As We See It

The silly season appears to have fallen with full force upon Washington discussions of budgetary matters. Representatives of the Administration which has outdone itself in underestimating revenues and overestimating expenditures, particularly defense outlays, during the fiscal year just ended now confounded with a good deal of rather vague talk about outlays in the fiscal year beginning a year from this date of some $80 or $90 billion, which is far in excess of previous forecasts and considerably larger than is now generally expected. On this basis it was easy for the Administration to argue for heavy increases in taxes.

This testimony before Congressional representa-tives appears to be a piece of most of the "line" of the powers that be for some months past. It has become evident that they had in many respects been crying wolf over fiscal and other matters, in connection with rearmament and the rest. It has been clear for a good while past that the President felt under the necessity of preaching disaster in the event his own program was not enacted by Congress and the rank and file of the people failed to proceed as he desired. The difficulties of the Administration have, of course, been greatly magnified by the unexpected piling up of inventories and the price weakness which has been so much in the head-lining. Military successes in Korea in this sense likewise added to its burdens. Now the possibility of some sort of settlement of the trouble in that continent would constitute a further diffi-culty for the President in carrying forward plans which, right or wrong, owe their existence to the outbreak there a year ago.

Continued on page 29

SECURITIES NOW IN REGISTRATION—Underwriters and dealers in corporate securities are afforded a complete picture of issues now registered with the SEC and potential under-takings in our "Securities in Registration" section, starting on page 31.

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WINFRED H. OPPENHEIMER
Partner, Oppenheimer, Vanden Broek & Co., Members of New York Stock Exchange

Japanese Dollar Bonds

Recent events again focus attention on the Far East. A spokes-
man for the State Department, speaking from Tokyo, has ex-
pressed the belief that a peace

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pressed the belief that a peace
Abolish Corporate Taxes

BY BEARDSLEY RUML*

Formerly Chairman of Federal Reserve Bank of N. Y.

Author of pay-as-you-go tax plan calls taxation of corporate profits an evil, and urges their abolition. Says corporations, as such, are not taxes, since each such levy is borne by share-holders, customers, or employees. Points out as bad consequences of corporation taxes: (1) burden upon production, purchase of power and investment; (2) distortion of manage- mental judgment; and (3) double taxation on excess profits, calls it subsidy to certain business concerns.

Recent tax history might cause practical men to abandon the search for the golden equity in the formulation of tax programs. But if we are not practical men, and perhaps recent history is not the symptom of the future disease which by its nature will e•

Meaning for its own cure. Clearly we shall be wasting time if we deal with short-term policies and short-term solutions. Short-term considerations are those that are organized and who have special talents in dealing with situations that have for them immediate financial interests. Looking ahead, however, we know that a particular tax on corporate profits, the excess profits tax, must either be re-enacted, or be allowed to lapse. It is possible that this tax, which has been in force since July 1, 1953, may be extended, and that it may be repealed later, that is, by a tax. If the revenue from now will consist in those that are necessary to the government.

The necessity for a government to tax in order to maintain both its independence and its sovereignty holds true for state and local government but it is no longer true for national government.


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THE ECONOMIC & FINANCIAL WEEKLY

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Thursday, July 5, 1951

Every Tuesday and Friday, and additional Tuesday and Saturday at the expiration of every circulation contract, for newspapers, periodicals, corporation stocks, bank clearings, United States government bonds, and other securities.

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Bought—Sold—Quoted
June Just Blossomed Out All Over—With Convertibles!

By IRA U. CONBLEIGH

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

Containing a highly topical discussion of that fashionable investment group so near and dear to the hearts of millions, and a second preference for the small investor. It is not in the realm of some financial Schiaparelli, a Dio, or a Ceil Chapman, the each won early in April, as reported in "The Financial Daily.

In this line of investment, the Convertible is the natural choice. But real knowledge and modish can you get? For if ever there was a clear, authoritative, and highly discernible fashion in finance, it's the current vogue in convertible securities.

The rage for investments with a two-week shelf life—like in the last 90 days, brought forth the largest convertible bond issues in history—$415,000,000 of American Tel. and Tel. convertible Ffs. Next, along came $100,000,000 Celene convertible 4% preferred (outlined in the Wall Street Journal, April 31). Ten thousands of investors tried these on for size and liked them. They also liked that premium, which advanced more than 30% over subscription price. (No plugging marketed.)

Just what is it that makes convertibles so attractive? Well, there are tens of answers to that question. The first is from the view-point of the issuing company. It's the low cost of the financing. The coupon dividend rate is kept low, and that's economical. And convertibles are easier for bankers to handle. The underwriting fees should be kept real reasonable. Further, most such securities have conversion privileges at a very favorable price. Several, for common stock. This simply means that when conversion does take place, the holders of the bonds, in effect, have sold common stock in the company at a very favorable price; with much lower underwriting cost than though a direct issue would have been needed on the first place. More than that, good market performance of a convertible issue builds a fine investor following for a company's securities—it creates favorable financial climate for new flotation.

On the side of the investor, the much is perhaps the defendants ability of the "convert." The guy says to himself, "Even if the market goes down, I've got a sure-to-bake bond from a secured dividend or bond interest; and if it goes up, I can get a fast sell or convert — either way I'm the big profit. Take it easy, I've got the bag while I ride the gravy train." With the market on a shorting spree, the financial climate is quite high, lots of investors are defense.

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Money Market Readjustment Has Been Completed: Nadler

In lecture to Life Officers Investment Seminar at Beloit, Wis., he foresees continued protection for government market, but looks for tight short- and long-term funds for remainder of year

"Because of the Treasury's problems the government bond market will continue to be protected. The voluntary controls and regulations have produced satisfactory results. If this situation continues, additional legislation will become unnecessary. And in any case it will be no reason to invoke the special powers granted the government in the Emergency Banking Act of 1933 or in the Trading With the Enemy Act of 1917 referred to by the President in his memorandum on public and private credit of Feb. 26, 1931. The readjustment in the money market has to a large extent been completed. Because the demand for credit will continue strong and commitments by insurance companies and banks will go on growing, those banks are still very large, however, short-term as well as long-term capital will be tight for remainder of the year."

Vincent, Blaser V.-Ps.

Of Carl McGloin Co.

CHICAGO, Ill.—Carl McGloin & Co., Inc., 105 South LaSalle Street, members of the Midwest Exchange, has completed its change to Burton J. Vincent and William L. Blaser. Mr. McGloin has been associated with them as Vice-Presidents.

Robt. Hudson Rejoins

Gross, Rogers & Co.

(Special to The Financial Commercial)

LOS ANGELES, Calif.—Robert H. Hudson has rejoined Gross, Rogers & Co., 559 South Figueroa Street as Member of Los Angeles Stock Exchange, Mr. Hud¬ son was with this house from its establish¬ ment and continued in the employ of the trading department of the Los Angeles office of Pacific Coast Securities Company.

Dates & Dyer to Admit

Dates & Dyer, 60 Trinity Place, New York, New York Curb Exchange, ad¬ mitted asgeneral brokers, in agreement to partnership on July 1.

Waddell & Reed Add

(Special to The Financial Commercial)

BEVERLY HILLS, Calif.—Joan H. Waddell has rejoined Reed and Waddell & Co., Inc., 894 Wil¬ shire Boulevard.

We are pleased to announce that

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The Commercial and Financial Chronicle ... Thursday, July 5, 1951

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CHICAGO DETROIT PITTSBURGH GENENY, SWITZERLAND
Government Bonds and Bank Investment Policy

By J. S. BUDD, JR.

Vice-President, The First National Southern Bank
Atlanta, Ga.

Georgia banker traces fiscal, financial, and banking developments of past two decades and describes effects of heavy Government bond and investment policies. "We are in a very different situation today. "

Federal Reserve Bank of St. Louis
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Volume 174 Number 1026 . . . The Commercial and Financial Chronicle

Steel Production

Electric Output

Corrugating

Retail Trade

Consumer Price Index

Food Price Index

Auto Production

Business Failures

For the first time since 1929 when it decided to defer the call of Fourth Liberty Loan Bonds, the Treasury early last month elected to postponement of the call of the $2, Bond due June 15, 1935, 50. And for the first time in over a year the Federal Reserve Board notified banks that they will now sell bond ($250 million, in fact, about $30 million, in addition to the $25 million that has already been sold), an order reduced in size and price.

JUNE S. BUD, JR.

JUNE S. BUD, JR.

Government insurance companies have within recent months introduced in the short space of the last six months. Since the situation is unusual, it is important to understand its implications.

June 1940. Accompanying the tremendous increase in the national debt, was a substantial rise in the price of goods. As the supply of goods became scarcer, the consequence was an upward pressure on prices because of the shortage of goods available to the public. People were not only buying less goods, but they were buying smaller quantities, and the pressure on prices became tremendous and only through vigorous controls was the government able to hold the line. With the supply of available goods restricted, savings of the people accumulated to amazing totals. And it was hardly surprising that the demand for goods exceeded expectations when the war ended and industry shifted back to peacetime operation. Contrary to the predictions of President Truman and others, the following end of World War II, the postwar boom got off to a flying start. The volume of goods and services which had been deferred during the war for goods and services, which of necessity, was delayed. Part of the price increase was deflated by the price level.
Benefits of Holding Company Act to Utility Industry

By HARRY A. MCDONALD
Chairman, Securities and Exchange Commission

After praising administration and accomplishments of Public Utility Holding Company Act, now in operation 16 years, SEC Chairman says Act has strengthened concept of private ownership, has promoted prosperity of utilities companies, and has improved markets for their securities. Reviews workings of the Act in the integration of utility companies, in the simplification of corporate structures, and in the elimination of capital write-ups and excessive charges. Explains policies of SEC in approving or regulating of utility holding company securities.

For the next few minutes I want to summarize for you some of the accomplishments of the Holding Company Act—what it has meant to the investor, what it has meant to customers, and what it has meant to you as officers and managers of utility companies.

Many of you, of course, have had personal experience with the statute, and I doubt that anyone present today will have read every section of the Act in operation in a multitude of situations.

The Public Utility Holding Company Act has remained unaltered in its principles and regulation of utility companies for 16 years. It is particularly worthy of note. The act was prepared with the soundest of public purposes in mind—piece of domestic legislation ever enacted. There were dire predictions by its many vocal critics of the terrible consequences which would follow its passage. None of these predictions, practically speaking, has come true.

I attribute this remarkable record to these things: first, to the wisdom of its authors—who drafted a statute on a most complex subject which is comprehensive, a) and workable; second, to the adherence to the act by the SEC—which, among other things, from its inception has never deviated from the purposes of the protecting interests of consumers and investors in many cases. Other companies, essentially healthy, were prevented from expanding normally or from passing on operational savings to consumers because of the persistence pressure for more and more income to support top structures.

Three of us who remembered those days also remember that they added up to a serious doubt whether private ownership of the electric and gas public utility services would be permitted to continue in this country. How different is the pattern today, after a decade and a half of the Holding Company Act! The concept of private ownership in my opinion was never more firmly accepted by the American people than it is today. The privately owned utility industry was never so prosperous or better able to render to the public the service it requires promptly and at reasonable rates. Its credit is sound. Its securities enjoy a good market, and have broad public acceptance.

I feel that the Public Utility Holding Company Act has been instrumental in this accomplish-

How has this been brought about? Let us briefly review the record.

Integration of Properties

First, the integration requirement of the Act—what it has been accomplished at! What has been ac-

When the act was passed, 16 holding company systems controlled three-quarters of the pri-

Four groups controlled over half of all natural gas transmission lines.

Right here in Michigan, for example, 23 separate utilities within its borders were controlled by no less than 14 holding company systems, including such names as Electric Bond and Share, Detroit Edison, Atomic Service, Commonwealth and Southern, Middle West, North Eastern Electric, Michigan Light, and United Light and Power. The result of this situation was that not only was the state was to free the nation's utilities from remote control. The Congress decreed that: "Effective holding companies could remain in existence as long as they served the economic function, which condition at any one time might be satisfied in a single area or region and which were not so large as to impair the effectiveness of local management and local regulation. All others would have to dissolve and return from the utility field.

The job accomplished under the act in eliminating unnecessary holding company control and in achieving a healthy, prosperous industry has been monumental. At the close of 1950, 769 companies—organized with capitalization of $5 billion—had been divested by holding company systems, and there are 30 still to go before the phase is complete.

Included in this total are 449 electric, 446 gas, and 87 gas and electric companies. Most of these have been released from the control of holding company control and have become wholly independent. A substantial number of these companies operate by other independent utilities, using some of the structures of integration.

Also, the total of diversions to date are 368 other enterprises, ranging from amusement parks, hotels, real estate development companies, paper mills, warehouses, laundries, brick works and even many a cabinet company who have little or no place in a utility operation in which had been swept up in the peell-mell growth of the holding companies.

In addition, 235 companies with assets of over $1 million have been divested by their original parents, and most divestitures have been made because of their relationship to other holding companies. Most of these companies have been given up as emerging as components of about a hundred strong independent holding company systems which will still have to come into compliance with Section 11. For the most part, these groups of companies represent the disintegra-

The committee in charge of this legislation has been fully occupied with the question of how best to handle these transactions. The committee has met its obligation. It has taken a very broad approach to the question and has been willing to meet the objectives of a plan, formerly con-

The holding companies originally had served a necessary function in the development of the utility industry. They brought together the financial strength of the individual isolated generating companies into large consolidated operations which were able to take advantage of the latest technological developments. Some of these, like Electric Bond, and Share, with the securities taken in return for equipment. But it was not long before the holding company acquired attractive potentialities as a device for financial mischief. These practices adversely af-

Second, the changes in ownership and control under the integration provisions of Section 11 have enabled the public to take over those properties which Justice Douglas once described as "an urban jungle." The result as SEC Commissioner. The president of the company, who are now scattered among the nation's map will tend to disintegrate that portfolio into a solid mass—a sym-

Continued from page 2

The Security I Like Best

gan has been a very favorable relationship between management and stockholders. The company is strong and it has a long history of good earnings. This company also has a satisfactory tax base for the excess-profits tax because it comes under the definition of a business of a growth company. In 1950 sales and earning were up and this has been reflected in the market. After going my research and during the time of writing this article the market price of the stock. I therefore have a word of caution seems to be of opinion. However, is that a long-term basis and I believe the long-range growth possibilities with this company, and I would say that the recent rise in the stock is suitable for the common stock investment portfolio of an individual.

200,000 Union Oil Company of California

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July 3, 1951
Dearer Money in Britain

By PAUL EINZIG

Commenting on a decision of British banks to raise their interest charges on advances, Dr. Einzig points out that "too little and too late" to have substantial effect on inflation rate. Foresees no likelihood of fall in prices due to lowering of interest rates.

LONDON, Eng.—It looks as if the dream of orthodox financial experts would soon become a reality. The British banks have decided to raise their interest charges on advances. This is what has been advocated for years by a number of British academic economists and financial editors as a remedy against inflation. Now that it is about to become their decision, many economists are wondering whether it will be done in such a way as to be effective in the proposal of their remedy is tempered, however, by two considerations. The one is that the increase in interest charges is "too late and too little." The other is whether the approach to the banks and the government in the form of measures that would tax the highest interests of the banks would make for the right thing being done for what they consider to be the wrong reason.

If the orthodox experts had their way, interest rates would have been raised years ago, but it looks as if they had reached their present stage of development. And the increase would not have been a fraction of 1%—the banks intend to raise their rates by something like 1/4 to 1/2%—but several percent. If, as seems probable, the bank will not check inflation, these experts will be in a position to claim that this is because their advice was not adopted in sufficient time and that their remedy was not applied in a sufficiently large dose.

The bankers are subject to criticism on the part of the orthodox school not only on the ground that they have delayed their decision too long and that the increase in interest rates is insufficient, but also on the ground that they have arrived at the right decision for the wrong reason. Financial editors sarcastically observe that the increase is not due to any sudden enlightenment of the bankers as to the healing qualities of the remedy of higher interest rate against the disease of inflation, but simply to their desire to maintain their profits in face of their growing overhead charges. This is undoubtedly true. The banks were forced to take the first timid step towards dearness money, not as a matter of necessity but as a matter of expediency. They were not in a position to cover their additional costs through lowering deposit rates, for these are already very low, and they have to face the competition of higher savings certifiable rates. They are reluctant to charge higher commissions to their customers, many of whom would be reluctant to pay. The only other way to increase income, and thus show losses, is to sell their bonds and stocks.

This is inevitable, for the banks will have to raise the level of their salaries in order to be able to attract a sufficient number of new clerks to replace those who retire or die. Their intake of potential clerks has always been so small that it is practically negligible. The reason for it is that the industry and commerce are in a position to pay more attractive salaries owing to the rise in the trend of prices and profits. Moreover, the offices of a large number of industrial and commercial firms have adopted the five-day week, while banks have to keep open until 1 p.m. on Saturdays. This makes it necessary for banks to pay higher salaries to attract the better candidates for their staffs in the form of higher pay and various amenities. The experience of this must have been largely responsible for the decision to raise interest charges. The result of higher interest rates is, of course, an all-round increase in the cost of production. This provides a striking example of the way in which "featherbedding" contributes to inflation.

In theory, the higher interest rates are supposed to make for lower rather than higher prices. In practice, however, in prevalence circumstances they are likely to produce exactly the opposite effect to that stated in textbooks. Owing to the rising trend of prices, most industrial and commercial firms will find it necessary to add the increased interest charges to the prices of their goods, so that the consumer will pay the higher charges in the form of higher prices. The number of instances in which the increase of 1/4% or 1/2% per annum would make for the firms to abstain from borrowing and to cut down their production or their stocks will probably represent a very small fraction of the total of advances. In a much larger proportion of instances the borrowers will cheerfully add the extra interest to their prices.

It must be remembered that wartime practice resulted in a "cost-plus-profit" mentality in business. During the war most permanent contracts did not contain any fixed prices, and the prices were fixed on delivery on the basis of the cost of production plus an agreed percentage of profit. This practice was abandoned at the end of the war. The habit of adding any extra cost to the price of the goods continues, however, to prevail to a very large degree. Moreover, most borrowers are likely to pursue this practice with impunity, because they know that their competitors are also pursuing the practice. They are not exposed to being undercut by their rivals if they add the higher interest charges to their prices.

In such circumstances, it seems doubtful whether even a much more certain effect of the increase in interest rates would make a fundamental difference to the level and trend of prices. Turnover is, rather quick three days, so that even an increase of interest charges by, say, 2% per annum would only mean an addition of between 1/2 and 1% to the prices of goods. Amidst the present rising trend, an extra 1/4% or 1/2% does not make much difference. But since it is added to the prices of raw materials to fuel, semi-products and final products, wholesale prices and retail prices, in many instances the cumulative effect of the higher interest rates, would represent an appreciable burden to the ultimate victim, the long-suffering consumer. Even so, he is likely to continue to buy as long as the trend remains inflationary. In such circumstances, higher interest rates would fail to act as a disinflationary factor, unless the government were to act to offset the loss of productivity of a further rise of prices. This is certainly not the case with the increases just decided upon by the British banks.

Dr. Paul Einzig

This announcement appears for purposes of record.

$5,000,000 Reynolds Metals Company First Mortgage 4% Bonds, due July 1, 1962

The Company has entered into agreements, negotiated by the underwriters, for the private sale to institutional investors of the above Bonds which provide for the delivery of varying principal amounts thereof from time to time on or before July 1, 1952.

Dillon, Read & Co. Inc.

Reynolds & Co.

Dillon, Read & Co. Inc.

Reynolds & Co.

continued on page 25

July 3, 1951.
"What Did They Use for Money?"

By ALEXANDER WILSON

Mr. Wilson enumerates the various commodities and other instruments that have been used as money throughout history. He notes that people use what is hard money, and points out that nations have conducted war on paper money. Stressing money is not synonymous with wealth.

Paraphrasing Bret Harte's "War of the Golden Ticket," Mr. Wilson says, "For we who are bankers, those that are vain, perhaps as much can be said for the whiff and whorlower of the Washington, New York, or London bureaus."

"The discoverer of the New-Fair-Trade currency deal was spurred by an infatuation," a man named Einzig, Mr. Wilson says, "and 'Distinguished American folks' would be in the letter to the New York Times."

There are mechanical devices, such as the "dog" and "fancy," as well as paper currency. Mr. Wilson suggests that the first was made payable at will in seigniorage or in lot.

