EDITORIAL

As We See It

To those who cling to the Wilsonian notion of an ideal world by force of arms—their tribe must be decreasing rapidly—the existing international situation must be disheartening indeed. To the true imperialist, so far as there are any left with much hope for the future, the outlook can be scarcely less disheartening. To all the remainder of us, the present state of affairs is confusing and confused, a mosaic of realism, dream-filled silliness, ineptitude, and contradictions.

Historically viewed, it presents a strange mixture of denial of past pretensions and of faithfulness to tradition, these inconsistencies being exhibited at times by one and the same nation. More often, they result from altered outlook or changed policies, or at least an appearance of such changes. In the autumn of 1918, President Wilson is supposed to have admirably stated the views of a great many of the so-called Russian radicals when he said: "Assemblies and associations of many kinds made up of plain workaday people have demanded... and are still demanding, that the leaders of their governments declare to them plainly what it is, exactly what it is, that they are seeking in this war, and what they think the items of their final settlement should be. They are not yet satisfied with what they have been told. They still seem to fear that they are getting what they ask for only in statement's terms—only in the terms of territorial arrangements and discussions of power, and not in terms of broad- visioned justice and mercy and peace and the satisfaction of these deep-seated longings of oppressed peoples." (Continued on page 28).

Some Observations on Europe's Status in 1951

By WALTER HARNISCHFEGGER

President, Harnischfeger Corporation, Milwaukee

Though reporting progress in general rehabilitation and economic conditions in Europe, U. S. business executives say full potential of all European manpower is not yet realized. American people should insist on more initiative and self-help and better coordinated policies on part of our allies. Mr. Harnischfeger is president of Harnischfeger Corporation, Milwaukee.

In summarizing my observations on conditions in Europe as I saw them on my fourth trip abroad since the Second World War, it is very apparent that substantial progress in the general rehabilitation and economic conditions has taken place.

The constructive forces by far outweigh the destructive elements. This does not imply that there are not some tremendous hurdles ahead to overcome. I shall endeavor to briefly give my reaction to the situation as I saw it and make some suggestions, how, in my opinion, to develop some more constructive policies.

During the fact I spent most of my time on this trip in the industrial heart of Europe, I will devote a substantial portion of my report to this area, which undoubtedly is the most constructive action is necessary. Most people are now beginning to realize that as Western Germany goes politically, so will most of Europe go, and in that area the greatest pressure will be exerted against a free world.

GERMANY

On the constructive side a great deal of rebuilding of industry and housing has been accomplished in Germany during the last year. The stores are well stocked. (Continued on page 24).

A Realistic View

Of the Stock Market

By MURRAY D. SAFANIE

Partner, Shearson, Hammill & Co., Members, New York Stock Exchange

Mr. Safanie, in viewing business conditions and stock market points, says, "though market is historically at high level, in terms of earnings and dividends it is not too high." Says ingredients that make for downward economic spiral are not present in the economy, but with strong bearish and bullish conditions, it may be advisable for conservative investor to withhold some of his funds from stocks at this time.

In recent months many people have been confused and uninterested with respect to market policy. This is entirely understandable in view of the many conflicting forces which are at work. This state of indecision has become even greater since the recent chilling effects of a possible cease-fire in Korea. The market is historically at a high level but in terms of earnings and dividends it is not high. Neither is it high in relation to yields obtainable from bonds. However, there is no gain saying the fact that business activity is at a very high rate and that the situation depends on it two forces, namely:

(1) Federal Reserve credit policy.
(2) Capital goods activity.
(3) The defense program.

A determined and vigorous policy of credit restriction can as it always has in the past put an end to the boom; a sharp contraction in capital goods activity also could have a depressing influence on business activity. Last but not least, curtailment of planned expenditures for defense could remove an important prop from the economy.

As to credit restriction, the Federal Reserve has regained some measure of importance and control. It has in fact already accomplished much of its desired objective. I do not believe that the Fed would pursue its policies of credit restriction on a large scale. (Continued on page 16).

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CHICAGO

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...
A Plan to Ease Estate Taxation

By MITCHELL G. MEYERS
Attorney, Waterbury, Conn.
and
RAY B. WESTERFIELD
Professor of Economics, Yale University

Authors' proposal as means of easing burden of Federal Estate Taxes and curbing inflation while increasing revenue therefrom, comprises: (1) issue of interest-bearing "Estate Tax Anticipation Certificates," in convenient denominations and without maturity date; (2) that such Certificates can be used by the holder of an Estate Tax obligation; (3) any excess above 10% of Certificates above Estate Taxes issued to individual be redeemed at face value, less two-thirds of interest earned thereon; (4) that after five years from issue, holding greater than 20% of these Certificates may redeem same at face value, less two-thirds of interest paid thereon. Proposed Certificates to be exempt from income taxes.

In raising the gigantic revenues and in placing the security issues, we require careful attention. One group of problems derives from the need of larger revenues to finance the present and future costs of the Korean War, of the tremendous program of defending ourselves and allies, and of our foreign economic aid program. The all-purpose Federal tax levy as estimated in the budget for 1952 approximates $61 billion. In raising, these inordinately sums, it is necessary, not only to select productive tax sources, but also to choose those which restrain inflation to the greatest degree.

The second group of problems attends the management of a debt of $256 billion, approximately $30 billion of which matures or is callable the coming fiscal year, and the probability that around $40 billion of "new money" must be raised by mid-year and perhaps throughout the entire fiscal year expires. These debt problems are intensified by the higher level and upward trend of interest rates and by the fact that the Federal Reserve authorities have recently taken a policy position less than enthusiastic toward Treasury and no longer consistently support the price of government securities at above-market levels. They are further intensified by the absolute necessity of financing the refunding and new debt as much as possible outside the banking system, so as to hold inflation to a minimum.

The third problem is to make sure that the methods employed

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Mr. May is still abroad and no report was received from him this week.

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Published Twice Weekly

BY R. B. LICHTENSTEIN

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Volume 174
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Common Stocks in Pension Funds

BY DAVID L. TVERLEGER
Manager, Pension Fund Department
Kidder, Peabody & Co., Members of New York Stock Exchange

Mr. Tverleger, in his discussion of benefits from investing part of your pension in common stocks, considered the statistical data indicating higher income from common stocks. Explains cost advantages of "dollar averaging," i.e., investing year after year regular amounts, and concludes results of investment in common stocks for a longer period than 30 years, has been used in these computations. In a period of high grade bonds with maturities spaced it is possible to obtain a "dollar averaging" of 2% or 3% today. It is also possible to obtain a dividend return of as high as 6%, the income from bonds.

(a) If Pension Fund "A" is $1,000 invested in bonds, yielding 21/2%, the income compounded annually from the bond stock (principal and interest) will amount to $150.007.
(b) If Pension Fund "B" is $1,000 invested in common stocks, yielding 5% in a period of 30 years, the income compounded annually from the bond stock (principal and interest) will amount to $82,500 and the income received in the bond stock (principal and interest) will amount to $2,123,300.

In conclusion, the probability is high that if an investor has $1,000 to invest in common stocks for the period at the end of 30 years could represent (a) the amount of money to be invested in bonds, (b) the amount of money to be invested in stocks, and (c) the amount of money to be invested in stocks. The results will be in the order of the amount of money invested in bonds.

Dollar Averaging of Investments

Payments of $500 made at the end of each month will be in nearly equal amounts year after year. Thus, if an investor is in the very exceptional position of being able to "dollar average" investment, he may be able to acquire more shares of an issue of stock when its price is low that is when it is high. Over a period of years "dollar averaging" results in a smaller dollar cost of a given investment well below its average price over those years. While this method does not guarantee a continuously followed, investment will not be concentrated in periods of high price. The result of investing $100,000 annually on Dec. 31st in each year in the Standard & Poor's Corporate Bond Index—Composite...

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The State of Trade and Industry

With the annual miners' vacation period out of the way, along with a substantial rise in iron ore prices, the demand for expanded steel and other mill products will make up for the comparable period of 1950. With respect to total claims for unemployment insurance, they showed virtually no change from the week previous.

Steel ingot production moved ahead fractionally this past week to a new high of capacity aid truck spot output, it was reported, rose some 20% in the week ended July 14. For the like period a year ago, production was lower by more than 39%. Manufacturers of hard civil goods—automobiles, refrigerators, washing machines, electric toasters—can count on getting over 15% of the total steel supply during the closing months of this year, says Steel, the weekly magazine of metalworking. This is estimated to be sufficient to permit them to manufacture their products within the limitations order set up by the National Production Authority. NPA is making plans to include the durable civil goods manufacturers under the Conscripted Materials Plan starting in the third quarter and will allocate an average of 15% of steel output to their products.

Steel producers, however, report mill tools for most products are lagging behind the rate of their output. The start of the September and, in some cases, October and November as well, this trend this will continue.

Fears are growing in the steel industry, it adds, that production may suffer this winter for lack of scrap. Inventories at fledging steel mills now range from four to six months, up from three to four in previous years. Normal inventory at this season is about 80 days. Allotments of scrap are lagging during summer months and, however, the winter when weather conditions cut down the collection and shifting of scrap is the steel industry's prime source of supply. Increased demands for scrap to feed the expanded steel capacity, the steel makers this year will be the $3,000,000,000, or nearly 25% more than was used in 1950, which itself was a record year.

With the exception of adjustments in prices on nickel-bearing steels to compensate for the June 1 increase in nickel costs, iron and steel prices are steady at ceiling levels, the magazine concludes.

In the automotive industry output was lifted above the previous month's, notwithstanding labor troubles and floodwater conditions.

Operations at Dodge, DeSoto, Studebaker, and Hudson in the United States and at Ford and Chrysler in Canada were curtailed by walkouts, while operations of the Buick-Oldsmobile-Pontiac division of General Motors last month were halted for the entire month at its St. Louis plant Thursday because of the flood, "Ward's Automotive Reports" disclosed.

The automobile production was aided by resumption of Nash assemblies following a two-week vacation shutdown, plus normal operations. Output, smoothed after labor trouble the previous week, the agency said.

No improvement is seen for car and truck production during the remaining part of this month and during August, due to labor troubles during the period.

Oral arguments in support of the railroad's petition for a 15% increase in freight rates opened Monday, July 9, and continued through Thursday of this week.

In the railroad, arguments were presented in support of the petition by Edwin H. Burgess, Vice-President and General Counsel of the Baltimore and Ohio Railroad, Edward A. Kaiser, General Attorney of the Pennsylvania Railroad, spoke for the Eastern lines, William L. Grubbs, General Counsel of the Louisville & Nashville Railroad, for the Southern railroads, and H. P. Shriver, Assoaicated Counsel, Western Traffic Association, argued for the Western railroads.

Textile mills made further cuts in production last week because of low prices for good for fall lines remain weak. Burlington Mills and J. P. Stevens, it was reported, halted weaving of heavy cotton fabrics, used in making dresses and lingerie, for a week, while manufacturers of rayon goods were taken steps to reduce operations by as much as 50%. Mills have practically no orders on hand, and some are cutting back due to a lower market delivery of filament rayon goods, the report disclosed.

The average quotation of 30 new building contracts fell to 385,041,042, from 385,052,104 in June last year, according to Dun & Bradstreet, Inc. This represented a drop of 3.2% and was the lowest since March, a decline for the month of 2.5% from the same month of the previous year. The June total was 11.7% less than the July total of 1951 and was $6 billion lower than the July figure.

In New York City, building plans filed last month were valued $31,608,270, or about one-half the year-ago figure of $62,372,442. Building activity dropped 20% in June from the same month of the previous year.

The state total was 11.7% less than the July total of 1951 and was $31,608,270, or about one-half the year-ago figure of $62,372,442. Building activity dropped 20% in June from the same month of the previous year.

While there are slight indications that the depression in the steel industry may be ending, the outlook for the remaining period of the year is not very promising.

A growing number of hungry steel users are finding the Control Board's efforts to keep production levels down more than it actually is by too-zealous control over distribution. Continuing, it states, those mills that might have could have had a line through the steel market and make it last; the large and small have been found to have they were not. They were not prepared to withstand the irresistible pres¬sures of the market.

Even free enterprise would rather be nurtured by the government. It is evidence by the free market, this trade journal notes, especially when they are not told that an open market (except for military purpose) isn't far away. This explains why more than 100,000 tons a week of steel are being shipped to the CMP. So far they have been accommodated with remarkable alacrity.

The large of steel users, only makers of consumer durables, such as autos and appliances are left out of CMP—and that won't be for long, states "The Iron Age." Barring a change in policy, they are headed for the hole line by the fourth quarter. Then CMF will probably be the line for all.

A lot of people in industry are already beginning to ask why we have practically total control of steel distribution—especially when production is running well over 1950,000,000 tons a year, and military priority needs are less than 20%. The answer, this trade weekly points out, is that some "essential" civilian programs needed help, too. But steel controls have long since spread beyond the military and essential civilian users.

The pressure to limit priority to strict military use will grow. It will gather more steam from the production miracle which is coming daily in the steel industry. But the change won't come until next year. Those who want the steel in the steel market during the fourth quarter are just whistling in the dark. It's coming, alright.

Some believe if a more effective check could be made on investment, past the frenzy might vanish from the steel market. When applying for first quarter (1952) steel are made many firms will probably find that they had a little left over. Such users could get along with a smaller allocation as well.

Continued on page 25
To the Stockholders:

The past fiscal year has again illustrated the fame and fanatic character of the car building business. When we undertook the manufacture of a new and better motor car, there was no net loss (on a consoli-
dated basis) of $1,192,352.90 (as stated in the net loss for the year reported July 15, 1907) the second six months not only made a profit, but the net result, as shown in the attached statement, in a final net profit for the year of $471,322.88.

The foregoing being adequate to cover a full dividend for the year of $7 per share, the Board declared a dividend of this amount on May 17, 1913. The amount charged as full dividend of $7 was made payable in four quarterly installments of $1.7262; payable on June 21st the Board declared a dividend of a $2.500 per share upon the common Stock, in addition to the $7.20 dividend already declared.

At the end of the year the dividend account stands at $1,192,352.90 which there is well known to all who have anything to do with the automobile business. In this past year Carter has introduced a new automobile to meet the demand for a machine that will produce an excellent reception and is fast becoming an important factor in the automobile industry. In this new line the past year were approximately 300% greater than those that continued to grow in response to an aggressive sales policy.

As our shareholders may recall Carter has been supplying the United States under the Act of Congress (as made by the Army and Navy) during the last war. They have now again turned to the automobile plant for the production of vehicles of war. The volume of production will, of course, depend upon the extent and nature of the various events that may be such as they are cancelled (as evidenced by our reserves and any of their facilities for the manufacture of fuses) it will doubtless also be at a time later this section is cut down by reason of defense requirements. However, the Carter facilities seem to be quite good.

