflation. Supplies of civilian goods will be reduced while the production of materials necessary will be expanded still further. This law will be putting still greater emphasis on the need for the public.

Inflationary pressures, which we experienced, will be critical, and we must put a stop to this.

Furthermore, I recommend that the Congress authorize the control of marginal prices for speculation on commodity futures markets. Whenever the speculative fever hits these markets, we should be able to put to a minimum. For example, the reasons for minimum prices for those commodities of kind of authority which the Fed-

eral Reserve Bank now exercises, would be established.

Price and wage controls do not affect the lowering of the inflationary gap between production and consumption, and the volume of buying power.

The cure can come only in lowering the supply of money, and credit programs, and the purchase of price controls, goods, on the one hand, and, production and the supply, on the other. But until the inflationary gap is closed, we cannot expect that price and wage controls are indispensable to the whole situation. We would otherwise result in the economic stabilization legislation.

Credit controls, like taxation policies, are essential to those purposes by consumers and businessmen—since borrowed money adds to the pressure on prices.

We must have fair ceilings on prices for new farm products, on rents, in addition to controls during the defense period, to hold down the cost of defense and prevent profiteering.

We must have fair ceilings on wholesale and retail prices, and fees and salaries at fair levels, to prevent the cost of living from rising. We must have a program that will work. It includes measures to stop excess prices, in order to prevent rising business costs from rising price increases, and to prevent business getting too far ahead of the consumer. In the meantime, we must take care of the extremely difficult problem in the pay of the defense procurements.

Fortunately, we are now in a position to prepare for the pay period ahead. The Korean invasion, and after the Chinese intervention, there were speculative buying runs by businessman and consumers which, coupled with the expansion of defense orders resulted in prices surging upward. The wholesale price index rose from 188 in August 1950 to 191 in the index consumer price index from 189 to 200 on June 18, 1950, to Feb. 15, 1951.

Inflation Still the Problem

Now, however, tax, credit, and if wages are to have hold. Production has been reduced to the point where the buying wave has—of the price de-

The latest consumer price figures, those of March 15, show a rise of only 0.4% in the month following Feb. 15—the first half month of price control. We have seen a decrease in the buying wave—has—of the time the price controls down. Consequently, the upward price trend has been checked. The wholesale price index rose from 189 in August 1950 to 200,171 in April 1951, the index consumer price index from 189 to 200 on June 18, 1950, to Feb. 15, 1951.

Inflation still the problem.

Taxes

A large federal deficit would be a powerful inflationary force, because the government would be pouring more money into the economy than it was taking out. The effects would be multiplied in a period of rising prices. We can reduce the deficit by stopping inflation, and by reducing the amount of consumer goods will be produced.

We must use the power of the government to control the economy and to extend and strengthen the programs for economic stabilization legislation.

The credit controls must be maintained and strengthened.

The general ceiling and production levels have been set at a level which the government is making a good effort to keep within the limits that have been established. In this way, we can hope to keep the prices down.
Public Utility Securities

BY OWEN ELY

Ohio Edison Company

Ohio Edison, with annual revenues of $85 million, serves electricity at retail in Ohio to 570,000 customers (rural areas) and another 100,000 to cities in Ohio. The company also provides telephone, gas, cable television, electric utilities, and telegraph services. The Edison Corporation controls the Edison Power Company, which serves 100,000 customers in the area, in western Pennsylvania, together with some wholesale business. The two companies' lines interconnect at a proposed rate and there are also interconnections with other large utility companies serving these areas.

In 1947, 1,600,000, among the larger cities in the area is Akron, Alliance, Barberville, Elyria, Lorain, Massillon, Marion, Mansfield, Sandusky, Springfield, Warren, and Youngstown in Ohio, New Castle in Pennsylvania, etc. In addition to electricity, there is a small amount of natural gas, also.

The following table summarizes the company's consolidated financial condition and results of operations for the Ohio Public Service (merged with Ohio Edison on May 1, 1950) and Federal income taxes are adjusted to an individual company rate basis. Figures are in tables.

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Ohio Edison's residential rates are low as compared with the U.S. average and also as compared with other utilities in Ohio. Average rate for Edison customers is $72 per month. The percentage of the farmers in the area is served and farm usage per acre is far above the national average. Revenue from public services is low, but high from sales to electric companies, and other public bodies.

Ohio Edison has enjoyed excellent growth. Since the war the company (and predecessor company acquired) has made great property, and has increased its national property. The company and its subsidiary expect to spend about $31 million for construction this year, and $41 million in 1952.

Capacity of the system is currently 1,141,000 kw. "capability." There has been a 40% increase in the last half of the year only. In 1930 the higher Federal tax, the company's income, and the income of all other utilities, has been one of the most important factors in the company's success. The company's income, and the income of all other utilities, has been one of the most important factors in the company's success.

In 1940, the company's income, and the income of all other utilities, has been one of the most important factors in the company's success.

The Ohio rate base (as fixed by state law) is not net plant account, but cost of reproduction less depreciation. Despite the fact that a considerable part of the plant has been installed at construction cost, the company's rate base is equivalent to 17 cents per share on the common stock (curren, and the income of all other utilities, has been one of the most important factors in the company's success.

The consolidated capitalization, after giving effect to the proposed sale of common stock, is estimated to be as follows:

- Preferred stock: 400,000 shares, $15 per share
- Common stock: 4,700,000 shares, $10 per share
- Total: $28,900,000

*Including $10 million paid-in capital adjustments and other reported items. There is no capitalization of the common stock.

For the year ended March 31, 1950

- Earnings: $10 million
- Dividends: $2.99

The company is currently planning to offer additional common stock for subscription (with a standby underwriting group to be selected by competitive bidding). Assuming no additional offering is consummated, pro forma share earnings would be reduced to $2.72. On the latter basis, the present $2 dividend rate would represent a payout of 72%. The stock is currently selling around 32 to yield about 6%.
Continued from first page

As We See It

The Commercial and Financial Chronicle . . . Thursday, May 3, 1931

As We See It

The right-wing policies which are stimulating consumption now are likely to have direct and indirect effects on the prices of agricultural products. The increased demand for foodstuffs and raw materials is likely to exert upward pressure on prices and, consequently, on the prices of agricultural products. This in turn is likely to have a stimulating effect on the agricultural sector.

