EDITORIAL

As We See It

The old order changeth, giving place to new. This generalization of the poet can be applied almost universally in this day and time. There are a good many who seem to suppose that these changes are synonymous with progress, that the new order which is replacing the old is of necessity and obviously better than the old. Indeed it would appear at times that these malcontents proceed on the assumption that whatever is, is wrong. With this view of the matter we find ourselves in sharp disagreement. Change and improvement are not synonymous in this instance any more than in millions of others.

Yet in some real sense the times are new, and it would be idle and foolish to shut our eyes to the fact. Nowhere perhaps is this truth more observable at the moment than in international relations. These changes reflect themselves in the Far East, where the Korean war and the muddled Chinese situation speak eloquently. They are stewing in India and surrounding regions, where anti-British, anti-French, anti-Dutch and anti everything else Western is the order of the day. Nearer home the same virus has struck in Iran, and in Egypt and is quite possibly incubating elsewhere in this part of the world. Britain as well as Iran is suffering seriously from lack of Iranian oil, and the Suez Canal has long been regarded as a vital link in the British life line. Not only Britain, but most of the remainder of the world has a stake in what takes place in these regions.

It is, accordingly, definitely worthwhile to make an effort to gain a real understanding of what is taking place. "Reform" of the New Deal Continued on page 32

"The Camel’s Nose Is Under the Tent"

By C. E. WILSON* President of General Motors

Citing old Arabic proverb as illustrating gradual penetration of totalitarianism in nation, General Motors executive accuses government of using present emergency to promote regimentation under false assumption that this is best way to get job done. Urges removal of price and wage controls during defense period as alternative to setting into the very system he is opposing. Warnings of danger to our economy from overpreparedness, and says controls reduce rather than increase essential materials supplies and at same time, divert attention from inflation evils.

The title I have chosen for my talk, as most of you know, is “The Camel’s Nose Is Under the Tent.” The expression comes from an old Arabian fable, and an Arab it spells trouble and disaster. The fable of the Arab and His Camel goes something like this:

One cold night, as an Arab sat in his tent, a camel gently thrust his nose under the flap and looked in. "Master," he said, "let me put my nose in your tent, for it is cold and stupid out here.

"By all means, and welcome," said the Arab, and turned over and went to sleep. A little later he awoke and found that the camel had not only put his nose in the tent, but his head and neck as well.

The camel, who had been turning his head from side to side, said, "I will take but little more room if I place my forelegs within the tent. It is difficult standing without."

“You may also place your hind legs and tail in the tent, " said the Arab, moving a little to make room, for the tent was small.

Continued on page 34

*An address by Mr. Wilson before the Dallas Chamber, Society for the Advancement of Management, Dallas, Oct. 10, 1951.

The Immediate Outlook—A Supply-Demand Stalemate

By EDWIN B. GEORGE* Director, Dept. of Economics, Dan & Bradstreet

Reviewing recent business trends and the immediate outlook, Mr. George foresees an approximate balance in supply and demand factors. Finds output of goods gradually increasing along with steady rise in consumer expenditures, but not enough to be of particular consequence to public policy. Predicts civilian supplies will be more plentiful than during the War II.

The debate between those who are awed by the inflationary potential of our growing defense program and those who feel that there are now too many tired markets for defense spending to hold them all up, seems likely to wind up in little better than a draw during the current fiscal year. My own estimate is (1) that the results in both aggregate supply and demand will be slightly upward through the remaining nine months of this period, and (2) that although the advantage in the race should still be with demand, it will still be at slight as to exert little new upward pressure on prices in general. The prospect of another turn in the cost-price cycle, as through a new round of wage increases, is a separate question, but even a successful frontal attack on the indexes from that quarter would probably not upset a near supply-demand stalemate if it were otherwise in the cards. I have confined myself to developments during this fiscal year because too many assumptions about highly mercurial and arbitrary matters would have to be made for a longer look. Those concern primary upward revisions in military program, of which the new broadly advertised expansion of the aircraft program from 16 to 140 groups (composition as among types of fighters, bombers, and the like) is the most conspicuous.