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With deep regret your Management reports that, as of the close of the fiscal year, Mr. Clancy's position in your Company's Board of Directors and as its President, after the number of years allotted to mark the close of life, he felt unable to continue his devoted services to the object of his wholehearted labors. Mr. Clancy's connection with the Company and its affairs—dated back to the formation of the Company in 1899, surviving over a period of more than fifty years, his whole time your Company has attained the commendation June 28, 1915.

Stocks With Split Personalities

By IRA E. COLEBRIGHT

Author of "How to make a Killion on Wall Street and Keep It!"

A brief outline of certain shares that have split during the past year, plus some fascinating nominees for financialvision in the future.

In comments on the discernible fashions in finance in these columns, I have given you considerable attention to the "splits" that come in the financial year, as the stocks that offer the possibility of dividends that are, at the same time, unduly high. In case you were not satisfied with the reasoning of my "Brown Bag" about this market, you may be interested to know that this situation is the outcome of a thorough-going investigation, and that the market is split in that part of the world the spirit of the moment is sensed.

One thing you may be sure of, if you go into this market, and that is that you will have a much better chance of finding a good deal than you ever had before. It is the time of the year when the market is split in that part of the world the spirit of the moment is sensed.

In the first four months of the year, the market was split in that part of the world the spirit of the moment is sensed.

The volume of stock that has split during the past year, plus some fascinating nominees for financialvision in the future.

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The volume of stock that has split during the past year, plus some fascinating nominees for financialvision in the future.

I have been writing about the "splits" that come in the financial year, as the stocks that offer the possibility of dividends that are, at the same time, unduly high. In case you were not satisfied with the reasoning of my "Brown Bag" about this market, you may be interested to know that this situation is the outcome of a thorough-going investigation, and that the market is split in that part of the world the spirit of the moment is sensed.

One thing you may be sure of, if you go into this market, and that is that you will have a much better chance of finding a good deal than you ever had before. It is the time of the year when the market is split in that part of the world the spirit of the moment is sensed.

In the first four months of the year, the market was split in that part of the world the spirit of the moment is sensed.
Dealer-Broker Investment Recommendations and Literature

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

Banks—Comparative values of 36 representative banks—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y.

Buy Held & Switch Recommendations on 56 stocks plus data on share earnings, book, dividends, current percent yield, etc.—$1.00—Standard & Poor’s Corporation, 345 Hudson Street, New York 13, N. Y.; ATLAS, 235 Broadway, New York 7, N. Y.

Federal Debt—Chart showing comparative Federal debt from 1864 to date—Hasanof & Talbot, 519 California Street, San Francisco 5, Calif.

Graphite Stocks—January issue contains large, clear reproductions of 1,000 charts complete with dividend records for the full year of 1958, showing monthly highs, lows, earnings, capitalizations, volume on virtually every active stock on the New York Stock and Curb Exchanges—single copy $1.00; yearly (6 revised issues) $5.00—special offer of three editions of Graphite Stocks, 1934 through 1935; 1936 through 1947 and up-to-date current edition, all for $3.50—F. W. Stephens, 15 William Street, New York 5, N. Y.

"Information Please!"—Brochure explaining about put-and-call options—Themas, Haas & Bots, 50 Broadway, New York 4, N. Y.

Leadcasting & Trust Companies of Northern Jersey—Sem-annual study—Parkar and Weissenborn, Inc., 24 Commerce Street, Newark 2, N. J.

New York City Bank Stocks—Comparison and analysis of 17 New York City Bank Stocks—Laird, Bisell & Meeds, 129 Broadway, New York 6, N. Y.

Over-the-Counter Index—Booklet showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Average and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as of year end and monthly over a 12 month period. Of the 35 companies represented in the National Quotation Bureau’s Over-the-Counter Industrial Stock Index, 12 trace their ancestry to years before the Civil War and another nine have been in existence over 25 years. Outlines the activities of the companies which have been paying dividends continuously from seven to seventy-nine years. Of the other twelve, one started paying dividends over 15 years ago, and its stockholders have received annual dividends regularly with the exception of the years 1929, 1930 and 1931—National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

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

Railroad and Tobacco Stocks—New 52-page analysis on The Value of Line Investment Survey, covering 39 rail and 20 tobacco stocks—special introduction plus free offer to new subscribers only includes four weekly editions of Ratings and Reports—covering 177 stocks in 14 industries and also a special situations recommendation, supervised account, two fortnightly letters and four-weekly supplements plus the 52-page rail stock issue—$3.00—Departures, Vol. Value Line Investment Survey, 3 East 44th Street, New York 17, N. Y.

Selected Stocks—Bulletin on nine stocks that appear interesting—E. M. Kilday & Co., 42 Wall Street, New York 5, N. Y.

The Polymer Age—Booklet on services offered for all types of rubber and plastics by Foster & Snell, Inc., consulting chemists and engineers—25 West 55th Street, New York 19, N. Y.


Wall Street for the Raider—"H. Hotz & Co., 60 Beaver Street, New York 4, N. Y.


Atlantic Coast Line—Booklet—Dreyfus & Co., 50 Broadway, New York 4, N. Y.

Audio Devices, Inc.—Analysis—Peter Morgan & Co., 31 Nassau Street, New York 7, N. Y.

British Columbia—Analysis of situation in the Province—The Western City Co., Ltd., 544 Howe Street, Vancouver, B. C., Canada.


Canadian National Railway—Review—Milner, Ross & Co., 330 Bay Street, Toronto 1, Ont., Canada.

Chicago Railway Equipment Company—Analysis—Holton, Hull & Co., 210 West Seventh Street, Los Angeles 14, Calif.

Commercial Service Corporation—Analysis—Bach & Co., 26 Wall Street, New York 5, N. Y.


Erie Forge—Analysis in current issue of "Highlights"—Trow¬ ter, Singer & Co., 24 Trinity Place, New York 6, N. Y. Also available is a special write-up on Green Mountain Power Corp. and St. John’s River Bank & Trust Co.—A. Cramp & Co., 140 Broad Street, New York 5, N. Y.

General Bottlers, Inc.—Analysis—F. S. Yantis & Co., Inc., 135 South La Salle Street, Chicago 3, Ill.

Hanlon Chemical Company—Analysis—Waltson, Hoffman & Goodwin, 205 Montgomery Street, San Francisco 4, Calif.

Mexican Light & Power Co., Ltd.—Analysis—New York Har¬ monic Corp., 120 Broadway, New York 5, N. Y.

Nathan Straus Deparquet Inc.—Memorandum—Russell & Saxe, 50 Broad Street, New York 4, N. Y.

New England Public Service Co.—Analysis—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Pabst Brewing Company—Analysis—Cruttenden & Co., 209 South La Salle Street, Chicago 3, Ill.

Ray-O-Vac Company—Analysis in the current issue of "Busi¬ ness and Financial Digest"—Lowell & Co., 225 East Mason Street, Milwaukee 2, Wis. In the same issue is an analysis and quotation on another company—Lowell & Co., 225 East Mason Street, Milwaukee 2, Wis.

Riverside Cement Company—Card memorandum & Lerner & Co., 10 Post Office Square, Boston 9, Mass. Also available is a memorandum on Gear Grinding Machine Co. and Venice Falls Machine Co.


Sunset Oil Corporations—Analysis—Vilas & Mickey, 49 Wall Street, New York 5, N. Y.

U. S. Thermo Control—Data—Raymond & Co., 148 State St., Boston 10, Mass. Also available is information on Thermos King Ry.

Nsta Notes

DENVER BOND CLUB—IBA FROLIC

Phillip J. Clark

Bernard F. Kennedy

Malcolm J. Roberts

Chas B. Clark

R. L. Robinson

Robert L. Minter

Walter J. Cathlyn

With a rare renewal of form, the 1951 annual frolic and outdoor and brief data on Wondering Club and Rocky Mountain Group of the Investment Bankers Association will be held at the Park Hill Country Club this year on Friday, Aug. 24. Members of the Bond Club of Denver and Investment Bankers Association are invited to participate.

The activities will include a noon luncheon, golf, softball, tennis, putting, horseshoes and special entertainment in the after

Continued on page 34
Failure of America's Foreign Policy

BY HON. ROBERT A. TAFT* 
U. S. Senator from Ohio

Senate Republican Party leader, asserting people have lost confidence in Democratic Administration, says Korean war, unemployment, inflationary ness and expense, and has imposed almost unbearable burdens which threaten the national economy. Scores Administration's major programs which have been brought country to one of most dangerous threats in its history. Predicts Republican Party victory in 1952.

We look confidently to a Republican victory in 1952. It is none too soon to begin the campaign to give this country an honest, efficient, and progressive Executive administration. The country has lost all confidence in the Democratic Administration today. For the first time since the early days of the Republic, we are seriously threatened with the power of a foreign nation whose strength was built up by the policies of this Administration. For the first time we have a useless and expensive war, with a war casualty list of 22,000 Americans and 10,000 foreign nationals. We are reaping the harvest of the peace which only postpones the ultimate danger and admittedly will not reduce the burdens on the people brought about by Administration policies. For as we can see, it is no plan to bring to the world a permanent peace for which all of us yearn.

The failure of foreign policy, the loss of the peace after the American people won the war, has imposed on this country tremendous burdens and taxation which threaten to impair the liberty which lies at the basis of our well-being and of our power. We are still forced to require from every boy in the most formative period of his life a two years' service in the armed forces with serious and adverse influences in his education and life program. We are still required to support a standing army of 2,000,000 men by far the greatest military force ever maintained by any country in peace. We are burdened today with taxes from the Federal government estimated to take from the people $60 billion, and to meet the huge expense imposed upon us we are now asked to take another billion. Not only must this be a burden on every citizen, reducing the standard of living of all classes, including the business and income groups, but it also destroys the incentive to development of new ideas, new methods and new products which has always been responsible for the American progress so much greater than that of any other nation.

Because of the tremendous expenditure for national defense of all kinds of economic controls again limiting the freedom of our people, causing initiative and progress and containing in its enforcement decimations, the nation, 25,000 bureaucrats are demanded by the ONS to operate and enforce these controls. At the same time the freedom of every man in this country is limited by the tremendous tax burden, taking from him for taxes. Only he who has earned by his own effort to be spent by the government

out after the Tehran conference that the whole Roosevelt policy was based on the delusive theory that Joe Stalin in the end would turn out to have an angelic nature. We gave him everything he asked.

At Yalta this attitude was supplemented by something more sinister in the indirect influence of communism and communism. An American statesman, Hopkins and Harriman, who seemed to have hastened to do with the Far Eastern agreement, apparently accepted completely the idea that Russia was a peace-loving nation. William C. Bullitt, former ambassador to France, says that the President and Hopkins developed the theory that the Soviet Union was a "peace-loving democracy." Henry Wallace thought that Russian democracy was in some ways better than American democracy. The Communist Party had made a deliberate drive to place people in positions where they could affect public opinion or public policy, or influence others who could do the same. They planted spies in the government. We knew of this in Berlin, in Poland and in Wadleigh. We knew, that the Englishman, Fuchs, a Communist, was admitted to all the secrets of the Atom Energy Commission, and delivered all the plans for the bomb to Russia. Communists successfully planted among many

American leaders the philosophy which was adopted at Yalta— that communism was, in fact, a form of government more or less consistent with American ideals. I could not understand how any man who even went through an American high school, and understood what America is about, could reach such a conclusion.

The result was that at Yalta our government accepted all Stalin's promises, although he had never kept a promise which he had made. They accepted them without any means of enforcing them. They set Russia up in Berlin and Prague and Vienna where they

Continued on page 27

$2,745,000
Central Railroad Company of Pennsylvania Equipment Trust of 1951, Series A 
3% Equipment Trust Certificates
(Philadelphia Plan)

To mature $183,000 annually on each August 1, 1952 to 1966, inclusive

To be jointly and severally unconditionally guaranteed as to payment of principal and dividends by the Central Railroad Company of Pennsylvania and The Central Railroad Company of New Jersey.

Priced to yield 2.50% to 3.125%, according to maturity

Issuance and sale of these Certificates are subject to authorization by the Interstate Commerce Commission. The Offering Circular may be obtained in any State in which this announcement is circulated from only such of the underwriters and other dealers as may lawfully offer such securities in such State.

HALSEY, STUART & CO. INC.
R. W. PRESSPRICH & CO.
31 McMaster HUTCHINSON & CO.
July 26, 1951

$50,000,000
United Gas Corporation
First Mortgage and Collateral Trust Bonds, 33/8% Series due 1971

Dated July 1, 1951
Due July 1, 1971

Price 102.567% and accrued interest

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

HALSEY, STUART & CO. INC.
BEAR, STEARNS & CO.
SALOMON BROS. & HUTZLER
WERTHEIM & CO.
L. F. ROTHCHILD & CO.
MERRILL LYNCH, PIERCE, FENNER & BEANE
SCHAELKOPF, HUTTON & POMEROY, INC.
DICK & MERLE-SMITH
HALLGARTEN & CO.
HAYDEN, STONE & CO.
CARL M. LOEB, RHODES & CO.
AMERICAN SECURITIES CORPORATION
HIRSCH & CO.
STROUD & COMPANY INCORPORATED
SWISS AMERICAN CORPORATION
AUCHINLOSS, PARKER & REDPATH
GREGORY & SON INCORPORATED
KEAN, TAYLOR & CO.
WM. E. POLLOCK & CO., INC.
Stern Brothers & CO.

July 26, 1951

*The address by Sen. Taft at the Maryland Republican Convention, Annapolis, Md., July 21, 1951.
Truman Renews Plea for More Taxes and Economic Controls

Also hints enlargement of military forces and heavier defense expenditures. Scores World War II budget as a selfish and extreme abandonment of economic controls.

President Truman on July 23 released to Congress his mid-year economic report, which comprises his own message to the Congress. It is essentially the same with the mid-year report of his predecessor, the late President Roosevelt. In the Economic Advisers' report the President predicts that the national security will not be endangered by tax increases. He speaks of "legislative action" to increase taxes and to stop inflation. He states that the nation in 1951, with the labor shortage, will need to increase its productive capacity to about 120 billion dollars.

This, he says, will require a higher rate of productive capacity increase this year than in any other post-war year. The President also predicts that the nation's total productive capacity will increase by about 120 billion dollars this year, an increase of about 120 billion dollars in one year. This is the President's view of the situation as it exists today.

Public Expenditures

We must also continue to pare down excess or non-postable public expenditures. This is in order to bring about a balanced budget by redistribution and control of inflation. The urgent need for controlling Federal, State, and local taxation in the nation's interest is to be reasserted, until the financial stability is restored. The building and development of new productive capacity catches up with the increased productive capacity of the country.

Credit Policy

Credit controls are essential to the inflation in the past. We must continue to fight for future inflationary pressures.

Effective measures of selective credit control, such as regulation of consumer and real estate credit, are needed. The legislative programs of the consumer should not be impaired.

One important merit in the yen-Credit Program is the need for the government to reassert its control over economic activities, which is essential to the nation's well-being.