There is a danger, however, that this increased demand may lead to an overproduction of agricultural products, which would result in a decrease in prices. This could have a negative impact on the agricultural sector, which is already facing challenges due to the current economic situation.

The government should consider implementing measures to balance the supply and demand of agricultural products. This could involve measures such as subsidies, import controls, or restrictions on exports. These measures would help to stabilize prices and ensure a fair return for farmers.

Continued from first page

The Outlook for Business

Continued from first page

Korea in late June last year:

Business was booming. Imports were up. Retail sales were at a postwar peak. New orders and unfilled orders were exceedingly large. Prices were about double the prewar level. Commerce was near record levels. For new employment, demand exceeded supply in many lines. The national debt was about $295 billion.

Consumer credit was the highest on record and the trend of further inflation was serious.

As already indicated, a huge military program is under way which tends to subordinate all other factors. Government and private business must be reorganized and considered in their terms.

For the first time in our history, we have a government war economy. This is a new experience for business; for labor; and for Government. It is vital, therefore, in any analysis of future business to distinguish between the near-term and the long-term impact of the military program.

At the present time, military expenditure are only a relatively small percentage of the national income. However, the military expenditure are likely to reach 10 to 15% of the national income by this time next year. Consequently, the management must evaluate this shift in capital in terms of enterprise needs.

The current slackening in business activity, which is caused by the fact that the military program is being expanded rapidly and the important reduction in the coming months, is likely to be only temporary.

In reality, of course, the hazards in making estimates of future business trends. Even in less trying times, attempts to anticipate future operations are likely to go wrong. Under the uncertain conditions prevailing now, both on the domestic and foreign affairs, forecasts are doubly precarious.

Yet, every company or individual doing business must plan for the future. The future is bound to be able to foresee coming trends and to allow for adjustments that will be able to remain in business.

One of the chief difficulties in making future estimates is the failure to evaluate properly the current business tendencies. Many forecasts fail because of an improper gnosis and the wrong conclusion.

Favorable Volume of Business

From the point of view of dollar volume, the outlook for business is through no means certain that this optimism is justified. If war against Japan were declared, the production of new automobiles was actually 1 per cent greater in the first 14 weeks of 1931 than in the same weeks last year.

The seller's market in most lines will continue to narrow of the record in 1950. A reduction in the annual rate of $230 billion. In my opinion, personal income is probably the best single indicator of future business trends; and it seems to be changing.

Since retail sales follow closely personal income, total retail sales in the first quarter of 1950 will be at least 3 per cent and it may be 10 per cent greater.

It appears that the current expansion in the retail trade area will offer very favorable possibilities for manufacturers and wholesalers, both for moving crops and for the purchase of machinery.

Farm products are expected to be lower in 1950 than in 1949 partly because of the improved weather and partly because of lower costs and, consequently, expected to be higher in 1951 than in 1950. There is likely to be a high record. You may not agree with the farm prices of this year; but there are reasonable arguments for it. In past depressions, farm income was the first to decline; and the slump in agriculture was soon followed by a drop in industrial production, a reduction in construction, a stagnant agricultural prosperity can be sustained only if the farmers are able to afford to buy. Therefore, a few billion dollars spent on agriculture is likely to pay for prosperity in peacetime.

A favorite notion of some is that the tax cut is increased rapidly in the past eight months, that further stimulation is required. It is far from certain that you can see the danger of a sudden price rise. There is the fact that retail sales in dollar volume in the first quarter of 1951 are 3 to 4 billion in comparison with about 4 billion of the year before. Since the price level is likely to remain constant, you can see the danger of a sudden price rise. There is the fact that retail sales in dollar volume in the first quarter of 1951 are likely to remain constant, you can see the danger of a sudden price rise.

Other expenditures, as regarded the situation, as through no means certain that this optimism is justified. If war against Japan were declared, the production of new automobiles was actually 1 per cent greater in the first 14 weeks of 1951 than in the same weeks last year.

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There may be need for slightly more nationalistic tariffs. Railroad construction, which has been neglected in the past, will become a national affair.

The present situation of steel and other raw materials are all on the rise. This is due to the fact that the steel industry has been operating at a loss for the past few months. The prices of steel and other raw materials have been rising sharply due to increased demand. The government has been encouraging the steel industry to increase production to meet the demands of the war effort.

However, the government is also taking steps to control inflation. They have imposed price controls on certain goods and have increased interest rates to combat inflation. The government has also encouraged banks to lend more money to businesses to stimulate economic growth.

In conclusion, while the war is having a negative impact on the economy, the government is taking steps to mitigate its effects. The economy is expected to recover once the war ends.
Continued from page 2

The Security I Like Best

J ohn P. O’Rourke
J. P. O’Rourke & Co., Chicago 4, Ill.

H. Robertson Company

The common stock of H. H. Robertson Company (outstanding) earned $10.03 for 1939, and today is selling at $25.00, in five times last year’s earnings. The capitalization is only $4,000,000. No dividend has been declared, and only common stock is outstanding. Robertson, through aggressive and thorough search, has developed a product line of labor-saving industrial and commercial equipment.

Building industry acceptance of the quickly installed Q-line would appear to be largely due to distinctive characteristics to the common shares. Dividends have been declared for 37 yrs. and $2 extra. Only the present shortage of vital metals keeps earnings increasing at 5% to 10%.

Their Q-line of flooring is a practical, permanent and economical way of solving a common problem. It consists of steel sheet, secured by various combinations to form sections two feet wide and up to 20 feet long. In addition to being a structural sub-floor, Q-floor also provides electrical and heating installation on any six-inch square section of the floor exposed to any surface.

Originally established in 1909 to produce non-ferrous wire and mining equipment, Robertson was the pioneer in this field. Under their patented process, steel sheets were welded under pressure. The asbestos felt which was in turn applied over the plates imparted to their metal the necessary insulation and structural strength.