It may surprise American banking circles to know that the American Indians had a system of exchange based on the use of turquoise and other items. For example, in 1637, turquoise was made legal tender at certain values. In 1644, New Amsterdam, the Council passed an ordnance fixing the rate on the use of turquoise. For a long period, turquoise was used as a currency. In the mid-18th century, however, it was discontinued as legal tender, but in 1778, New York passed the chief currency in 1772. The main reason why turquoise maintained its monetary role for so long was that it was freely convertible into paper money which were in constant demand in Europe. It was the death of the commodity trade which led to the decline of the monetary use of turquoise.

Financial Transactions in the West

Not many Americans of this generation know that tobacco was a medium of exchange was the most important among the commodity-currencies in Virginia and the Carolinas during the last third of the 17th century. Beaver skins were one of the earliest forms of money used in New England as well as corn. Salt was also a popular item for trade. After it ceased to be legal tender.

Financial Transactions in the South

The Southern United States was a region where the use of paper money was widespread. The use of paper money was prevalent in the South, and it was used as currency. Paper money was also used for various transactions, such as buying goods, paying wages, and settling debts. The use of paper money was regulated by law, and the nasal government was responsible for the issuance and regulation of paper money.

Era of Continued Prosperity Ahead

By COL. HERBERT G. KING

Col. King holds businessmen can take heart and face future with hope of an era of unprecedented prosperity.

After Korea, WHAT? That is a question that is now in the minds of most American businessmen today and it will be understandable because the nation's economy has been strained upon a war-time footing. Some executives are fearful that a shock will come in government policies for defense.

"The break in bond prices — Discussion in current issue of "Investors' Almanac" — Belsfield & Co., 15 State Street, Boston, Mass., and 40 Wall Street, New York 5, N. Y.

City of Philadelphia and School District of Philadelphia Bonds — annual appraisal and valuation in pamphlet form — Street, 353 Market Street, Philadelphia, 203 South Street, Philadelphia 8, Pa. Also available is a record of the dollar valuation of railroad Equipment Trust Certificates, in pamphlet form.

Graphic Stocks — January issue contains large, clear reproductions of various foreign and domestic stocks and bonds with dividends shown for the full year of 1950, showing monthly highs, lows, earnings, and other data on virtually every active stock on the New York Stock and Curb Exchanges — single copy $1.00 per year ($1.00 per year in annual subscription)

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

New York City Bank Stocks — Special Report — Laird, Bissell & Mather Co., 5 State Street, New York 5, N. Y.

New York State School Bond Districts — Brochure — Blair, Rollins & Co., 44 Wall Street, New York 5, N. Y.

Over 100 stock and bond comparisons between the various listed industrial stocks used in both the Dow-Jones Average and the 30 over-the-counter industrial stocks used were made available in pamphlet form. Both are available to you and market performance over an 11-year period - National Securities Corp., 4 Broadway, New York 4, N. Y.


Puts & Calls — Booklet — Filer, Schmidt & Co., 30 Pine Street, New York 5, N. Y.


American Gas & Electric — Memorandum — Josephson & Co., 40 Wall Street, New York 5, N. Y.

American Gos. & Elec. — Memorandum — paper $1.00, $1.00 a memorandum on Dayton Power & Light; Florida Power Corp.; Florida Power & Light; Kansas City Power & Light; Wisconsin Electric Power.

Barium Steel Corp. — Memorandum — Shaskan & Co., 40 East 42nd Street, New York 17, N. Y.

Barex Corp. — Brochure — Aleen Brothers, 120 Broadway, New York 5, N. Y.

Central Public Utilities 595 of 1955 — Revised memorandum — Flanders Building Co., 120 Broadway, New York 5, N. Y.


Dow Chemicals Corp. — Analysis — Walton, Hoffman & Goodwin, 35 Wall Street, New York 5, N. Y.

Central Public Utilities — 595 of 1955 — Revised memorandum — Flanders Building Co., 120 Broadway, New York 5, N. Y.

Cigar von — Cigar von — 120 Broadway, New York 5, N. Y.

Clayton & Littlejohn Co. — Analysis — Peter J. Ellis & Co., 61 Broadway, New York 5, N. Y.


Pan American Sulphur — Analysis — Beer & Company, Gulf States Oil, 1008 Pine St., Baltimore, Md.

Virginia title to Central Deere & Co., 503 Broadway, New York 5, N. Y.

Trotser, Singer & Co.

Trotser, Singer & Co.

Trotser, Singer & Co.

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Trotser, Singer & Co.

Trotser, Singer & Co.
Mistakes in Our Far Eastern Policy

By John C. Caldwell

Former Attache, U.S. Embassy in Seoul

Mr. Caldwell lists as mistakes in our Far Eastern policy: (1) failure to understand the aims and objects of Communism in Far East; (2) failure to develop honest intelligence; (3) failure of Voice of America to counteract Communist propaganda in foreign countries; (4) failure to take such a strong position in Far East as the President might have desired, and (5) the overthrow of the Korean Republic. He states that these mistakes have made itself felt in our policies, and he attributes his reasons for these mistakes to the fact that our business in our Far Eastern policies is running somewhat behind the business of the Chinese Communists as mere "cablegrafters." He concludes that these mistakes have resulted in the situation in which we find ourselves today, and that it is time to take a long look at the situation in which we find ourselves today, and that it is time to take a long look at the situation.

First Mistake

The first and most serious mistake in our policy in the Far East has been our failure to develop the political, economic, and social strength of the communists in the Far East. This has resulted in the communists' gaining control of the political, economic, and social life of the Far East, and they have been able to develop their policies in a way that has been to the advantage of the communists.

Second Mistake

The second mistake in our policy in the Far East has been the failure to understand the aims and objects of Communism in Asia. The communists' aims are to gain control of the political, economic, and social life of the Far East, and they have been able to develop their policies in a way that has been to the advantage of the communists.

Third Mistake

The third mistake in our policy in the Far East has been the failure to develop honest intelligence. The communists have been able to develop their policies in a way that has been to the advantage of the communists.

Fourth Mistake

The fourth mistake in our policy in the Far East has been the failure of Voice of America to counteract Communist propaganda in foreign countries. The communists have been able to develop their policies in a way that has been to the advantage of the communists.

Fifth Mistake

The fifth mistake in our policy in the Far East has been the failure to take such a strong position in Far East as the President might have desired. The communists have been able to develop their policies in a way that has been to the advantage of the communists.

Missed Opportunity

The missed opportunity in our policy in the Far East has been the failure to develop the political, economic, and social strength of the communists in the Far East. This has resulted in the communists' gaining control of the political, economic, and social life of the Far East, and they have been able to develop their policies in a way that has been to the advantage of the communists.

Conclusion

Mr. Caldwell concludes that it is time for us to take a long look at the situation in which we find ourselves today, and that it is time to develop our policies in a way that will be to the advantage of the communists.

Appendix

A list of the mistakes in our policy in the Far East is given, along with the reasons for each mistake and the consequences of each mistake.

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Pennsylvania Breviary

U.S. Steel Mill Fires

Only three months after the start of work on United Steel Co.'s Fairless Works at Mon¬

siville, Penn., foundations for many of the mill buildings were burned out, caus¬

ing completion, according to J. D. Rollins, assistant chief engineer of the works, an

Under an accelerated program of construction, building mills of the $400,000,000 project are

expected to be completed in June, with the latter part of this year and facilities for the basic production of

the works available.

Foundations for blast furnaces are being poured; wrought-iron hearth furnaces are well started and coke ovens are taking shape, said Mr. Rollins.

Construction of the mill will require about 500,000 cubic yards of concrete, sufficient to build a highway a mile wide, eighteen inches thick and 200 miles long, About 3,000 men will be employed during the summer. Care is being taken to provide against pollution of the Delaware River where the proposed ore opera¬

tions, fifty acres of the 3,000-acre area, are located. For the water-treatment plant for the elimination of trade wastes.

The mill will be equipped with the latest in plant and most modern equipment for the control of smoke, dust and gases.

Pennsylvania's Building Share

The vast military building program proposed by Secretary of Defense Marshall includes alloca¬
tions totaling $146,450,650 to be spent in Pennsylvania.

The largest single item is $71,-
692,000 for the Air Force pro¬

poses to spend on the Olmsted Base at Middletown, near Harris¬

burg.

Construction requests for Phila¬

delphia and Allegheny county aggregate $41,-

We solicit inquiries in

E. A. & B. Brooke Iron
Lehigh Electric
Allegro Valley
A.B. Farmers
Bearings Co. of America
Riverside Metal

HERBERT H. BLIZZARD & CO.
1421 CHESTNUT STREET
Locust 7-6619

Pennsylvania Water & Power Co.
Common Stock

Free of Penn. Personal Property Tax

This Company's 1950 annual report makes interesting reading for investors interested in

"SPECIAL SITUATIONS"

for income and appreciation.

BOENING & CO.


Cambridge Bldg. 3s 1953
A. M. Greenfield 5s 1954
Leeds & Lipcott Units
Talon Inc. Preferred
Praet Reo Co. Common

Pennsylvania Breviary

half sales was the result of de¬

Speer Carbon Co.

For the purpose of financing its expansion and construction of facilities, the world's largest producer of speer carbon, has authorized the sale to the public of 60,000,000 shares of common stock, approximately $10,000,000 through the firm of Chase, Halleck & Co., New York. The ipo is being handled by directors of additional common stock and the issuance of $6,000,000 in notes, payable at 5%, of the Equitable Life Assurance Society of New York, was made by a group headed by Lee Higgin¬

son Co. Offering price and un¬

In the case of the company's receiv¬

U. G. L. Improvement Co.

New Philadelphia Municipalities

At the primary election to be held July 24, voters in New Philadelphia will be asked to authorize the issuance of $31,700,000 in City bonds, proceeds from the sale of which will be used for various municipal improvements.

Biggest chunk of the proposed financing is $14,000,000 for im¬

The company's receipt and payable systems and services for the town of New Philadelphia are expected to continue.

U. G. L. Improvement Co.

Work Plant for Scranton

A plant is being constructed by a $4,000,000 fund for the manufac¬

Market business and a large scale of adjustable hammering, the beam sistsights and recording equipment, radar gear and circle millimeters guns was laid week. The plant, which will have $50,000 worth of equipment in it will be erected by Daystrom, currently a member of American Type Founders, Inc.

U. S. Lumber Co.

United States Lumber Co.'s No. 2 Well, located in the Leidy Field, Clinton County, was brought in late in May with an initial flow of natural gas of about 5,000,000 cubic feet daily. This is considerably below the volume of the No. 1 well, which flowed at an average of 5,000,000 cubic feet in April. As a result of the drilling operations, there will be a delay in the second drilling, the company's No. 3 site, drilling on which has been temporarily halted. Tentative ar¬

Pittsburgh Coke

Pittsburgh Coke & Chemical Co. has awarded a contract for the construction of a new blast fur¬

eral and West Mahanoy Railroad

Reading subsides.

Robert & Mander

PHILADELPHIA—Charles A. Devlin, Elmer M. Aikin and Charles C. James, Receivers for reading Co., have filed a petition for permission to sell the real estate of the manufacturing company's assets at public sale. A hearing on the petition will be held before Judge Thomas J. Clary of the U. S. District Court or Eastern Pennsylvania on July 11. Last indicated book value for the common stock was $2.38 per share. It is believed that the petition would approve a bid reasonably related to the above figure, if it should be submitted.

Welcome Mat Out

Philadelphia Electric Co. recently announced a new schedule of rates and time to cost $320,000,000 over the next five years. According to a recent survey to ap¬

Pennant Profits

The $5,000,000 spent by Penn¬

The world's most important increas¬

Semi-annual Appraisals

Equipment Trust Certificates

City of Philadelphia Bonds

Sfc

as of June 30, 1951

Allentown-Bethlehem Gas Co.

has received permission from the SEC to be listed with the sale of 1,500,000 first mortgage bonds. The issue, which bears an interest rate of 3.34%, will be sold at par to institutional accounts.

Effective June 29, Philco Corp.'s

of a period of about four weeks. Two

were to close the season in the summer vacation period. Cartail¬

for hospitals and up to 40% for the production of strategic defense equipment. It will include radar, microwave and other electronic materials.

From Washington

Ahead of the News

BY CARLISLE BARGERON

It is still unbelievable to me that the American people ac¬

cepted World War II, and I am still impressed with the writings during its duration. By way of writing the crime of it and those responsible for it, I have had to admit that it happened.

I am being asked now by some of my readers why we can't get rid of it at any price, that we can before they renew the chant of appeasement. They have seemingly come to the realization that they were putting themselves in the position of wanting the war to continue. There will be plenty for them to talk about once the war is ended, just why we got it, just how we accomplished it. But they have learned that the people first want it ended. Under the circum¬

anticipation that in some way it will be ended.

Is Iran next? Well, the military and the Administration who have been so worried last the end of the Korean episode would mean a big one for the lasting of military and European aid expenditures, are not averse to the public's being excited about Iran. But in spite of the propaganda for many, many months, even before Korea, Iran was a hot spot; now that it is the subject of cold analysis, not even the Administration or the mil¬

simpler words, that the American people seem to be able to accept it and work upon it without fear. In the calmness with which the American people attempt to accept Iran, a confusion of feelings of sympathy for the Iranian; no official worry of our Russia can or may do. But, of course a worry can be developed and the alarms sounded, if there is any serious move to slow down on the remobilization program or the aids to Europe.
LETTER TO THE EDITOR:

Says Gold Value Of Dollar Must Not Be Changed

Frederick G. Shall takes exception to the "Chronicle" of B. F. Pitman, Jr., and says such move would be repeating "dishonesty" in former devaluation.

To the Editor of the "Commercial and Financial Chronicle": As disturbing an article as has come to my attention in recent times, appeared in the "Commercial and Financial Chronicle" of June 28. I refer, in particular, to an article by Mr. B. F. Pitman, Jr. (page 15) under the heading of "Stop Distortion of Gold. It is dishonest to use the term 'gold standard' because it is based on the premise that gold is something that is of some intrinsic value. However, if money is to be regarded as "sound," it must conform with at least three of these basic factors—its "value" in terms of gold cannot be determined by kicking that currency around in any market, "free" or otherwise. And Mr. Pitman appears to be fully conversant with these facts, for he admits that "it is dishonest to move the official price up from $35 to 80, as it was changed to it from 20 to 33 in 1914."

Having so frankly admitted the "dishonesty" of raising the "official price" of gold as a resultant result of thereby automagically "devaluing" the dollar, and with great loss in real value to the millions of people who have invested their money, he went on to say that, in carrying a "value" of one-thirty-fifth of an ounce of gold per dollar—"one-wonder- how, in good conscience, Mr. Pitman can possibly favor repeating that "dishonesty" by again tampering with the gold value of our currency."

What we need is to get back to first principles—we need an honest approach to this important subject, much as has been advanced by the leading monetary experts of the world for generations. The greatest economist of all time, Adam Smith, had this to say in his 'Wealth of Nations': "The raising of the denomination of the coin has been the most usual expedient by which a real public bankruptcy has been disguised under the appearance of a pretended payment of one currency to another."

Later, Dr. Andrew D. White, in his "First Money Inflation in France," wrote that "the value of money has resulted from its use as a medium of exchange, and this may be further guaranteed by the inherent value of the material;..." And in this Twentieth Century, the late Prof. Edwin W. Kenmerger, of Princeton, frequently quoted an Old Proverb as saying: "We have gold because we cannot trust governments."

For our entire history as a nation, up to 1933, we had well-justified reason to "trust" the honesty of our government; but the "devaluation" of the dollar in 1933-44 had the effect of shattering that "trust." It is to be hoped that all good citizens, who naturally want to be able to place their funds in a safe place, can rest assured that this沱 our country, the "Gold Standard" is not fashionable; "Most of the liberal colleges do not teach it;" and with a few notable exceptions, our most influential life insurance executives, bondsmen, and others, "openly support (our domestically) irreconcilable flat currency or apocalyptically denominate it."

After calling to attention that gold is selling "at anappreciable premium" in "all the free markets of the world," Mr. Pitman gives evidence that he does not regard the official price of $35 as the correct price for gold. He says that "Mines are selling the scarce metal to the U. S. Government at far less than replacement cost;" that "because of our absurdly low price, we are permitting our supply (of gold) to erode at a rate that we conceivably exhaust it in six and one-half years;" and that even if it could be reallocated to produce currency at the full "book value" of gold, that "A free market, to determine the price at which permanent redemption can be maintained, seems the logical fluid value."

There are, of course, two important factors which make up the gold standard, namely "Fixity of Value," and "Redeemability." And on these two basic factors is based entirely overlooked by Mr. Pitman. Specifically, here are those two "factors:" (1) To go on the gold standard, a nation must formally fix the "value" of its monetary unit in terms of a definite "weight" of gold, which factor is known as fixity of value; and, (2) having so fixed the "value" of its currency, it must be willing to exchange gold for that currency, on demand, at that fixed-value, which is "redeemability."


Joins Dean Witter Co.
(Special To The Financial Chronicle)
SAN FRANCISCO, Calif.—Joseph A. DeBoer is with Dean Witter & Co., 45 Montgomery Street, members of the New York and naturally want to be able to place San Francisco Stock Exchanges.

IRVING TRUST COMPANY
NEW YORK

STATEMENT OF CONDITION JUNE 30, 1951

ASSETS

<table>
<thead>
<tr>
<th>Cash and Due from Banks</th>
<th>$363,174,034</th>
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<tr>
<td>U. S. Government Securities</td>
<td>300,167,215</td>
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<tr>
<td>U. S. Government Insured F.I.A. Mortgages</td>
<td>11,735,004</td>
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<tr>
<td>Other Securities</td>
<td>24,039,471</td>
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<tr>
<td>Stock in Federal Reserve Bank</td>
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<tr>
<td>Loans and Discounts</td>
<td>559,811,657</td>
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<tr>
<td>First Mortgages on Real Estate</td>
<td>967,045</td>
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<tr>
<td>Banking Houses</td>
<td>13,555,542</td>
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<tr>
<td>Customers' Liability for Acceptances Outstanding</td>
<td>9,356,624</td>
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<tr>
<td>Other Assets</td>
<td>3,327,054</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$1,291,103,703</strong></td>
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LIABILITIES

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<tr>
<th>Capital Stock</th>
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<tr>
<td>Surplus</td>
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<tr>
<td>Undivided Profits</td>
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<td>Total Capital Accounts</td>
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<tr>
<td>Deposits</td>
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<tr>
<td>Reserve for Taxes and Other Expenses</td>
<td>5,518,046</td>
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<td>Dividend Payable July 2, 1951</td>
<td>1,500,000</td>
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<tr>
<td>Acceptances: Less Amount in Portfolio</td>
<td>10,524,276</td>
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<tr>
<td>Other Liabilities</td>
<td>6,549,873</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$1,291,103,703</strong></td>
</tr>
</tbody>
</table>

United States Government Securities are stated at amortized cost.
Of these, $87,705,633 are pledged to secure deposits of public monies and for other purposes required by law.

WILLIAM D. WARDALL
New York, N.Y.

FRANCES L. WHITMARSH
President
Francis H. Luggett & Company
Soviet Propaganda, East-West Trade and Need of Gold Standard

By GEORGE A. SLOAN*
Chairman, United States Chamber of International Commerce

Financier asserts Soviet propaganda can be overcome by telling Europeans true story about American capitalism. Maintains we must develop new channels in lieu of present multiple dabbling. Declares we should develop new commercial channels to replace our Allies' undesirable trade with Soviet bloc. Urges freeing of exchange mechanisms to enable us to have a free and open system of international monetary construction.

It hardly needs saying that the division of the world into two camps is the major social and political fact of our time. The world is almost completely partitioned into separate economic blocs. It is therefore necessary to examine the various possible channels through which this exchange and trade can take place.

*An address by Mr. Sloan before the Conference of the Joint American-French Franco-American Committee, June 21, 1951.

The Soviet Union is a major economic force in the world today. It is not only a source of oil and coal, but it is also a source of other goods which are not produced in the United States. The Soviet Union is one of the major economic forces in the world, and it is important for us to understand its economic system.

The United States has a free enterprise system, and the Soviet Union has a command economy. The United States is a democratic country, and the Soviet Union is a communist country. The United States is a capitalist country, and the Soviet Union is a socialist country. The United States is a free country, and the Soviet Union is a controlled country.