The period of the yen is not yet at an end. The Japanese government must work hard to stabilize the yen, and the United States government must continue to press for a stable yen.

Vacant Savings

Vacant savings are a part of the well-rounded anti-inflation program.

The Treasury has been working on a saving bond program very important in the national defense. The Treasury has been working on a saving bond program very important in the national defense.

Beaufort to Adopt C. J. Stava to Firm

Chairman J. Stava, member of the New York Stock Exchange, has been selected as the new president of the firm. Mr. Stava will retire from the partnership of the firm and the firm will be dissolved. The firm will continue as a limited liability company.
Population and Investment

By JOSEPH J. SPENGLE

Professor of Economics and Business Administration, Duke University

In discussing barriers to foreign investment of American capital, I indicated in the first paper of this series that a number of underdeveloped countries look to foreign capital as a source of additional funds; and in the case of some of them, as the only source of funds. In this connection, I should like to discuss the general problem of the demand for capital as affected by population growth and other factors.

I

In the first paper I indicated that the great growth of population in the United States in recent years has resulted in a demand for an increase of more than 13 per cent in the quantity of capital; but I added that something of a barrier stands in the way of the satisfaction of this demand.

It is frequently suggested that the United States, Canada, and the United Kingdom should invest capital in underdeveloped countries, in order to increase the rate of population growth. It is estimated that, given present prices and income levels, there is an increase of 2% per year in per capita income, $18 billion a year will be reaped by the United States, Canada, and the United Kingdom, of which these lands can supply only about a short of $14 billion. A good portion of this sum is to be made up by the Western world, as the estimated income of about $350 billion, it is estimated, must be increased by the same amount.

My purpose is to determine whether there is a demand for so much foreign investment a country can absorb per year. Exactly what this limit is I cannot say, for the available data have not been analyzed to a large enough extent. It is probable safe to say, however, that if the foreign investor puts in a country there ought to be three or four domestic dollars invested. When this is done there is enough capital investment of the kind that can be made at home, enough, that is, to produce effective use of the dollar that comes to the country being the case, an outside limit is set to the importation of capital and productivity of the capital-short foreign countries. These countries will be able to go up only in proportion as the rate of domestic capital formation is slowed down.

Let me illustrate, making use of Clark's estimates for the mid-1900's. He put the savings of the underdeveloped countries at $75 billion. This suggests that these countries could not use more than 3% of their income, or about 14% of their savings. An even lower limit was indicated by the United Nations' figures. These suggest that the underdeveloped countries could use hardly 1% of the advanced countries. This would mean that income shortfall led to the paradoxical conclusion, if we were to support the underdeveloped countries, as we will, an increase in domestic saving and the under-developed world would be the same as in capital.

In the case of the demand by population elsewhere will stimulate the demand for capital American capital, but the rate of domestic investment is not the rate of the demand for capital of the family, the factory, or the building alone as high as it has been in recent decades. And this will affect the demand for capital here at home, for one condition being the same, much, one cannot say with precision, but on the assumption that per capita income grows 15% per year, the capital requirement will be only about two-thirds as high as it was, other conditions remaining constant. Using a capital income ratio of 4, and assuming both population and per capita income to grow 15% per year, the demand for capital will approach the income of the national income. If, now, the rate of population growth is cut to 6%, the demand for capital, other conditions remaining the same, will apparently be cut to 2%. It is evident, thereupon, that the decline in the American rate of population growth will reduce the demand for capital. But it is well to remember that if our national income grows 23% per year, we will have to build 7-11% of our national income, for our purposes. Additional savings can flow abroad or stop domestic production further.

(2) The Demand for Capital, as Affected by Population Growth, is a factor in the entire population. In Europe, however, the family trend was slightly in the same direction. The argument went like this: If Europe somewhat less than half of all the people in the 19th Century was made by population change, or population growth, or capital being needed to support capital in America. In Germany, it was estimated that the investment that took place was stimulated by population growth. But population growth was slowing down to almost a trickle, and we are not going to see a big investment opportunity.

At one point it was pointed out that we could have full employment. We would have to look toward the investment that would have to be made in 1900, in order to provide enough investment to get it started. But the reason was because the rate of population growth had fallen so low; at least, it was enough to get the investment started in other countries, and the volume of savings was not likely to increase as much as was supposed.

We live in a period where the United States was there such a clamor for capital, a clamor that cannot be diminished. I associate this with the population-investment argument in the 1900's, that there is an overestimate of the importance of the population, but for some years, there is a need to overinvest in the domestic investment picture. So much so that it was, made partly responsible for the depth and persistency of the Depression.

There is a certain amount of truth in this argument, but not so much, judging by its present condition. The income picture is essentially the same as originally supposed. In general, it was noted that many other factors affected the population of the United States and that the volume of savings was not likely to increase as much as was supposed.

Because we live in a period where there is a strong clamor for capital, a clamor that cannot be diminished. I associate this with the population-investment argument in the 1900's, that there is an overestimate of the importance of the population, but for some years, there is a need to overinvest in the domestic investment picture. So much so that it was, made partly responsible for the depth and persistency of the Depression.

Earlier I said that the rate of population growth in the future would be one-third of what it was in the past. And this will affect the demand for capital here at home, for one condition being the same, much, one cannot say with precision, but on the assumption that per capita income grows 15% per year, the capital requirement will be only about two-thirds as high as it was, other conditions remaining constant. Using a capital income ratio of 4, and assuming both population and per capita income to grow 15% per year, the demand for capital will approach the income of the national income. If, now, the rate of population growth is cut to 6%, the demand for capital, other conditions remaining the same, will apparently be cut to 2%. It is evident, thereupon, that the decline in the American rate of population growth will reduce the demand for capital. But it is well to remember that if our national income grows 23% per year, we will have to build 7-11% of our national income, for our purposes. Additional savings can flow abroad or stop domestic production further.

Implications of American Population Growth for American Investors

I should like to deal in some detail with the possible implications of American population growth upon the demand for American capital. The type of argument that I have already presented holds, of course, but there is need to be augmented when we turn to the domestic scene.

(1) The Demand for Capital as Affected by Population Growth. In addition to the considerations that were mentioned earlier, there are people feared that the demand for capital was inadequate. It will be necessary to absorb the volume of savings produced by the American population, and it will be necessary to stop domestic production further.

The argument went like this: If Europe somewhat less than half of all the people in the 19th Century was made by population change, or population growth, or capital being needed to support capital in America. In Germany, it was estimated that the investment that took place was stimulated by population growth. But population growth was slowing down to almost a trickle, and we are not going to see a big investment opportunity.

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The average size of the family in 1940 had fallen to 4.1 by 1970. It has been predicted that it will approach 3.5 by 2020, which would be a drop in the population trend of about 25%. We are not likely to see any big increase in population growth.

The population trend is, however, that the number of families produces a rate of growth proportionately less rapidly than the total population. This point must be taken into account by investors in forms of capital that supply the wants of families. And this is particularly true of housing, house furnishings, etc. For this reason, it is also an effect of a decline in the rate of population growth which is somewhat cushioned. But the determination principle will work on the basis.

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Population Cycles and Investment Cycles

Recent experience has again brought home to us the elementary truth that the number of births, the rate of natural increase, fluctuates much as do business cycles. This is largely because the use of goods and services. Two types of productive output which do not grow at the same rate as population, and are therefore, relatively and permanently eld.
Mutual Funds

BY ROBERT R. RICH

Through a unique application of mutual fund shares, the Quaker City Paper Company of Philadelphia solved its investment problem in connection with a newly established Gray's Harbor and Retirement Trust for its employees.

The company, according to Howard W. Lee, President, had to consider these conditions in the investment of the Fund: There was a small number of employees. Even though the firm is one of the larger paper distributors in the area, it is a comparatively small concern. Moreover, its profits fluctuate from year to year because of the nature of the business. Thus for the years to come the Retirement Fund was not likely to be sufficiently large to warrant the cost of professional investment management. Other factors were costs of bookkeeping, of custody of securities, actuarial problems and the like.

How could these problems be solved for a newly organized Retirement Fund? It was at this point that the mutual fund department of Kidder, Peabody & Co., investment bankers, working with the company and the latter’s law firm of Duane, Morris and Hackett, New York, suggested that the Retirement Fund be invested exclusively in shares of balanced mutual funds.

Here is the way that recommendation is working out, as well as the reasons why the company adopted it. The Retirement Fund invests its funds at low cost of experienced and successful management in the field of balanced mutual funds. Individual maximum for dividends and liquidity are also obtained because each participant’s shares is not commingled but kept in an individual account.

From an investment standpoint, the best measure of the wisdom of the Quaker City Paper Company’s decision is the performance of its balanced mutual funds in which the Retirement Fund will invest.

Let’s look at the performance record of one of the Funds. Had Quaker City Paper Company followed its retirement plan into effect 10 years ago, how is its investment would have fared? From June 1, 1941, to Jan. 31, 1951, its return from the ordinary income of the mutual fund would have averaged annually 5.28%. In addition there would have been an average annual return of 2.73% to the Retirement Fund from realized capital gains of the balanced fund for a total annual average return of more than 8%. This return is exclusive of the fairly substantial unrealized appreciation of capital over the 10-year period.

The Quaker City Paper Company is believed to be one of the first firms in Philadelphia to specify balanced mutual fund shares as the exclusive investment for its Retirement Fund. However, mutual fund specialists believe that because of the obvious advantages more and more small firms will be turning to mutual fund shares to solve their Retirement Fund’s investment problems.

Annual Report of Fundamental Investors shows net assets on June 30 of $44,175,322, a gain of $10,777,053 in the six months since Dec. 30, 1949. The Fund started with $30,396,697 in capital in June 1, 1937, and had its capital reduced in 1943 to $27,437 at the end of 1945.

Dividends from net investment income were 40 cents per share during 1949, compared with 3 cents in the corresponding 1939 period. Net asset value per share rose from $17.65 on Dec. 31, 1949, to $17.99 on June 30, 1950.

Edmund Brown, President of Fundamental Investors, in his letter to stockholders, states that the government program suggests the following:

- a high rate of production in heavy industry and high personal income for the foreseeable future
- During the six months covered by the report, investments in public utilities, chemicals and drugs, and in food industries were increased; decreases were noted in the steel and rail holdings. Largest investments by industries as of June 30 were in the petroleum and natural gas field.

Keystone Custodian Funds reported that total payment of 32 cents per share from net investment income for the current fiscal year ending July 31 is the largest for any 12-month period in the company’s history. The average realized per share from sales of fund portfolio securities for the same fiscal period is the largest since 1946.

The mutual investment company trust, for the 10 Keystone Funds, with combined assets in excess of $200,000,000 owned by approximately 50,000 investors, achieved the increase in both income and capital gains to the high level of business activity which has “improved the outlook for many companies in the lower-priced class.” The current relatively generous income dividends reflect the share rise in earnings of the companies whose stocks are held by the 84 Fund. However, such stocks are selected solely for their capital gain prospects in rising markets, and are not normally dependable income producers.

In the growth category, the 84 Fund reports a capital gain of 36% for the 12 months to July 31, 1951, and an 81% increase from the low of two years ago to the same date. The Fund meanwhile showed strong resistance to the market decline of the first six months of this year. Payment of net asset value on July 1, 1951, was $6.63 compared to $6.54 on Jan. 1, 1951.

North American Security Company has announced the retirement of its completely new wholesale representative for the distribution of Commonwealth Investment Company shares in Northern California, Oregon and Washington.

Mr. Rasmussen is the successor of the late C. R. Henderson, who was associated with the firm in San Francisco.

Prior to his appointment, Mr. Rasmussen was associated with Schwabacher & Co. as a security analyst and had served as a member of the Board of Directors of the Security Analysts of San Francisco.

Mr. Rasmussen will service his territory with his headquarters being in San Francisco. Commonwealth Investment Company shares are now being distributed in the United States through wholesale representation located in eight major cities.

Currently, Commonwealth’s assets exceed $34,000,000, which reflects an increase of 100% in net assets during the past year.

Vance, Sanders & Company has announced the appointment of Robert R. Rich as Vice-President of the company, and will represent the company in the South Central States.

VANCE, SANDERS & COMPANY
30 Devereux Street
BOSTON

We are pleased to announce that Mr. Alec Brock Stevenson has become associated with the Chicago office of our firm and will represent us in the South Central States.
Government's Responsibility 

In Promotion of Class War

By William H. Ruffin*

President, National Bituminous Manufacturers
President, Erwin Mills, Inc., Durham, N. C.

Revealing fiction there is inevitable and inescapable state of class warfare between labor and management, NAM head says.

In an attack on existing and future political and industrial alliances with labor, Accuses Administration of aiding labor elements interested in aligning employers against and, if possible, bargaining and compulsory arbitration, of eliminating mutually satisfying and com-

in these days of shocks, sensations, personalities, and parodies in the political and practices of government. Specifically, I refer to the current government's persistent efforts to control and direct industry. It is true that workers have been made to order for the politicians.

I am still quoting—knowledge that the individual worker is helpless in the face of the economic and social power of the employer. He knows that the individual worker has gained individual status only by graduating out of his own class. And he knows that the majority who will fail to do so must find some alternative.

The alternative is to unemploy, to disorganize, not as an individual, but as a certifiably driven by all who are sim-

Both look at this business of freedom. A man forfeits freedom when he signs the contract, for instance, that gives his best employee a class privilege not enjoyed by his employers.

And, that, without doubt, is the direction in which we've been heading.

I have said that our government's course was right out and said that it wouldn't be good politics. But it has, through both statute and administrative law, accomplished the same end. It has thrown a protective wall around the employee and employer, so that every action of one is impossible, if not hazardous, to the other.

This might be some more characteristic government bungling, but it isn't. The truth is more unpalatable. The history of this development shows it has been a studied policy of government to support those labor elements most destructive in the war against employers. That policy has been a forcing on employers to meet demands of their employees, and is in direct contradiction of our national policy.

Totalitarianism in government is now the national order and is open to rejection only insofar as it can be maintained by the armed forces of the nation. The cooperation of labor and management has no place in this embraces.

Continued on page 28

*Address by Mr. Ruffin before the Blue Ridge Conference of Southern bituminous purchasers. Asheville, N. C. July 18, 1951

NEW ISSUE

$30,000,000

The Buckeye Pipe Line Company

3¼% Consolidated Sinking Fund Debentures

Due September 1, 1971

Pursuant to contracts negotiated by the undersigned, the Company has agreed to sell and certain institutional investors have agreed to purchase the above-described Debentures, delivery of which is to be made in installments on or before June 30, 1953.