Demand for the revolutionary new metal was practically unlimited. The company was a new venture in the well-equipped company laboratories and at the Mellon Institute to establish the first building material. It was here that development work began on what was later to become Robertson’s principal product—the first scientifically designed roof-ventilator which purifies the slat-line—and the Robertson-Q floor, Q-deck, and Q-sheathing. This was the entire new concept in industrial building. Hubbellite, a unique functional flooring, was later developed.

To sum up—I still think the industrials will add another 10% to the stock price, and the big gains will come all the time but failure to come through. Top signs are daily increasing, the trend continues. The timing element. So if you’re long, take a long look around while there are more buyers than sellers—remember, take them off your hands. You probably won’t get the top but no one does except by accident.

I’ve expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as that of the author only.

SPECIAL CALL OPTIONS

Per 100 Shares Price Tax

INTERNATIONAL TAT. 14, 4-14-52 $325.00

Copper Range 20 17 230.00

DuPont 1947 19 50.00

Dowchem 1947 19 50.00

Dowchem 1947 19 50.00

Stahl TAT. 17 17 220.00

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Stahl TAT. 1
Continued from page 5

The State of Trade and Industry

grains is not uniform for all items. For example, beginning July 1 the steel industry's entire production of oil country goods will be shipped on DO orders only. The National Production Authority will probably issue purchase instructions for the same item in separate:
tubes, this state trade

The road serves the Norfolk Northern area, and its trackage encloses the Fort Briggs military establishment on three of its four sides. These questions are of the reamendment efforts will continue for the next year or two, at least. But civilian business, which is more or less permanent, is not being lost. The expense of the military, which may be transitory,
in 1950, no less than 16 new enterprises representing var-
ied types of traffic moves were posted on the road's lines. Thus, the trend of car loadings and revenues should continue upward.

Last year about 50 miles of un-
ground trackage was abandoned. While this year-end write-
off substantially reduced net trackage-151,000-also it affected the tre-

mersary tax saving. Also, the five-year period life of the equipment, which cumbered, has been due to "being able to realize 40% of land value better, though charge-offs will be reported compared with their value at the time of conversion. This is an indication that, as a mater-

le, the roads' overall short-run efficiency would not be likely for any large Federal investment. The road was extended from the state capital, May 15, 1852 at the earliest.

Probably the main reason the stockholders were not satisfied with the report was the absence of a list of any fundamental changes that have been taken place in the outlook for the Norfolk Southern. The $3 dividend paid makes the ninth consecutive year that dividends have been paid, both 1949 and 1950, affords a re-
turn of 9%—a liberal dividend, when one is thinking of the general con-
term outlook for the rail industry generally is extremely favorable.

A dynamic railroadman took an earnest interest in midseason rail operations. But when it was a weakling, and made a healthy, robust prize-winner out of the underdeveloped section, the railroad's business manager, Patrick B. McGinnis and the Norfolk Southern Railway Co. in the last four years.

Edward G. Webb With Scott, Horner, Mason LYNCHBURG, Va.—Scott, Horner & Mason, Inc., Kriese & Webster, recently received a large assignment in the field of municipal bond procurement for the city of Lynchburg, Pierce, Fenner & Boane.

Edward G. Webb

55 as against 53, and the North East Central 29 at 52 against 53. No

change from last week appeared in three regions, while casualties in the New England and West South Central States were down considerably. Thus, the Northern Plains region, which had been doing well, gave the worst trend prevailed in most areas, although increases occurred in the Pacific, and the New England Central, and in the Middle Atlantic States.

Food Price Index Scores First Rise in 7 Weeks

Reversing a six-week downtrend, the wholesale food price index, compiled by Dun & Bradstreet, Inc, scored a rise of 3 cents last week, compared with 5.3 cents a year ago, and a gain of 20.1% above the previous year.

The index represents the sum total of the price per pound of 31 foods in general use and its chief function is to show the gen-

eral food supply position.

Wholesale Price Commodity Index Presents a Steady

Tone in Latest Week

Moving in a very narrow range throughout the week, the daily price index of 700 major commodities reported by Dun & Brad-
street, Inc., closed at 322.63 on April 24. This was up 14.8 points from 322.60 a week earlier, and compared with 255.12 on the corre-

sponding date a year ago.

Grain futures prices on the Chicago Board of Trade closed at new lows after moving irregularly through the week and closing

outrageous losses for March 1950, 1949 and 1950, although the previous week was still lower than the similar period a year ago. The trend was caused by a general discounting of the world's wheat prospects for the winter wheat crop continued uncertain. There was a surge in prices during the week, but the present harvest weather gave a slight rise in prices. While the crop fell in size, the cash grain continued slow. The country movement of corn and wheat both showed a marked increase in both cases. The corn movement, however, was not as

continued steadily in the absence of new

price developments. Domestic bunking of bakery flours con-

tinued on a hand to mouth basis; export business remained very quiet.

Raw sugar developed a stronger undertone as the result of a broad price rise for the product in the London market. Demand for the refined product also showed improved activity.

Lard worked lower in quiet trading. Following early declines to the 1949 levels, the 1950 prices turned upward to moderate advances for the week on fairly active demand and relatively small receipts. Wholesale pork prices were generally lower than the previous week. Cotton prices remained relatively steady, and woolen yarns continued to show a firm trend.

The cotton market in general was firm throughout the week and finished on a positive note. During the week, cotton prices finished with moderate gains following irregular fluctuations. Strengthening factors included the tight supply situation, the heavy sale of 40,000 bales from the sales fund, and the reports that export quotas may be raised in the closing weeks of the crop. Domestic mill demand was slowing and sales for export continued in small volume, Trading in the ten spot markets slackened; sales were reported at 59,000 bales for the week, compared with 74,200 the preceding week, and 116,-

200 the comparable week a year ago. Domestic cotton mill consump-
tion of cotton during the week, on the basis of the Census, averaged 45,600 bales per day. This was in line with trade expectations and, according to reports, the crop was just about the size of last year, and shipments of 42,500 in January, March, and the year a year ago. Cotton mill consumption of 36,800 bales during the week. According to the reports, there were no signs of slackening during the past few weeks and prices for certain standard constructions showed up of an advantage over the similar period a year ago.