In the Soviet Union, the government owns all the means of production. The government controls all the factories, all the farms, and all the resources. The government decides what is produced, how much is produced, and what is sold. The government also sets the prices for all goods and services.

In the United States, the private sector owns all the means of production. The private sector includes individuals, families, and businesses. The private sector decides what is produced, how much is produced, and what is sold. The private sector also sets the prices for all goods and services.

The United States has a free enterprise system, and the Soviet Union has a command economy. The United States is a democratic country, and the Soviet Union is a communist country. The United States is a capitalist country, and the Soviet Union is a socialist country. The United States is a free country, and the Soviet Union is a controlled country.

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Inherent Dangers of Debt-Secured Currency

By FRANK LILLY*

Statistician, Mine Research Bureau, U.S. Steel Corporation

Mr. Lilly contends we must win the war to restore sound money or we will lose the peace by destroying our economy. Calls our debt secured currency a "debts bomb," and says only return to sound money can prevent further inflation.

"This country can, I believe, afford to lose the war. But there is no way that we can afford to lose the peace. The only way that we can afford to lose the war is to keep the peace."

J5rJ!!!

lion were savings year.

Sound Money Can Prevent Inflation

Inflation is not necessarily more than a reflection in price level of a modern-day dollar. But why should the value of the dollar decline? Well, if you have only two of the functions of money (notably (1) exchange value and (2) measure of value). Money proper fulfills to the same extent a third function of storage of value of which your dollar must have it to have any value, permanency and permanency in buying power.

The possibility that we could afford to lose the war, but not be able to "afford another peace" seems to have been overlooked. I think the fact is that the price time depression of the early 30's merely wrecked this country's economy at a time when the world was at peace and our economy seemed to be established and secure.

True, the cause of the inflation factors stemmed from World War I, but most of these were superficial and coincidental to the war and it is the stage so to speak. I shall deal with the actual causes of the inflation factors the cause later—the debt-bomb. By the way, the debt from $65 billion to over $200 billion, or $25 billion more than the figure we were discussing as a possibility in 1940, it is now that the world was at peace and we are not "afraid that it will" which it was of interest to win is still a matter of great doubt.

One of the real dangers of this second World War is coming to realize that our enemies who won our enemies' first World War are enemies again and we are in the front line of a new and dangerous conflict. The enemy, spending money and increasing the value of the dollar, buying more than they sell to another 150-year-all-time low of around 456.

We must conform our policy the value of the dollar means and to you. Every dollar that we put into life insurance, savings accounts and B, and G bonds and shrunk, and according to Secretary of Defense General Marshall, is down over 600 in the last year. The total 1941-1950 overall losses in these three items for the people of the United States is over $20 billion. Stated bluntly we have been robbed!

The hue and cry over the loss of a total of approximately $20 billion in failures during the 15 years preceding the day when the new Deal was finally grabbed our gold and took over the management of our money and that through private management is only $600 as much as has been lost in last 10 years of the last.

The decline in the decline in the dollar's value on that old "basis of 1879" means that you have to that "it will surely get you if you don't watch out" and submit to our judgments and regulations that they, in their proper wisdom were never to be abandoned in the last 10 years.

"An address by Mr. Lilly before the Exchange Club of Spokane, Spokane, Wash., June 23, 1941."

Citizens Bank Farmers Trust Company

Head Office: 22 William Street, New York
Affiliate of The National City Bank of New York for separate administration of trust functions

Statement of Condition as of June 30, 1931

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>LIABILITY</th>
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<tbody>
<tr>
<td>CASH AND DEBT FROM BANKS</td>
<td>$1,973,079</td>
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<tr>
<td>U.S. GOVERNMENT OBLIGATIONS</td>
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<tr>
<td>DEPOSITS</td>
<td>$1,973,079</td>
</tr>
<tr>
<td>RESERVES</td>
<td>$88,282,990</td>
</tr>
<tr>
<td>OBLIGATIONS OF OTHER FEDERAL AGENCIES</td>
<td>$2,880,000</td>
</tr>
<tr>
<td>LIABILITIES</td>
<td>$2,880,000</td>
</tr>
<tr>
<td>STATE AND MUNICIPAL SECURITIES</td>
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<tr>
<td>BANKS' DEPOSITS</td>
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</tr>
<tr>
<td>CUSTOMER'S DEPOSITS</td>
<td>$2,880,000</td>
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<tr>
<td>OTHER SECURITIES</td>
<td>$2,880,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$2,880,000</td>
</tr>
</tbody>
</table>

*919,829,261 Total. | $19,829,261

Statement of Condition as of June 30, 1931

The City Bank Farmers Trust Company

President 
W. R. CATS, New York
Merchandisers See No Basis for Lower Prices or Reduced Sales

Threatened rollbacks, materials shortages, and inventory adjustments, however, may provide some disturbances.

CHICAGO, Ill. — Estimates and forecasts of American business based on the experience in home furnishings industries were presented by the leaders in the Home Furnishings Industry. The most recent M. G. Halsenron, Senior Merchandising Manager, L. S. Ayres & Co. (Home Store), Indianapolis, Ind.

The furniture industry has been a very active one, particularly in the last couple of years. Few furniture manufacturers have been able to sell over two million dollars year, and we have seen a great deal of inventories, particularly in the nation-wide market. We now have a large number of manufacturers and retailers who are taking a very active interest in the industry. They have a tremendous demand for our furniture and are constantly looking for new products and improvements.

We are getting back to a normal kind of business, and the inventories are now at an all-time high. There is little incentive for manufacturers and retailers to hold back inventories, and as we have more normal and healthy conditions, the inventories will continue to increase. We will have better values, and prices will be more stable.

Merchandise cannot be replaced at a lower cost today. There are a number of manufacturers and retailers who are having difficulty, and they are not able to replace inventories at the same cost. There is no evidence in any of the reports that prices will be substantially lower. The motive force of the inventories is no longer price, but rather getting back to normal inventories and maintaining the same level of price. We have found that consumers are more than willing to pay the price for good quality merchandise.

In our own store, the merchandise is being sold rapidly and many of our customers are returning to buy additional items. Everybody crowded into the store, and there were a big number of customers. Merchandise cannot be sold at a price that would make it a better buy for the consumer.

In our business we talk about the industry and the various areas of our business. We know that many dealers are selling their stocks at a loss. We know that many dealers are not making a profit, and we don't think many stores are at the moment.

JOSEPH L. BLOCK
Vice-President in Charge of Sales, Block Brothers Company, Chicago, Illinois.

The outlook for the availability of goods is very bright, and the manufacturers are producing more goods than they have ever produced before. There is a great deal of activity in the furnishing industry, and we are very pleased with the results.

In our store, the business is very good, and we are doing a steady business. We have a great number of customers coming in, and we are very much pleased with the results.

We have a great demand for furniture, and we are able to meet the demand. We are able to produce the goods that our customers want, and we are able to sell them at a profit. We are doing a steady business, and we are very much pleased with the results.

We are very optimistic about the future of the industry, and we believe that the industry will continue to grow and prosper. We are very much pleased with the results, and we are looking forward to the future with great confidence.

THOEDOR GOTTLIEB
Editor, Mercurine, Inc.

The slow trend buying is not due to a slow-up in selling on the retail floors of America. It is a matter of supply and demand and retribution to regain what has been lost. We must advance our merchandise, and we must have the goods that are desired, and we must sell them at a profit.

It is true that the prices of goods are lower than they have been in the past, but we must be careful not to oversupply the market. We must sell our goods at a profit, and we must be careful not to let our inventories build up.

It is a matter of supply and demand, and we must be careful not to oversupply the market. We must sell our goods at a profit, and we must be careful not to let our inventories build up. We must be careful not to oversupply the market, and we must sell our goods at a profit. We must be careful not to oversupply the market, and we must sell our goods at a profit.

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of reduced carpet prices because of Wood's achievements, but meanwhile something new has come into the picture—rayons and synthetics. The future of the carpet industry is in rayon carpet. It is a better raw material, and because it is properly used it produces better carpets at lower cost. It has new styles and textures, and when producers accept it.

There still isn't enough rayon. There are only 10 or 12 million pounds of carpet rayon produced domestically and about 50,000,000 pounds will be used this year. Most of the rayon which the carpet industry uses must come from abroad, particularly from Europe. While rayon has been a bottleneck in foreign imports, we have not been able to use as much rayon as is being produced in rayon planting countries.

The development of woven and knit rayon made fibers is well-founded and moving much faster than we thought possible a few years ago. Bigelow today has pledged to increase the use of synthetics, regardless of the future of wood prices and wool supply.

FREESTON GROUPS
Retail Merchantile of Home Furnishings, Sears, Roebuck & Co., Chicago, Ill.

Retail business is going to increase gradually, as far as home furnishing items are concerned, although business is not too bad at the moment. We are justifiably proud of having over the long pull and re-counting some of the basic things that tend to make good business.

Last year we had 1,699,000 merchandise lines which is 7% over the previous year. This year we will have even more marriages and even more lines.

There will be 1,000,000 homes started this year, which means furnishings.

We have not yet really felt the effect of the defense program because it has been in a planning, retrofitting, retooling and retraining stage. A little later on we will get the full impact of the defense program, which will mean more dollars to be spent in home furnishings.

The "law of obsolescence" is going to begin to operate in the home furnishings field now as it has in the automotive and other fields. We are now trying to measure the progress, the technological improvement and the advances in styling and design, they will have a greater urge to buy than ever before.

The basic fundamentals are there for business, if we go after it. We must select the right assortment of merchandise, display it correctly and urge the customers to buy.

The future looks as if we are to continually buy merchandise to round out every department, and in the general picture, we will buy about as much as we bought for last fall season. At the present time, we have a general inventory problem spread out in all types of home furnishings, but we are gradually working down our inventories.

We don't come to the market and actually buy a lot of merchandise. We are constantly working with our sources, and we use the market to evaluate, while our buying activities go on all the time. Our current level of buying is about the same as it was a year ago.

CARL RICHELL
Research Director, Nat'l Lumber Manufacturers Ass'n, Washington, D. C.

It is possible to be somewhat optimistic about the availability of lumber during the immediate future. Production in 1950 amounted to 48,000 and 48,000 board feet, but according to the latest data there are 15,000 miles of bare cabs of lumber. There was tremendous concern when the defense program was first started that there would not be sufficient lumber to meet civilian needs and war needs. However, in reviewing various species and grades of lumber and plywood, there isn't a single item which we could honestly call critical.

We produced about the same amount of lumber during the years of the Second World War as we are producing today, but almost half of it went into boxes and crating that were shipped overseas. The difference is that the nature happens again, much of today's lumber will not be used for that purpose.

In furniture wood, the Army, Navy, Marines and Air Force buy practically every single item that civilians buy. The services use the woods strictly for combat purposes, such as furniture on ships, camp cots and truck bodies. So far they are not changing their designs from steel to wood in many cases.

The consumption of lumber at the present time is softening. We are producing more lumber than is being consumed, and the excess is going into stock. This is particularly true in the case of large manufacturers who are able to stockpile in considerable areas and who can go along well over a year building up supplies.

Prices also are softening. The price of lumber has gone up only about 10% since the start of the Korean War. But since that time there have been a production about 5% by many manufacturers in the top price of lumber. One reason for this is that many of the large manufacturers have no place to stockpile lumber, and they must meet their customer's demand.

Gene A. Franz
With
Wm. Blair & Co.
CHICAGO, Ill.—Gene A. Franz has become associated with William Blair & Co., 133 South La Salle Street, members of the New York and Midwest Stock exchanges. Mr. Franz was formerly Vice-President of Weddell & Co.

H. L. Emerson Adds
(Special to The Financial Chronicle)
CLEVELAND, Ohio—Collins H. Lowery has become affiliated with H. L. Emerson & Co., incorporated, Union Commerce Building, members of the Midwest Stock Exchange.

With Waddell & Reed
(Special to The Financial Chronicle)
CINCINNATI, Ohio—Russell G. Geiger is now affiliated with Waddell & Reed, Inc.

The
Marine Midland Trust Company
of New York

STATEMENT OF CONDITION JUNE 30, 1951

RESOURCES
Cash and Demand Deposits $136,119,195.23
United States Government Obligations 169,992,334.08
State and Municipal Securities 1,785,891.44
Stock of Federal Reserve Bank 600,000.00
Other Investments 2,933,825.70
Leases and Discounts 152,424,772.43
Mortgages 1,326,439,31
Customers’ Liabilities on Acceptance 2,329,986.66
Accrued Interest Receivable 650,109.75
Other Resources 203,035.88

TOTAL RESOURCES $337,955,539.50

LIABILITIES
Capital $ 5,000,000.00
Surplus 10,000,000.00
Unredeemed Premiums 6,000,000.00
Provision for Taxes, Interest, etc. 4,200,000.00
Liabilities on Acceptances 2,448,402.00
Other Liabilities 873,104.46
Deposits 398,599,866.38

TOTAL LIABILITIES $337,955,539.50

Securities carried at $35,778,367.49 in the above statement are pledged to secure public deposits and for other purposes required by law.

DIRECCTORS
GEORGE M. ABRASH
Chairman, Advisory Board
DAVID B. RABIN
Vice-President, World Wide Firstaid Foundation
JAMES G. BLAIR
President, Trust in the Public Interest
LUCIUS D. CLAY
Chairman of the Board, Continental Can Co.
SAMUEL S. CONOVER
Honorary Chairman, Executive Committee

CHARLES H. DEFENDENT
President, The Marine Trust Company of New York
EDWARD L. FULLER
President, International Ship Co.
FRANCIS W. HAYES
President, The Marine Trust Company of New York
STEPHEN H. KOOL
Chairman of the Board, The Marine Trust Company of New York

HERBERT E. LEONARD
Secretary, The Marine Trust Company of New York
EDWARD H. LEONARD
President, The Marine Trust Company of New York
H. C. FUGATE
President, The Marine Trust Company of New York

H. M. LOWRY
Chairman of the Board and President, General Surety & Casualty Co.

STUART MCKELFEST
President, The Marine Trust Company of New York

H. C. FUGATE
President, The Marine Trust Company of New York

JAS. B. McFarland III
Adds to Inventory
PHILADELPHIA, Pa. — James B. McFarland, III. H. M. Eylesley & Co., announces the issuance of June 16, 1951, to mature in about 20 years. Price, not specified. Load, 10 lts., 12 oz. Secured by a pledge of all assets now owned or hereafter acquired. Not subject to call. Associated in the business, Mrs. Sarah D. McFarland, title, according to registration statement, James B. McFarland, Jr., subject to amendment and clarification.

Robert McCook Is
Now With Hecker Co.


With B. C. Christopher
(Special to The Financial Chronicle)
HASTINGS, Neb.—Richard Bea in has been associated with B. C. Christopher & Company, Strand Building.

MAIN OFFICE • 120 BROADWAY
120 William Street
Seventh Ave. at 37th Street
Park Ave. at 46th Street
11 Battery Place
126 Chambers Street
143 Liberty Street
Member Federal Deposit Insurance Corporation
Salesmen in Impeding Sellers’ Market

By ELMO ROPER*  
Marketing Consultant, New York City

Forecasting American business will soon enter another period of shorter hours and trimmer sales. Present market consultant finds task of salesmen is to improve techniques of distribution, so that limited supplies of goods and services will be distributed to customers along the most efficient lines. We, also, hope of uncovering new outlets, of adapting to new markets, and of more efficiency in gaining distribution system to people’s changing needs.

I suppose the answer to the question, “Salesmen For?,” might have been given by a four paragraph dispatch in The New York Tribune of May 5th. That story told of a well-conducted Among Bank Managers branches in Puerto Rico.

N. Baxter Jackson, Chairman of the National Bank of New York, announces the appointment of Henry A. Clark, Manager of the Credit Department, and the election of Thomas C. D. Langford, Assistant Manager, and Fred George Pfeiffer as Assistant Treasurers of the Personal Trust Department.

Announcement is made of the incorporation of Credit Suisse Aktiengesellschaft, a Swiss limited liability company, with a capital stock of $25,000,000. The company is authorized to conduct business in the U.S.

The results, as reported by the Herald Tribune for the week ending May 20th, show a slight gain in most of the markets, but the trend was not uniform. A number of the leading issues showed small gains, while a few others lost ground.

Colonial Trust Company of New York has recently established a Chinese Department at its Wall Street Office, under the management of Mr. H. A. Clark, Assistant Treasurer, and Mr. N. B. Young, Assistant Manager of the Credit Department.

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On Saturday, June 30, The Lincoln National Bank of N. Y., observed its 85th birthday and the occasion was marked by a bank holiday. The bank which claims to have been the first national bank in the United States; On the Continued on page 36

The New York Agency, at 67 Wall Street, of the Standard Bank of South Africa, Ltd., announced on June 7th the receipt of a cablegram from its Head Office, London, far a Right Hon. The Earl of Scarborough, K.C.B., has been elected a member of the board of directors of the company. The Earls of Scarborough are always in command of the situation.

Frederick W. Barbauch, an Assistant Cashier, has been appointed an Assistant Controller of the Bank of New York, It is announced. Henry A. Clark, Manager of the Credit Department, and the election of Thomas C. D. Langford, Assistant Manager, and Fred George Pfeiffer as Assistant Treasurers of the Personal Trust Department.

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Denies U. S. Buying Caused Europe's Inflation

Erik Kjellstrom, Research Director of NAM, says source of price rises in European countries lies in their inefficient and inadequate monetary policies rather than as result of U. S. buying.

Addressing the New York Rotary Club on June 21, Erik T. H. Kjellstrom, Associate Director of Research of the National Association of Manufacturers, asserted that although many Europeans blame American buying for their inflation, in most Western European countries, with the possible exception of Sweden, and thereby weakened the budgetary controls, which make for higher costs of production and higher prices. "Some Europeans are inclined to believe that if the United States lifted its restrictions on higher costs of production and prices, the American bidding in the world markets for strategic industrial and military raw materials would stimulate production. However, much of the price increase in Western Europe may be traced to unwise fiscal and monetary policies which have led to a 25% reduction in foreign aid, and have not been followed by new investment. The individual countries have been able to maintain their rate of production at prices which are higher than were achieved a year ago." Mr. Kjellstrom emphasized that price developments in the world markets are of more vital importance to Europe today than at any time in its history. He said that it appears unlikely "at the moment, at least," that the Western European countries will be able to control their price increases in raw materials and other basic commodities. The price changes, he added, have worsened the terms of trade of most Western European countries, and thereby weakened the budgetary controls, which make for higher costs of production and higher prices.

Employment

The number on the pay rolls held fairly constant in June, although some cutting was done in defense industries, and a decrease in operations is reported. But the trend is toward the middle and lower end of that range. The definite allotment of controlled materials and some adjustments in ceiling prices, may encourage slightly longer coverage policy. At present, it is very cautious.

With McAndrew Co.

Chairman John M. Beinecke has joined the staff of McAndrew & Co., Incorporated, for a few days, and will return to his regular work at the Bank of Boston.

Pigeon Retires

Estabrook & Co., members of the New York and Boston Stock Exchange, announce the retirement of Richard Pigeon as a general partner on June 30, 1951, after 35 years as a member of the firm. Mr. Pigeon joined the Estabrook organization on Jan. 1, 1916 and was admitted as a general partner in 1918. He was the first Bostonian ever to be elected to the board of governors of the New York Stock Exchange and served as such from 1926 to 1940.

With Boettcher & Co.

Mr. George N. Sery has become associated with Boettcher & Company, 828 Seventeenth Street, members of the New York Stock Exchange. Mr. Sery was formerly with Investment Service Corporation.
Bank and Insurance Stocks

By H. E. Johnson

This Week—Insurance Stocks

One of the principal attractions of insurance stocks and one of the reasons for their high investment standing is the stability and security of dividend payments.

In recent years, the average annual dividend payment on insurance stocks has been approximately $4.00. This compares favorably with the average annual dividend payment on common stocks of about $1.50.

Insurance companies have dividend records going back over 50 years with a number of institutions maintaining uninterrupted payments for over 100 years.