Continued on page 29

NSA CONVENTION ISSUE READY NEXT WEEK—In addition to the usual issue, the CHRONICLE will publish next week an 84-page special supplement devoted to the Annual Convention of the National Security Traders Association at Coronado, Calif.

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A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

The articles contained in this forum are not intended to be, nor do they purport to be, an offer to sell securities discussed.

HENRY C. KEISTER
Partner, H. C. Keister & Co.,
New York City

Standard Fruit & Steamship Co. (Prefered) - New York

The security I like best at the present time is the $3 participating preferred stock of the Standard Fruit and Steamship Co., which stock represents the senior capital of the company, and is no bank bonds or notes, nor bank or other capitalization bonds. At 1916, there were 32,500 shares of participating preferred a n d 263,504 $100 par common stock.

The participating preferred stock is callable at $100 per share, and has preference as to assets and dividends; in addition, the participating preferred stockholders are entitled to receive the same dividend as is paid on the common stock, and, in the event of lack of sufficient earnings to pay preferred dividends, the common stock is not affected.

For the last ten years average earnings have been $4,000,000, or about $1,000,000 per year; the annual earnings amounted to $1,889,305 and $17,670 in 1949 and 1950, respectively, and $4,498,703 for the first six months of 1951, of which $3,050,595 was reported which compares with $808,771 for the first six months of 1950. The net profit for the six months of 1951 was after charges of $1,175,000 for depreciation, $1,800,000 taxes and $200,000 special reserve. The indication is that the earnings for the last six months of 1951 will continue at the same rate.

The company is the second largest producer of canned peaches, and has the exclusive rights to the manufacturing and distribution of canned peaches in the United States, as well as the sales outside the United States. The company maintains a strong sales and advertising program and has a strong managerial team.

At the present time, there is a strong demand for canned peaches, and the company is able to meet this demand. The company has a strong financial position and is well-capitalized.

The company is well-managed and has a strong management team.

The participating preferred stock is a good investment and I recommend it for purchase.

This security represents a good opportunity for investors looking for a stable and secure investment option.
Your Stake in American Business

By H. P. LIVERSIDGE

Chairman of the Board, Philadelphia Electric Company

Utility executive, asserting, in order to continue our spectacular business expansion in next half century, we must take steps to safeguard the sound elements of our economic life; to uphold and protect responsible use of private capital; to restablish sound currency; and to effect drastic reduction in Federal spending, which is higher than new is leading to confiscation. Urged expanded ownership of industrial enterprises as personal incentive to maintain our economic system.

I believe sincerely in the principle of a "well-ordered, American" movement. There is no question that this movement can develop into a movement force opposing the drifts toward the destruction of our free enterprise system. It is also my belief that, perhaps to fit the conventional pattern of our day, we may get a spectacular business expansion at the past half century, and that part of the growth should we expect during the next century?

The reasons for this belief are quite obvious. We have very few people who can come and make contributions for the requirements needed for a brilliant future: a land blessed with an almost limitless store of natural resources; the accumulated wealth of centuries still at our disposal; and a system of free enterprise that guarantees to the individual all the rights and privileges of a free society. If the next 50 years do not bring an even better way of life, if we fail to take full advantage of the opportunities that surround us today, we shall have no one to blame but ourselves. It is we, the citizens of this country, on whose rest the responsibility of determining the kind of country this will be 25 and 50 years from now. Actions speak louder than words. What we do, not what we say, will showcase the pattern of things to come. We must take steps to safeguard the sound elements of our economic life; to uphold and protect the responsible use of private capital; to re-establish sound currency; and to effect drastic reduction in Federal spending.

In the light of some of the fanciful theories that are guiding our destinies today, such things as I have just enumerated seem difficult to attain. Production and distribution as measured by our gross national product must keep pace with the demands of a growing population. We must have a comfortable standard of living; a nation that is safe, and a government that is strong.

The Washington correspondent recently commented on the scientific techniques published by the Bureau of Life for Service for the soundness and enlightenment of the public. These studies covered almost everything from the Col- lard lizards to the scull-tailed flycatcher, including skunks, squirrels, woodchucks, magpies, bats, and believe or not, a treasurability on the economic status of the English sparrows.