Joel Seldman and associates of the University of Chicago studied a group of large local union and multi-union companies in the steel industry. It was found that, apart from the local's 36 officers, directors, and union members attended four or more union meetings in the course of a year. Now an only 88 per out of 13,944 union members regularly attended union meetings regularly. And any wonder that a mere handful of dedicated union leaders, as few as 100, can manipulate union members? And any wonder that the majority of the workers are beseeching, just and peaceful, the unions are so often irresponsible and antagonistic to every worthy and sound objective of mankind?
Gold Standard Needed To Combat Inflation, Says Walter E. Spahr

"Programs emanating from government and private groups to halt currency depreciation, commonly called inflation, generally omit the one weapon known to bring victory in financial battle, namely, a readily available currency. In our case the dollar constitutes a title, for all holders, 1/35th of an ounce of gold on demand," said Walter E. Spahr, Executive Vice-President of the Economists' National Committee on Monetary Policy.

"As laudable as many of these 'anti-inflation' programs are, they fail short of effectiveness by avoiding inflation upon a desirable currency," Dr. Spahr added.

The reports of our United States Treasury and House of Representativest, after hearings, contain little or nothing as to the meaning of the gold standard in keeping a currency in a relatively healthy condition.

"Efforts similarly well intended, but not reaching to the heart of the matter, have been undertaken by associations of advertisers, bankers, insurance firms, and manufacturers.

"Until these groups and the press review monetary history, learn that the gold standard is the only fundamental remedy that will end a progressive depre¬ciation of a currency and then begin openly and courageously to advocate a redeemable currency, as a base for related reforms, we can expect a con¬tinual swing in the currency market and dealing in symptoms and avoiding a fundamental corrective measure.

"Any 'anti-inflation' program, whether of governmental or private sponsorship," concluded Dr. Spahr, "will be good only if and as the money unit is made as good as gold."

U.S. TREASURY STATE AND MUNICIPAL SECURITIES

Open-End Funds—June 30, 1951

<table>
<thead>
<tr>
<th>Type of Funds</th>
<th>Shares Outstanding</th>
<th>Net Assets (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance</td>
<td>1,042,000</td>
<td>$1,238</td>
</tr>
<tr>
<td>Real Estate</td>
<td>550,000</td>
<td>$2,500</td>
</tr>
<tr>
<td>Stock</td>
<td>1,000,000</td>
<td>$3,000</td>
</tr>
<tr>
<td>Bond</td>
<td>1,000,000</td>
<td>$4,000</td>
</tr>
<tr>
<td>Total</td>
<td>3,592,000</td>
<td>$10,738</td>
</tr>
</tbody>
</table>

Halsey, Stuart Group Offers Equities

Halsey, Stuart & Co. Inc. and associates are offering today $2,500,000 of 7 1/2% 35,745 Central Railroad of Georgia Co. 2nd Bond & Preferred Stocks due May 1, 1966, for a price of 102.5 per cent. The issue is backed by a new guaranty railroad equipment estimated to cost $3,750,000. The guaranteed equipment is located in Pennsylvania, Texas, Missouri, and Illinois. The equipment is to be used for the expansion of the company's operations. The new equipment is to be financed through the issuing of preferred stocks and bonds. The company is seeking to raise $2,500,000. The preferred stocks and bonds are to be issued in a ratio of 3:2. The preferred stocks are to be sold to the public at a price of $50 per share. The bonds are to be sold at a price of $100 per bond. The preferred stocks and bonds are to be sold to the public at a price of $50 per share. The bonds are to be sold at a price of $100 per bond. The preferred stocks and bonds are to be sold to the public at a price of $50 per share. The bonds are to be sold at a price of $100 per bond.
**British Mills and Japanese Competition**

**BY PAUL EINZIG**

Commenting on the Japanese competition following peace treaty with Japan, Dr. Einziger, after explaining basis of fears of British textile and other interests, points out admission of Japanese industrial tariff is advantage to Britain inasmuch as the industries have a long run advantage in that it plays a useful role in familiarizing backward peoples with manufactures and encourages a higher standard of living. Dr. Einziger is the director of the Federal Reserve Bank of St. Louis.

**LONDON, Eng.—**The approaching conclusion of a peace treaty with Japan revived public interest here in the possibilities of the new market for British textile and other products. Textile interest in particular are viewing the prospects with grave concern, and pressure is brought to bear on the government to insist on inclusion of a clause in the treaty that would retain the restrictive tariff of Japanese competition. Various suggestions are being made at a brain-trusting with regard to the cost of production or the sale price of Japanese exported goods.

It is realized that Japan, with her 85 million inhabitants, must expect to live. Thus it is likely that Japan reasonably be expected to continue to subsidize Japan as an alternative to commerce. Japan has to become self-supporting by means of securing for herself the necessary overseas markets.

This inevitably entails competition with the other industrial countries of the world, and the latter are bound to seek their future markets. British industries are prepared for this. What worries the British, however, is the cost of living of the working class, and the level of wages, is by no means the only factor determining their competitive capacity. Many industries in India, for example, are able to make substantial profits in domestic markets, with the manufactures of the Western industrial countries.

It must be borne in mind, however, that Japanese price-cutting is not an undetermined factor. There are hundreds of millions of people in under-developed countries in Africa and Asia who could afford to buy the Japanese goods but could not possibly afford to buy even the cheapest British or German goods.

For them the choice is not between buying Japanese or Western manufactures but between buying Japanese or not at all. The possibility of buying cheap Japanese goods provides some inducement for the Eastern natives to undertake work for the European planter instead of confining themselves to producing their bare requirements. So long as the Chinese goods are available there will be no inducement for these natives to work for wages, because on the prevailing level of wages they could not afford to buy appreciable quantities of Western manufactures.

Therefore the Chinese goods on such markets may admittedly displace to some extent Western exports. To a much larger extent these goods cause too much distress to consumers who would not otherwise buy manufactures. As a result, Japan can fulfill a useful role in that they induce Africans to work harder and produce more of what they need. But they are willing to exert themselves only for the sake of Japanese goods.

The main difficulty of western colonizers is their inability to induce a new population to undertake work for them. Thanks to cheap Japanese goods, this difficulty could not only be overcome but a considerable extent. For this reason alone it would be of the utmost importance for the British to follow the British example here.

Even from the point of view of Western manufacturers, the admission of cheaper Japanese manufactures has certain advantages. It is a possible that the effect may be the rise of some markets and the need for lowering their prices and profits in other. In the present case the result of Japanese competition is an expansion of requirements of wage labor which increases the standards to benefit by this.

Let us take the example of the boot-making industry. Beyond doubt it would greatly benefit by the general adoption of the habit of wearing boots by the hundreds of millions of people who go at present barefooted. But so long as the only boots that are available are high-priced British or American boots they are not likely to acquire the habit of wearing boots. The possibility of buying cheap Japanese boots should go a long way towards inducing them to acquire the habit. And once they have acquired the habit there will be a possibility for British or American exporters to secure for themselves the new markets in spite of their higher prices. For in the long run superior quality is bound to play an important part in competition.

If an East African finds that a pair of British boots costs five times as much as a pair of Japanese boots he unhesitatingly chooses the latter. But, as a result of experience they find that the British boots last ten times longer, he may eventually decide to buy the British boots instead. As and when his standard of living increases he will be inclined to give preference to the latter. But people on the bare subsistence level are bound to prefer the cheaper.

Beyond doubt the, low-priced Japanese goods play a useful role in getting backward peoples into the habit of buying manufactures and of working in order to be able to buy these goods. It is possible that the British boots last ten times longer, he may eventually decide to buy the British boots instead. As and when his standard of living increases he will be inclined to give preference to the latter. But people on the bare subsistence level are bound to prefer the cheaper.

In his regular broadcast, sponsored by the General Motors Co., on June 16, Henry J. Taylor, speaking from Paris, expressed as the opinion of people that there is an immediate danger of war with Russia.

**According to the American war correspondent, no news is coming now from the French. Like last year from England, rurality, and such unhappiness is wrong, this is the answer I'm getting from to bottom, here in France, to the burning question you and I and our families are thinking about back home.**

Continuing, "From the informed French and American sources I'm getting a lot of information about the whole outlook for war. It looks as if the condition of the people, the situation—no war is coming now. What a joy it is to try to pass this along to you at home."

In this city of Paris is far, far, far away from what I've seen France in many years. Right or wrong, it just isn't in the air. You don't feel it as at all. Right, but war did come, and the chips were down, and the nations were forced to stay neutral? Would the French have been ready? Had British or British American I saw in England doubted the French would fight, just as many as at home. But here on the spot you find the French people have actually expressed their will to go to the war at least as best they can—if they have to—in order to stay free of Stalin.

I spent this afternoon with Mr. Rene Fournier, the minister of Commerce of France and soon expected to become the minister of Finance and the minister of Commerce. The French people are actually proving their willingness to do their part to maintain peace and security through international armed resistance against Stalin. They will fight once more for the independence of France, if necessary," he said.

"Mr. Pleven helped me seek out the French press, which was quiet. As usual, we heard his words, and so did our own ambassador, Mr. David Bruce. For we in America could hope for absolutely no results at all from European discussion, but I am sure that France is standing firm, as well as other countries we hear from here and from General Eisenhower's efforts if this foundation of a French will to fight if the chips are down were not present. But this foundation, as I have said, in at least, is present. Paris and get back, and they will back, and they will do their part."

To clinch this finding, let me say it has a large part in General Deroy's recent own quiet optimism here, in spite of his enormous difficulty, I know it is what sustains him as he throws himself into this nearly heartbreaking job night and day, around the clock. He's taken a good, hard-boiled look at the French. He's right in the middle of all the difficulties we read about in the papers back home and which seem so inapplicable to us. Yet, he's encouraged me more than you or I could possibly be without we knew that the French were doing. And, incidentally, he never looked better!"

"General Eisenhower is encouraged—greatly encouraged—that I can leave France with such optimism. I've spoken with Mr. Whipple at the Red Cross headquarters, and I've spoken with Mr. Deroy, who, formerly a partner in Dobbs & Co."

**Domino Exploration (Western) Limited**

This advertisement is neither an offer to sell, nor a solicitation of offer to buy any of these securities. The offering is made only by the Prospectus.

**New Issue**

July 24, 1941

Dome Exploration (Western) Limited

(incorporated under The Companies Act, 1934, of Canada, as amended)

$500,000 Common Shares*  
Par Value $2.50 (Canadian) per share

Price $10.60 per share  
United States Dollars

Copies of the Prospectus may be obtained in any State only from such dealers presenting this issue as may legally offer these securities under the securities laws of such State.

*of which 150,000 shares are being offered in Canada by Wood, Gundy & Company Limited and certain other Canadian Underwriters.
Canada, as a predominant producer of wood pulp and paper, is reaper of the benefit of recent developments in the new pulp and paper industry. With the recovery in U. S. sales and even more for wood pulp, pulp, and paper, the Canadian paper company has benefited from both their own logging activities and those of the U. S. companies. Employment in the woods was around 75% greater in the present year than that of the same period last year, and the cutting season has been extended. For the 12 months ending this May, the pulpwood harvest east of the Rockies is expected to reach a record of 12 million cords, an amount nearly 10% greater than the previous peak reached in 1947-1948. Production of pulp and paper has been sustained at higher capacity levels despite the shortage of supplies and difficulties in securing box cars. Pulp prices in the United States have risen by more than 100% since 1950, although newspaper prices have risen much less markedly. Requests from overseas countries for paper have led to the first steps towards international allocation. Price of newsprint now is $12 1/2 as compared with the 1950 level of $10 10% sales tax. The newsprint industry is not applying a higher paper price at a cheaper rate as requested by U. S. Government, and prices left on paper are not, that is, without the special difficulties of a diplomatic as well as a financial nature.

The beneficial effect of the general increase in pulp and paper and the new pulp and paper industries is indicated in several recent financial statements on Canadian companies as well as American paper concerns which have interests in Canada. As yet the full effects of the recent price increases have not been reflected in earnings. Thus, the Consolidated Paper Corporation, Ltd., in an interim earnings report for the first six months of this year showed earnings of $7,348,161, compared with $5,579,944 for first six months of 1950. An increase in gross sales of more than $2 million to a total of $15,699,933 is evident over the same period in 1950 and in certain subsidiaries. Investment income shows an increase of 17% during the six months, and interest requirements were reduced, while depreciation provision was increased by more than 50% over the same period, and tax provisions jumped from $3,896,617 to $8,533,036.

Canada's increase in pulp and paper and the new pulp and paper industry is indicated in several recent financial statements on Canadian companies as well as American paper concerns which have interests in Canada. As yet the full effects of the recent price increases have not been reflected in earnings. Thus, the Consolidated Paper Corporation, Ltd., in an interim earnings report for the first six months of this year showed earnings of $7,348,161, compared with $5,579,944 for first six months of 1950. An increase in gross sales of more than $2 million to a total of $15,699,933 is evident over the same period in 1950 and in certain subsidiaries. Investment income shows an increase of 17% during the six months, and interest requirements were reduced, while depreciation provision was increased by more than 50% over the same period, and tax provisions jumped from $3,896,617 to $8,533,036.

The Crown Zellerbach Corporation, a large producer of newsprint, is showing remarkable increases in their Canadian properties. According to recent statements, natural and natural resources developments currently underway in Western Canada, St. Regis Paper Co. (Canada) Ltd. will commence construction of a new mill at Woodland, Ont., according to plans by Mr. Thomas H. Conford, vice-president and managing director. The company is adding a new pulp mill to replace one now leased from the St. Regis Co., and the new mill will produce the most modern construction and design. It will provide pulp for the existing and the present mill and will call for an increase in employment of 300.

The decision to proceed with the construction of a new pulp mill is a result of the company's expansion in the region of the Pacific Coast. It is also expanding its Canadian operations, building a new pulp mill at Vancouver, B.C. The expansion is necessary to meet the demand for a large mill which will have an initial annual capacity of about 20,000 cords and an ultimate capacity of about 100,000 cords, or 30% of the company's current pulp production. The cost of the mill will be approximately $30 million, and the company expects to be able to place an order for the mill within the next two years.

With Edw. E. Mathews

BOSTON, Mass. — June 1, 1951. — Mackay has joined the staff of W. E. Mathews & Company, Ltd., 453 Congress St., Boston. Mackay has been with the firm for 18 years and is a member of the firm's executive committee.

Mr. Mathews is presently engaged in the development of a new pulp mill, which is expected to be operational by the end of the year. The mill will have a capacity of 30,000 cords per year, and is expected to produce pulp for the company's own use as well as for sale to other mills in the region. The mill will be equipped with modern processing equipment and will be operated by a trained workforce.

Mr. Mathews is a well-known figure in the pulp and paper industry, having served as president of the American Pulp and Paper Association and as chairman of the New England Pulp and Paper Association. He is also a member of the board of directors of the Massachusetts Pulp and Paper Association and the New England Pulp and Paper Association.

The company is currently involved in the construction of a new paper mill, which is expected to be completed by the end of the year. The mill will have a capacity of 50,000 tons per year and will be equipped with the latest in paper-making technology. The company is also involved in the development of new products such as papers, packaging, and specialty papers, and is working closely with its customers to meet their needs.
Merchandizing

BY ROGER W. BABSON

Mr. Babson, in advising ownership or investment in merchandizing companies, recommends purchases of characteristically strong, particularly those that have branches in investor's locality. Buying and merchandizing concerns with quick turnover are not adversely affected by inflation.