At the present time, when higher taxes, need for funds to finance expansion, and the rising cost of living create hard times for the government, the Board of Governors is more resolute in its role as a stabilizer in the national economy. Charged, as the Federal Reserve is, with maintaining the supply, availability and cost of credit, the Board is especially concerned with the swelling volume of borrowings. Fully aware of the Board's responsibilities, the insurance companies have not stopped the highly inflationary expansion of outstanding debt—witness the six months' growth of $3 billion in the first six months of 1950.

Without the restrictions provided by the Defense Production Act, the expansion in credit and upward pressure on prices undoubtedly would have been much greater.

Meanwhile persistent selling of stocks and bonds by both insurance companies and the Federal Reserve Banks, but the supply of funds is not being steadily reduced. The economy is in an inflationary state. In retrospect, the Federal Reserve Board's forecasts may prove to be rather conservative.

Chairman Martin of the Fed- eral Reserve Board declared early this month before the House and Senate Banking and Currency Committees that the Board had been supplemented by drawing on reserves. The action was taken on the basis of the Federal Reserve Board's past action at the end of June 1950 and the Board's past action on the part of Savings Banks and similar institutions, demand for use of ready cash, demand deposits of businesses and individuals increased by over $7 billion in the last half of 1950, and combined, it would have a moderate, negative, or even an adverse effect on the steady depression in the price level. On the sheet before you a few weeks ago we saw the steady rise in the National Bureau of Economic Research Index of Industrial Production, Commodity and Cost of Living in the United States. The Treasury Secretary Snyder was calling loudly for continued support of the market on the grounds that it was necessary to

In February President Truman invited the Federal Reserve Board to the White House in an effort to improve the Federal Reserve's monetary policy relative to the Treasury. Mr. Eccles pointed out, actually an engine of inflation in creating additional liquid funds and increasing more bank credit. The Board of Governors became more resolute in this role as a stabilizer in the national economy. Charged, as the Federal Reserve is, with maintaining the supply, availability and cost of credit. The Board was fully aware of the Board's responsibilities, the insurance companies have not stopped the highly inflationary expansion of outstanding debt—witness the six months' growth of $3 billion in the first six months of 1950. Without the restrictions provided by the Defense Production Act, the expansion in credit and upward pressure on prices undoubtedly would have been much greater.

In this context, the Board's action in the past four months has been significant. The Federal Reserve Board increased the discount rate in August from 2.79% to 3.50% in July and brought all loans and holdings of corporate and municipal securities by all Federal Reserve banks to about $30 billion. This increase was almost as large as the increase in 1947 and 1948 combined and these new requirements for collateral and expansion and inflationary credit trends. Credit extended by other financial institutions was also reduced.

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maintain low interest rates to facilitate business activity, but the im-

mense floating debt and the raising

of such new money as might be needed to finance business activity.
The fact that inflation was run-

ning at a high rate was pointed out in the statements of the Treasury's point of view that interest rates on the market continued to mount over the 10% to 12% range throughout the rest of the year. The other main reasons given for the monetary pinch were the position of the monetary author-

ities. They stated that the only way to alleviate the situation was to stop the inflationary trend, which in turn would require a reduction in the Federal Reserve System's monetary base. This would be achieved through a combination of open market operations and the raising of interest rates by the Federal Reserve System.

The Treasury and Federal Reserve System agreed on a new policy of credit control which took into account the most important developments in economic theory and practice. March 1937, the Treasury change in monetary policy only marks the end of an era in monetary management, but a sig-

ificant change in the fiscal policy, which will have far reaching ef-

fects. The Federal recovered a greater measure of freedom in controlling the flow of money. The Treasury, meanwhile, undertook to reduce the still potential of the large investment banking exchange offer of a non-market-

able paper. The Treasury and the Federal Reserve System, were able to the opening of the subscription book. The Treasury support price of $90. With the 9% Treasury bill of 1947 issued in Treasury Trust and Old Age accounts, $22 billion of the bill was exchanged and there is a confirmed attempt to reduce the market. The loan trend, meanwhile, was up. The Federal

finally withdrew its offer to buy sup-

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Inflation Pressures Will Be Revived

The foregoing highlights the situation in the Federal Reserve author-

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ities are convinced that the monetary policy of the United States is a combination of open market operations and the raising of interest rates by the Federal Reserve System.

Money Beginning to Get Tight

For the first time in years, the Federal Reserve System is facing the situation where the demand exceeds the supply. This is due to the fact that the Treasury, through the Roundtable Federal Credit Restriction Committee of the banks, insurance companies and investment bankers which will attempt to check the movement of money into the market. The loan trend, meanwhile, was up. The Federal finally withdrew its offer to buy support from the market to shut off the supply of reserves from the banking system. The authorities have taken a point to support the market orderly. There is, as far as known, a lien system with a point support at a specific price that can be relied upon in the case of a money market crisis.

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It is now almost a year since the Bank of England removed most of its foreign exchange restrictions relating to the Canadian dollar. As a result, the U.S. dollar is a free market for the Canadian currency. The elimination of the foreign exchange restrictions has greatly increased the dollar's value in terms of the Canadian currency. This increase has been due mainly to the improved economic performance of the Canadian economy in recent months.

In the recently issued annual report of the Bank for International Settlements, Mr. Kinley of the Bank of England observed that the Bank of England had granted in 1959, to the extent of about $250 million, a number of dollars to the Bank of England as a free market. The Bank of England has granted in recent months, therefore, a significant number of dollars to the Bank of England as a free market.

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The price decline in the long-term market has brought about some unusual relationships pricewise with some bonds which lead to some minor adjustments in the offering terms on savings bonds. For several years, yields on the marketable issues have generally held below those on the savings bonds. At the moment, however, to cite an example, the ineligible 2's of 1963-65 are selling at about 96.30.32. Compared to a series G bond purchased now, the maturity of the 2's is now one year earlier than the G and the yield of 2.56% compares with 2.50% on the G. The marketable

not now eligible for commercial bank purchase, but it will become eligible in 1952 which will affect the price of the bonds. The Federal Reserve Bank has recently raised a question in some minds as to the possibility of an ultimate upward revision in the rate on savings bonds to revive the urgency of these questions which have suffered from a lack of interest recently in several months. The maturity extension of the G bonds in recent months is a move in the direction of higher rates. The savings bond buyer is an important market and should be cultivated inter¬ nationally. There are many qualified observers who maintain that the Federal Reserve Bank might take steps to have through greater inducements in savings bonds, perhaps a higher rate or even more prob¬ able some small tax exemption feature. Individual saving and bond purchasing would serve the dual purpose of decreasing the demand for goods, while making the funds available to the govern¬ ment. We may hear more about savings bonds if the government finds itself necessary to come to the market for greater sums than now seems likely.

Continued on page 22

CORN EXCHANGE BANK & TRUST COMPANY

REPORT OF CONDITION

At the Close of Business, June 30, 1951

ASSETS

Cash in Vaults and Due from Banks $242,141,574.31
U. S. Government Securities 385,056,259.22
Statistical Liabilities 195,875.00
Federal Reserve Bank Stock 1,200,000.00
Other Securities 849,940.00
Loans and Discounts 120,883,040.20
Real Estate Mortgages 459,700.12
Commercial Paper 1,054,182.02
48 Banking Houses 1,725,057.70
Accrued Income Receivable 194,862.62
Other Assets $784,611,306.74

LIABILITIES

Capital (750,000 Shares of $20 Par Value) $15,000,000.00
Surplus 25,000,000.00
Undivided Profits 8,489,631.45 48,489,631.45
Reserve for Taxes, Expenses, etc. 1,230,286.66
Acceptances Outstanding 1,344,144.89
Loans Held in Trust 1,344,144.89
Deposits 733,755,928.78
(Has included $15,152,162.26 U. S. Deposits) $784,611,306.75

MEMORANDUM:

U.S. Securities pledged to secure deposits and for other purposes as required by law

$15,152,162.26

BOARD OF DIRECTORS

ROBERT A. DAYSDALE RALPH PETERS, JR.
Dresbach & Company	J. A. WARD
BUNNAM B. SHEER
Charters

C. WALTER NICHOLS	EDMUND Q. TROBBIDGE
President, J. A. WARD & Co., Inc.

R. H. GREENE	BRUNNOS S. MCCUTCHEON
Assistant Secretary

HERBERT NICHOLS	SIXES KIRKIAN

President, J. A. WARD & Co., Inc.

R. H. GREENE	ALICE E. CRADFORD

The Corn Exchange Safe Deposit Company operates vaults in 59 of the 77 branches located throughout the City of New York.

Member Federal Reserve Insurance Corporation.
Prospecting with friends?

In Article 3, the endless chain of prospects and how life insurance men use it. Also, some ideas for getting introductions.

Harrison Treasurer of Sylvania Electric

Sylvania Electric Products, Inc. has announced the election of W. B. Harrison as Treasurer of the corporation. The new Treasurer, who will start his new duties immediately, was formerly associated with the Chicago and New Aniline & Dye Co., as Treasurer and General Manager.

Choosing the right person to handle your life insurance

Prospecting is a key element in the success of a life insurance man. It requires not only the right approach, but a lot of energy and skill as well. Here are some tips on how to approach your prospects and make sure you are getting the most out of your efforts.

1. Identify your targets: Who are your ideal prospects? Do you prefer young or older clients? Are you looking for high-net-worth individuals or families in the middle class?

2. Build credibility: People are more likely to trust you if they see that you have the knowledge and experience to help them. Share your credentials and accomplishments to establish your credibility.

3. Be personable: People want to work with someone they like and trust. Be friendly, approachable, and willing to listen.

4. Offer value: Prospects are more likely to buy from someone who can show them how their product or service will benefit them. Focus on the benefits of your life insurance policies, not just the features.

5. Follow up: Keep in touch with your prospects, even if they don't buy right away. Follow up regularly to keep them informed of new products or changes in your company's policies.

By following these tips, you can improve your chances of success in life insurance prospecting. Remember, it's a marathon, not a sprint, so keep at it and you will see results over time.
of other outlets, the supply of funds forced to turn to the bond market may increasingly be limited, raising an outlook for interest rates.

On the other hand, increased Federal Government securities, there are twoInstrumentalities of the Government, which follow short term obligations periodically and possess some attraction for speculators. The first is the Federal Reserve, by the Government, but the fact that the Treasury secures close support in its activities by the Federal Reserve Commissions, which are organized by the Government. The Federal Reserve System is the most important of the Federal Reserve institutions. The operations of the Banks are supervised by the Federal Reserve Commissioners, who are responsible to the Governor of the Federal Reserve Administration, which operates under the general direction of the Secretary of Agriculture.

There are twelve banks which are permitted to charge an interest rate of 4% on loans to farmers producing food and fiber. These banks are located at the various state capitals. They are permitted to charge an interest rate of 4% on loans to farmers producing food and fiber. These banks are located at the various state capitals.

With Floyd A. Allen

July "Bank Letter" of the National City Bank of New York cites statistics of income of corporate business to point out that most types of taxes come to be regarded as regular costs of doing business and are generally passed on to customers.

The recent issue of the "Monthly Bank Letter," a publication of the National City Bank of New York, in its national and international tax and tax analysis, cites statistical evidence that the average effective rate of state and local taxes of almost every type are paid by purchasers and consumers, and in some cases by the consumer.

According to the "Bank Letter": "Although practically everyone in the United States deals with these large companies in one way or another, few people have an idea as to the vast amounts of direct and indirect taxes which they are paying through these companies, which are only large, hidden in the prices of the goods and services purchased. Most types of taxes come in time to be regarded as part of the regular costs of doing business and are passed on to the consumer without ever possible. While the ability to avoid these taxes is partly due to the Federal Reserve System, the charging of demand and price control, in the end prices generally must be adjusted to costs if business is to remain healthy and have incentive to go ahead.

The tendency over a period for increases in taxes to come a lot of goods on which taxes are effective is reflected in the net profit margins of business as a whole. The current figures indicate, from the statistics of income covering all corporate business in years of comparable accounting practices, that when the Federal income tax rate was only 11%, all U. S. financial corporations paid approximately $1.1 billion and had net income equivalent to 5.4 cents per dollar of sales. In 1949, despite an increase in the Federal normal tax and surtax rates to 28% and a further increase in 1951 to 38% and a further increase in 1952 to 56 billion, the net income represented an average of 4.4 cents per dollar, only moderately narrower than when the tax rate was much lower.

"In the case of public utilities, the companies, whose rates charged are fixed by local regulatory authorities, enjoy a fair rate of return and operating income and income taxes, an increase in Federal taxes would not only have to bring them up to the public, but would actually require twice as large an increase in expenses in the event before the taxes required to yield the same return. This is because every dollar of increased income is itself half absorbed by the Federal Treasury, In other words, if the utility company wants to increase its income, it must reduce its expenses.

"As the Bell Telephone System states in its latest annual report, the taxes levied upon this operating company, as well as the excise taxes paid by customers, are borne by the phone users in the final analysis. "All of which illustrates the point that corporate tax increases can be in some degree self-defeating.
Some Fallacious Economic Slogans

President Roosevelt another gold brick in the shape of the United States. In practice it proved a complete failure.

The past 20-year period might well be called "The Era of the Silver Piggy Bank." In the past, boom and bust, inflation and depression, have been a part of the general market it has stabilized or experienced. But the stock market has come back quite quickly. It has been selling recency, with its own base, which is the 4 points below the year high while many of the issues, however, have been consistently fading away to new lows. It is this action, coupled with the continued favorable developments in the market, that supports confidence that once there is a turn for the better in the market as a whole, Gulf, Mobile & Ohio common will be among the leaders in the recovery.

As we approach the end of 1935, the market generally will get over its attack of the "prospective." It is obviously a guess. It is a current market of sentiment and psychology rather than of reason. Volatility for some time to come will remain sensitive to international developments, and particularly to changes in Europe and Russia. Eventually, however, the impact of such influences will be blunted and the market will fall there is good reason to believe we shall find a dependable change for the better in the speculative and commercial railroad securities. For one thing, as mentioned above, higher freight rates are to be expected, and many roads will be granted by them. Also, the a是一座 active development is not over as yet, and the road is considerable momentum with a consequent lift to freight traffic.

Zollinger Elected by New Orleans Bd. Club

NEW ORLEANS, La.—John J. Zollinger, Jr., of Sears, Roebuck & Co., was elected President of the Board of Directors of the Field Lynch, Pierce, Fenner & Beane, a common stock holder of the company, for the period of the year. The company's financial statements show a net profit of $1,711. A full year's dividend ( $2.00 a share) was almost certain to be declared at the annual meeting of the Stockholders.

Naturally, Gulf & Ohio experiences a pronounced seasonal bulge in traffic and revenues in the late spring and summer months, and a pronounced seasonal decline in the late fall and winter months. It is expected that the rate decision will come through early in August. Finally, it is probable that the recent heavy rate of inflation on the part of the railroads may be moderated at least to some extent later in the year. The company will presumably not get the benefits of certain non-recurring credits and surcharges that have been enjoyed. In 1935. On the whole, however, there appears to be a general trend for confidence that final results will be much better than previous years, and that the company will report a net profit for 1935.
**Benefits of Holding Company Act to Utility Industry**

new southern holding company to Georgia, Alabama, Florida and Louisiana. The Board has reviewed the value of securities received by investors in the parent holding company as a result of the acquisition and found that the proceeding reached a figure of $415 million. The Board has also noted a decrease of 11% compared with the Dow-Jones average at the time of the acquisition. The Dow-Jones average rose only about 49%, the Dow-Jones average plus $415 million.

In the case of Electric Power & Light Corp., which had bonds, debentures, preferred, common stock and option warrants outstanding, the change in market value was following the pattern: Aug. 28, 1935, $34 million; Dec. 1, 1938, $92 million; Sept. 28, 1949, $294 million. The average income for 1949 was up 43% from the 1935 figure. Values were also indicated in the receipt of securities, including cash received upon the retirement of securities or bonds, or cash or plus the market value of securities received in exchange for the equity securities.

The third holding company, Edison Electric Corporation, has also disappeared from the utility scene. A new SEC, and Section 11 (e) plans effected the distribution of its interest in three metropolitan operating companies: Virginia Electric & Power Company, Gulf States Utilities of securities to the El Paso Electric Company. In 1938, the sales of the utility companies were, according to three classes of preferred as common stock with an aggregate market value of $2.2 million. This value increased to $2.1 million. The SEC directed that the integration plans not include securities of write-ups and dumping securities which some critics had anticipated with allody.

Elimination of Write-Ups and Dumps

Third, the SEC has directed the elimination of write-ups and other information similar to the one issued by the SEC on Aug. 1, 1949, in terms of market value of securities. The SEC directed that the integration plans not include securities of write-ups and dumping of securities which some critics had anticipated with allody.

**Securities Commission**

Congress also gave the Securities Commission extraordinary jurisdiction over the utility industry. As a result, a new Act under Section 11 (e) was a major activity, has assumed increasing importance, and has become a great emphasis in the history of the bond and stock issues.

In fulfilling its responsibilities under the Act, the SEC has acted to protect the public interest and has taken steps to assure that the public has bid against each other for the acquisition of the underlying operating companies. The SEC has been careful to see that the public has been given full information about the security issues. This has been done by requiring that the public be fully informed about the effect of the security on the investment, the actual investment capital, because the public in its dealings with securities has been acting on apparent earning power without thought of the permanency of this earning power or future earnings on the market.

The rule has assured true and free competition among underwriters for the securities of regulated companies. The free market price has established throughout the country companies not subject to our jurisdiction, for it establishes a going rate for measuring their own costs.

The volume of securities approved under the Holding Company Act has not been declining with the removal of many companies from this jurisdiction. However, certain aspects of the new hold-up of the Dow-Jones average rose over 49%, the Dow-Jones average plus $415 million.

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Railroad Securities

Gulf, Mobile & Ohio

The Gulf, Mobile & Ohio report for the three months of May and the first five months of the year was released last week and proved to be, as have earlier reports this year, a sore disappointment. The railroad's stockholders and other bulls on the road. Freight revenues again showed a slight gain over year ago and passenger receipts were virtually level, while cumulative rise in gross for the five months amounted to $13,940,103 or nearly 23% ahead of year-earlier levels. Gratifying as the improvement in the company's business is, its most potent cause for optimism is found in the continuing betterings in the operating performance.

As has been the case with practically all the railroads, conditions for the Gulf, Mobile & Ohio have been kept under strict control. For May the decline in the net operating ratio was down more than in the like interim a year ago. Disinflation, instead of the hoped-for inflation, has been the large amount of new rolling stock, and factors which have doubtless been obvious by paying off outstanding evidences.

Aside from the very sharply higher maintenance outlays the common stockholders are saddled with materially heavier Federal income and social security taxes, it is not in the excess profit tax brackets.

At least, in that, income, after taxes, is up $1,931,711 over the same period last year, and the year-to-date gain in net for the period was the equivalent of $7,171 a share.

The full year's dividend ($2.50 a share) was almost certain to be maintained, as usual, to the benefit of the current year.

Not surprisingly, Gulf, Mobile & Ohio experiences a pronounced seasonal business traffic and revenues in the fall of the year, and it is apparent, presumably, that in May or more money than is being offered the public, or it should be benefiting from higher freight rates. The very fact is, it is expected that the rate correction will come through early in August. Finally, it is probable that the recent high rate of maintenance outlays may be moderated at least to some extent later in the year. The company will presumably not get the benefits of certain non-recurring credits that were reported in 1950. On the whole, however, there appears to be ample authorization for confidence that final result will be a positive one to the common stock reported for 1950.

Specialists in RAILROAD SECURITIES

Selected Situations at all Times

25 Bond Street New York 4, N.Y. Telephone Bowing Green 6-6166

Frank J. Smith Now With S. Weinberg

S. Weinberg & Co., 60 Wall Street, New York City, announce that John J. Zollinger, Jr., former President of the Boston & Albany and of the New England Central, has joined the firm of S. Weinberg & Co., as Vice-President.

The firm of S. Weinberg & Co. announced that John J. Zollinger, Jr., has been made a Vice-President of the firm. Mr. Zollinger was formerly President of the Boston & Albany and the New England Central Railroads.

Some Fallacious Economic Slogans

President Roosevelt another gold brick in the shape of the international monetary system. This mechanism was to be an automatic regulator and "stabilizer". In practice it proved a complete failure.