Today it is estimated there are approximately $3 billion employees on the civilian payroll of the Federal Government, and it is stated that there is urgent need for another half million. We refer them to the troubles of bureaucracy, and bureaucracy is an unanny habit of multiplying rapidly when given the slightest encouragement, and endlessly concocting new plans, new agencies, new ways of spending our funds.

A Washington correspondent recently commented on the scientific techniques published by the Bureau of Life for Service for the soundness and enlightenment of the public. These studies covered almost everything from the Colonial lizards to the scull-tailed flycatcher, including skunks, squirrels, woodchucks, magpies, bats, and believe or not, a treasurability on the economic status of the English sparrows.

The right way of life may be all right, I wouldn't know. But one fact I do know. The costs of these and similar projects add up to taxes that not only are destrying incentive, but—actually are sapping our ability to produce new wealth. I say that it's with time we postpone such expensive.
Canadian Prairie Profits
The Crude Way

By IRA U. COBLEIGH
Author of "Owen and the Wizard of the West"

Giving a brief account of the fantastic oil exploration north of the border — or with Alberta with drill, derrick and

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Established 1686

When the Province of Alberta got its name, back in 1862, presumably from the Royal Consort of Queen Victoria, few people had any idea of the tremendous royalties that lay in store for it. Today this province is literally flooded with oil drillers, and its vast oil fields promise to yield a steady stream of income for the years to come.

Upon the ABundant

A billion barrel of oil to be produced in Alberta within the next few years. The idea of this magnitude of production is almost too

Ir. U. Cobleigh

The real year this total may fall far short of expectations; but remember Alberta has only been in the game, really, since 1926, and before that there has been no worry about the exploration of oil fields here and there. But within the past few years the oil industry has grown into a considerable business. It is clear, however, that the entire value of this land is going to be a few million dollars. How far the actual cost of the land will be to the operators of the oil fields is also a matter of some question. No one seems to recognize the fact that it costs more to drill for oil than it does to build a railroad or a telegraph line.

The geographical position of Alberta toward the Northern end of oils, and is a natural focus for oil exploration. Early explorations in the far north were successful, but the real story of oil discovery in Alberta began in 1914 drilling in the Turner Valley brought commercial oil in 1918, and by 1922, the first oil well was completed. Since then, oil production has increased steadily, and in 1951, Alberta produced 11.75 billion barrels of oil. The industry is still expanding, and new fields are being discovered all the time.

The oil industry in Alberta is a complex one, involving exploration, drilling, refining, transportation, and marketing. The industry relies heavily on government regulation and support, as well as on international relations and trade agreements. The industry is also closely tied to the transportation sector, as oil must be transported to markets around the world. The industry employs thousands of people and contributes significantly to the economy of Alberta and Canada.

The oil industry in Alberta has experienced significant growth and development over the years, and it continues to be a major source of revenue and employment for the province. However, the industry also faces challenges, including environmental concerns, regulatory issues, and fluctuations in global oil prices. Despite these challenges, the oil industry remains an important part of Alberta's economy and continues to shape the province's future.
Observations...  

By A. Wilfred May

Implications of the British Election

What are the implications of next week's British general election? What are the most likely outcomes? How can we draw a conclusion regarding the impact on our own political system? Here's an attempt to answer these questions.

A. Wilfred May

The Defense Program and the Business Future

By A. W. Zelmer

Forecast, Economist, International Statistical Bureau, Inc.

Economic predicts expanding level of defense activity provides footpath guarantee for business optimism. Sales, prices, and production will average higher. Assets soft lines will be stimulated by growing excess of purchasing power.

I am very happy to be here at this event. The Defense Program and the economic outlook are particularly happening because, for quite a few months, many business prospects have expressed a great deal of uncertainty. I do not believe this is justified.

If one has uncertainty about the business understanding, then one denies that prices in Britain have been weak, inventories of many items have been excessive, and there has been a lot of liquidation. The Defense Program in no way certainly stimulated our economic recovery. Our variation of a few industries has come as a result of increased demand. The uncertainty and pessimism, however, is not justified. Those who let it affect their planning and that next year is for growth or for disaster. This is one way of experience, the business and the public view is an indication about business and price prospects in 1952. Let me very briefly say that the voters have made the proper choice. The Churchill-Curtis-British proposal to substitute excess tax only for Socialists' advantages.