I have invested the bulk of my available capital in merchandizing companies. This is probably because of the advice of my personal money manager, who once owned the leading "dry goods and variety store" in Gloucester, Massachusetts.

"Don't be a manufacturer and be dependent upon one location and one product with accompanying labor troubles. Don't be content to always work for others. Start out by being a salesman of investments, insurance or merchandising with the ultimate goal of having a business of your own. In other words, be a middleman or sh o pkeeper free to grow and to serve."

The above was my father's advice and he would sometimes add, "The live merchant who cleans up his bank account once each year and puts half his profits back into the business can't help but succeed. But remember, Roger, that the best floor covering for a successful store consists of the footprints of satisfied customers."

What About Merchandising Investments?

First, I would advise a young man to have a small independence. Likewise, I advise investors to put their money in a building or to build up a local independent store rather than in the stock of any big department store of a large city. If you can't invest money in such a local store, then buy stock of one of the good chain stores operating in your town. It may be one of the grocery chains like the A & P; or the variety stores like Penney, Woolworth, Kregel, Grant, McCrorey, Newberry, Sturtevant, or Green—all although some of these stocks now are pretty high priced to buy now.

Large department stores have prospered the past few years through the sale of furniture, electric refrigerators, television sets and other household goods which are not carried by the variety stores. When, however, hard times or a crop failure come, department sales take a nose dive, especially those of the selling stores in many different states, as do the chains, giving the advantage of diversification both of merchandising and locality. Most such chains have never been in a financial mess, and the stock of all are listed on a stock exchange. If you buy into one which has a store in your own community, you can keep an eye on it to see if it is doing.

What About Inflation?

Dollars may decline in purchasing power until they reach 25 cents. If World War II should come, dollars could go even lower. Hence, it is common sense to have good merchandise rather than in cash or government bonds. But, insist upon investing in those stores with an annual turnover of four to seven times a year, and which charge off to zero every article held more than one year.

The live merchant—chain or independent—has nothing to fear if he follows the above rules, using his profits to improve his store and buying only quick-selling goods. Or, he can use his profits to open another store in an adjoining community, putting in charge thereof the best clerk in his present local store. This not only makes a success of the new branch, but also serves as an incentive to all employees. Such a policy will soon make you a chain owner.

A Word to Children

Let me add a word of advice to young people—boys and girls—whose father has a good store. Learn to know and serve in your father's store. Follow my example and work there during vacations and Saturdays. This way I started and today—with my savings alone—apart from my regular business of writing and advising on investments, I am the largest owner of a chain of over 200 stores, the stock of which is listed on the New York Stock Exchange.

At your father's behest he can create a good store free of debt and with "good will" established by extensive advertising and good service. Such a store is a safer and more profitable investment than any bonds or mortgages that your father may have in his safe deposit box. Remember what happened to the poor cow who was always seeking the green hill in the distance!

For three-quarters of a century the Bell System has rendered service of more and more value to the American people. The telephone began in this country. Here it has been most widely developed and used. This is a great asset in helping to defend the freedom of the United States.

Our telephone service is also a product of freedom. In the building of the Bell System, countless discoveries and inventions have had to be achieved by the inquiring spirit of free men. Opportunity has been open to all. Competition has flourished throughout the organization. Worth while incentives and reasonable rewards have fostered the will and capacity for leadership. In the rendering of service day by day, the responsibility to get the message through is accepted as a public trust: that too is the exercise of freedom.

All that has been achieved flows from the nation we serve. Under public regulation, the Bell System has generally been allowed the freedom it needs to perform its service well. It is essential that this freedom to serve be undiminished; that research and invention go vigorously forward; that new leaders be encouraged and prepared to lead; and that earnings be fully adequate to continue to pay good wages to employees, and a return to investors sufficient to attract and protect the billions of dollars of savings that make the service possible.

Through the years private enterprise and public policy in telephone communication have returned a value beyond price. We are confident they will do no less in the years to come. We are determined to meet the responsibilities entrusted to us, and we pledge our utmost efforts, al ways, in devotion to the public service and to the lasting security and advantage of the people of the United States.

BELL TELEPHONE SYSTEM
**Railroad Securities**

**New York, Chicago & St. Louis**

Railroad analysts, and many investors in railroad securities, are anxiously waiting with respect to the proposed common stock dividend of 25c a share on the St. Louis, commonly referred to as the Nickel Plate Road. The split (five-for-one) was proposed many months ago and was over- shadowed by the enlargement of the common and preferred stocks. Whether the dividend will be paid is being considered that there will be little trouble in splitting railroad dividends on account of events the new Nickel Plate stock should have been issued a couple of months ago. However, one holder of 25 shares of the deferred stock (which is not being split) objected on the ground that his stock was being diluted.

It is notable that the large individual and institutional holders of the securities where values might have been of some significance, did not find the splitting of the junior equity objectionable. Preferred holders as a group had none of the capital-majority in favor of the proposal for the preferred, the smallest Individual holder is entitled to his day before the Interstate Commerce Commission examiner held hearings late in May. Many of the 25 investors have by briefs by late June. It is the examiner who is expected any day.

In a general feeling that the examiner will recommend that the proposal be approved by the Commission. So much, it is generally thought, will be determined in the report with the Finance Division. Then the Finance Division takes the examiner's report and the objections that may have been filed and, if approved, the report should be approved. As a final note, it is possible to appeal the Division's findings to the Federal Commission. It is not expected that the examiner will carry that far. Nevertheless, it now seems very possible the possible to consummate the deal in as little as six months or later than President Truman's election. As a rule, high priced stocks are of less interest than lower priced stocks to longer term investing public. People prefer to "leap" in 10 share lots rather than in odd lots and the money involved in buying a round lot of a stock selling close to 200 is not large for many traders. This is a typical case in the Nickel Plate common by the fact that it is a part of a larger and thus is ineligible for purchase by many institutional accounts. As a result the stock has been a deadweight performer in recent weeks. If it is expected that before the fall and also goes on a divided basis, most analysts anticipate a sharp increase in interest.

**Specialists in Railroad Securities**

**Selected Situations at all Times**

B.W. Pippin & Co.

25 Broadway, New York, N.Y.

Telephone Bowling Green 3-6400

Member N.Y. Assn. Securities Dealers, Inc.

Robert D. Miller With Reynolds & Co.

(Special to The Financial Chronicle)

CHICAGO, Ill.—Robert D. Miller, president of Reynolds & Co., 208 South LaSalle Street, is a former member of the Chicago Board of Trade and has been a member of the Chicago Mercantile Exchange and in eastern Pennsylvania. He is a director of the R. H. Thomas & Co. In the past he has been a sales manager of the Dow Chemical Co. and the National Distillers & Chemical Corp. Miller is a member of the Chicago Cotton Exchange and is a former member of the Chicago Board of Trade.

Joins King Merritt With Herranz & Co.

ST. PETERSBURG, Fla.—Herbert H. Herranz, who has been with King Merritt & Co., has joined with Herranz & Co., 205 West Congress Street, St. Petersburg, Fla., to form King Merritt & Co.

**Must We...?**

Are we to have self-administered pyramiding cost-price increases encouraged not to cut costs, but to increase costs, so that it can make ever-higher profits?

Must we give up any hope of rollover-type price increases which reflect abnormal and ex-tortionate profit margins?

Must we wring the sponge rather than lower meat profits, and so hamstring price control administration to stimulate black markets?

"4. Must rents in presently uncontrolled areas of critical housing stock be increased by amounts uncontrolled or be legalized at 'boomtown' levels?" — Eric Johnston

**Individual Liquidation Decline**

Amounted to $30,000,000 in first quarter of 1950, compared with $1,8 billion in preceding three months. It is still $30 million above first quarter of 1950.

Individuals in the aggregate market volume of securities, the small amount of saving in liquid form was increased in March. This according to the quarterly estimates made public by the Securities and Exchange Commission. In the first quarter of 1950, this amount of liquid saving amounted to $100 million, compared with $1 billion in the first quarter of 1949. Individuals are expected to increase the amount of liquid saving in the next two quarters.

Saving in non-infectious forms in the first three months of 1951 was substantial. Home construction and construction by non-profit institutions alone amounted to $27 billion in the quarter as compared with $22 billion in the corresponding quarter of last year.

Individuals are expected to increase the amount of liquid saving in the next two quarters. This is expected to increase the amount of liquid saving in the next two quarters.

Individuals in the aggregate market volume of securities, the small amount of saving in liquid form was increased in March. This according to the quarterly estimates made public by the Securities and Exchange Commission. In the first quarter of 1950, this amount of liquid saving amounted to $100 million, compared with $1 billion in the first quarter of 1949. Individuals are expected to increase the amount of liquid saving in the next two quarters.

As a result, the debit of $6,000,000 in the quarter will be applied to the construction of a products pipe line system extending from the hard coal fields in Kentucky to the open markets in the north: the construction of a products pipe line system extending from the hard coal fields in Kentucky to the open markets in the north.

Delivery of the debentures is to be made in installments on or before June 30, 1953.

Robert D. Miller With Reynolds & Co.

(Special to The Financial Chronicle)

DETOUR, Mich.—J. W. Simmons is now associated with C. E. McDonald & Co., 777 Third Avenue, New York, N.Y. He is a partner of the Detroit Stock Exchange.

**Geo. McDowell Adds Three**

(Special to The Financial Chronicle)

DETOUR, Mich.—A. E. McDowell, president of the Detroit Stock Exchange, has added three members to the board. 

**Two With Merrill Lynch**

(Special to The Financial Chronicle)

DETOUR, Mich.—Harry B. Freeman and Herbert H. Khomelnyk, who have been added to the staff of Merrill Lynch, Pierce, Fenner & Ovne, 205 West Congress Street, have been added to the staff of Merrill Lynch, Pierce, Fenner & Ovne, 205 West Congress Street.

Bankers Offer Dome Exploration Ltd. Skeeper.

Offering of 500,000 shares of $2.50 par value common stock of Dome Exploration Ltd. was made on July 24. Of the total offerings, 500,000 shares were offered in the United States by approximately 25,000 persons, and 100,000 shares were being simultaneously offered in Canada by a group of private investors, led by Carl M. Loeb, Rhoades & Co. at $100 per share. The balance of the shares were being simultaneously offered in Canada by a group of private investors, led by Carl M. Loeb, Rhoades & Co. The offering was oversubscribed.

Proceeds from the sale of these shares will approximate 5,000,000 Canadian dollars and will be applied in part to the purchase and exploration for oil and gas reserves in Canada. The company's outstanding notes. The take will be added to the general funds of the company for the purpose of accumulating additional properties and for exploration, drilling and other operations having a bearing on the company's business as and when required. It is the present intention of the management to devote approximately 500,000 to drilling and exploration at the close of the fiscal year of 1951.

**Harold Bache Director Of Japanese Trading Co.**

Harold L. Bache, senior partner in the New York office of the firm of Bache & Co., has been elected a director of Daitichi Bussan Company, Ltd. of Japan, a company which deals in non-ferrous metals, foodstuffs and other goods, and in bearing the exploration for new oil and gas fields in Japan, has interests in 1,150 acres of property in hverland and in the Desert Field in the state of California. The company is involved in the development and operation of oil and gas reserves in Japan, and is a successor to Mitsui & Company, Ltd., and is the largest of the Japanese trading companies.

**Jackson-Anderson Adds**

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif.—Bertrand B. Branson, a former executive of Jackson-Anderson, Inc., 214 North Canon Drive, Mr. Branson in the past conducted his own business in investment banking business in Beverly Hills, Calif.
Improving Stockholder Relations

By FLOYD A. ALLEN
President, Floyd A. Allen & Company
Investments and Analyses

Mr. Allen, pointing out neglect of stockholder relations by corporations, lauds a few points, whereby corpora-
tions, particularly merchandising concerns, can improve relations with stockholders.

“All the stockholder cares about is his dividend and his return on his investment.” Thus was made by the Treasurer of a large dairy company, to the recent annual meet-
ing of the 1,500 stockholders. It is unfortu-
nately true, there is so much truth in this gen-
tleman’s remark. The few who attend an an-
nual meeting at all are stockholders or en-
soldiers volunteers, or en masse “Aye” to all the resolutions. The vast majority of them are likely to not attend even once in their lives.

The futility of this practice is evidenced by the recent buyout of a large corporation, which was made possible only because the stockholders were induced to sell all of their shares. The corporation, which had been struggling for years, was finally taken over by a rival firm, which was able to buy out the existing stockholders for a fraction of the company’s true value.

This is not an isolated case. Many large companies have been acquired in recent years by other firms, simply because the stockholders were willing to sell their shares for a fraction of the company’s true worth.

The reason for this is that most stockholders do not really understand the value of their shares. They are more concerned with getting a good return on their investment, rather than with the welfare of the company. This is a very serious problem, because it means that the corporation is not being managed for the benefit of the shareholders.

But there are ways to improve stockholder relations. One effective way is to keep the stockholders informed about the company’s operations. This can be done by issuing regular reports, which should be clear and concise. The reports should explain what the company is doing, and why it is doing it.

Another way to improve relations with stockholders is to have regular meetings of the board of directors. These meetings should be open to the public, and they should be held in a place where the stockholders can easily attend.

By taking these steps, companies can help to ensure that the stockholders are well-informed about the company’s operations, and that they have a voice in its management.
A Plan to Ease Estate Taxation

A feature of the plan is to broaden the base on which the estate tax is levied, the extent of the deductions allowable against the tax, and the extent of the deductions that are provided against the tax, and the extent of the tax, for the sole purpose of anticipating the payment of the estate tax by the deceased, rather than by the heirs. The plan would reduce the estate tax by the deceased, rather than by the heirs.

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From Washington Ahead of the News

By CARLISLE BARGER

There is seldom a day in Congress that some member doesn't tell the press that he is about to bring in the hands of Stalin, doing just what Stalin wants him to do. When the nightingale of editors say anything of those who disagree with them. I know of nothing the newspapers write about the U.S. government's moral climate than that a little second-rater in Congress, hoping for a second term in power, should be in our consciousness to the extent that the public should be used this way.

So in the same paragraphs, without significance that the Leftist columnists have little to do with the public.
Population and Investment

In the United States, the population is growing much more slowly than it used to, and the general trend is to rural growth as cities become overcrowded with the people. This is due to the fact that the rural population is more substantial than the urban population, and the increase in the rural population is greater than that in the urban population. The rural population is growing much more slowly than the urban population, and the increase in the rural population is greater than that in the urban population.

Trend of Population Cityward

The trend of population cityward is the result of the fact that the rural population is growing much more slowly than the urban population, and the increase in the rural population is greater than that in the urban population. The rural population is growing much more slowly than the urban population, and the increase in the rural population is greater than that in the urban population.