Trade Dollar Volume in the period ended Wednesday of last week was estimated to be unchanged from 4% above that of the comparable 1950 period. Regional estimates varied from a year ago by these percentages:

New England and Northwest — 1 to +3; East +1 to +5; Southwestern -1 to +3; and Pacific Coast + to +4.

Total order volume for the year remained at about the same level as in the previous year. A slight drop was registered in the week ended Wednesday of last week, which was the highest level by a sizable margin. Reduction of retailers' inventories in many parts of the country was due to the high current prices and to the slow movement of merchandise. The number of buyers attending major wholesale centers throughout the nation was moderately exceeded by approximately 20% in the comparable week of 1950.

Department store sales on a country-wide basis, as taken from the trade index, showed an increase of 1% for the period ended April 21, 1951, increased 1% from the like period of last year. For the week ended last Saturday, a decrease in the spending volume in the corresponding week of last year, states Dun & Bradstreet in its latest review of trade.

Retail trade in New York last week aided by good weather and promotional sales lifted sales volume about 5% above the level of the previous week. According to the Federal Reserve Board's index, retail store sales in the New York City for the week of period ended April 21, 1951, showed no change from the like period of last year. For the week ended April 21, 1951, a decrease of 3% was recorded from that of a year ago, and a decrease of 3% for the period ended March 24, 1951, for the year to date department store sales registered an advance of 13%.

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

### AMERICAN IRON AND STEEL INSTITUTE:

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### CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS

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### GOAL OUTPUT (E. S. BUREAU OF MINE):

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### DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1926-38 AVERAGE

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### FARMERS (COMMERCIAL AND INDUSTRIAL) — DUN & BRAD.

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### IRON AGE COMPOSITE PRICES:

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

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### MOODY'S BOND PRICES DAILY AVERAGES:

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### MOODY'S BOND YIELD DAILY AVERAGES:

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### MOODY'S COMMODITY INDEX

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### NATIONAL PAPERBOARD ASSOCIATION:

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### OIL, PAINT AND DRUG REPORTER PRICE INDEX—1916-36 AVERAGE

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### STOCK TRANSACTIONS FOR THE LOD-OUT ACCOUNT OF GOOD-LOD AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE—SECURITIES EXCHANGE COMMISSION

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### WHOLESALE PRICES NEW SERIES — U. S. DEPT. OF LABOR—INDICES OF CURRENT BUSINESS ACTIVITY

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### BANK DEBS—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

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### BUSINESS INVESTMENTS, DEPT. OF COMMERCE—DOMESTIC INVESTMENT IN NON-MINES (millions of dollars)

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### CASH RESERVES—PUBLICLY REPORTED BY BANKS

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### CONSUMER CREDIT OUTSTANDING—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—Estimated short-term credit outstanding (millions of dollars)

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### HOUSEHOLD WAGES AND HOUSING STANDARD—AMERICAN HOME & LAUNDRY MACHINERY ASSOCIATION

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### INTERSTATE COMMERCE COMMISSION

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### MANUFACTURERS' INVENTORY SALES INDEX (DEPT. OF COMMERCE, NEW YORK): MARCH

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### MONEY IN CIRCULATION—THE TRUSTEES

### MOTOR VEHICLE FACTORIES SALES AND PRODUCTS—ASSOCIATION—MARCH

### PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE—Month of March)

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### REAL ESTATE FINANCING IN NONFARM AND COMMERCIAL AND INDUSTRIAL STRUCTURES

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### SHADOW PRICE OF COMMODITIES (DEPARTMENT OF COMMERCE)

### SODIUM BICARBONATE (SODA LAKE)

### STATE AND LOCAL GOVERNMENT EXCHANGE—SECURITY EXCHANGE COMMISSION

### UNITED STATES DEPARTMENT OF COMMERCE—MONTHLY AVERAGE

### WEEKLY AVERAGE

### WEEKLY AVERAGE

### WEEKLY AVERAGE

### WEEKLY AVERAGE
Productivity—The Key To National Security

Productivity, in the strictest economic sense, is the ability to produce goods or services with a minimum amount of inputs. It is a measure of how efficiently resources are used to achieve a desired output. In the context of national security, productivity is crucial because it affects the country's ability to produce military equipment, maintain a strong defense, and sustain economic growth, which in turn supports national security objectives.

Productivity can be improved through various means, such as technological advancements, better management practices, and increased investment in education and research. In the military sector, the focus is often on maximizing the efficiency of resources, from the design and production of weapons to the logistics of supply chains. Similarly, in the civilian sector, productivity improvements can lead to increased economic growth, which is essential for sustaining national security capabilities.

Innovation plays a critical role in enhancing productivity. By investing in research and development, countries can develop new technologies that enable more efficient production processes. This not only boosts economic output but also strengthens national security by ensuring a robust and responsive industrial base.

Moreover, workforce training and education are crucial for improving productivity. A skilled workforce can operate machinery more efficiently, adapt to new technologies, and contribute to innovation. This requires a commitment to education and training programs, both at the individual and organizational levels.

In conclusion, productivity is a key component of national security. By focusing on improving productivity through technological advancements, better management, and investment in education, countries can enhance their capabilities to protect and defend their interests.

French & Crawford Adds

(Special To The Financial Chronicle)

BOSTON, Aug. 16—Randall D. McNab and Carl W. Poss, Jr., have become affiliated with French & Crawford Inc., 22 Marietta Street Building.

Joints Cruttenden Staff

(Special To The Financial Chronicle)

NEW YORK, Aug. 16—Cruttenden & Co., 288 Broadway, has become affiliated with Cruttenden & Co., 288 Broadway, previously with Oli & Co., for several years.

With Walter Connolly

(Special To The Financial Chronicle)


Halsey, Stuart Offers

(Special To The Financial Chronicle)

May 2 offered $8,000,000 Peabody Coal Debentures, due April 1, 1966, at 98.75% and accrued interest, to yield close to 5%. Proceeds from the sale of the debentures are to be applied by the company to the purchase of an estimated $7,500,000 of required equipment to complete a new mine.