The conclusion that the Conservative forces are leaving our public citizens confused into a mere choice between slogans, personalities (which is what we have already done) and that the detailed contents of their policy statements just issued by the Conservative Party under the engag- ing leadership of Mr. Attlee, and the French "manifesto" is the mere vague restatement of familiar themes on labor organization, nationalization of industry, controls to control; of need; of the stimulants open at all levels; and about taxation the following: "the government must help by a tax cut of £1 billion which would result in increased demand, efficiency and ability, and to assist the necessary provision at all levels."

The Laborites on their side, no less than the ruling regimes in Iran or Egypt, are using grievances abroad as a scapegoat de- velopment. This small, confined country, young and too weak to match the real domestic issue the necessity for dis-inflating and reducing the standard of living to what the country can really afford.

The Defense Program

Specifically, the United States is being made the whipping-boy with a variation of allibus for the emergence of British's enormous trade deficits and loss of dollar exchange. In the first place, the loss of dollar reserves amounting to $368 million during the first quarter was reported pinned on America's high activity and the shortage-high prices of raw materials. A thesis that the United States must transform itself into maintaining its prosperity on a high-price, high-cost basis, is in line with getting her own house in order at home by ending subsidies and featherbedding for the benefit of production, may be politically convenient, but assuredly is economically false and illogical. A second country in the country, advanced by Gaita et al., in disclaiming responsibility for insolvency, stimulated by Mr. Bevan's politically effective strategy, lies in bearing out the Defense Program. The differences on America's selfish "millimperialism" in preparing for "her" War. While Malaysia is nothing about U.S. and Pentagon war-mongering in order to gain position in the Far East. The Conservatives as a knee-jawing "War Party," may be cynically concealed as a legitimate election stunt, nevertheless it under- scores that the British public is in the most difficult enough stage of trans-Atlantic camaraderie.

Such are the effects, abroad and at home, of the muddling-through policy of the British government. The British cabinet at the polls Oct. 25, which will be decided according to how the voting goes for about a hundred key seats, furnishes us with a valuable laboratory of practical politics. It will provide us with real, relative effectiveness of, on the one hand, courageously fighting off the real but impalpable home-front issues, or instead of hiding behind "me tooism," slogans, and foreign scapegoats.

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Strength of U. S. Economy and Its Meaning for the World

By HARRY A. BULLIS
Chairman of the Board, General Mills, Inc.

Prominent industrialist gives regards to the nation's remarkable economic progress in last decade, and stresses importance of increased productivity. Says American economy is strong because of market incentives, competition, and achievement. Though seeing threat of more inflation, holds deflationary forces may overcome it: (1) high taxes continue; (2) labor is efficient; (3) technical progress is accelerated; (4) new housing construction and new plant expenditures are reduced; and (5) inventory accumulation subsides.

At the beginning of 1950, the American economy was producing at the rate of $26 billion a year. When the conflict in Korea began, at the end of the second quarter of 1950, the rate of gross national product has increased to $37 billion annually. By the fourth quarter of 1950 the rate had risen to $300 billion, and by mid-1951, to $336 billion a year.

Our highest peacetime production was $100 billion a year in 1929. That rate was not again achieved until 1940.

The price level in 1951 is about 50% higher than it was in 1929. Allowing for this increase in price level, it is evident that the physical volume of production in 1951 is twice that of 1929. On a per capita basis, we now have a total output of 55% more product per person than we did in 1929.

This country's tremendous production in the last decade made possible not only the hundreds of billions of dollars for war matériel and military assistance including the $35 billion lend-lease program, but also the expenditure of $35 billion for postwar economic aid to other nations; and it still ranks us as the richest as well as the most productive nation in the world.

Within the last 20 years we have experienced two contrasting sets of conditions:

(1) The depressed state of the 1930's, when we were unable to do anything to help the rest of the world.

(2) Our present state of high production, which makes it possible for us to assist other nations and still have enough left for high consumption at home.