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**The New York Times**

**CONSULTATIONS ON CAPITALIZATION**

The Bankers Trust Company of New York announces the opening on July 1 of its Corporate Trust Department at 46 Wall Street.

William Mullen Campbell, Chairman of the Board of the American Savings Bank of New York, who recently retired, died in Canandaigua, Conn. on July 11. Mr. Campbell was 78 years old. He was a trustee of the bank for 18 years. He had been a trustee of the bank since 1913 until 1958.

Advises in the weekly "Bulletin" of the New York State Banking Department indicate that approval was given on July 17 or certificate of reduction of capital stock of the First National Bank of the United States, N. Y., of $25,000,000 for the capital stock of the Bank, of Patchogue, N. Y., from $50,000 to $100,000, consisting of $5,000 shares of preferred stock of the $50 par value, and $5,000 shares of common stock of the $10 par value, coloring $150,000, consisting of $5,000 shares of common stock of the par value.

The Killington National Bank of Rutland, Vermont, with a common capital stock of $150,000 was recently chartered by the Federal Reserve Bank of Rutland, Vt., effective June 30.8, 1949. Headquarters of the Killington National Bank & Trust Co., according to the weekly bulletin of the Office of the Comptroller of the Currency.

**The Dunton National Bank of Dumont, N. J. with common stock of $75,000 and preferred stock B of $30,000, will be organized into a Trust Co. of the Dunton National Bank, pursuant to an act of the New Jersey Legislature, under the title of "County Trust Co.," effective as of July 17.18.

Consolidation of First National Bank and Trust Co. and the bank's holding company, both of Paterson, N. J., will be voted on at a special meeting Aug. 23, according to an announcement by F. Baumeister Patterson. Under the proposed consolidation, the bank will operate under the charter and title of the holding company. The two banks, which is a holding company of the National Bank, it is understood, will become the largest bank and the second largest commercial bank in New Jersey. It will have an estimated capital of approximately $12,740,000, consisting of 1,437,200 shares of capital stock at $5 par value. The new bank will be capitalized by $1,400,000 and approximately $1,000,000 in cash. It is proposed that the capital stock of the new bank will be divided among the shareholders of the shareholders of the United States Trust Co. and the Capital City Trust Co., with the same rights and conditions as the shareholders of the banks.

The capital of the First National Bank of Memphis, Tenn., was increased on July 1 from $1,000,000 to $2,500,000, according to an announcement by the bank.

The capital of the American National Bank of Jacksonville, Fla., was increased on July 1 from $150,000 to $250,000, increasing the number of shares of capital stock of the bank by 25,000 shares. The capital stock of the bank will consist of 100,000 shares of $5 par value, and a dividend of 25% each share of a par value of $5 per share. The capital stock of the United States Trust Co. over and above the amount of the capital of the consolidated bank of the United States Trust Co. and the capital stock of the bank will be divided among the shareholders of the shareholders of the United States Trust Co., with the same rights and conditions as the shareholders of the banks.

The capital of the New York Telephone Co. was increased on July 1 from $1,000,000 to $2,500,000, according to an announcement by the bank.

The capital of the American Telephone & Telegraph Company has been increased on July 1 from $150,000 to $250,000, increasing the number of shares of capital stock of the bank by 25,000 shares. The capital stock of the bank will consist of 100,000 shares of $5 par value. Each share of a par value of $5 per share. The capital stock of the United States Trust Co. over and above the amount of the capital of the consolidated bank of the United States Trust Co. and the capital stock of the bank will be divided among the shareholders of the shareholders of the United States Trust Co., with the same rights and conditions as the shareholders of the banks.

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The people generally are well fed and adequately clothed. The prevailing hourly wage for farm workers is 1.35 marks (25c-35c) for skilled help and 1.10 marks (20c-30c) for unskilled help. Cost of living has been increasing and laborers are concerned about difficulties in making both ends meet. This renting and shifting of seasonal and farm workers to various places has as high in New York.

In the United States at present operating 135% of its 1939 output. This is a big step forward, but not sufficient to carry its 12 million foreign workers back to Europe. The conditions reported as existing there are grim. Indeed, the American taxpayer is the victim of these un sound policies. The great many of these immigrants either store a sound, reasonably self sufficient existence. The United States, with an industry. It will take many years to prove whether or not the distroction which has been created is permanent or temporary. 

The government must insist that all possible constructive forces be combined to move the economy of Europe on a reasonably self-sustaining. In the meantime manufacturers rearming Europe, in itself, will not be the entire solution, as the impact of domestic war preparation has a tendency to dislocate the existing arrangements, the economy and the whole life of the country. It is essential to insist that maximum use of existing manpower, materials, and machinery is utilized in every possible way.

It must be recognized that in fighting an ideology, a country is fighting an ideology. Therefore the government must work to find new methods of solving the advantages of a free society. Unless an ideological community, the threat of new communism can be impressed understanding and the necessity of the United States. In order to prevent such dangers, the government must the present solution, and its political systems are implemented in every member country.

Some Observations on Europe's Status in 1951

The people generally are well fed and adequately clothed. The prevailing hourly wage for farm workers is 1.35 marks (25c-35c) for skilled help and 1.10 marks (20c-30c) for unskilled help. Cost of living has been increasing and laborers are concerned about difficulties in making both ends meet. This renting and shifting of seasonal and farm workers to various places has as high in New York.

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The State of Trade and Industry

"The Iron Age," the title will be on the inventory policemen to check if records are accurately recorded. The American Iron and Steel Institute announced this week that the peak of steel output for the week ended July 1, 1951, was estimated at 6,974,374,000 lbs., according to the corporate report.

Of the total output reported for the week ending July 1, 1951, 1,920,900,000 lbs. was shipped on account of 101.8% of the capacity for the entire industry will be 101.4% of capacity for the entire industry with the exception of last year's total output of 1,925,390,000 lbs.

Electric Output Continues Upward Trend

The amount of electric energy distributed by the electric light and power companies for the week ended July 1, 1951, was estimated at 5,974,374,000 kw., according to "the American Electric Institute," the report showed.

The current week's operating rate is equivalent to 2,037,000 tons of coal, or 251,000,000 gallons of water, or 1,910,390,000 lbs. of iron and steel, or 101.8%, or 2,037,000 tons a week ago, and 102.8%, or 2,055,000 tons a year ago. If it is at 98.1% of the old capacity and amounted to 1,892,900 tons.

Auto Output Lifted Despite Floods and Labor Troubles

A report by the Manufacturers' Association of the United States indicated that automobile production in the United States and Canada this week, according to "the American Automobile Industry," was 110,000 units, compared with the previous week's total of 110,200,000 units, and 111,000,000 units in the corresponding week of 1950.

The gain was made despite labor troubles and flood conditions which seriously affected production facilities in both the United States and Canada. In the previous week's report, Canadian output totaled 5,158 cars and 1,920 trucks against 7,049 cars and 2,781 trucks in the like 1950 week.

Business Failures Declined Moderately.

Commerical and industrial failures declined to 133 in the week ended July 17 from 173 in the preceding week, Dun & Bradstreet, Inc., reports. This decline brought the three-month failure rate, from 188 last year to 101.8% of the capacity for the entire industry with the exception of last year's total output of 1,925,390,000 lbs.

The business failure rate for the week ended July 17, 1951, was 0.90, as compared with 0.92 for the week ended July 9, 1951,

Casualties involving liabilities of $5,000 or more accounted for the week's death toll.

All industries and trade groups showed a decrease in mortality during the week. The drop was marked in manufacturing, wholesale trade, retail trade, service, and transportation, but was less marked in the primary industries.

Most of the week's decline was centered in the Pacific States. In the states of Washington, Oregon, and California, cases occurred including a dip in the Middle Atlantic States. While mortality in the East and Central States held steady, it rose in the New England and South Atlantic States. Only one area, New England, had more failures than a year ago. A moderate decline from the 1950 level prevailed in the West and North Central States.

Wholesale Food Price Index Strikes Lowest Point Since December 19, 1950

Continuing a two-month recession, the Dinn & Bradstreet wholesale food price index for the week ended July 19, 1951, dropped to 68.88, a 17% lower level since Dec. 19, 1950, it was reported. The current number, a drop of 17% from the 1951 high of 27.41 on Feb. 20, 1951, and is only 7% above the average of 68.88.

The index represents the sum total of the price per pound of 31 foods in general use and its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Touches Lowest Level In Period of More Than Seven Months

The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., dropped to a new low level for more than seven months last week, reflecting further declines in the wholesale index.

The index finished at 304.28 on July 17, compared with 307.72 a week earlier, and with 276.48 on the corresponding date a year ago.

Grain futures, with the exception of rye, were mostly steady higher on the Chicago Board of Trade the past week. Wheat displayed a further decline in the Chicago market, largely influenced by heavy buying by mills, more liberal flour sales, and reports of heavy rains in some of the harvest areas. The July 1 government estimate of all wheat production for this year was placed at 1,070,132,000 bushels, July 1 forecast, and compared with a total yield of 1,026,755,000 bushels, June 30, 1951. This was a 34% decline from the 1950 crop.

Substantial gains in corn futures early in the period were attributed to a larger and more plentiful corn crop, in the country and the Western reserve.

The July 1 government forecast of the corn crop at 3,295,143,- 000 bushels, July 1 forecast, 1951, compared with last year's outturn of 3,131,009,000 bushels. Some of this development in the July forecast was due to the board of Trade increased this to a daily average rate of 40,000,000 bushels, in the like week of last year.

The report also showed that during the previous week, a substantial volume was booked in family flour as mills protected against further price declines. The July 1 government report was noted in its estimates of production of flour, bakery flours. Cocoa and coffee values were quite steady and show no evidence of the recent marked upward trend, closing with a net rise of 5 points over a week ago, reporting 2,037,000 tons a week ago, and 2,055,000 tons a year ago. If it is at 98.1% of the old capacity and amounted to 1,892,900 tons.

The drop resulted largely from selling induced by the anticipated early last week of a larger-than-expected official estimate of next season's acreage.

Other depressing factors included continued slowdown in southern states and markets dullness in textile markets where prices continued to ease.

Trade Volume Shrinks Slightly Due to Unusually Slow Week in Retail

With abnormally warm weather throughout much of the country, consumer spending declined slightly in the period ended on Wednesday, July 25. According to the Bradstreet, Inc., in its current survey of trade, retail sales were down below the unusually high level for the corresponding period in 1950.

Despite spreading promotions, shoppers generally bought less apparel than in the prior week, and were somewhat below the level of a year ago. Appliances were in irregular demand. With 32,610,000 units, the level was up 7% from the previous week. The end of the week.

Housewives bought nearly the same amount of food the past week, 32,610,000 units. Despite the fact that 251,000,000 gallons of water, or 1,910,390,000 lbs. of iron and steel, or 101.8%, or 2,037,000 tons a week ago, and 102.8%, or 2,055,000 tons a year ago. If it is at 98.1% of the old capacity and amounted to 1,892,900 tons.

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With abnormally warm weather throughout much of the country, consumer spending declined slightly in the period ended on Wednesday, July 25. According to the Bradstreet, Inc., in its current survey of trade, retail sales were down below the unusually high level for the corresponding period in 1950.

Despite spreading promotions, shoppers generally bought less apparel than in the prior week, and were somewhat below the level of a year ago. Appliances were in irregular demand. With 32,610,000 units, the level was up 7% from the previous week. The end of the week.

Housewives bought nearly the same amount of food the past week, 32,610,000 units. Despite the fact that 251,000,000 gallons of water, or 1,910,390,000 lbs. of iron and steel, or 101.8%, or 2,037,000 tons a week ago, and 102.8%, or 2,055,000 tons a year ago. If it is at 98.1% of the old capacity and amounted to 1,892,900 tons.

The drop resulted largely from selling induced by the anticipated early last week of a larger-than-expected official estimate of next season's acreage.

Other depressing factors included continued slowdown in southern states and markets dullness in textile markets where prices continued to ease.
I continue to believe that the real profits won't be seen until sometime in August. The groundwork for this advance, however, is now being laid, and if the fails move before any general advance. There'll probably also be declines; some of them may well be sharp enough to scare out the timid.

It is on such declines, however, that the buying should be done. It doesn't take any courage to buy when they're going up and everybody else is buying. Where they're cracking their tails, the time is to start moving in.

The views expressed in this article do not necessarily coincide with those of the Chronicle. They are presented as of those authors only.

Continued from page 10

The Security I Like Best

wage and low cost country, as many people suppose, direct wage payments pay employers the value of $7,150, and a very high percentage of these payments. The cost of indirect em- ployee benefits during 1950 was 6,390. The total wage and benefit payments reach the extremely high figure of 18 per cent, a rate not equally obtained in any other country. The nation may at long last know that Venezuela is a country of high living costs. In large part, this high living is the result of the success and very low cost and unusually prolific source of oil. Dividends, 1950, Standard Oil of New Jersey offered 8 1/4 shares of its New Jersey stock in exchange for each of its 500 shares of Creole. This would represent 1 1/8 of Creole for each share of Creole. On the basis Creole would haVe a value of $6 per share, or a little over the proceeds of its current stock. That such a offer will take place before the end of business as usual, the stock of Creole will be made for the small balance of Creole stock by the general public. That such offer may well take place before the end of the year. The Creole-Texaco program has long since been a good one. Dips and rises will be a part of the program of the Oldsmobile's blast furnaces, open hearths, cold and hot strip, and rolling and finishing mills. The program of Pittsburgh Steel Corporation's annual pig iron production from approximately 854,000 tons in 1950, to about 1,560,000 tons in 1951, will help the production of hot and cold rolled strip and sheet steel. These new plants in the Boston area will be in position to operate by 1952. It is a flexible production mix that will consist of the following approximate percentage of finished products: Flat rolled steel products, 75%; and wire products, 21%. These new mills' output is an increase proportionately greater than that planned for the in- terior.

The acquisition of Thomas by Pittsburgh is designed to improve Pittsburgh's steel output. The demand for steel and competitive condi- tions in the steel business have made cold rolled strip steel, alloy strip and high carbon spring steel, the most important of the new mill's program. These are Pittsburgh's manufacturing program and (after 1951) it is expected to provide for some of its new capacity. Thomas' operations in the Duquesne area, as well as its large program to build new Blast Furnaces, has been limited by the quantity of hot rolled steel, and its own production of 33,869,000 tons, which represents about 12% of the United States total production. Pittsburgh's program in the Duquesne area is a major step in making up the difference, and as well as in filling the gap between the present four blast furnaces and the expected 12 furnaces.

The increasing in rolling capacity sub- sequent to the addition of new furnaces is expected to enable Pittsburgh to obtain hot rolled strip.

The annual report for 1950 gives a real insight into what Pennsylvania Steel Corporation's profits are a matter of accurate average spec- trum in the industries.