The debentures will have the benefit of the company's new terminate the retirement of $10,000,000 2% Peabody Coal Debentures, issued from 1905 to 1962, inclusive, and due August 20, 1966, leaving only $800,000 outstanding at maturity. They may be bought at $1,002.125 to $1,019.1, at prices ranging from 102.75% to 103.675% of the amount they represent. The debentures may be redeemed, beginning January 1, 1986, at par, plus interest, and subject to certain conditions.

Peabody Coal Co. and its subsidiaries own coal lands having an estimated 991 million recoverable tons of coal, and in addition have 80,000,000 long tons of coal that have been estimated at over 1 million recoverable tons. These properties are located in the Appalachian coal basin, which the company's largest customers use. The company has a group of companies and certain associates in the Appalachian coal basin, including two coal companies in the capital metropolitan area. A new agreement with Commonwealth Edison Co. extends through 1982 and provides, among other things, that the company's 1986 cost not be less than 50% and is entitled to purchase up to 6% of its coal requirements from Peabody. These contracts are on a cost-plus basis, with per ton charges for price increases, depletion on active mines, amortization on purchased depletable properties, and a return on the company's net property investment. The Peabody company computed at 5% per annum, plus a profit of 15 cents per ton of coal delivered, for each of the next 20 years, for a substantial amount of coal to be purchased by Commonwealth Edison Co. and at retail through its own subsidiaries.

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Halsey, Stuart Offers

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Peabody Coal Debs.
Calby Chemical Co., Baker, Ore.
March 19 (letter of notification) 300,000 shares of com-
mom common stock. Price—At par (10% per share). Underwriter—None. Proceeds—To construct and operate a liquid and dry ice plant.
Address: 401 W. 2nd St., Portland, Ore.

Canam Copper Co. Ltd., Vancouver, B. C., Canada.
April 20 filed 30,000 shares of common stock. Price—At par (10% per share). Underwriter—Harry M. Forst. Proceeds—For exploration and development work.

Case Dredging Co. Ltd., Brooklyn, N. Y.
April 23 (letter of notification) 150,000 shares of common stock (par 10 cents), of which 50,000 shares are to be offered for subscription to shareholders. Price—At par (10% per share). Proceeds—To operate and drill well.

Carr-Consolidated Biscuit Co., San Francisco, Calif.
March 29 30,000 shares of common stock (par $1), of which 364,954 shares are to be offered for subscription by common stockholders of record May 3 at a price of $1 per share. Price—At par to employees. Proceeds—For trading and brokerage.

Central Cooperative Wholesale, Superior, Wis.
April 24 (letter of notification) 4,000 shares of 4% cumulative preferred stock (par $100), of which the preferred stock and 214,800 shares are being offered in exchange for shares of common stock of Gulf Public Service Co., a corporation (of common and 1/25th of a share of preferred for each Gulf common share held as of record date). This offer will expire on June 15. The remaining 35,497 common shares are to be sold to the public and sold by the company to holders of common stock then outstanding. Underwriter—None. Purpose—to acquire additional working capital.

Chester Telephone Co., Chester, S. C.
March 15 3,000 shares of common stock. Price—$100 per share. Underwriter—None. Proceeds—For working capital.

Chevron Petroleum, Ltd., Toronto, Canada.
March 14 (letter of notification) 100,000 shares of preferred stock (par $1), to be offered to be sold in the manner of record May 8 at 10% per share. Underwriter—None. Proceeds—To take up option and develop properties. Offering—Not expected before the middle of June.

Cleveland Trencher Co., Euclid, Ohio.
April 10 1,500,000 shares of common stock (par 50 cents), of which 99,160 shares are to be offered by certain stockholders and 10,500 by company (7,000 of latter to be underwritten by certain stockholders). Underwriter—Hayden, Miller & Co., Cleveland. Proceeds—For working capital.

Commercial Shearing & Stamping Co.
April 19 (letter of notification) 1,000 shares of common stock (par $100), of which 882 shares are to be offered to stockholders and 10 per share. Underwriter—Beal & Young, Inc., New York. Proceeds—To build an addition to the plant.

April 11 (letter of notification) 400 shares of common stock, of which 100 shares are to be sold by Herbert Brooks, President, for his equity in the Condor Radio business now incorporated into the company. Price—$35 per share. Proceeds—To expand facilities.

Consolidated Gas Co. New York.
March 9 filed 50,000 shares of cumulative preferred stock, series of 10%, of which 30,000 shares are to be offered for subscription. Underwriter—Rastman, Dillon & Co., New York. Proceeds—To prepay short-term bank loans and for working capital.

Consolidated Natural Gas Co. (5/14)
April 4 filed 15,352,919 shares of stock. Proceeds—Willing to sell at a price of $1.50 per share (par $1). Proceeds—For working capital.

April 24 filed 200,000 shares of common stock, of which 3,400 shares, or approximately 15% of the 391,000 outstanding shares (basis on 11 shares of Consolidated stock) were offered for 10 shares of Bates stock. Exchange offer to expire June 29. Statement effective March 2.

March 5 (letter of notification) 150,000 shares of common stock (par $1). Price—$1 per share. Underwriter—Shays, Higginson & Co., Chicago, Ill. Proceeds—To retire indebtedness and for working capital.

Cosmopolitan Hotel Co. of Dallas, Tex.

Cutter & Co., Chicago, Ill.
April 16 (letter of notification) 1,250 shares of common stock (par 10% per share). Price—$500 per share. Underwriter—None. Proceeds—For working capital.

Cuban-Venezuelan Oil Co., Inc.
March 10 filed 400,000 shares of common stock (par $1). Proceeds—To sell 398,000 shares representing 100% of partnership representing 100% of voting stock held by Fish & Furr, Inc.; proceeds to be used for the purpose of constructing, operating and expanding certain pipelines, drilling and transporting crude oil from Cuba and Venezuela to the United States. Underwriter—None. Proceeds—For working capital.