The past 20-year period might well be called "The Era of the Gold Standard", or perhaps just "the gold standard". In recent periods of market uncertainty and weakness, the Fed has not been able to maintain its gold stock for a single quarter. In fact, it has been selling gold periodic intervals for four points below the year's high while many key U.S. and foreign stocks have been buying at 10% to 20% of their peak levels; this has been weakening the market fundamentally.

In the past year, the Fed has continued favorable earnings reports, which supports the view that the bull is for sure this time. However, it is also true that the bull has been fueling the market on the expectation that the Fed will continue to buy gold, although it has sold some gold in recent weeks.

Be it noted in passing that, for years past, dollar bills have been the chief "stabilizer", but the real question is whether you find a price-fixer at all. Because it to function properly, the price system demands complete freedom. It is not with its own correctives. If left alone it brings about equilibrium in the market, which is the correctives of abnormal demand and supply. Even if there is a deficit of gold, it will be more than adequate to support the market at its current level.

The average investor is easily duped by the "stabilizer" slogan. For a year and a half, the dollar has been the "stabilizer", but the real stabilizer is the bull market itself. The bull market has been the "stabilizer" for the past 20 years.

Other offices were in Philadelphia, White, Hattier & Sanford and in San Francisco, with directors in New York, New Haven, Scranton, Pittsburgh, Cleveland, Chicago, St. Louis, & Richmond, funded by John J. Zollinger, Jr., and John A. Zollinger, Jr. & Bearne as Secretary of the firm.

Miss Taylor's Staff

To Clayton & Wheaton

Miss Clara I. Taylor, who has conducted her own independent investment advisory service for 24 years, retired on June 30. Her staff and counselling service have been acquired by Clayton & Wheaton.

In the words of Clayton & Wheaton, "The woman to have our own independent investment advisory service, which is to conduct a series of lectures for ten years, starting in 1931, designed to increase the public's understanding of their investments and the securities firms with which they are dealing with. She is a past president of the Women's Bond Club of New York.

With Waddell & Co., Inc.

(2 Special to The Commercial and Financial Chronicle)

DENVER, Colo. - Robert H. Waddell has become associated with Waddell & Co., Inc., U. S. Na-
Benefits of Holding Company Act to Utility Industry

The rule has assured true and free competition among underwriters for the securities of registrant companies. The free market price thus established has been declining with the removal of many companies from its jurisdiction. "Small subject" companies sold over nine hundred million dollars of securities to the public in the fiscal year 1950. A major portion of this activity in security financing is also reviewed by the Commission in connection with registration requirements of the Securities Act of 1933. It is a surprising fact that registrations by electric, water and gas companies during the fiscal year 1950, totaled just two billion dollars, accounted for almost half of all corporate security registrations during the period.

In recent years we have come to regard as normal the situation in which utility management undertakes a program of balanced security financing, matching its fresh equity with substantial or regular issuance of equity securities, and meeting the lagging, from aside, from limitations imposed by market conditions, in a recent development. When the Commission first entered actively in the 20's, financing was severely handicapped by the top-heavy capital structures of most utility systems, by the uncertainty of management and the absence of controls, by the general fear of utility security "dumping" which never appeared to result, by the sale of utility securities to refinance high debt obligations, and where the company was in default with respect to another issue of securities at a lower rate. The volume of new money offerings was extremely limited and companies were forced to rely upon refunding, for their limited construction requirements.

This trend of the utility industry toward a resumption of high volume security offerings at the same time that small subject issues are increasing in volume, is a striking example of the application of heavier sinking fund requirements. In extreme situations contributions of equity capital or the forgiveness of the obligations by the parent holding company were found to be necessary.

During these years the Commission also undertook the development of protective provisions for mortgage borrowers and corporate debtors. Many of these provisions have been improved and standardized and are recognized today by institutional security purchasers as important elements of overall investment quality.

With the advent of World War II the volume of security issuance dropped sharply, but the rehabilitation of holding company systems was going forward and investors were beginning to recognize the beneficial effect of the Commission on the financing of utilities. Frequently, the progress of Section 11 plan from the time of filling to the time of ultimate enforcement was matched by the upward trend in the prices of the securities affected thereby. Through a few utility operating company stocks were sold or distributed during the war years, the activities of one test common stock received a new lease of life. In February 1946, then in a favorable climate of rising stock prices, a series of successful portfolio offerings, made up of high debt ratio companies, would have included definitive provisions for competitive financing. In some instances, this resulted in the application of heavier sinking fund requirements.

The early years have seen a return to normal in the volume of utility security offerings, and in the size and character of the transactions. The general trend is clear, and the Commission's efforts, over the years, have resulted in a program of balanced security financing, which has benefited the investor and the utility company alike.

The role of the federal government in the regulation of utility and holding company activities is an important aspect of the history of the Holding Company Act. The Act was passed in 1935, with the purpose of promoting the public interest and the common welfare in the utility industry. It was designed to prevent the abuse of the powerful position of utility companies in the market for securities. The Act provides for the registration of utility securities and the filing of periodic reports with the Securities and Exchange Commission. The Commission has the authority to investigate the affairs of utility companies and to take action to prevent unfair or deceptive practices in the market for utility securities.

The Holding Company Act has been a significant factor in the development of the utility industry. It has helped to promote the public interest and the common welfare by ensuring fair and equitable treatment of investors and consumers. It has also helped to promote the efficient operation of the utility industry by encouraging the development of sound and stable capital structures. The Act has been effective in preventing the abuse of the powerful position of utility companies in the market for securities.

The Commission has been active in implementing the provisions of the Holding Company Act. It has taken enforcement actions to prevent violations of the Act and has worked with the industry to ensure compliance. The Commission has also been involved in the development of rules and regulations to implement the provisions of the Act. The Holding Company Act has been a significant factor in the development of the utility industry and has contributed to the advancement of the public interest and the common welfare.
Benefits of Holding Company Act to Utility Industry

Service Co. of New Hampshire, Ohio Public Service Co., and United Gas & Electric Power Co. were sold for new money in 1947, and the new issue was sold in just 34 days. Power common were sold for new money under the Holding Company Act. The sale of new money stock financing could become an important factor in the fund raising of individual utility managements. The combination of savings and loan associations with sound property values and liberal dividend yield but no holdout participation contributed to a new investment quality and enthusiasm. New money stock financing is currently giving many of the investor's capacity. The capitalization of each of the leading companies probably would have been expanded to a more balanced basis.

In another utility this new capability came at a critical time. The tremendous upsurge in the use of gas, the rapid expansion of electric power and natural gas had not been reflected in the rate base and this was slowly turning the dime. New construction and new financing have not been able to offset the response of the industry to this changing demand. This has been a major factor in the magnitude of the $200 million which American utilities are expected to be in postwar years. Most of the $200 million expected to be marketed in postwar years is due to gas power. Power has increased its share of the total energy used by American homes. Gas utilities have been able to market their new issues in high grade paper. Gas utilities have been able to meet the demand for the new money stock that has been marketed in high grade paper.

Power for the future, however, is in the form of new stocks which have been in the form of new stocks which have been marketed. The recent issue by the public service electric company, Wisconsin Power & Light Co., Lake Superior District Power Company, Ohio Edison Company and three utility companies in the state of Michigan were all marketed in the form of new stocks. The Michigan companies are among the leading companies in the industry. The market for new money stock financing has been in high grade paper. The market for new money stock financing has been in high grade paper.

Continuing Systems

Continuing Systems

Among the many utility issues the stock offerings made in recent months are a number of important issues marketed by registered holding companies which can be expected to receive a large amount of attention under the Holding Company Act when the Act is enforced. Many of these holding companies have a direct history in the success financing of their companies and their success tells much about the management of the company. The problems of integrated operations which have been faced in the streamlining process of Section 11.

The Federal Power Commission in 1945, the Department of Justice and the Securities and Exchange Commission recommended the Public Service Electric Utility holding companies, held to make the point that the holding companies were marketed and the system which they have to prove the SEC that their existence is necessary for the continuance of the public interest.

The holding companies of the Public Service Electric Utility holding companies, held to make the point that the holding companies were marketed and the system which they have to prove the SEC that their existence is necessary for the continuance of the public interest.

The holding companies have been working for the last seven years to increase the capitalization. The holding companies have been working for the last seven years to increase the capitalization. The holding companies have been working for the last seven years to increase the capitalization.

The second type of holding company, which operates in the electric power field, is the holding company which is formed by the parent company to acquire the stock of a new holding company. Here the parent company is the owner of the holding company. The parent company-owned utility companies operate in a system which is known as National Public Service Light, Co., Utah Public & Light Co. and the Ohio Edison are good examples of this type of holding company.

The third type of holding company, which operates in the electric power field, is the holding company which is formed by the parent company to acquire the stock of a new holding company. Here the parent company is the owner of the holding company. The parent company-owned utility companies operate in a system which is known as National Public Service Light, Co., Utah Public & Light Co. and the Ohio Edison are good examples of this type of holding company.

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Abolish Corporate Taxes

...Continued from page 3

Abolish Corporate Taxes

In the natural gas industry fuel requirements in the short run gets a higher price and higher output. Other than that the gas companies would have to pay for the higher prices in their billings. A constant price of gas will be the result and any further increase in the price will not be passed on to the consumer. This constitutes a rationalization of the industry and will cause higher prices for natural gas than for other fuels. The industry is strongly capitalized and the stockholders would have to pay higher prices for the additional output of gas. A tax on corporate profits would also be effective in this industry. The tax would be a tax on the stockholders and would result in higher prices for natural gas. The tax would be paid by the stockholders and would be higher than the price increase for natural gas. The stockholders would have to pay the higher price for the gas and would have to pay higher prices for the additional gas. The tax would be a tax on the stockholders and would be higher than the price increase for natural gas. The industry is strongly capitalized and the stockholders would have to pay higher prices for the additional output of gas. A tax on corporate profits would also be effective in this industry. The tax would be a tax on the stockholders and would result in higher prices for natural gas. The tax would be paid by the stockholders and would be higher than the price increase for natural gas. The stockholders would have to pay the higher price for the gas and would have to pay higher prices for the additional gas. The tax would be a tax on the stockholders and would be higher than the price increase for natural gas. The industry is strongly capitalized and the stockholders would have to pay higher prices for the additional output of gas. A tax on corporate profits would also be effective in this industry. The tax would be a tax on the stockholders and would result in higher prices for natural gas. The tax would be paid by the stockholders and would be higher than the price increase for natural gas. The stockholders would have to pay the higher price for the gas and would have to pay higher prices for the additional gas. The tax would be a tax on the stockholders and would be higher than the price increase for natural gas. The industry is strongly capitalized and the stockholders would have to pay higher prices for the additional output of gas. A tax on corporate profits would also be effective in this industry. The tax would be a tax on the stockholders and would result in higher prices for natural gas. The tax would be paid by the stockholders and would be higher than the price increase for natural gas. The stockholders would have to pay the higher price for the gas and would have to pay higher prices for the additional gas. The tax would be a tax on the stockholders and would be higher than the price increase for natural gas.
The tone of the government market, which has been having its ups and downs, and more of the downs than the ups lately, seems to be temporarily on the better side. How long this will last the matter of conjecture, lest there is a fair amount of professional involvement in the procedure and this type of action can be anticipated. It seems that there has been a modest interest appearing in Treasury obligations from investors. This has been encouraged by the financial press, and the results of these two have been a slightly favorable tone in the government securities market. The short market has been on the concern, especially because of the concern for liquidity. There seems to be no great leap in the liquidity preference of the various buyers. This pleases the intermediate-term issues, especially in the high yield bond field.

Bank funds have been going into the 1956/57, and the 1956/59 in not so tangible amounts yet, but in somewhat equivalent interest rate. It has been the case in the past, because of the desire to get what is being termed "assured coupon rate return." It is being reasoned that this and the 4% plus cannot be called before 1956, and may even run to maturity (38% and 39) and the high yields are still high enough to be of importance. The statement made there are no assurances that government funds are staying in the market in the future, and in place of these securities the Treasury might consider certifying to the Treasury that could in turn be rolled over into lower income obligations.

Long Bank Bonds in Demand

Along with the 1956 and the 1956/59 maturities of the eligibles, comes the question of the longest bank bond, the 21% due 1/15/67, 72. For the first time since the skids were definitely put on for the money obligation, through switches into the early maturities, there has been some real investment buying appearing in the field. To be sure, this is not an all-out operation yet but there are fairly good buying tendencies in the most promontary danks bond. Strange as it may seem, there are indications that the returns in the maturities have been shaken loose in the decline. On the other hand, buyers have not been taking the maturities in the face of bonds, when prices are moving ahead. Those that are interested in bonds, as a matter of fact, above this issue is rather well deflated, and while further declines may be expected, there is little buying opportunity.

The early culls are probable to continue to find homes but there are no long lines being formed at either the left or the right yet. The banks look to be in neutral with these securities, and this tends to limit the takings by those that have a liking for these for securing cheap money, and to a lesser extent trust funds have been finding the 1956 eligibles worth acquiring. There has also been modest buying by charitably organized banks.

Differential Between Treasuries and Corporates

New corporate bond fluctuations have been meeting with ready response, particularly that which have been brought out following the rate of interest. Notwithstanding, through switches into the early maturities, there has been some real investment buying appearing in the field. To be sure, this is not an all-out operation yet but there are fairly good buying tendencies in the most promontary danks bond. Strange as it may seem, there are indications that the returns in the maturities have been shaken loose in the decline. On the other hand, buyers have not been taking the maturities in the face of bonds, when prices are moving ahead. Those that are interested in bonds, as a matter of fact, above this issue is rather well deflated, and while further declines may be expected, there is little buying opportunity.

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Abolish Tax (Continued from page 27)

With cheap dollars, the temptation is greater, and controls are more difficult. There are many exempted companies which might have more difficulty. The potential profits of the short excess profits tax are not considered. The idea of the excess profits tax is to be increased, and cheap dollars are expensive or cheap.

In conclusion, it is true that for some companies, cheap dollars have been created which make present the taking of risks that would be considered doubtful if all else was equal, or of the same value. The fact that the present is the national economic expansion or extension or prudently is the key to whether the short excess profits tax is to be increased, and cheap dollars must be expensive or cheap.

The year 1951 is seen for most, and the first half of 1952 is for many a little too late. Generalizations are dangerous, and exceptions will always occur, but I think a broad statement that the concept of an excess profits tax by a company in 1952 gives a presup¬position that the company is not doing as well as it might. The demand for special tax rates has been the subject of many different opinions. The government expects to use the proceeds for social and educational purposes.

Mitchell Hutchins (Continued)

The demand for special tax rates has been the subject of many different opinions. The government expects to use the proceeds for social and educational purposes.

Mitchell Hutchins

Opens New Dept.

Opening of an investment advis¬ory department is announced by Mitchell, Hutchings & Co., 1 Wall St., New York. The new department will be under the direction of Charles H. Homans and Miss Lillian M. Griffin.

Rogers Associated With Rand & Co.

Rand & Company, 1 Wall Street, New York City, municipal bond specialists, and William P. Rogers, Jr., has been associated with them as a member of the firm. Mr. Rogers is the son of President of Rogers, Gordon & Co., Inc.

Fred Nahmla Joins R. M. Hong & Co.

Fred C. Nahmla has been associ¬ated with R. M. Hong & Co., 52 Broadway, New York City, since 1937. He will continue to serve the corporation for 10 years with R. H. Johnson.

Homans to Admit

Roy M. Madison will acquire the interest of Howard P. Homans on July 1 and will become a partner in Homans & Co., 65 Broadway, New York City, as of the 1st day of July.
Inherent Dangers Of Debt-Secured Currency

before Great Britain and her associates. Is there anything in it, or is it just gold? Did you know that Russia has also been in the currency in gold—something that neither Great Britain nor the United States has ever been? Russia has also made two price reductions recently; one, the ruble, becomes a ruble in gold.

Is this phase of the matter over? I am wondering if Russia’s revaluation of its currency in gold is the basis of the secret factor in that country to expand its currency without engaging in a shooting war. Gold is as all powerful in the Orient as it is effective here.

We Must Win The Money War

Be that as it may, it is a fact that the price of gold, logically be won by killing and destruction. You cannot get gold from this. If you pay for your money, you lose the peace and will lose our economy unless we win the money war.

In the money war now going on throughout the world, we know that we are out of silver soldiers and substituted for them is paper and that we are strugling with government debt.

No country can be more sound than its economy; no economy can be more sound that its currency; and no currency can be more sound than gold and silver which have stood the test of centuries as the safest forms of wealth. The U. S. dollar is not cheap. It is a dollar that will not “fade away,” but continue indefinitely to give full value for the products of the country’s power.

It is necessary to continue our public debt in an effort to buy peace or to force war our idea of the future of some sort. If we do not, we will inevitably be building up a debt which is more than our capacity to pay. The result will be inflation, thereby destroying our American Way of Life.

We must win for our country honestly and fully redeemability in gold and/or silver or we shall lose our country. The only thing we can do is to pay our debt and make it your business to do something about it, for your future and your country’s economy is at stake. This MONEY War is the war we must win.

Dobbs & Co. to Admit

Boesel & Pearson

Richard T. Dobbs, member of the New York Stock Exchange, and the Hon. E. W. Pearson, admitted to partnership in Dobbs & Co., 50 Broadway, New York City, has been admitted to the New York Stock Exchange. Mr. Boesel has recently been with the meat and livestock business.

On July 16 Albert Greiner will withdraw from the firm.

Joins Ad Agency

R. W. Washington, formerly with Cherry-Hurrell Company, in the advertising field, has become associated with Albert Frank Guenther, Inc., in Chicago, as an account executive.

As We See It

We find it difficult to disagree with the President and his associates that nothing now is in sight, either in Korea or elsewhere, is likely to alter the basic international situation in any great degree. The conclusions put forth by Mr. Johnson and Mr. Truman show that the armament program based upon conditions as they have obtained during the past year, if sound and warranted then, are likely to be so at any time within the foreseeable future. Of course, invalid conclusions and mistaken policies will remain invalid and mistaken. All that we are now saying is that the basic needs of our international policy and political power are likely, a year or two from now, to remain very largely what they have been during the past year or even longer. There is, accordingly, the possibility that a “let-down” in popular feeling will result in changes in public policy which are not in accord with public interest.

Talk of Balance

It seems to us that the danger from this source is chiefly, however, that half measures or compromises on this or that phase of the matter will leave any residual program badly out of balance — even more so than at present. Should some sort of half aceptable arrangement be reached in Korea, and so that any further ceasing and the outlook for an early outbreak of hostility appears rather small, the temptation upon Congress to reduce and refrain when it comes to taxes would be much greater than the pressure to reduce military or defense expenditures. We must admit that little success has been achieved in reducing nonessential Federal outlays despite the obvious need and the growing light of the national situation. We are greatly fear that with a “let-down” in popular tension it will be more difficult than ever to get the tax and file and hence the tax makers and the budget makers down to work on this vitally important question.

It is, of course, obvious that nothing that has happened has, in any real sense reduced the need for squeezing the water out of the Federal budget. It was an urgent requirement long before the outbreak in Korea; it has never been more urgent than during the past year; and if we hope to achieve any substantial long-term development of our strength, either as a protection against the Kremlin, communist infiltration, or ordinary bankruptcy, it is as badly needed now as it ever was. As relatively rich as the country is, we simply cannot afford to squander the resources, the manpower and the energy we now do on the multitudinous needless activities of the Federal Government in Washington.

There are other important ways in which a let-down now may affect the course of our public policy and action. What we really ought to do, of course, is to reach some sensible conclusion at this stage of the outbreak, and then we must devote to rearmament and other defense activities, and then pay for it all out of current income. This is, as a matter of fact, in the currently existing circumstances, the only way to provide the funds for the purpose. Full avoidance of inflation would indeed require a good deal more, so extended and so extensive is the inflationary potential still remaining in the economy as a result of the domestic and Fair Deal and the operations of World War II. But what we are all too likely to do is to yield to pressures to do much more in the way of rearmament than we are willing to do at home without inflation; or, to put the matter in a different way, to find ourselves quite unwilling to undergo the sacrifices necessary to avoid further inflationary influences.

Extraordinary Powers

Obviously, the Administration is at least as greatly concerned with the danger to its extraordinary powers. The Administration will, of course, be in a delicate position in these matters regardless of what is in the statute books for the simple reason that there would be much less disposition on the part of the general public to levy and collect enough taxes and the right of the Federal Reserve System to impose taxes. One gets the impression at times from reading the daily press that official Washington supposes that the amount of tax collections is the important thing, indeed, is about the only important aspect of any anti-inflation program. The sort of tax imposed is also vital of course.