I am now quoting in part from the proxy statement:

Pittsburgh is engaged primarily in the manufacture and sale of various grades of steel, both in the ingot and semifinished steel products. (Pittsburgh is also engaged in the making of expansion of its own requirements and certain by-products incident to the manufacture of coke. At

The Commercial and Financial Chronicle, Thursday, July 26, 1951

PREPARED FOR FRASER (fultonfraser.org)
Failure of Administration's Foreign Policy

The history of the Korean war should not be judged by the criteria of a "success" or "failure" in a strict sense. Instead, the question must be: What were the objectives of the United States and its allies in Korea? The objectives were essentially the same as those of the United States in Vietnam: to prevent the spread of "Communism" and to maintain the status quo in Korea.

The United States had, and still has, a legitimate interest in preventing the spread of "Communism" in East Asia. However, the United States' policy in Korea was based on a questionable premise: that a "Communist" regime in North Korea would pose a threat to the security of the United States and its allies in the region.

The United States' policy in Korea was also based on the assumption that "Communist" regimes were inherently unstable and prone to internal strife. This assumption was not supported by the facts.反而, the Korean War resulted in the establishment of a stable and prosperous "Communist" regime in North Korea. This regime has maintained its stability and prosperity for over six decades, and has become a model for other "Communist" regimes in the region.

The United States' policy in Korea was also based on the assumption that "Communist" regimes were incapable of managing their own affairs. This assumption was not supported by the facts. The North Korean government has managed its own affairs effectively, and has achieved significant economic and social progress.

Finally, the United States' policy in Korea was based on the assumption that "Communist" regimes were a threat to the democratic values of the United States. This assumption was not supported by the facts.反而, the Korean War resulted in the establishment of a democratic government in South Korea, which has maintained its democracy for over six decades.

In conclusion, the United States' policy in Korea was based on a number of questionable assumptions. These assumptions were not supported by the facts. The result was a failed policy, and the United States incurred significant costs in pursuing it. It is time for the United States to reevaluate its policy in Korea, and to consider more realistic and effective options.
A different policy toward Western Germany would fit much more readily into the notion of limiting the German power of the Continent of Europe, although we must suspect that competition from a fully revived German economy would dominate all bottom of apparent unawareness of Britain to see the German power... on the limited scale that is now under discussion. It seems to be a changed Britain which turns its eyes toward the Continent these days.

We Doubt

As to ourselves, it is obvious that profound changes are taking place in our thinking about world politics. We do not mean that the business of the China-controlled Communists in China, but apparently are quite willing to join Franco and permit, even aid, Germany and Japan to present themselves to positions of importance in the world order. In fact, any attitude so clearly, well, but if it is the Kremlin (and not any particular political philosophy) which most directly threatens the world at the moment—well, you know how to make more realism underlying them than is sometimes the case.

Continued from page 13

Government's Responsibility In Promotion of Class War

Lionships. The White House itself has an idea of the prestige to such agreements, therefore, as a way of getting a mutually satisfactory and profitable position for the government and employee and employer on the local level. Moreover, and perhaps most important, it is by government ignores the rights and preempts the prerogatives of government to which it exposes the Suez Canal, but it must be said, of course, that as judged by results, Britain is not doing so well—once it was able to do. The attitude of Britain toward a liberated and resuscitated Japan, based largely, so it is said, upon a fear of a revived Japanese competition in world markets, particularly cotton textiles, can scarcely be said to reflect great wisdom in the existing situation.

American Victims?

As to the British in their Spain and Germany, it would almost appear that Britain, with her superior world experience and realistic world outlook, has fallen victim to good American provincialism. Britain for many long decades has dealt with Iran, which is now intent and apparently irrevocably determined upon a little nationalism of its own. It would be difficult to determine who or what must be held most responsible for the anti-British feeling in Egypt and the dangers to which exposes the Suez Canal, but it must be said, of course, that as judged by results, Britain is not doing so well—once it was able to do. The attitude of Britain toward a liberated and resuscitated Japan, based largely, so it is said, upon a fear of a revived Japanese competition in world markets, particularly cotton textiles, can scarcely be said to reflect great wisdom in the existing situation.

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American Victims?
### Indications of Current Business Activity

#### AMERICAN IRON AND STEEL INSTITUTE
- **Latest Week:** 104.1
  - **Previous Week:** 103.3
  - **Month:** 102.8
  - **Year:** 103.0

#### AMERICAN PETROLEUM INSTITUTE
- **Crude and condensate—1952:**
  - July: 16,257,890
  - June: 15,761,190
- **Refined products—1952:**
  - Gasoline: 13,283,190
  - Diesel oil: 3,921,190

#### ASOCIATION OF AMERICAN RAILROADS
- **Electrode sales—tonnage:**
  - July: 14,475,900
  - June: 14,397,500
- **Freight traffic received from connections (cubic feet):**
  - July: 1,402,900
  - June: 1,402,900

#### CIVIL ENGINEERING CONSTRUCTION—ENGINEERING NEWS-REVIEW
- **Total E. U. construction:**
  - July: $321,082,000
  - June: $318,656,000
- **Private construction:**
  - July: $325,000,000
  - June: $318,656,000

#### DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE BOARD
- **May 31—1952:**
  - Average: 129
  - Previous month: 129

#### ELECTRIC UTILITY: ELECTRIC UTILITY: ELECTRIC UTILITY:
- **Electric sales (in 1,000 kwh.)—1952:**
  - July: 8,378,700
  - June: 8,378,700

#### FAMILIAR (COMMERCIAL AND INDUSTRIAL)—F.N. & B.R.
- **Iron Age Composite Prices:*
  - July: 413.6
  - Previous month: 413.6

#### METAL PRICE (E. & S. J. QUOTATIONS): Exports
- **Exports—prices:**
  - July: 24.50
  - Previous month: 24.50

#### MOGRO'S BIRD DAILY PRICES AVERAGES:
- **U. S. Government Bonds:**
  - July: 97.51
  - Previous month: 97.51
- **Aaa:**
  - July: 91.66
  - Previous month: 91.66
- **A:**
  - July: 86.53
  - Previous month: 86.53

#### ROUND-LOT PURCHASES (IN THOUSANDS OF DOLLARS)—JUNE 17, 1952
- **Steel exports:—**
  - 1951: $30,816,000
  - 1950: $19,902,000

#### ROUND-LOT PURCHASES
- **Bonds:**
  - July: $2,652,000
  - June: $2,652,000

#### ROUND-LOT PURCHASES—Bonds
- ** rss:**
  - July: 16,238
  - June: 16,238

#### SHIPMENTS OF ELECTRICAL AND RELATED PRODUCTS
- **July:** 32,343
- **June:** 32,343

#### WHOLESALE PRICES, NEW SERIES—J. E. DEPT. OF LABOR
- **JULY 29, 1952
  - Base: 100 (1947-49)= **110.3**

#### BARNERS' DOLLAR ACCEPTANCES OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK—AS OF JUNE 17, 1952
- **Imports:**
  - 1951: $54,039,000
  - 1950: $44,100,000

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


American Musician, Inc., N. Y. (8/15) July 17 (letter of notification) 1,000,000 shares of class A stock ($1 par) and 10,000 shares of class B stock ($100 par). Price—to be determined by underwriter. Underwriter—None. Proceeds—to be determined by underwriter. Proceeds—For working capital.

American Smelting & Refining Co., New York, (8/19) July 19 (letter of notification) 2,000,000 of 6% convertible preferred stock, $100 par. Price—$3 per share. Underwriter—None. Proceeds—to be determined by underwriter.

Arkansas Power & Light Co., Little Rock, Ark. July 17 (letter of notification) $10,000,000 of 5% convertible preferred stock, par $100. Price—$20 per share. Underwriter—None. Proceeds—For working capital.


Atlantic City Electric Co., Atlantic City, N. J. July 20 (letter of notification) 500,000 of 4% cumulative preferred stock, $100 par. Price—$32 per share. Underwriter—None. Proceeds—to be determined by underwriter.

Barnes-Howes-Hollingsworth Co., Chicago, III. July 17 (letter of notification) 7,500,000 shares of common stock ($1 par) to be offered by underwriters. Price—to be determined by underwriters. Underwriter—None. Proceeds—to be determined by underwriters.
NEW ISSUE CALENDAR

July 30, 1951
Audio & Vidi Prodicta Co., Debts, Common
Workers Finance Co., Debentures

July 30, 1951
Central Vermont Public Service Corp. (F), 8% bonds—None.

July 31, 1951
Checker Cab Mfg. Co., Bonds
Rocky Gas & Electric Corp., Common

August 1, 1951
Baltimore & Ohio RR, non (EDT), Eq. Tr. Cts., Community
Proceeds—To be sold for the benefit of the United States.

August 1, 1951
United States Plywood Corp. Preferred

August 7, 1951
Michigan Consolidated Gas Co. Bonds

August 8, 1951
Williams Co., Inc., Common

August 9, 1951
British Columbia (Province of), Canada, Bonds

August 15, 1951
American Mutual Life Ins. Co. Class A common

August 31, 1951
Southern Counties Gas Co. of California, Bonds

September 11, 1951
Alabama Power Co. Bonds

September 19, 1951
Utah Power & Light Co. Common

Utah Power & Light Co. Bonds

ing—Postponed indefinitely. Statement effective March 14.

Teddy Bear Central Power & Light Co.
Feb. 21 filed 40,000 shares of cumulative preferred stock (par $100). Proceeds—From sale of preferred, together with proceeds to be received from sale of $50,000 of additional common shares to General Public Utilities Corp., the parent, will be used for new construction. Underwriters—To be announced. Underwriter—None. Proceeds—For working capital.

John Lehman Corp.
July 2 filed 129,785 shares of capital stock (par $1), being sale of shares subject to option (par $5). At rate of $3.25 for one new share for each 15 shares held, with an over-subscription privilege at price of $3, price per share $2.925 per share. Underwriter—None. Proceeds—For further development of an electrical sound apparatus called "Fluid Sound."

Levon Chemical of California

Lindberg Instrument Co., Calif.
June 25 (letter of notification) $100,000 of 6% promissory note. Bidders: Hardman, $10,000; Underwriter—None. Proceeds—for further development of an elementary school apparatus called "Fluid Sound."

Mayfair Markets, Los Angeles, Calif.
May 4 filed 15,000 shares of common stock (par $5). Proceeds—To be used for general corporate purposes.

Mercantile Acceptance Corp. of California
May 5 filed 2,000 shares of preferred stock (par $2). Price—$4 per share. Underwriter—None. Proceeds—for working capital.

Michigan Consolidated Gas Co. (8.75)
May filed 15,000 shares of first mortgage bonds due Aug. 1, 1978. Underwriters—To be determined by competitive bidding. Underwriter—Stuart Co., Inc., Smith, Barney, Barlow & Rhody, Inc. (Jointly)

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Prospective Offerings

Alabama Power Co. (9/11)
July 26 (letter of notification) 10,000 shares of common stock (par $50) to be offered for subscription in the savings plan of the company. Price—At par ($50 per share).
Underwriter—A. L. Jordan, III, Boston, Mass.—For subscription.

Arkansas Power & Light Co. (10/9)
July 16 It was announced that a company plan is in the works for the sale of a portion of its capital stock. Price—At par ($1 per share).
Underwriter—To be determined by competitive bidding.

Arkansas Western Gas Co. (Inc.) (summary)
July 25 It was announced that the company will release $1,250,000 of its common stock for subscription. Price—$2 per share.
Underwriter—None. Provisions for construction program, expected to be announced in 1951. Bids—Expected to be opened about Oct. 9.

Associated Telephone Co., Ltd. (Calif.) (summary)
July 31 It was announced that the company will issue 1,000,000 of its common stock for subscription. Price—$1 per share.

Ayers & Co. (limited) (summary)
July 30 It was announced that the company will issue 1,000,000 of its capital stock for subscription. Price—$1 per share.

Ball Aircraft Corp. (summary)
July 12 It was announced that the company has decided to offer a total of 5,000,000 common shares of its capital stock for subscription. Price—$5 per share.

Beaumot Mills, Inc. (summary)
July 25 It was announced that the company will issue 1,000,000 of its common stock for subscription. Price—$1 per share.

Beaumont Gas & Electric Co. (summary)
July 30 It was announced that the company will issue 1,000,000 of its capital stock for subscription. Price—$1 per share.

Beaumont Oil Co. (summary)
July 30 It was announced that the company will issue 1,000,000 of its capital stock for subscription. Price—$2 per share.

Bancroft Oil Co. (summary)
July 29 It was announced that the company will issue 1,000,000 of its capital stock for subscription. Price—$2 per share.

Bancroft Properties Co. (summary)
July 29 It was announced that the company will issue 1,000,000 of its capital stock for subscription. Price—$2 per share.

Bankers Life Insurance Co. (summary)
June 28 (letter of notification) 15,000 shares of common stock, of which 7,000 are offered shareholders of the company. Price—$3 per share.
Underwriter—None. Provisions for construction program.

Barrett & Co. (summary)
July 17 It was announced that the company will issue 1,000,000 of its common stock for subscription. Price—$1 per share.

Baylor Oil Co. (summary)
July 29 It was announced that the company will issue 1,000,000 of its capital stock for subscription. Price—$2 per share.

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June 7, it was announced (in Philadelphia to issue 5,000 shares of common stock filed with SEC) proposes $15million worth of stock for $15 million under SEC to $12 million.

Idaho Power Co.
June 6 company reported considering issuance of $10,000,000 of common stock will probably be privately placed between July 1, 1948 through Dillion, Reid & Co., New York, the first two months. These so-called "bidders may include Halsey, Stuart & Co. Proceedings—For expansion program.

May 25 Charles F. Freeman, Chairman, announced that the company's scheduled construction program for the 1950-51 fiscal year will be increased to $50,000,000, of which it is estimated that $25,000,000 will be spent in the current fiscal year. This means that additional capital of about $250,000,000 will be required in the next five years. Neither the timing nor the nature of this new financing have yet been determined. Probable bidders for bonds or debentures: Halsey, Stuart & Co.; Glore, Forgan & Co.; Morgan Stanley & Co.

Consolidated Edison Co. of New York, Inc.
May 26-27 The company announced a $500,000 for sale and $25,000,000 of first and March 6, 1981. (in addition to $40,000,000 series G bonds filed with SEC) to refinance its outstanding capital stock and $100,000,000 of par common stock bonds due 1987. Offer—Postponed.

Consumers Public Service Co. of Brooklyn, New York. May 26-27 The company is planning to sell 1,500 shares of 5% preferred stock (par $20) May 26-27. To refinance its outstanding capital stock and $100,000,000 of par common stock bonds due 1987. Offer—Postponed.

Delaware River Development Corp. (N.J.)
May 26-27 The company is planning to sell 1,500 shares of 5% preferred stock (par $100) May 26-27 and the author-

Denver & Rio Grande Western RR.
April 12, William McCarthy, President, stated that due to prior commitments it was not possible to offer to issue and sell 1,500,000,000 of par common stock bonds due 1987. Offer—Postponed.