Cubby Packing Co.
March 23 filed $15,000,000 sinking fund debentures due 1965. Proceeds—To purchase debentures of Statler Dallas Co., Inc., which company will construct Dallas hotel. Underwriter—Halsey, Stuart & Co., Inc. Proceeds—To reduce bank loans by $5,000,000, and the balance added to capital stockholders will be made available to them.

Culver Corp., Chicago, Ill. (5/15)
Oct. 23 filed 132,162 shares of common stock (par $5), of which 103,094 shares are to be offered by certain stockholders and 127,364 shares are to be sold to public. Price—To stockholders at $20 per share. Price—To public at $17 1/2 per share. Underwriter—Boettcher & Co. These shares are to be used for the purpose of the company. Dealers may be underwriters. Underwriter—None. Proceeds—For investment and expansion. This offer is effective April 11. Offering—Expected about May 15.

Duggan's Distillers Products Corp.
Oct. 23 filed 60,000 shares of common stock (par $1). Proceeds—$75 per share. Underwriter—Ods & Co., Jersey City, N. J. Proceeds—To pay balance of purchase price for building ($20,000) and for working capital.

Edmonton (City) of, Province of Alberta, Canada (5/16)
April 27 filed $10,469,000 of debentures, of which $1,000,000 is due on May 1, 1957, $1,500,000 on May 1, 1971; $979,000 on May 1, 1957; and $5,450,000 on May 1, 1975, and $1,450,000 on May 1, 1981. Proceeds—For general purposes. Underwriter—The First Boston Corp.; The Dominion Securities Corp.; Smith, Barney & Co.; Harriman Rykoff & Co.; Young, Duff & Co.; Inc.; A. James & Co., Inc.; and McLeod, Young, Weil Inc. Proceeds—For purchase of a new transit service and for new construction.

Edmonton District No. 7 (The Board of County), Province of Alberta, Canada (7/15)
April 27 filed $4,420,000 of debentures, of which $1,000,000 will mature on May 1, 1957 and $1,740,000 on May 1, 1971. Proceeds—For general purposes. Underwriter—The First Boston Corp.; The Dominion Securities Corp.; Smith, Barney & Co.; Harriman Rykoff & Co.; Young, Duff & Co.; Inc.; A. James & Co., Inc.; and McLeod, Young, Weil Inc. Proceeds—For new school buildings.

Ekco Products Co., Chicago, Ill.
May 3 filed 24,000 shares of common stock (par $2.50), of which 19,000 shares are to be offered by Fish & Furr, Inc., and Merrill Lynch, Pierce, Fenner & Beane, New York. Proceeds—To sell certain equipment.

Elgin Sweeper Co., Elgin, Ill.
April 18 (letter of notification) 38,864 shares of common stock (par $1). Proceeds—To sell certain equipment. Underwriter—None. Proceeds—For working capital. Office—5 Oak St., Elgin, Ill.

Fairchild Camera & Instrument Corp.
April 13 filed 69,466 shares of common stock (par $1) to be offered for public sale on the New York Stock Exchange at a price of one share for each five shares held with an oversubscription privilege of one share for each 10 shares held, rights expire May 10. Underwriter—Gore, Forgan & Co., New York. Proceeds—For expansion program.

Farmers' Union Co., Inc., Philadelphia.
March 30 filed $23,206 shares of common stock (par $2.50), of which 19,000 shares are to be offered for subscription at rate of one share for each 10 shares held; rights expire May 10. Price—$42 per share. Underwriter—Ods & Co., Jersey City, N. J., and Young, Weil & Co., Inc. Proceeds—For expansion program.
Volume 137 Number 5068 ... The Commercial and Financial Chronicle

NEW ISSUE CALENDAR

May 4, 1951

General Electric Co., Inc. March 24 filed 18,500 shares of common stock (par $5). Proceeds—For working capital and general corporate purposes. Officers—The company.

Gyrodyne Co. of America, Inc. May 5, 1951

Ludlow Corp. March 15 filed 19,750 shares of preferred stock (par $100). Proceeds—For working capital and general corporate purposes. Officers—For partial financing of anticipated military contracts and for development of new manufacturing facilities. Officers—For partial financing of anticipated military contracts and for development of new manufacturing facilities.


Kerr-McGee Oil Industries, Inc. April 25 (letter of notification) 3,000 shares of common stock (par $1) to be sold to Lehrman Brothers, New York, for $25 per share. Officers—To acquire additional capital for general corporate purposes. Officers—For partial financing of anticipated expenditures. Officers—For partial financing of anticipated expenditures.

Knight Lion Airlines Inc., a Massachusetts corporation, March 13 (letter of notification) 7,000 shares of common stock (par $1). Proceeds—To reduce bank loan and for construction program. Officers—For partial financing of anticipated expenditures. Officers—For partial financing of anticipated expenditures.

Lake Charlotte Resort Corp., a New Jersey corporation, May 13 (letter of notification) 2,000 shares of common stock (par $1). Proceeds—To acquire additional capital for general corporate purposes. Officers—For partial financing of anticipated expenditures. Officers—For partial financing of anticipated expenditures.

Ludman Public Service Co., Los Angeles, Calif. April 1 filed 3,000,000 shares of common stock (par $1). Proceeds—To reduce bank loan and for construction program. Officers—For partial financing of anticipated expenditures. Officers—For partial financing of anticipated expenditures.

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April 26 (letter of notification) 2,500,000 shares of common stock (no par) to be offered as first stockholders (par $1) to be offered to common stockholders of record May 20 on a pro-rata basis of one share for each ten shares held. Proceeds—For working capital. Underwriter—Stone & Webster Securities Corp. and Norwed, Weld & Co., New York. Proceeds—To repay bank loans and for expansion of pipeline.

United Mining & Leasing Co., Inc., April 23 (letter of notification) 900,000 shares of common stock. Price—At par (10 cents per share). Underwriter—None. Proceeds—For mining equipment, and to further development of the company’s property. Office—Central City, Colo.


Warren (Ohio) Telephone Co., March 23 (letter of notification) 5,000 shares of $5 dividend cumulative preferred stock, $100 par value, to be offered to the public at its par value of $100 per share. Proceeds—For general corporate purposes. Underwriter—None. Proceeds—To reimburse the company’s indebtedness.