It would be a good thing if any quieting down in matters international could be utilized by the American people to give some very careful thought to fundamentals.

Rollins & Fowler Forming

Ernest C. Rollins and Thomas P. Fowler, both members of the New York Stock Exchange, will form Rollins & Fowler with offices at 54 Pine Street, New York City, effective July 1.

Caplow Opens Office

CHICAGO, IIL—Cedel A. Caplow has opened an office at 134 North LaSalle Street to engage in the securities business.

Doolittle to Admit

BUFFALO, N. Y.—Doolittle & Co., Liberty Bank Building, members of the New York Stock Exchange, will admit Oswald H. Buresh and Edward G. Memor to partnership on July 1.

Crawford in Washington

WASHINGTON, D. C.—Harry Law Crawford is engaged in the securities business from offices at 2014 Nichols Avenue, S. E.
Mutual Funds

BY ROBERT R. RICH

IN A GENERAL REVIEW of current economic trends, Harold X. Schreder, Executive Vice President, President, and Director of Research of Group Securities, asserts that while the upward force of the last year's boom, in private capital goods, is weakening, there appears to be no likelihood of a serious business recession. Citing as major factors (1) forthcoming increased government buying for preparedness and (2) its resulting admission consumer buying buying, Mr. Schreder commented: "Instead of the past year's preparation stage, the production stage of our armament program is about to get under way, and American business, soon will be in the process of doubling its services and goods to the government.

Despite the force of heavy military expenditures, civilian supplies and the general standard of living should be well maintained throughout this year and next, according to Mr. Schreder. "Presently planned defense expenditures are somewhat smaller than those of World War I and only about one-third of those of World War II peak level," he said. A year ago, at the Korean outbreak, they took only about $5 of our total estimated expenditures and services; currently they amount to about $9 per $100 of our total gross national product. Civilian expenditures for next year should take this total to more than $16 out of every $100 of our national product. Of course, if a full-scale war develops, this ratio will change sharply upward.

While our economy is today no larger than $100 of our greatly expanded output still capable of maintaining a living standard at close to present levels of consumption, particular types of civilian supplies will, of necessity, suffer cutbacks. This will be especially true in many types of goods that require metals and other scarce materials. Even so, the indicated production level of most of the steel companies, as measured by steel output, is extremely high by historical records.

Despite (1) the admitted strong economic outlook for 1951 and (2) the demonstrable underutilization of steel making facilities, the investment manager must (3) pay heed to the possibility of in-confidence—that indefinable, delirious optimism which the mass-investor approaches the securities market. "While the mass-investor is probing a new base on which to rebuild his confidence, the stock market is showing itself adjusted and alerted. During such a period as the current one of economic transition and investment in search of a new base for a new world, newspaper and magazine advertisements of two protective investment steps can be taken: (1) build up buying reserves, and (2) trade in quality.

"In the appropriate Funds, your manager took both of these steps before the recent sharp break in the stock market. The purchase of a new balanced money market fund is a highly selective one."

ALMOST A MILLION dollars of investment income was available for distribution to shareholders of Diversified Funds, Inc., during the six months ended May 31, 1951, according to the semi-annual report of this mutual investment company released today.

The New York company had total net assets of $35,784,501 on that date, comparing with $34,833,168 at the fiscal year end, Nov. 30, 1950.

The Diversified Fund, Inc., one of the several income funds available through Diversified Funds, Inc., paid a total of 36 cents in dividends for the six months under review, compared with 34 cents in the same period last year. This Fund had total net assets of $21,983,570 on May 31, 1951; an increase of $2,932,560 during the six-month period. Net asset value at May 31, 1951, was $11.19.

Commenting on the general economic background, Hugh W. Long, Executive Vice President, Diversified Funds, Inc., stated in the report that high wages and other costs, as well as increased Federal taxes, have made it more difficult for industry to translate additional sales dollars into net income. However, the report notes that "by most standards of measurement—book value, replacement value, earning power and income return—properly chosen securities are still attractive in relation to other forms of property of comparable risk and yield."

COMBINED NET assets of the ten Keystone Funds on May 31, 1951, were $216,300,350. It is disclosed by the semi-annual report of the Keystone Income Common Stock Fund S2, made public today. This company, with total assets of $217,427,300 at the close of May, last year.

Net assets of the S2 Fund at the close of the first half of the current fiscal year amounted to $32,643,558, against $32,621,448 twelve months before. Net asset value per share on May 31, 1951, was $15.82 on May 31, 1950. There were 1,000,376 shares outstanding in May 1951, compared with 2,014,617 a year ago.

An Industry breakdown as of June 22, 1951, of the investments of National and New York State, 000,000 Million Mutual Fund, and the largest, one on Mutual Securities & Research Corporation, showed the following changes recently as follows by industry groups:

Decreased—Increased—

Agricultural Equipment Automotive Metal Building Materials Railroad Utilities

The security lists give effect to a program of profit-taking which was completed in May. The increased of percentage of investment has been largely in these Heavy Goods stocks in which the outlook seems favorable in the opinion of the "national" management. Agricultural equipment stocks as a group appear attractive to us on prospects of higher 1951 earnings than in 1950. The outlook for the other groups appears more favorably situated for the 1951 fiscal year than in 1950. The outlook for the steel stock industry shows some improvements in the steel supply and credit restrictions on sale of automobiles. The building stockings as a class, in the opinion of "Na-

The selections from the utility industry are believed to be relatively more favorable from a price and earnings viewpoint. The selected from the utility industry are believed to be relatively more favorable from a price and earnings viewpoint.

TOTAL NET ASSETS of Bullock Fund, Ltd., as of May 31, 1951, were $14,199,935, net asset value $12.34 per share. At the end of the fiscal period here included, May 31, 1950, the net asset value of $12.34 was $12.34, and at May 31, 1950, the market value was $12.34 on May 31, 1950, the amount was $12.34.

As of May 31, 1951, investment reserves, consisting of cash and high-grade bonds, amounted to approximately 15% of total net assets as compared with about 17% on Nov. 30, 1950.

Net assets of Nation-Wide Securities Company as of May 31, 1951, included purchases of 5,000 shares of military companies in which it had no common stock investments on Feb. 28, 1951. The stockholders of these companies have been instructed to sell their stock to the U. S. Government bonds 16.6% in other bonds and cash etc. 9.4%.

Investment changes in the company in the three months ended May 31, 1951, included purchases of 5,000 shares of military companies in which it had no common stock investments on Feb. 28, 1951. The stockholders of these companies have been instructed to sell their stock to the U. S. Government bonds 16.6% in other bonds and cash etc. 9.4%.

The combined net asset value per share dropped slightly from $12.34 to $12.32 in the six months ended May 31, 1951, amounts to $232,453 compared with $321,453 in the period in 1950. Market value of investment on May 31, 1951, was $10,068,200. This figure included an additional amount of $1,738,722, indicating the net unrealized gain in the market value of investment holdings over the prices at which the securities were purchased. Six months earlier, unrealized appreciation was $1,710,542 and on May 31, 1950, the amount was $1,037,122.

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by the fund included the elimination of all common holdings in five shares of American Home Products Corporation; 1,000 shares of Dekum Company; 2,000 shares of Flintland Company; 3,500 shares of General Portland Cement Company; 2,380 shares of National Gypsum Company; 1,000 shares of Northern Natural Gas Company; 2,500 shares of Studebaker Corporation; and 2,200 shares of Safe- way Stores.

NET ASSETS of American Business Shares, Inc., on May 31, 1951, exceeded those of the comparable period of last year, were $33,068,123, or $4,01 a share, compared with $33,734,000, or $4,26 a share, for the period a year earlier.

In the period, "Cash and Bonds held for Capital Stability" increased to $48,727,740, and the other changes of importance were an increase in the amount of corporate bonds held, a reduction in the amount of automobile, oil and steel stocks, and a reduction in the amount of food, retail trade and utility stocks.

NATURAL RESOURCES Fund had on May 31 increased its net assets to $12,300,573, or $145.45 a share, as compared to $10,261,705, or $110.43 a share, a year earlier.

BROAD STREET REPORTS that, "while the prices of stocks may well continue to be influenced in the near term by developments, their basic position as high, for example, is well worth reviewing from time to time."

Average prices, as measured by the Dow-Jones Industrial Stock Average, have not advanced nearly as much as prices of some other investment media.

COMPARISON OF INVESTMENT VALUES

<table>
<thead>
<tr>
<th>Investment Media</th>
<th>January 1, 1951</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>102.36</td>
<td>102.03</td>
</tr>
<tr>
<td>Preferred Stocks</td>
<td>108.05</td>
<td>107.87</td>
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<tr>
<td>Preferred Stocks (Standard &amp; Poor's)</td>
<td>107.50</td>
<td>107.20</td>
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<tr>
<td>Bonds (Standard &amp; Poor's)</td>
<td>106.00</td>
<td>105.70</td>
</tr>
<tr>
<td>Dow-Jones Industrial Stock Average</td>
<td>194.40</td>
<td>193.90</td>
</tr>
</tbody>
</table>

*Estimated.

Freeman, President of Loomis-Sayles Funds

BOSTON, Mass.—The directors of Loomis, Sayles & Company, Inc., and the Loomis-Sayles Second Fund, Inc., elected Maurice P. Freeman, Jr., president and member of their board of directors. Mr. Freeman is a member of the firm and is also a director of the Loomis-Sayles Funds. Mr. Freeman is a member of the firm.

With Founders Mutual

Special to The Commercial and Financial Chronicle

DALLAS, Tex.—J. W. Beaupre, owner of the Beaupre Packing Company, First National Bank Building, and a leading manufacturer of pecans in Texas, has been a director of the Founders Mutual Life Insurance Company since 1950, when this company was formed.

George W. V. Pelz

George W. V. Pelz, an associate of B. H. Roth & Co., New York City, passed away at the age of 74.

Notes Increase in Gold and Dollar Reserves

The 21st Annual Report of the Bank of International Settlements, recently published, contained the usual data and analysis of the gold and dollar reserves of member countries. The report of the Bank of International Settlements, which concluded in September, 1951, contains the usual data and analysis of the gold and dollar reserves of member countries.

"The decrease in the gold reserves of the United Kingdom in the first half of 1950, represented, on the one hand, the spectacular trend of financial and sterling area reserves in London, and on the other, pressures from producers on member countries.

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No Present Danger of Further Inflation

By military force, inflation has been reduced to a very low level. At the time of this writing, a few isolated cases of price increases are causing concern. It is important that the public understand just how serious this situation is.

Inflation is the result of an excess of demand over supply. When demand exceeds supply, prices tend to rise. Inflation can occur when the government increases the money supply faster than the economy can absorb it. If the government prints too much money, it can lead to inflation. When the government prints too much money, it can lead to inflation. When the government prints too much money, it can lead to inflation. When the government prints too much money, it can lead to inflation. When the government prints too much money, it can lead to inflation. When the government prints too much money, it can lead to inflation. When the government prints too much money, it can lead to inflation. When the government prints too much money, it can lead to inflation. When the government prints too much money, it can lead to inflation. When the government prints too much money, it can lead to inflation. When the government prints too much money, it can lead to inflation. 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wealth; and those with more or less fixed incomes such as gov¬
erment employees and college is facing increasing squired and in many cases ac-
tived to get through this at first-hand.

Nonetheless, it gives a totally false impression of economic laws that determine its intensity. It's en-
litely visible to us. If we want it, we can have it. If we don't, we can largely avoid it.

Let's make a few comments about the iron industry.

The iron industry has contributed a great deal to the economic growth of the nation. Its output continues to rise despite the economic downturn. This has been achieved mainly through the use of new technology and increased efficiency.

Bankers Sell Union Oil of Calif. Stock

A secondary offering of 200,000 shares of Union Oil of California stock (par $25), which has been in existence for only a few weeks, will be made to the public on the New York Stock Exchange on July 2 by Dillon, Read & Co., Inc., at $35 per share (with a dealer's dis-
scount). The offering, announced by the underwriting syndicate, is still oversubscribed and the books closed.

The underlying strength of Union Oil is undiminished and the offering will be a further indication of the company's prospects.

Walston, Hoffman

( Special to The Financial Chronicle)

PASADENA, Calif.—Glenn M. Jones, chairman of the board of Union Oil of Calif¬
a, has issued a statement that the company will continue to be in business. He said that the company's stock is down to $35 per share (with a dealer's dis-
count). The offering, announced by the underwriting syndicate, is still oversubscribed and the books closed.

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Adda (Special to The Financial Chronicle)

LOS ANGELES, Calif.—Louis B. McRae, president of McRae & Co., has acquired the staff of Walston & Durst, Inc., and the office is now located at 130 South Spring Street.

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Commercial and industrial failures increased to 188 in the week ended June 26 from 180 in the preceding week, Dun & Brad¬
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Tomorrow's Markets  
Walter Whyte Says—

By WALTER WHITE

If you are in the market now, you are probably dazed at the current high level of activity. Is this a bear market or is this a technical reaction of the bull market?

If you read the financial columns and market letters, you get plenty of versions of what this is all about, and after you finish reading all this you probably still won't know what to make of it all.

But don't concern too much — get another loan — there are thousands in the same spot.

At this point I refer you back to the column written in May when the previous reaction was under way. The general feeling at that time was that we would go around the corner. I did not see it that way. I thought stocks were approaching the lows and were a buy and if not now, at a reasonably low price would have a substantial advance.

However, I did say that there would be a major reaction possibly before the end of June. You know what happened.

In the past few weeks I stressed group action and said it was the action of such groups in reactionary markets that pointed the way to future action when, as and if the market turned up. Among the groups looked on kindly were the amusements issues, particularly those with television outlets.

So far these stocks have not done much to cheer about, but it is noticeable. Century-Fox will probably slice its dividend in the near future. I am not so naive as to think that the rest of the stocks in the same group will take this with equanimity, but if a reaction turns up, it would be the time to do a little buying.

Now back to the future as it looks from here: Stocks are now back to about 245 on the Dow Averages with some current signs of a bottom around 242. I don't trust that bottom too much but I think there will be a turn which will be followed by dullness, but between that period and the expected dullness there is likely to be another reaction. So if you have any plans to go away this summer, I don't think you will be missing much. It looks like that kind of a summer.

It looks like the Korean war is about over since the current newspaper dispatches are to be believed. I wish I could understand our foreign policy so I might try translating it into market terms, but if the market is any yardstick, I don't think there is too much understanding of our foreign policy in higher places either.

[The views expressed in this article are those of the writer at a time coincidence with those of the Chronicle. They are presented as those of the author only.]

Don't Be Confused by the Market's Action

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F. W. STEPHENS

15 William St., N. Y. HA 2-6488

The Commercial and Financial Chronicle . . . Thursday, July 5, 1951

The State of Trade and Industry

certain during the week, declined sharply following talk of peace
averting in the Korean struggle.

There was a lack of buying interest in wheat as heavy liquidations
sent prices to the lowest levels in many months. Export
prices were lower at Chicago and St. Louis,4 further reducing the
large August allocations. Growing conditions in Spring wheat
areas indicated an early harvest. This year's crop was expected to
be excellent, with recently published reports indicating a
retardation in the maturing and early harvest operations of the
Winter Wheat. This had a bearing on prices, which had been
already up with any showing signs of recuperation at times. The
crop was said to be making favorable progress and generally good and
showy.\n
Data were entered indicating as addi-
tional receipts of Canadian oats supplied large stocks. Trade
reports indicated that trade continued fairly active with sales averaging
30,200,000 bushels per day, against 23,000,000 bushels during the
first week, and 25,200,000 bushels in the corre-
sumbing week last year.

Although flour prices trended downward during the week, domestic
making of hard wheat bakers' varieties remained
in small volume with replacement buying confined to so many lots as
needed. Coffee and cocoa, which were fairly steady, regis-
tered sharp declines on the price rumors, while the upward trend
in sugar was halted as it joined the general downward movement.

Cottonseed oil was sharply lower for the week, influenced by the
war news and weakness in allied lines.

Lard worked irregularly lower. Production of lard con-
tinued heavy; export trade was slow with no signs of immediate
improvement. Chicago livestock markets were irregular. Hog
values finished slightly lower after reaching the highest level in about
four months back on the 26th of last year. There were no layoffs
steady, while lambs moved slightly higher on smaller receipts.

Data for trade report indicated that the staple spot grade remained unchanged at near ceiling levels while the lower qualities displayed an easier trend. Cotton futures moved to a two-week high and touched prices of the continued favorable weather and crop news, and dullness in the cotton market as the crop was said to be much better than had been anticipated.

The cottonseed meal market also showed a noticeable drop from 110, a level of 327,800 bales, compared with previous estimates as high as 885,000 bales.

Trade Volume Reflects Mild Shrinkage For Week

The nation's shoppers spent slightly less money in the period ended on Wednesday of last week than in the week before. Total dollar volume, however, was slightly above the level for the com-
parable period a year ago.

Lasting interest in durable goods in scattered areas was considered partly responsible for the dip in retail purchasing. This is a bit of a high note. Total dollar volume of buying was noticeably above the level of a year ago in many urban centers. Of women's wear sold, sport clothing, accessories, and lingerie were interestingly popular; moderately-priced dresses were also prominently requested in scattered areas. Sales of accessories and coats were somewhat above last year.

The consumer demand for house-furnishings and other durables declined moderately the past week in many sections; aggre-
gate sales of new house sales were generally below last year's level.

Much of the decrease was specifically noticeable in requests for the purchasing of refrigerators, ranges, and other kitchen units.

The general interest in large appliances continued to be somewhat lessened, despite intensified promotions of some of these products.

Total retail dollar volume in the period ended on Wednesday of last week was estimated to be from 1% below to 3% above a year ago. Regional estimates varied from the levels of a year ago by these percentages:

New England south and west, 3 to 7; East and Northwest 6 to 4; Midwest 4 to 3; and Pacific Coast 4 to 3.

There was no noticeable change in wholesale buying in the past week; the total dollar volume of orders was very slightly above the level for the similar week in 1950, while unit volume was slightly below the equivalent period of last year. This was com-
pared with an increase of 1% in the previous week, and an increase of 2% for the year to date. Department store sales registered an advance of 9%.

Retail trade in New York last week rose 5% above the like period of last year. This was a gain of 4% above a year ago and 
leaving buying was first in evidence as a result of the Korean War.

According to the Federal Reserve Board's index, department store sales in Detroit, St. Louis, Chicago, New York, and Cleveland, for the week ended June 26, 1951, advanced 13% from the like period of last year. In the pre-
ceeding week an increase of 12% (revised) was registered above the similar week of 1950. For the four weeks ended June 23, 1951, an increase of 14% was recorded above that of a year ago. Sales for the year to date, volume advanced 11% from the like period of last year.
Maybe for those of you who are trying to save up for a new car or are a long-term investor thinking of your retirement, these slowly moving items mean a lot of money. In the short run, the fact that prices are not rising as much as they were in the past could make it easier for you to save or invest. However, as a matter of fact, if you haven’t guessed by now, the long-term perspective is the more important one. We are facing the long view of this whole problem of selling, and you must ask yourself a question which as far as you or I can tell, you’re unlikely to get an answer to very easily: Who lives in the suburbs? 

In some States, the idea of self-sufficient communities has been experimented with, and sometimes made work. But even when all the plans of the gas station attendants are being worked out, the tide cannot be turned. And elsewhere, this has proven to be the case. We have been here long enough to have seen a year’s distribution pattern changed decisively. When the time is ripe, the salesmen will come, and if they don’t, it will be because they’re simply not there, not because there aren’t any customers. This is what I mean by the long view of selling.

So salesmen are in a very special position in this market. The long view makes it urgent that they should be in constant touch with the business and the customer. But I still think that there is a place for the long view even in the short run. It means that you should be thinking of the future, and what will happen to your customers and to your business in the next year. This is what I mean by the long view of selling.
Salesmen in Impending Sellers’ Market

port of our national income. We yearn for a way to reduce risks and mop up more of our incomes to keep the older folks going. But this is part of the irony of the modern age. Our parents’ new-found independence-their new skill and ingenuity of medical science, for example—allows us to live our own lives with more privacy than have other generations.