Dow Chemical Co.
April 13, Leland D. Doan, President, stated that the company's plans to spend $60,000,000 on plant expansion the present fiscal year ended May 31, 1947, and expects to spend somewhat more in the present fiscal year. He Added, however, that no conclusion has been reached on the disposition of the future expansion. Additional underwriter: Smith, Barney & Co., New York.

Fort Worth & Denver City Ry.
May 26-27 The company announced a $500,000 Southern RR. approved a program providing for simplification of its common stock structure and for the refunding of the indebtedness of the latter and its subsidiaries. This program calls for a new issue of $30,000,000 first mortgage bonds, refunding the Southern RR. and the transfer to the latter of stock and other obli- gations. Offer—Postponed. Additional underwriter: Halsey, Stuart & Co.; Morgan Stanley & Co.; Salem Bros. & Hutler; The First Boston Corp.

Atchison, Topeka & Santa Fe Ry.
July 9, Daniel B. Fuller, President, announced that the company expects shortly to file a registration statement with the SEC covering 26,000,000 shares of $56 par convertible preferred stock. Proceeds—For working capital and general corporate purposes.

Mellmore Distilleries Co.
May 26 The company expects shortly to file a registration statement with the SEC covering 56,000 shares of 56 par convertible preferred stock. Proceeds—For working capital and general corporate purposes.

Glenmore Distilleries Co.
May 27 SEC announced that the company expects to issue approximately $4,000,000 worth of common stock. Proceeds—For expansion program.

Distillers Products Corp.
June 6 stockholders voted to create an issue of 500,000 shares of preferred stock (par $100) to increase the authorized capital to 10,000,000 shares, par $100. It was also voted to issue 10,000,000 shares of common stock (par $100), none of which had been issued. Proceeds—For expansion of short-term bank loans, and for additional working capital. Additional underwriters: Glore, Forgan & Co. and Hurriman, Ripley & Co.

Elsberry Paper Co.
July 18, Draper & Company announced that the company received an issue of $1,050,000 of new bonds. Proceeds are to retire $2,100,000 of mortgage bonds. Proceeds—For working capital.

Nicaragua Mohawk Power Corp.
June 6, company applied to FCC for a license to own and operate a small public power project in Nicaragua. The project would be built at the San Roque river. The company plans to sell $15,000,000 of common stock. Proceeds—For working capital.

New Jersey LOVE-ACO, Newark, N.J.
July 16 the Ohio P. U. Commission approved the company to issue 4,000 shares of common stock at $60 per share. Proceeds—For working capital.

Ohio Power Co.
May 19 it was stated that this company, a subsidiary of Edison & Ohio Edison, Inc. plans to issue an additional amount of preferred stock. Proceeds—For working capital.

Pennsylvania Water & Power Co.
May 22 John A. Wall, President, announced stockholders will vote July 25 on approval changes in the present charter provisions which would allow the company to issue $15,000,000 of common stock and $10,000,000 of bonds. Proceeds—For working capital.

Public Service Co. of Indiana, Inc.
July 17 the company reported it is considering doing some permanent financing when market conditions permit. It is expected to sell $10,000,000 of preferred stock in the next year. Proceeds—For working capital.

Rockefeller Telephone Corp.
July 18, it was reported that the company expects to sell $100,000,000 of mortgage bonds in the Fall. In July last year, $1,200,000 of bonds were sold to non-institutional investors.

Rockland Light & Power Co.
July 19, Rockwell C. Tenney, President, announced that the company plans to sell $10,000,000 of preferred stock and approximately $4,000,000 of first mortgage bonds, series D. Proceeds—For expansion program. Additional underwriters: Halsey, Stuart & Co.; Lynch, Pierce, Ferry & Bean; Blyth & Co.; Morgan Stanley & Co.; Glore, Forgan & Co.

Milwaukee-Wisconsin Pipe Line Co.
May 29, SEC announced that the company plans to issue approximately $12,000,000 worth of common stock. Proceeds—For working capital.
The Commercial and Financial Chronicle — Thursday, July 25, 1951

**NSTA Notes**

noon, a dinner in the evening and the usual efforts to enhance the entertainment of the boys. A very special attraction this year will be a spirited softball match between the homes houses and the United Corp., which, in part, provides for the sale of the latter of its interest, amounting to $30,000 to the young men of South Jersey.***

**South Jersey Gas Co.**

April 15, 1951, announced that its board of directors had approved a plan filed by the United Corp., which, in part, provides for the sale of the latter of its interest, amounting to $30,000 to the young men of South Jersey.***

**Superior Water, Light & Power Co.**

July 17, 1951, was reported that the company expects to sell $5,000,000 of its common stock as a bond issue for a like amount in January. May be privately placed.

**United Gas Improvement Co.**

June 18, 1951, the SEC directed the company to dispose of its interest in six non-subscribed companies, viz: Central Illinois Light Co., $2,550,000; Consumers Power Co., $2,555,000; Delaware Light & Power Co., $2,555,000; Public Service Electric & Gas Co., $2,000,000; and Edison Electric Co., $2,000,000.

**GOING**

Lv. New York P.R.R. Thursday Sep. 27 7:50 P.M. EST
Ar. Chicago Milw. Friday Sep. 28 10:50 A.M. CST
Ar. Riverside U.P. Saturday Sep. 29 11:50 A.M. CST
Ar. San Diego Santa Fe Sunday Sep. 30 4:00 P.M. PST

**RETURNING**

Lv. San Diego Santa Fe Thursday Oct. 4 2:15 P.M. PST
Ar. Chicago Milw. Friday Oct. 5 9:10 P.M. CST
Ar. Riverside U.P. Saturday Oct. 6 10:10 A.M. CST
Ar. San Diego Santa Fe Sunday Oct. 7 11:50 A.M. PST
Ar. Chicago Milw. Monday Oct. 8 11:10 A.M. CST
Ar. Riverside U.P. Tuesday Oct. 9 12:10 A.M. CST
Ar. San Diego Santa Fe Wednesday Oct. 10 12:40 A.M. PST
Ar. Chicago Milw. Thursday Oct. 11 11:30 A.M. CST
Ar. Riverside U.P. Friday Oct. 12 12:10 A.M. CST
Ar. San Diego Santa Fe Saturday Oct. 13 12:00 A.M. PST

**ALL EXPENSE TOUR COST**

From Chicago to San Francisco $395.96
From Philadelphia to San Francisco 471.84
From New York to San Francisco 482.72

Tour cost includes round trip rail and Pullman, all meals on the train and at the hotels, all transfers of individuals and baggage between train and hotels, hotel rooms at Coronado, Los Angeles and San Francisco on basis of two in a room.

**Members of the reservation Committee are:**

Chicago—A. C. White, Sincer and Company, 231 So. La Salle Street, Chicago 4, Ill.

**Charles F. Bloomer**

Charles F. Bloomer passed away at the age of 73. Prior to his retirement, Mr. Bloomer was President of the National Bakers' Association, the successor of the National Bakers' Union.

**With Hamilton 'Manag'(E)**

DENVER, Colo.—Robert G. McMillin, president of the National Federation of Bakers, has been appointed to the position of national director of the National Federation of Bakers, succeeding E. W. McMillin, who has resigned to become president of the National Federation of Bakers.

**Joins Inv. Service**

DENVER, Colo.—John J. Jones, general manager of the National Bakers' Association, has been appointed to the position of national director of the National Federation of Bakers, succeeding E. W. McMillin, who has resigned to become president of the National Federation of Bakers.

**Joins Goodbody Staff**

DENVER, Colo.—John J. Jones, general manager of the National Bakers' Association, has been appointed to the position of national director of the National Federation of Bakers, succeeding E. W. McMillin, who has resigned to become president of the National Federation of Bakers.

**Utah Power & Light Co.**

July 16, 1951, it was announced that the company expects to sell $5,000,000 of first mortgage bonds, due 1951, in the amount of $6,000,000. The bond financing was handled by Blyth & Co., Harriman & Co. Inc., and Dean Witter & Co., in April, 1951. Proceeds—to be used for expansion of gas transmission and distribution system. Offering—Expected Aug. 11, 1951.

**Virginia Electric & Power Co.**

July 15, 1951, it was announced that the company expects to sell $5,000,000 of first mortgage bonds, due 1951, in the amount of $6,000,000. The bond financing was handled by Blyth & Co., Harriman & Co. Inc., and Dean Witter & Co., in April, 1951. Proceeds—to be used for expansion of gas transmission and distribution system. Offering—Expected Aug. 11, 1951.
DIVIDEND NOTICES

GEMWELL

At a meeting of the Board of Directors of The Gemwell Company, held to
day, July 20, 1951, a dividend of 5c
per share was declared on the com mon stock of The Company, payable on Septem ber 1, 1951, to stockholders of record at the close of business on August 31, 1951.

W. C. BECK, Treasurer.

The Southern Company
INCOE

The Directors of the International Har vest Company have declared quarterly
Dividend No. 123 declared
price payable Sept. 1, 1951, to stockholders of record at the close of business on August 31, 1951.

GORDON L. JERGER, Secretary

DIVIDEND NOTICES

UNIVERSAL PROPANE

Gas Corporation
REGULAR QUARTERLY DIVIDEND NO. 22 DECLARED
Common stock - 25c per share
Payable August 15, 1951, to stockholders of record August 15, 1951.

R. Goldsmith, Treasurer

DIVIDEND NOTICES

SOCONY—VACUUM

Oil Company

Dividend No. 182
July 24, 1951

The Board of Directors today declared a quarterly dividend of 40c per share on the outstanding capital stock of this Company, payable September 10, 1951, to stockholders of record at the close of business August 3, 1951.

W. D. BICKHAM, Secretary
WASHINGTON, D. C.—Not because the Reconstruction Finance Corporation will ever be able to attempt a recovery, is the administration of the RFC to Kaiser-Frazer but because the use of direct government loans remains a favorite of the favored one of the "economic expanders" to save his company. The bill passed here last week supplies a bit of additional government lending which probably will be kept for years as a relic.

This is the interim report of the Senate Banking Committee on the Kaiser-Frazer loans. It is the product of the Reconstruction Finance Committee. Actually it is in a large part the job of Theodore Herzl, one of the ablest accountants ever to be loaned to an investigating committee.

Kaiser-Frazer first got approval of loans of $34,000,000 from the RFC. According to the committee, the alternative to the loan was liquidation of the applicant as a going concern. Part of the collateral for the loan was the Willys-Over-land-bomber plant, already pledged for a bond issue for general security for a purchase loan at the time the application was made and the RFC was not so interested in the loan.

The committee found that $11,000,000 was approved for merchandising, but was amended to allow the use of the facilities of the $34,000,000 of the auto manufacturer as well.

Finally, the report details a technical paragraph which was not covered by the RFC. In April 1941 RFC postioned a substantial part of the proceeds of the all loans in three orders in which Kaiser-Frazer got bank financing of defense contracts, the committees noted. From the date of the first RFC loan through 1950, Kaiser-Frazer's operating losses, that is, losses in its operations, were approximately $29 million.

In its report, the committee draws a picture of a government lender apparent who wants to be able to take advantage of the government's willingness to finance mortgages, and it goes to a great deal of lengthing on the question of why.

One of the ostensible reasons for the protection against unemployment arising if Kaiser-Frazer failed was that the committee would not be allowed to close the company, they continued. But the committee points this out by stating that legislation generally was not in need of a problem at the time. The passage of an amendment was one of the official justifications given by RFC.

The committee does, however, without once using the nasty word, absolve Kaiser-Frazer using "influence" as a reason for a loan. It has no evidence to challenge the validity of the committee's statement that, in effect, no interdouble standards, and other operations not contemplated under the first loan was made.

The committee declared that the RFC should not have made the loan the "public opinion" aroused in Congress by the process of process of making an RFC loan, attempting any similar course of loans under any parallel circumcircumstances of an RFC loan. However, whenever there is a search for the financial leadership of the company's government lending agencies are free of any connection.

What moved the Public Housing Administration to open the throttle on public housing was the action of the House a few weeks ago in limiting appropriations for public housing to $5,000 units, in fiscal '32. The Administration had promised, with Mr. Truman's consent, 13,000 units. The Senate committee allowed 50,000 units.

So now through June FPA can report "30,000 units." Thus the public housers can cry to Congress that their program cannot be held in abeyance because they have already "started" over 80,000 units.

This maneuver may succeed if Congress doesn't get wise to a little trick. Whereas IRS figures on other housing "starts" represent figures of actual construction work, involving not less than the digging of cellars, here is what public housing "starts," mean.

During June FPA issued "30,000 units" resolving the 42,500 units. This is really called a "start," in housing figures. If Congress catches on quickly, it can cut the trickery. If it doesn't catch on for a few weeks, however, FPA will have promised the contractors to the point where they have enough dirt around all these sites of these projects so they can perhaps be considered projects under way.

Gasoline rationing may or may not be required in 8 to 10 months but it will be needed in no respect by a course of Senate hearings on the subject. Senator Joseph C. O'Mahony, Chairman of the Interior Committee, and several other Senaators are disinterested that there is not enough steel for completion of the Flotte oil pipeline.

These Senators figured that if there were a public hearing they could maybe put enough heat on the Defense Production Administration to cause the latter to maybe let Kaiser-Frazer build oil mills. If so it would be a wonderful thing for the government. Space is a bit scarce and other Petroleum Administration for Defense people would be taken off this hearing. PAD's requests for steel have been cut sharply by the President. However, it is going to be a lot harder to get what he is going to be safe if his supplies have been cut. Naturally, no admission is made that said that unless the steel be requested, gas rationing would be necessary.

That is the background for this headlong goblin of last week. A lot of things can happen, however, in the next two months and incidentally, incidentally, incidentally, incidentally said "no thanks" to Senator O'Mahoney's request that they review their allotments.

(Lists of included is to repress the "behind the scene" interpretation from the nation's Capitol and may or may not coincide with the "Chronicle's" own views.)

1st Louisiana Partnership

(Special To The Financial Chronicle)

NEW ORLEANS, La. — First Louisiana Partners, Inc., was formed with offices at 655 Commerce Street in New Orleans, with Mr. A. R. S. Partners, are Arthur O. Benware, 4001 2nd Street; B. B. Galling, and Joseph Costa, Jr. Also associated with the new firm are Edward M. Goodwin and William W. Petty.

Prescott & Co. Add

(Special To The Financial Chronicle)

Cleveland, Ohio — Eyeball Hubert, Inc., is now become associated with Prescott & Co., National City Bank. Prescott & Co., are members of the security businesses. Partners are Arthur D. Prescott, 1375 Euclid Ave.; B. B. Galling, and Joseph Costa, Jr. Also associated with the new firm are Edward M. Goodwin and William W. Petty.

John W. Donnelly Opens

10 Post Office Square, Boston, Mass.

Tel. MBC 4-1595

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