There is no question that our present prosperity must be greatly to be preferred to that of the 1930's.

Increase in Productivity

Table I shows United States production of various manufactured articles in 1949 and 1950 with the percentage increase (4).

Since 1929 and 1940 we saw our $100 billion economy move into a $200 billion economy in the war years and then by the end of 1950 into a $300 billion economy. Certainly in another ten years—perhaps in five—we shall touch the $400 billion mark. Last year, national output and productivity per worker increased at a rate that has been exceeded in only three or four years of this century. Productivity has increased largely because of more-power-using equipment per worker, technological progress, and more efficient management. Workers cannot claim all the gain for themselves. If the rate of only 2% per year and if industry can continue to provide productive jobs for our young people as they reach employment age, the national output will exceed $400 billion in ten years, even without further inflation. (Ten percent addition to the labor force would require that a 20% increase should produce at least 30% added product as compared with present $326 billion.)

In 1949 and the second quarter of 1951, the country's gross national product rose from $257 billion to an annual rate of $326 billion. An analysis according to the groups which purchase the total national output helps us to understand how this has been achieved is contained in Table II.

Capital Formation and What It Means to the Economy

Total consumer purchases rose by $20 billion and "capital formation" increased $30 billion. Although part of these increases are due to higher prices, the increased capital formation is significant. It was this remarkable rise in capital expenditures that provided the real "kick" in our economy last year. The capital formation was needed in importance and government stimulus. Our American economy is strong because we have had such marked acceleration in the rate of capital formation. If this capital formation increase, as one factor, together with staying in the upper reaches of output and higher productivity, will probably give our economy good expectation for the future, not only for today's use.

Under "capital formation", we group the purchases of inventory, machinery and equipment, and new factories and houses. Here are expenditures for "the machines which make machines" and for "machinery, equipment, and new factories and houses. Here the machinery, equipment, and new factories and houses for which the price of "machines which make machines" will be spent.

The processes which lead to greater production in America are first to build a new factory, a new machine, and new transportation equipment. Then we produce and distribute more goods to consumers. For example, if an automobile company wants to make more automobiles it builds an additional factory, buys a lot of machinery, and buys the inventories of raw materials and processed goods. Then only are the "consumers' machines"—the automobile factories for "capital formation" break down as shown in Table II.

Construction for consumers—roose very sharply from 1949 to 1950 and attained the highest level ever known. Then tight credit cut back. But in comes in the United States today are sufficient to permit about nine new homes if they could purchase them at prices not exceeding the average price of all homes constructed in 1949. We have no country whose people are fed to the point of obesity, where they are soft flannel for leisure, supplied with 40 million motor cars, and able to buy new homes almost without limit.

The amount of $37 billion spent by businessmen for producers' durable goods is highly important because if the purchase of these durables indicates that we will have a continued large demand for consumers' goods when the demands for production for defense have been met.

Building Military Security

Our defense needs include the assistance which we must give to our allies in the North Atlantic Pact. We are over one stiff hurdle in meeting those needs. That hurdle in the initial planning, the accumulation of stocks and the building up of inventories, and (still more important) the equipment of the new war plants has already been built by the taxpayer and by private industry. The next hurdle to be faced is the buying of "new war plants" so urgently needed both here and abroad.

Our rearmament program is taking form in an encouraging way. Under the "capital formation"" we are building in our European allies the confidence that we mean business and will meet our share of the responsibility for the mutual defense of free nations. There are many evidences of the firmness with which the United States and the North Atlantic pact countries are meeting the challenge of the further invasions by Communist countries. We have seen the recovery of Turkey; we have seen the air bases in Western Germany; we are building an air base in Cyprus and probably in Greece also; and well as one in France North Africa, where we have the hearty cooperation of our loyal ally, France. We have bases elsewhere in North Africa, and a fleet in the Mediterranean. We are beginning to realize that the Far East is much more than a place of defense against Communism. Further, it is the Russian theatre of the United States' position with its satellite states and the other areas of the world, while we are making progress with our allies in Korea we are engaging in a war in a place where the conflict can be limited in scope. At least we have served notice to Communist nations that they can no longer obtain their demands by the use of force; they must use their borders by merely resting their rifles. In that way Korea may be able to hold. Should a war come, the major catastrophe we seek to prevent will be prevented.