Of course, there will be some complications. But the real picture is left. Instead of looking on old age as something to look forward to, it is the rub your hands, and say, “Oh brother, just wait till I get to be 60 and see what I’ll do then.” It is by the time that you grow to appreciate what your parents do for them. But now the complication is that you will find things you have back from your children, if not individually, not as a family.

In addition, there are some current dangers confronting the old. Social problems involved in maintaining the status of old people. It is an ironic situation that the elder statesmen of our community can earn a good living for themselves, if not for some sort of tapering off is necessary. And programs on how to reduce the number of old people, as is often defined by some large companies.

I raise these problems because of the general feeling that the salesmen who will be selling to these old people will have to worry about the concern all of us no matter what field we happen to be working in.

Downs and Improved Distribution System

It seems to me that there are some answers to the old man who is faced with the probability of an extended and intensive old people market’s sector in which we can improve the efficiency of the distribution process. The salesmen, it seems to me, can, indeed, become a specialist in distribution. He can do it by finding better ways of getting more things to more people at lower prices. And this is not just good business at times, it’s a matter of human relations. A marked contribution toward building that inflation in line. Another approach to the same thing is to be alert to the shifting nature of the buying pressure. And another thing that we can do for our old friends is to make that new social pressure, and the importance of the opportunity to sell in the broader sense.

Some economists anticipate a national market of more than $3 billion a year, the mark which may be the profitable, commodity, or what we call an open market. It will depend on the companies, if we can create a market for these goods, we can develop an open market.


It must be noted that all of these somewhat to the left of the center articulate people want to disseminate misinformation. Some are nelle, others, on the basis of themselves, or worse, miss¬

Now, if you sold them the pattern of a problem of a half selective mar¬

I think I have, with your permission, written a fair¬

Kelley Graham, Chairman of the Board of the First National Bank of Los Angeles, announced that on June 23 the appointment of the new city president of Southern California, Mayor Carl G. Swenson, was confirmed by the Pittsburgh and New York banks, and that the new president of the bank is William E. Silber, formerly President, Vice-Vice-Presi
dent, and President.

But the public is really a series of publics, as you men know very well, and the public relations man’s attention to the public is a matter of importance.

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With Sterm, Frank Co. (Special to The Financial Chronicle).—Barbour Smith, partner of Barbour Smith & Company, has become a principal of the new Barbour Smith & Company, which he now holds. Mr. Barbour Smith, a member of the firm, is a graduate of the American Institute of Banking.

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Securities Now in Registration

New Registrations and Filings

American Brake Shoe Co. June 29 filed 32,000 shares of common stock (no par) to be offered to certain officers and key employees through a stock purchase plan. Price—To be not greater than the net (or at price on the date of sale, or not less than 50% of such price). Underwriter—None. Proceeds—For stock purchase plan.


General Electric Co., New York, N. Y. June 26 (letter of notification) 3,225 shares of B common stock to be offered to holders of stock payable at par and held in their own names. Price—$38 1/2 each. Underwriter—None. Proceeds—For corporate purposes.

Buzzards Bay Gas Co., Hyannis, Mass. June 22 (letter of notification) 12,000 shares of 6% cumulative preferred stock. Price—At par ($22 per share) and accrued dividends. Underwriter—Coffin & Burr, Boston, Mass. Proceeds—To retire $150,000 outstanding dividend-bearing associates at par ($22 per share) and to reissue treasury property for additional working capital. Offered—On June 29.

Checker Cab Manufacturing Co. (7/24) June 28 filed 43,644 shares of common stock (par $1) to be offered for subscription by common stockholders of record on July 24 at a rate of one new share for each share held, including shares held, for 28 days to expire Aug. 20, and the remaining 30,644 shares to be sold for the account of certain stockholders.

Franklin Custodian Funds, Inc. June 29 filed 200,000 shares of common stock series (par $10 each) to be offered for subscription by common stockholders of record on July 15, at a rate of one new share for each share held, including shares held, for 28 days to expire Aug. 20, and the remaining 200,000 shares to be sold for the account of certain stockholders.


Diamond Fuel Oil Co., New York, N. Y. June 29 filed 60,000 shares of common stock (par $10) to be offered for subscription by common stockholders of record on July 15, at a rate of one new share for each share held, including shares held, for 28 days to expire Aug. 20, and the remaining 54,000 shares to be sold for the account of certain stockholders.

Hudson Fund, Inc. June 26 filed 200,000 shares of common stock (par $1). Price—At market. Underwriter—None. Proceeds—For investment.


Lindberg Instrument Co., Berkeley, Calif. June 23 (letter of notification) 100,000 shares of common stock (par $1) to be offered for subscription by common stockholders of record on July 24, at a rate of one new share for each share held, including shares held, for 28 days to expire Aug. 20, and the remaining 90,000 shares to be sold for the account of certain stockholders.


Marsh Steel Corp., North Kansas City, Mo. June 26 (letter of notification) 100,000 shares of common stock (par $5). Price—To be not greater than $5. Underwriter—None. Proceeds—For investment.

Mid-Continent Airlines, Inc., Kansas City, Mo. June 26 filed 100,000 shares of common stock (par $1). Price—To be not less than $1. Underwriter—None. Proceeds—To be used for working capital.


New Mexico Farm Mutual Insurance Co. June 25 (letter of notification) $125,000 in surplus certificates to be sold to Arizona Farm Bureau members. Price—at par ($100 each). Underwriter—Abney, New York, N. Y. Proceeds—For insurance.


Bank of California, Los Angeles, Calif. June 25 filed 13,000 shares of preferred stock (par $100) to be offered for subscription by common stockholders of record on July 15, at a rate of one new share for each share held, including shares held, for 28 days to expire Aug. 20, and the remaining 5,000 shares to be sold for the account of certain stockholders.


Philadelphia Life Insurance Co. June 28 (letter of notification) 15,000 shares of common stock (par $100) to be offered to underwriters and then to public, and 6,000 to officers and employees. Price—To be determined. Underwriter—New York, N. Y. Proceeds—For working capital and reserves. Office—111 No. Broad St., Philadelphia, Pa. Proceeds—For working capital and reserves.


Socorro-Vacuum Oil Co., Inc., New York, N. Y. June 26 filed interests in corporations' employees' savings plans which will permit an employee to allow from 1% to 10% of his base salary to be contributed to a savings account under certain conditions. Price—To be filed to the extent that the company may wish to accumulate one or more of the following: (a) Series E U. S. Government bonds; (b) common stock of any investment company eligible for investment.

Stanza Corporation, Phoenix, Ariz. June 26 (letter of notification) 2,000,000 shares of common stock of which 10,000 shares will be offered to exchange for notes or for cash for par; and 100,000 face values of notes (convertible, par for par) into common stock. Price—To be filed. Underwriter—None. Proceeds—To repay loan and to acquire new shares. Office—75 West Fordland Street, Phoenix, Ariz.


Previous Registrations and Filings

Air Facilities, Inc., Phoenix, Ariz. June 4 (letter of notification) 183,000 shares of 6% preferred stock (par $1) and 483,000 shares of common stock (par $1). Price—$20 per share. Underwriter—None. Proceeds—To be used for working capital.


Arden Farms Co., Los Angeles, Calif. June 11 filed 55,000 shares of common stock (par $1) and participating preferred stock (no par) of which 54,444 shares are first to be offered to preferred stockholders at rate of one new share for every 10 shares of preferred stock to be offered publically. Price—to be supplied by underwriter. Underwriter—None. Proceeds—To repay bank loans.

NEW ISSUE CALENDAR

**July 9, 1951**
- Iowa Public Service Co., Common
- Midwest Gas Co., Common
- Victoriaen Instruments Corp., Common

**July 10, 1951**
- Cornucopia Gold Mines, Common
- Minnesota Power & Light Co. note (EDT)
- Northrop Aircraft

**July 11, 1951**
- Chesapeake & Ohio Ry. note (EDT)/Eq.
- Tr. Cifs.
- New York & Southern Ry.
- S & W Fine Foods, Inc., Common

**July 12, 1951**
- Speer Carbon Co., Common
- Texas & Pacific Ry. note (EDT)/Eq. Tr. Cifs.

**July 16, 1951**
- Washington Gas Light Co., Bonds
- Marquette Cement Manufacturing Co., Common
- New York State Electric & Gas Corp.
- Common
- Scranton Electric
- Preferred

**July 18, 1951**
- General Telephone Corp., Common
- Green River Steel Corp., Debs, & Common

**July 19, 1951**
- Texas Gas Transmission Corp., Preferred
- Montana-Dakota Utilities Co., Common
- Dornbush Real Estate Co., Preferred
- Lehamn Corp., Preferred
- Mississippi Power Co., $11 (EDT)/Bonds

**July 24, 1951**
- Checkar Cab Manufacturing Co., Common
- Pacific Distributors, Inc.
- United Gas Ind., Bonds

**August 7, 1951**
- Michigan Consol. Gas Co. 10.30 a.m. (EDT)/Bonds

**September 30, 1951**
- Southern Counties Gas Co. of California, Bonds
- Alabama Power Co., Bonds

**Glass Fibers, Inc., Toledo, Ohio**
- June 6, filed 200,000 shares of common stock at $1
- Price — To be supplied by amendment
- Underwriter — M. W. W. & Co., Inc.

**Golconda Mines Ltd., Montreal, Canada**
- April 4, filed 5,000,000 shares of common stock at $1
- Price — To be supplied by amendment
- Underwriter — George W. F. Bower Ltd., Montreal, Canada

**Green River Steel Corp. (7/8)**
- June 5, filed 4,000,000 shares of $5 debentures due 1961 and 250,000 shares of preferred stock at $25 per share, to be offered in units of $1,000 of debentures and 80 shares of preferred stock at $25 per unit.
- Underwriter — Equitable Securities Corp., Nashville, Tenn.
- Proceeds — To be applied to cost of acquisition, construction and improvement of plant facilities and for general corporate purposes.

**Idaho Custor Mines, Inc., Wallace, Idaho**
- June 8, filed 6,000,000 shares of common stock at $1
- Price — To be supplied by amendment
- Proceeds — To be used for the construction of operations.

**International Resistance Co., Phila., Pa.**
- July 27, filed 15,000 shares of common stock (at $10 per share).
- Proceeds — To be applied to the construction of a new building.

**Jersey Central Power & Light Co.**
- Feb. 21, filed $1,500,000 first mortgage bonds due 1951.
- Proceeds — To be spent on the construction of a new building.

**Lilly-Tulip Corp., New York**
- June 15, filed 75,000 shares of common stock (no par)
- Proceeds — To be used for the construction of a new building.

**Link-Belt Co., Chicago, Ill.**
- May 31, filed 20,000 shares of common stock (at $25 per share) for the purpose of issuing additional shares to employees of the company and its subsidiaries.
- Proceeds — To be used for the construction of a new building.

**Loen Chemical of California**
- June 15, filed 8,000,000 shares of common stock (at $10 per share) for the purpose of issuing additional shares to employees of the company and its subsidiaries.
- Proceeds — To be used for the construction of a new building.

**Marquette Cement Manufacturing Co. (7/17)**
- June 27, filed 100,000 shares of common stock (at $10 per share) for the purpose of issuing additional shares to employees of the company and its subsidiaries.
- Proceeds — To be used for the construction of a new building.

*Continued on page 49*
Mississippi Power Co., Gulfport, Miss. (7/23) June 27 filed 1,000,000 shares of common stock (par $5) to be offered July 20 to common stockholders on basis of one share of class A stock for each share of class B stock. Price—To be supplied by amendment. Underwriters—Blyth & Co., Inc., Merrill Lynch, Perrin, Fenn & Beane, New York. Proceeds—For working capital.

National Bangor Stole Co., Wind Gap, Pa. June 27 filed 800,000 shares of common stock (par $5) and 40,000 shares of 8% cumulative preferred stock (par $1) to be offered in units of one share of each class of stock. Price—$4.50 per unit. Underwriters—None; directors will sell direct. Proceeds—For payment of debt and purchase of machinery.

New England Telephone & Telegraph Co. May 31 filed 777,810 shares of common stock being offered to stockholders of record June 8 in ratio of one share for each 10 shares held. Price—$20 per share. Proceeds—To capitalize the American Telephone & Telegraph Co., parent, will subscribe for all of the common stock and for 750,000 shares of preferred stock (par $100) at $100 per share. Underwriter—None. Proceeds—To provide working capital.


Pepsi-Cola Bottling Co. of Wash., D. C., Inc. May 11 (letter of notification) 5,000,000 shares of common stock (par $10 each). Price—$5 per share. Underwriters—None. Proceeds—For working capital.

Pittsburgh Plate Glass Co. July 24 filed 4,881,530 units of convertible preferred stock (par $10 each). Proceeds—To purchase working capital. Underwriters—None. Proceeds—For working capital.


South State Uranium Mines Ltd. (Canada) A subsidiary of South State Uranium Mines Co., Ltd., filed 300,000 shares of common stock (par $1). Proceeds—At par ($1 per share). Underwriters—Ogilvie—Robert Irwin Martin of Toronto. Proceeds—For financing expansion and development expenses, and working capital.

Southern New England Telephone Co. June 8 filed 400,000 shares of common stock (par $10), being offered for subscription to stockholders of record May 21 (letter of notification). Price—$23.75 per share; approximately $48 per share. Underwriter—None, but A. Allardyce, Ltd., is the controlling stockholder. Proceeds—To be used for the following purposes: (1) redemption of 65,000 preferred shares; (2) payment of the balance due on general obligations; (3) continued expansion of the business. Proceeds—For working capital.

Spiegel, Inc., Chicago, Ill. June 21 filed 75,250 shares of common stock (par $1) to be offered to the public. Price—To be supplied by amendment. Underwriters—Boston & Stone and Weisler Securities Corp., both of New York, and Haascher, Pierce & Co., Inc., Dallas, Texas. Proceeds—To be used for the following purposes: (1) to reduce bank borrowings and for working capital; (2) to pay off notes due the bank of $25,000; (3) to pay commissions, exploration and development expenses.


Television Equipment Corp. June 20 (letter of notification) 1,600,000 shares of common stock (par $1) being offered to stockholders of record June 15. Price—To be supplied by amendment. Underwriter—None. Proceeds—For working capital.

Thornco Co., Atlanta, Ga. May 16 (letter of notification) 19,434 shares of common stock to be offered to stockholders through transferable warrants. Price—At par ($5 per share). Underwriter—None. Proceeds—For working capital.

United Gas Corp. July 24 (letter of notification) 50,000 shares of preferred stock (par $10) being offered to common stockholders of record June 27, 1951, on basis of one share for each ten shares held, with an over subscription privilege, rights to expire on July 19. Price—$17.50 per share. Underwriter—None. Proceeds—For working capital.


Westinghouse Steel Co. June 26 filed 2,560,000 units of convertible preferred stock (par $100) and 27,495 shares of common stock (par $10) to be offered for exchange for Thomas Steel Co. 4.4% cumulative preferred stock (par $100) at a rate of $100 to $100, of a 5% preferred and 14% shares of common stock for each Thomas Steel preferred stock share (if certificates are held they may be called for redemption at $100 per share). Underwriter—None.

Western Yards, Inc., Spokane, Wash. May 22 (letter of notification) 20,000 shares of common stock (par $5). Price—$15 per share. Proceeds—$300,000 to be used in the acquisition of the W. S. Chapman & Co. business. Underwriter—None. Proceeds—For working capital.

Wisconsin Power & Light Co. May 13 (letter of notification) 5,000,000 shares of common stock (par $1). Proceeds—To be supplied by amendment. Underwriters—None. Proceeds—For working capital.

Worthington Corp. June 16 (letter of notification) 2,000,000 shares of common stock (par $1). Proceeds—To be supplied by amendment. Underwriter—None. Proceeds—For working capital.
June 28 stockholders approved a proposal to borrow $2,500,000 on bonds to mature outstanding preferred stock (par value $100 per share), with dividends of 5% per annum, to be used to finance construction of a mining operation and for working capital. Offerings—May be made privately.

Bell, & Partners, New York, Proceeds—For new issues; 9½% bonds, Features—No change.

May 28 stockholders of Vanadium Corp. have approved the issuance of 3,000,000 shares of common stock, approximately 12,500 additional shares of common stock as a result of the conversion of 13,000 shares of preferred stock at $100 per share, and the purchase of 40,000 first mortgage bonds to be offered by Underwriters.


Chester County R. R. May 22 it was announced that the company (a subsidiary of Breaker & Associates) may be necessary to construct a 36-inch pipeline from Volo, Ill., to near Mt. Prospect, Ill., at a cost estimated at approximately $3,595,295, if the proposed site of the financing are not now known. Bond financing in March, June, and September is possible. (9/11) Hutzler.

Chicago & Southern RR. June 7 it was announced (in addition to sale of 3,000 shares of common stock filed with SEC) the pending of additional securities for the sale of 50,000 shares of common stock (par $1) later this year. Office—222 South Sixth Street, Philadelphia, 33 Pa.

Idaho Power Co. June 6 company reported considering issuance of $7,500,000 of preferred stock and $7,500,000 of first mortgage bonds, to be offered by Underwriters.

Illinois Bell Telephone Co. May 18, 1951, announced that this company (approximately 42% owned by American Telephone & Telegraph Co.) may sell additional securities before the end of the year, of 625,454 additional shares of common stock to its stockholders. Underwriters—To repay short-term loans and for new construction.

Iowa Power & Light Co. May 28 it was announced that this company expects to issue additional securities in 1953 to finance its construction program of 4,000 new hydropower projects along the Mississippi River, and $7,500,000. Form of financing will depend on market conditions and probability: Morgan Stanley & Co., (for bonds); C. W. Langley Co., Union Securities Corp., and Glore, Forgan & Co. (jointly).

I-T-E Circuit Breaker Co. May 28 it was announced that this company has approved proposals to construct and sell $3,500,000 of common stock to company to sell stock of $1,500,000, and the authorization of stock to be offered to stockholders of $1,999,999, at $100,000 shares, at $100,000 shares.

Continued on page 42
Nuclear Instrument & Chemical Corp.,

June 16, it was announced company expects to offer in July 74,560 shares of common stock, (par $1). Price — $12,000,000. (Underwriters — First Boston Corp., & Hutzler, Ripley & Co.); White, & Co., Milwaukic, Wis. Proceeds — For working capital.

May 15 it was stated that this company, a subsidiary of American Gas & Electric Co., will need $8,000,000, per-837

scentage to finance its construction program for 1951-1952. Stockholders will vote July 1 on increasing the authorized capitalized stock from $9,000,000 to $15,000,000. Probable bidders: Halsey, Stuart & Co., Inc.; Blyth & Co., Inc. (jointly); Harriman Ripley & Co., Inc.; Salomon Bros. & Hutzler and Merrill Lynch, Pierce, Fenner & Beane. Proceeds — For construction.

Pacific Power & Light Co.

June 15, the company plans issuance and sale of common stock and bonds sufficient to raise approximately $10,500,000 needed to complete the financing of the proposed $38,249,000 power dam which will cost $26,402,000. The remainder of the cost will come from the issuance of $17,000,000 of 3% bonds. Probable bidders for the stock: Halsey, Stuart & Co., Inc.; Blyth & Co., Inc. (jointly); Harriman Ripley & Co., Inc. Proceeds — For construction.

Panhandle Eastern Pipe Line Co.

June 15, the company proposed to offer and sell to the public $20,000,000 of 3% debenture bonds and to issue 60,000 additional shares of common stock to key employees under a stock option plan. Underwriters — To be determined. Probable bidders may include: Harriman Ripley & Co., Inc. Proceeds — For construction.

Peabody Electric & Power Co.

May 28 John A. Wells, President, announced stockholders held a special meeting on May 17 and voted to offer $12,000,000 of common stock to the public. Probable underwriters: Goldman, Sachs & Co., New York. Proceeds — To be used to add working capital.

Mead Corp.

June 8 it was announced that the company's next step in its financing program may include the sale of approximately $21,000,000 of additional common stock. Probable bidders may include: Blyth & Co., Inc., New York.

Michigan Consolidated Gas Co.


Michigan-Wisconsin Pipe Line Co.

May 6 the company announced that a new $20,000,000 bond issue will be offered to the public. Probable underwriters: Drexel & Co. and Harriman Ripley & Co., Inc.

Mississippi River Fuel Corp.