Waverly Oil Works Co., April 26 (letter of notification) 20,000 shares of capital stock, par $100, to be offered to the public at its par value of $100 per share. Underwriter—None. Proceeds—To the public in accordance with the rules of the New York Stock Exchange. Underwriter—None. Proceeds—To reimburse the company’s indebtedness.

Wheeler Steel Corp., March 14, 1965 (convertible for a 10-year period), to be offered to common stockholders of record April 26 on a pro-rata basis of one share for each ten shares held; rights expire May 10. Price—To be supplied to the public in accordance with the rules of the New York Stock Exchange. Underwriter—None. Proceeds—For improvement program. Statement effective April 26.

Prospective Offerings


Alaska Telegraph Co., April 14 (letter of notification) 100,000 shares of 6% cumulative convertible preferred stock, par $100, to be offered to the public at its par value of $100 per share. Underwriter—None. Proceeds—For working capital. Underwriter—Seligman. Proceeds—For additional working capital. Underwriter—None. Proceeds—For working capital.


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Wilkes Barre, Pa.—Continued

March 29 it was stated company expected to sell $8,000,000 of stock in the first year of operations. Dent.—To be determined by competitive bidding. Probable bids: Halsey, Stuart & Co.; (jointly), Lehnman Brothers; The Federal Reserve Bank of New York; Merrill Lynch, Pierce, Fenner & Beane (jointly); Salomon Bros. & Co.; and W. C. Langley & Co. Proceeds of the expansion program. Offers—Expiring in June or July.

Gas Service Corp.

March 29 it was announced company plans to sell $1,500,000 of new bonds late in June or early in July. Underwriters To be determined by competitive bidding. Probable bids: Halsey, Stuart & Co.; (jointly), Lehnman Brothers; The Federal Reserve Bank of New York; Merrill Lynch, Pierce, Fenner & Beane (jointly); Salomon Bros. & Co.; and W. C. Langley & Co. Proceeds of the expansion program. Offers—Expiring in June or July.

Glass Fibres, Inc.

April 23 it was announced complete company may do some common stock financing later this year. Traditional underwriters are: Blyth & Co., Inc.; and Fahnstock & Co., Chicago, Ill.

Glennie Distilling Corp.

April 23 it was announced company expects shortly to sell $10,000,000 of common stock. Proceeds $100 per preferred stock, (with warrants attached), and to withdraw statement covering 195,142 shares of class B common stock at $10 per share. Underwriters are: Blyth, Smith, & Co. and Green, New York, New York. Proceeds—For working capital and general purposes of the company.


Feb. 23 amendment to plan for reorganization was filed. Underwriters are: Blyth, Smith, & Co., New York, New York; 104,694 shares of new common stock (par $10) through the underwriters, subject to the right of the company and stockholders to subscribe for the new stock.

Gulf Corp.

April 24 directors stated that plans for expansion to meet military and civilian needs will be of major proportions in 1954 and will rest in the neighborhood of $200,000,000.

Henderson Power Co.

Feb. 6 it was stated that this company may sell securities for "new money" this year. In event of preferred stock to be sold, this will be of the par value of $150,000,000. proceedings covering 30,000 shares, $100 par preferred stock, (with warrants attached), and to withdraw statement covering 195,142 shares of class B common stock at $10 per share. Underwriters are: Blyth, Smith, & Co. and Green, New York, New York. Proceeds—For working capital and general purposes of the company.

Iowa Public Service Co.

March 18 announcement revealed it is anticipated it will be necessary to provide about $8,000,000 new mortgage construction program.

I-T-E Circuit Breaker Co.

March 30 it was announced stockholders on May 5 will vote on proposals allowing the company to $3,500,000 from $1,500,000, and the authorization of preferred stock from 10,000 shares to 30,000 shares, per $100.

Kansas City Power & Light Co.

April 8 it was announced company expects to raise $15,000,000 new money through the sale of $5,000,000,000 of 4% mortgage bonds at par, and $10,000,000 of common stock. Proceeds for financing new construction. Underwriters are: Blyth, Smith, & Co.; The First Boston Corp.; White, Wells & Co.; (jointly); Mercury, Pierce, Fenner & Beane (jointly); Salomon Bros. & Co.; and Kidder, Peabody & Co. Proceeds from common stock will be used to retire some existing bonds and common stock. Proceeds from the sale of common stock will be used to retire some existing bonds.

Continued on page 42
Kansas-Nebraska Natural Gas Co., Inc.

Federal Reserve Bank of St. Louis

April 5, it was announced that the company plans to raise $42,000,000 through the sale of mortgage bonds to be used for new construction. The proceeds will be used for the

New England Power Co.

New England Power Co. Jan. 24 it was estimated that $32,000,000 of new financing was required to be approved for the new construction program. The proceeds will be used for the

New Jersey Power & Light Co.

New Jersey Power & Light Co. Feb. 16 it was announced that the company plans to raise $25,000,000 through the sale of mortgage bonds to be used for new construction. The proceeds will be used for the

Lake Shore Pipe Line Co., Cleveland, Ohio

Lake Shore Pipe Line Co. Feb. 15 it was announced that the company plans to raise $15,000,000 through the sale of mortgage bonds to be used for new construction. The proceeds will be used for the

Michigan Consolidated Gas Co.

Michigan Consolidated Gas Co. April 25 it was reported that the company may issue some additional bonds later this year for the purpose of refinancing first mortgage bonds. Underwriters—

Pennsylvanian Gas Light Co.

Pennsylvanian Gas Light Co. April 16 it was announced that the company plans to raise $2,000,000 through the sale of mortgage bonds to be used for new construction. The proceeds will be used for the

Mississippi Power & Light Co.

Mississippi Power & Light Co. April 19 it was announced that the company contemplated the issuance and sale of $4,000,000 of new preferred stock to be used for new construction. The proceeds will be used for the

Montana-Dakota Utilities Co.