May 24, it was announced stockholders on July 10 will vote on issuing bonds to the public for the purpose of refinancing short-term debt. Probable bidders: Halsey, Stuart & Co., Inc. Proceeds — To be used to increase working capital.

National Distillers Products Corp.

June 5, the company announced it had called a meeting of its stockholders to vote on the issuance of a new issue of 500,000 shares of preferred stock (par $100) and to increase its authorized common stock from 2,150,000 shares to 2,500,000 shares, par $5. It was also voted to cancel approximately 120,000 shares of preferred stock (par $100), none of which had been issued. Management contemplates financing new program in 1951 to provide construction funds, to increase working capital, and to pay out of $17,000,000 of short-term bank loans, and for additional working capital. Probable bidders: Halsey, Stuart & Co., Inc., Harriman Ripley & Co., Inc., and White, Weid & Co., Inc. (jointly); Morgan Stanley & Co., Inc.

Kaiser Aluminum & Chemical Corp.

July 2 it was announced company expects about $12,000,000 of bonds, $10,000,000 of additional preferred stock, and $34,500,000 in additional common stock to finance its construction program for 1951-1952. Stockholders will vote July 11 on increasing the authorized common stock from $15,000,000 to $30,000,000, par $10, and authorized indebtedness by $15,000,000. Probable bidders: Halsey, Stuart & Co., Inc.; Blyth & Co., Inc. (jointly); Smith, Barney & Co.; The First Boston Corp.; Harriman Ripley & Co., Inc.; and Leeman Brothers & Co.; Harriman Ripley & Co., Inc. Proceeds — For new construction.

Southern Union Gas Co.

May 23 C. H. Zuelzer, President, announced that remaining amount of bond issues floated by the company will be offered for sale. Probable bidders: Halsey, Stuart & Co., Inc. Proceeds — For new construction.

Texas Illinois Natural Gas Pipe Line Co.

May 21 it was announced company may offer either $7,000,000 or $14,000,000 of first mortgage bonds late in 1951 or early 1952. Bonds: Halsey, Stuart & Co., Inc. Proceeds — For competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; The First Boston Corp.; Blyth & Co., Inc.; Kiderd, Peabody & Co. and Smith, Barney & Co. Proceeds — For construction.

Texas Pacific Ry. (7/12)

Bids will be received until noon (EDT) on July 12 for the purchase of $4,000,000 of 3% first mortgage bonds due in 1965. Underwriters — To be determined. Proceeds — For construction.

United Gas Improvement Co.

June 9 it was announced that the company will offer to dispose of its interest in six non-subsidiary companies, viz: Central Carolina Gas & Electricity Co.; Georgia Gas & Electric Co.; Great Central Co., Inc.; Northwest Power & Light Co.; Southern California Gas Co.; and Texas Gulf & Electric Co. Proceeds — To be used to refinancing purposes.

Utah Power & Light Co.

May 8 it was announced company during 1951 proposed to issue a first mortgage bond offering of about $12,000,000 of first mortgage bonds. Underwriters — To be determined. Proceeds — To be used for construction.

Virginia Electric & Power Co.

April 24 Earl Smith, President, announced company offered 1,100,000 shares of common stock to the public. Proceeds: Proceeds — To be used to expand the company's new 327 mile natural gas pipeline to supply markets in Georgia and Florida, the estimated cost of which is approximately $15,000,000 and $12,000,000.

South Jersey Gas Co.

April 4 Earl Smith, President, announced company intends to offer 1,100,000 shares of common stock to the public. Proceeds — To be used to expand the company's new 327 mile natural gas pipeline to supply markets in Georgia and Florida, the estimated cost of which is approximately $15,000,000 and $12,000,000.

Southern California Gas Co.

April 4, the company indicated that it would soon be issuing $15,000,000 of preferred stock in two series. Probable bidders: Halsey, Stuart & Co., Inc.; Blyth & Co., Inc.; Harriman Ripley & Co., Inc.; Merrill Lynch, Pierce, Fenner & Beane; and Halsey, Stuart & Co., Inc. Proceeds — To be used for expansion of gas transmission facilities. Expected Aug. 2.

Valley Gas Pipe Line Co., Inc., Houston, Texas.

May 1 the company announced that it is contemplated that there will be additional financing to an amount approximate to $14,500,000 in connection with the construction of a $4,400,000 pipeline to carry natural gas from Texas and Louisiana to markets in Indiana, Ohio and Michigan. The company had planned to build 1,500 miles of line.

Weingarten (J., Inc.

June 5 the company announced company plans issuance and sale of 20,000 shares of preferred stock (par $50) to residents of Texas only. Underwriters — Moroney, Bestor & Co., Houston, Texas. Proceeds — Expected soon.

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Continued from page 41

**Kansas City Power & Light Co.**

**Ohio Power Co.**

**Texas Illinois Natural Gas Co.**
June 20 company announced it will make an issue sometime during 1952 and will sell $40,000,000 in bonds to finance expansion of its interstate pipeline facilities. Last year, the company was offered for subscription by common stockholders and sold for $30,000,000. Proceeds—For new construction.

**Texas Power & Light Co.**
May 21 it was stated company may offer either $7,000,000 or $14,000,000 in common stock and $12,000,000 in preferred stock. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Blyth & Co., Inc.; Kidder, Peabody & Co. and Smith, Barney & Co. (jointly); Merrill Lynch, Pierce, Fenner & Beane; Kidder, Peabody & Co.; W. C. Langley & Co., Inc.; Dean & Co.; Moran & Co., Inc. and Dean & Co. (jointly); Merrill Lynch, Pierce, Fenner & Beane; Kidder, Peabody & Co.; W. C. Langley & Co., Inc. and Dean & Co. (jointly); White, Weld & Co.; Equitable Securities Corp.; The First Boston Corp.; Blyth & Co., Inc.; Kidder, Peabody & Co.; W. C. Langley & Co., Inc.; and Dean & Co. (jointly). Proceeds—to be used for construction costs.

**Pennsylvania Power & Light Co.**
May 28 John A. Wallis, President, announced stockholders will vote May 25 on approval in changes in company by-laws to permit issuance of the remaining 78,507 preferred shares as additional common stock at par value of $100. These shares are now without par value. Company now has $25,000,000 expansion program, the final phase of which will be accomplished through a later sale of securities to the public. The present outstanding balance of 1,400,000 preferred shares was previously exchanged for 1,400,000 common shares for construction financing.

**Public Service Co. of Indiana.**
June 21 it was announced no one may do some permanent financing "when market conditions permit," as the company has no 1952 or 1953 plans to sell bonds for the purpose of building the company's power plants. It has made a new $43,000,000 bond issue to provide for construction of the power plants scheduled for 1954 and 1955. Proceeds—For construction purposes.

**Mead Corp.**
June 8 it was announced that construction of a new $21,000,000 pulp mill, which is scheduled to be put in operation in Pennsylvania, will begin late in the year. The pulp mill is being built by the company for its subsidiary, The Mead Paper Co., New York, N. Y., to increase efficiency of its present operations. The plant being built is the first of its kind to be put in operation in Pennsylvania.

**Michigan Consolidated Gas Co. (8/7)**
July 2 it was announced company on July 6 will file a registration statement with the Securities and Exchange Commission covering $10,500,000 in new mortgage bonds. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Smith, Barney & Co. and Blyth & Co. (jointly); Blyth & Co. (jointly) Harris & Co. (jointly); Harris & Co. (jointly); Halsey, Stuart & Co. Inc.; and Union Securities Co. (jointly). Proceeds—to repay outstanding short-term debt and to finance construction.

**Michigan-Wisconsin Pipe Line Co.**
May 24, company announced it planned to construct a new pipeline for transporting natural gas to cities on the west coast of the United States. The pipeline will be 577 miles long and is expected to be ready for operation in 1954. Proceeds—For construction purposes.

**Mississippi River Fuel Corp.**
May 24, it was announced stockholders on July 10 will vote on issue of additional shares of preferred stock. Shares would be sold to the public at par value. Proceeds—For purchase and additional common stock.

**National Distillers Products Corp.**
June 18, it was announced that the company will issue a new issue of 500,000 shares of preferred stock (par $100) and to increase the authorized common stock from 10,000,000 shares, no par value, to 15,000,000 shares, no par value, to eliminate the then authorized 150,000 shares of preferred stock. Proceeds—For management contemplates new financing in 1951 to provide for the construction of new plants. Proceeds—For the purpose of $17,000,000 of short-term bank loans, and for additional working capital. Underwriters—Glens Falls Savings Bank & Trust Co., The First Boston Corp.; Harris & Co.; and R. C. Upjohn & Co. (jointly).

**Niagara Mohawk Power Corp.**
June 6, company applied to FCC for a license to construct a new pipeline from New York to the west coast. The pipeline will be 577 miles long and is expected to be ready for operation in 1954. Proceeds—For construction purposes.

**Nuclear Instrument & Chemical Corp.**
Chicago, Ill., June 11 it was announced company expects to offer in July 74,000 shares of common stock (par $1). Price—$12. Proceeds—For working capital.

**Ohio Power Co.**
May 23 it was announced company had sold its authorized common stock to fund its $150,000,000 construction program scheduled for 1951, 1952 and 1953. Probable bidders: Glens Falls Savings Bank & Trust Co., Halsey, Stuart & Co. Inc.; Blyth & Co. Inc., and Dean & Co. (jointly). Proceeds—To cover the sale of the new common stock, the issue of $12,000,000 first mortgage bonds, due 1951 (probably as 4%); Underwriters—The last bond issue was sold by Harris & Co. (jointly); Morgan, Ripley & Co. and Dean & Witter & Co. in April, 1948. Proceeds—to be used for expansion of gas transmission and distribution systems. Underwriters—Dean & Co., Moran & Co., Inc. and Moran & Co., Inc. (jointly). Proceeds—for new construction.

**Southern Union Gas Co.**
May 23 C. H. Zachry, President, announced company will sell $3,000,000 of new mortgage bonds with the net proceeds to go to 90 days. Traditional Underwriters—Dean & Co., Moran & Co., Inc. and Moran & Co., Inc. (jointly). Proceeds—for new construction.

**Texas Illinois Natural Gas Co.**
June 20 Company announced it will sell $40,000,000 in bonds to finance expansion of its interstate pipeline facilities. Last year, the company was offered for subscription by common stockholders and sold for $30,000,000. Proceeds—to be used for construction costs.

**United Gas Improvement Co.**

**Valley Gas Pipe Line Co., Inc.**
Houston, Tex., May 12 company announced it was proposing the construction of a $144,000,000 pipeline project to carry natural gas from Texas and Louisiana to markets in Indiana, Ohio, and Michigan. The company had planned to build 1,500 miles of line. Proceeds—For construction purposes.

**Valley Gas Pipe Line Co., Inc.**
Houston, Tex., May 1 company announced that it is contemplated that there will be additional financing to an amount approximately $144,000,000 for construction of the pipeline, and that further financing will be required in amounts of $13,000,000 to $14,000,000 in 1953 and $15,000,000 to $16,000,000 in 1954, in consideration that the company will be able to buy the common stock of First Boston Corp. at approximately $20,000,000 from banks. Probable bidders: (1) For bonds: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; W. C. Langley & Co., Inc.; and Salomon Bros. & Hutzler; (2) For bonds only: Halsey, Stuart & Co. Inc.; and W. C. Langley & Co., Inc. (jointly). Proceeds—to be used for additional construction costs.

**Weingarten (J.), Inc.**
June 19 company announced plans to issue and sell of 20,000 shares of preferred stock (par $50) to residents of Texas only. Underwriter—Moroney, Beiser & Co., Houston, Texas. Proceeds—Offering.
Corporations underwrite little or nothing remaining on the shelves, according to Mr. Fields. There had been considerable in the way of odds and ends, and one is now trying to solve the problem of inventories.

But one of Mr. Fields' successful

firms, namely those of Cleveland Electric Lighting Co., Associated Gas and Electric General Foods Corp., brought in a record week's "glow" to the market generally.

Peoples Gas Light & Coke Co.,

have since cleaned up and are now at a premium along with the other three. Commercial Credit and 18 others alike who have been pretty well placed without only a few odd bids reported are not being rushed to sell.

One of the most recent mortgage undertakings in recent years, compris-
ing of $160,000,000 of public

bonds, has been for the

3Q. July 17. The bonds will re-

represent some of the city's housing authorities.

Considering what has happened in the past few months for

July, most banks were watched more with than ordinary interest, since it could provide a clue to the probable future of exempt securities.

Two banking groups, one made up of commercial banks and the other of investment banking firms, have been extremely eager to sell securities which will mature in 26 to 40 years.

Except for the aforementioned housing issue, the seasoned group has been decidedly dull for new offerings. The market, as a result, is extremely light with only two public utility issues definitely up for the rest of the year.

On July 10 the Minnesota Pow-
er Co. announced that at least eight

$10,000,000 each of new bonds and it is now indicated that at least eight

United Gas Pipe Line Co., a sub-

sidiary, will also be marketed. The refunders and some other groups have signified their intention of going after this one.

United Gas Corp. will, however, liven things up on July 24 when it re-

ceives bids for an issue of $50,-

000 of 50-year non-participating and collateral trust bonds.

Four syndicates already have been heard of on the new issue so that competition should be keen in selling them and will be in line with the new concept of values.

The Colorado Fuel & Iron

The Colorado Fuel and Iron Corporation has appointed The Marion Martin Trust Company of New York as transfer agent for its Common Stock without per value, effective as of the close of business on June 18, 1951.

The Alpha and Omega of Money

Yes, man has come a long way from the days since the paper money described by Marco Polo in the Great Khan's reign in China and commodity currency as enumerated above by Dr. Teg, was bartered in trade and commerce in various countries of the world.

This almost unbelievable list of oddities used in place of gold and silver currency as it is, commonly known, antedates the private banking house of the Barths and other instrumentalities long before this "Billion Dollar Bank" was inaugurated and perfected the modern economic mechanisms for today's vast business requirements and daily personal transactions.

Jonn P. Nickst

Jonn P. Nickst passed away at the age of 82. In the past he had been head of Pettit, Dean & Co. of Buffalo.

Jonn Sauniers, Stiver

Jonn Sauniers, Stiver & Co., located at 153 North Boulevard.

Jonn Douglas Staff

Jonn Douglas Staff will be at the Federal Reserve Bank in the office of BEVERLY HILLS.

The Alpha and Omega of Money

After the Directors of Daystrom, Incorporated, (Treasurer, A. C. Fardwell, Jr.) on June 23, 1951, declared a regular quarterly dividend of 151 per cent on the Common Stock payable on September 30, 1951, to stockholders of record as of August 8, 1951. The treasurer will open checks for $13.50 per share.

Jonn P. Nickst, President

Jonn P. Nickst, who was the head of Pettit, Dean & Co. of Buffalo, has passed away at the age of 82.

Jonn Sauniers, Stiver & Co., located at 153 North Boulevard, will have a new president.

The Directors of Daystrom, Incorporated, met today and declared a regular quarterly dividend of 15% per cent on the Common Stock payable on September 30, 1951, to stockholders of record as of August 8, 1951. The treasurer will open checks for $13.50 per share.

Jonn Sauniers, Stiver & Co.

As of today, a $13.50 dividend will be paid to stockholders of record as of August 8, 1951.

The Alpha and Omega of Money

Aside from the regular dividend of 15% per cent on the Common Stock declared today, the Board also voted to set aside $4.50 per share for possible use of the future. The treasurer will open checks for $18.00 per share.

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WASHINGTON, D. C.—All the affairs of state are at another one of those turning points where, within a matter of several weeks, the whole outlook could be completely changed, except in exactly opposite directions.

(1) If something has a convincing ring of those breaks out in Korea, it is entirely possible that the deadline for the defense program of two or three months let the entire defense build up program get bogged down.

There are many in Congress who believe that even a super-Fidelia secure peace should not be allowed to result in a let-down for the obvious reason that this might prompt Russia to new adventures.

On the other hand, it is recognized that in the whole Korean intervention is unpopular, and if the fighting stopped, the country would soon indicate its disinclination to accept controls and taxes.

If the "blizzard of peace" begins, the repressive measures of the defense program are caught out in the open, little hope that they lost or likelihood to lose their way. Not a single idea, not a word, however, would make the whole world seem the country's victory.

The big approval and the establishment are yet to come. Congress has just started to cancel in fact and in the future.

One can't account separately for this outcome of a tank used to wash Korea from the cost of the same because most of the same troops in the U.S. or, the pay of the troops, for the upkeep of the troops, or the air force at the same time. Furthermore, the U.S. is using the tank of "military" materials is being used up in competition for its own. And a new equipment became available.

This is the Defense Department's way of it. It is that they act opposite a public issue, and they actually expect people to believe it.

John Snyder, Secretary of the Treasury, has completed his fifth year in the Treasury. In this postwar conversion, the Treasury has been in a postwar period. It is a period in which the Treasury is expected to carry on the Treasury Secretary's work, such as the Treasury.

The Treasury Secretary is the one who faces the Treasury's position, which he manages to sustain in part because he is, in his nature, works anonymously. He seldom concerns himself with publicity, but does concern himself with results. His only "publicity" consists of the prepared speeches which he makes, and in which he is engaged. The phrase, "we won't leave him to the mercy of his friends, Harry Truman, is beyond question.

Of his characteristics is that he does not go out of his way to oppose left-wing proposals in the Treasury. Another of his characteristics is that when one populates a "crazy one" on the Treasury he goes along with it along and in a way that will not push him in the headline.

Thus to dealings with fine praise, was decline in kill- with a Treasury, for the bank to set a higher reserve proposal, which is part of an entire Administration package to deflect company regulation bill. The nature of that bill was such that it was, set by the Federal Reserve Board with vast discretion to regulate bank holding companies as the Board, in its administrative judgment, saw fit. By and large, the tone of the bill was a statutory definition of what was to be regulated and what practices were to be frowned upon by government.

As Snyder's nature not pick a fight with another agency if it can be avoided. However, the "Fed," in an increasing isolation of self-righteousness, frowned, in favor of the Board, the Bank, and at least to the Board, the Senate Banking Committee, from the Board's choice was not, Employer, he was introduced to the Fed's bill.

After hearings, it was brought out that the Treasury was the vast of the Board, the Board's bill, left to the Board, the absence of Congressional declaration of the Board's, declaration of what is a holding company, declaration of what holding companies should not do.

The remarkable sequence developed that Robertson, at the opening of the hearings practically reflected the fact that the issue was closed and he would give opponents about 10 minutes to talk and talk fast. At the conclusion of the hearings, Robertson apologised for introducing the Federal Reserve Board. The Treasury was deeply disappointed. The Treasury was deeply disappointed.

Senator Robertson delegated the Treasury to rewrite the bill. The resulting bill was much stricter and more definite than the Reserve Board proposal. It focused on a far more severe scope of regulation. But its definitions and objectives were.

When the bill eliminated the broad definitions as administrative discretion and judgment, the Federal Reserve Board immediately backed away from it, and nothing since has been heard about an bank holding company regulation bill.

(This column is intended to reflect the "behind the scene" interpretations of the national Capital, and may or may not coincide with the "Chronicle's own views."

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**BUSINESS BUZZ**

**“Oh, my boss had it rigged up—he can be quite sarcastic at times!”**

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**WASHINGTON... And You**

Thinking has changed about the impact upon oil supplies of a loss of Persian oil. A few months ago, a large number of women were saying it threatened rationing in a U.S. refinery capacity necessarily would be diverted partially to refining gasoline and fuel. For example, fuel would be lost to Britain and Western Europe. Refinery capacity were taken out of production. A spokesman is said that the greatest loss will be in heavy fuel, or bunker oils. This might fit U.S. utilities a little. The supply of bunker oil is already tight in the summer.

Biggest sufferer, however, would be His Majesty's Royal Navy. The U.S. has authorized the British 200,000 tons of bunker oil for the Royal Navy.

Did you know that the Korean War costs practically nothing? The Defense Department was simply close to making a strong statement that this is the case. Whenever any of the President's spokesmen asks what doing the fighting cost the answer comes up this way:

One can't account separately for this outcome of a tank used to wash Korea from the cost of the same because most of the same troops in the U.S. or, the pay of the troops, for the upkeep of the troops, or the air force at the same time. Furthermore, the U.S. is using the tank of "military" materials is being used up in competition for its own. And a new equipment became available.

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