Montana-Dakota Utilities Co. April 19 it was announced that the proposed acquisition of the gas utility properties is approved by the FCC and consummated, the company plans to issue and sell $2,000,000 of new bonds to be used for new construction. The proceeds will be used for the

Montour RR. (5/7)

Montour RR. May 7, 1951, it was announced that the company contemplated the issuance and sale of $4,000,000 of new preferred stock to be used for new construction. The proceeds will be used for the

National Utilities Co. of Michigan, Coldwater

National Utilities Co. of Michigan, Coldwater March 6 it was announced that the company has a plan to acquire the property of the Michigan utilities Co. for $500,000,000, to be financed by issuance and sale of first mortgage bonds. In addition to this plan, the company is also contemplating the issuance of new securities called "Securities Now in Registration" in a preceding column.

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least half the steady setback that had been in progress.

The undertaking was an immediate success and proved the way for favorable reception for run of smaller offerings which followed in its wake.

Indicating that the Duke bonds were substantially placed on the original offering, this issue has since been offered by persistent bidding to levels which have brought the current yield down to a 2.83% basis, some 12 basis points under the offering level.

Private Placements

Direct placements with institutional investors have been cutting heavily into the volume of business generated by regular new issue channels. And setting up of banking credit lines for financing defense operations of some larger concerns is having its effect.

This week witnessed a very substantial volume of such operations, with the largest direct placement being that of General American Transportation Corporation for a total of $28,000,000.

What is equally as interesting from a market point of view, virtually nothing in immediate sight for the regular route, is the extent of reports indicate bankers are actively working on a further sizable budget of private deals.

William Tegtmeyer Forms Own Firm

CHICAGO, Ill. — George R. Tegtmeyer has withdrawn from the investment firm of Turley & Tegtmeyer to devote his time to other interests and, effective April 30, the firm of Turley & Tegtmeyer was dissolved. The H. Tegtmeyer has formed Wm. H. Tegtmeyer & Company to carry on the investment business. The new firm will have charge of all the accounts of the firm and will occupy the same offices at 120 South LaSalle Street.

Joseph K. Hart, formerly associated with beaten, Whipple & Co., will join the new firm.

DIVIDEND NOTICES

AMERICAN CAN GAS AND MANUFACTURING CORP.

Common Stock Dividend

A regular quarterly dividend of 4%% (60 4/100 of a cent) per share on the Common capital stock of the Company was declared payable Aug. 30, 1951, to the holders of record at the close of business May 14, 1951.

May 21, 1951

H. T. McKeen, Treasurer.

THE BUCKEYE PIPE LINE COMPANY

New York, April 27, 1951.

The Board of Directors of The Buckeye Pipe Line Company, has this day declared a dividend of Twenty One Hundred Sixty-Four and 4⁄100 Cents per share on the Capital Stock, payable June 15, 1951, to the holders of record at the close of business May 11, 1951.

C. O. HALL, Secretary.

American Standard Radiator & Sanitary New York Corporation

PREPARED DIVIDEND EFFECT

COMMON DIVIDEND

A quarterly dividend of $1.75 per share on the Preferred Stock has been declared, payable June 15, 1951, to stockholders of record at the close of business May 15, 1951.

A dividend of 25 cents per share on the Common Stock has been declared, payable June 15, 1951, to stockholders of record at the close of business May 15, 1951.

JOHN E. KING

Executive Vice-President

American Radiator & Sanitary New York Corporation

EATON MANUFACTURING COMPANY

Cleveland, Ohio

DIVIDEND NOTICES

The Board of Directors of Eaton Manufacturing Company have declared a dividend of Fifteen Cents (15¢) per share on the Common Stock payable June 15, 1951 to stockholders of record May 25, 1951.

WILLIAM A. MILLER
Secretary-Treasurer

L. W. Reliance

34 DANTON STREET

RUTLAND, VERM.

A quarterly dividend of 50¢ per share on the Common Stock, payable June 15, 1951, has been declared payable June 15, 1951, to stockholders of record at the close of business May 30, 1951.

KENNETH H. HANNAN
Secretary

The FLINTKOTE COMPANY

EASTON, PA.

A quarterly dividend of $1.00 per share has been declared on the $4.40 Cumulative Preferred Stock, payable June 15, 1951 to stockholders of record at the close of business June 1, 1951.

PEPPERELL MANUFACTURING COMPANY

Boston, April 26, 1951.

A quarterly dividend of 20 cents per share has been declared on the Common Stock payable June 15, 1951, to stockholders of record at the close of business June 1, 1951.

CLIFTON W. GREGG
President and Treasurer


(Special to The Financial Chronicle)

NEW ORLEANS, La.—Macrino R. Trelles has become associated with Randolph Newman & Co., Marine Building. Mr. Trelles was formerly manager of the retail sales department of T. J. Feilbom & Co. and prior thereto was with Woolfolk, Huggins & Shoeb.

With Waddell & Reed

(Detroit, Mich.—Oliver L. Hoppeler is with Waddell & Reed, Inc.)
WASHINGTON... Behind-the-Scenes Interjections from the Nation's Capital

And You

WASHINGTON, D.C. — This town has looked over two of the most recent outpourings of the Federal Reserve Bank of St. Louis. The nation's officials in manufacturing, pricing order and economic policies, or standards for the market, all are ruts and are a duty to it, and its plan may not make it in the neck.

Mr. DiSallo's contribution is a third order of 800 words of official line. It says that producers can add certain costs to their prices, and thus to their overhead charge, and carry other costs they must "burn." The later includes front office administrative overhead increases, new provisions for personnel and sales expense, and overtime pay.

Mr. DiSallo's contribution probably will do to their ceilings in some manner analogous to the toll on the donkey which is to be much cut and the rules will be changed again.

And when it comes to price control, the task is really going to be a big and whose products are widely used, this can be an industry in an attack upon whose prices will be digested—how much of this is in a go to the 800 words that can do which is sensible, and then talking about the words to quote in justification.

What Mr. DiSallo will do will be to show that it is not a news story and there for public chauvinism. This will be an industry which will be physically big and whose products are widely used, this can be an industry in a market attack upon whose prices will be digested—but how much of this is in a go to the 800 words that can do which is sensible, and then talking about the words to quote in justification.

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