The San Francisco peace treaty, signed by 48 nations, brought to a close six years of wholesale destruction and corruption and symbolized the new role which the United States now assumes in the world. Obviously Asia is an important immediate area of military and ideological conflict, with the issue still to be decided.


The world today is on the peaceful path, the road to peace, though it has ever seen, and the important task, according to most experts, is to expect from our defense effort is to have military security which will assure peace in the world, and the Bretton Woods Conference in the United States today is a major step forward in this direction.

Inasmuch as the Korean crisis marked a turning point in our area of military and ideological conflict, we are better prepared to take in some detail the history and the development of the Korean crisis, which we have taken place since June, 1950.

Developments in the American Economy Since June, 1950

Since June, 1950, we have seen the outbreak of the Korean conflict, the annual rate of gross national product increased $31 billion, from $375 billion to $406 billion.

TABLE I

<table>
<thead>
<tr>
<th>Year</th>
<th>Auto.</th>
<th>Electric refrigerator</th>
<th>Washing machine</th>
<th>Vacuum cleaner</th>
<th>Electric range</th>
<th>Radios</th>
<th>Refrigerators</th>
<th>Television sets</th>
<th>Rubber tires</th>
<th>Men's suits</th>
<th>Hosiers (doz.)</th>
<th>Shoes</th>
<th>Refined petroleum (barrels)</th>
<th>Cigarettes</th>
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<tbody>
<tr>
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<td>28,592,000</td>
<td>4,400,000</td>
<td>3,031,000</td>
<td>2,581,000</td>
<td>1,056,000</td>
<td>15,690,000</td>
<td>12,800,000</td>
<td>12,000,000</td>
<td>72,969,000</td>
<td>19,220,000</td>
<td>21,950,000</td>
<td>2,874,000</td>
<td>3,000,000,000</td>
<td>380,000,000,000</td>
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<td>1950</td>
<td>36,480,000</td>
<td>5,489,000</td>
<td>3,523,000</td>
<td>3,145,000</td>
<td>1,506,000</td>
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<td>3,813,000</td>
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TABLE II

<table>
<thead>
<tr>
<th>Year</th>
<th>Gains</th>
<th>Increase</th>
<th>Total national expenditures</th>
<th>Consumers purchases of non-durable goods and services</th>
<th>&quot;Capital formation&quot; (construction, machinery, houses, inventory, and consumer durables)</th>
<th>Government purchases</th>
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</thead>
<tbody>
<tr>
<td>1949</td>
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<td>176</td>
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TABLE III

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<th>Year</th>
<th>Gains</th>
<th>Increase</th>
<th>Capital formation</th>
<th>Government purchases</th>
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<td>1949</td>
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<td>33</td>
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</table>

Source: Economic Indicators and Mid-year Economic Report.

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Defense Mobilization

Moving Into High Gear

By CHARLES E. WILSON*
Director of Defense Mobilization

Defending U. S. mobilization program as insurance against World War III, Defense Mobilization Chief asserts "a fat, lazy and militarily weak Uncle Sam would be duck soup for Soviet Russia." Reveals data indicating defense mobilization is moving into high gear, but warns scarcity of raw materials, particularly metals, is continuing problem. Points out because of defense mobilization, the impact on normal production is slight, but warns program can be wrecked by runaway inflation.

Predicts civilian shortages.

I haven't been in Washington long enough to count to millions—let's hope I won't be there that long. It's really hard to understand what $1 billion means. Do you know that spending $1 billion means spending $1 every second for the next 36 years? Since the birth of Christ, minus 40 years in round numbers, the cost of the Defense Mobilization will be $50 billion a year for three years, or $150 billion, if you look at it in the right way. But that is not a very large thing to visualize just how much that is.

Our national debt is approximately $250 billion. To put that in another light, it is one-fourth of a trillion. Most of us still shy away from that word trillion. But, now, it is a billion billions.

Yet, to use a more comforting figure, the total value of goods and services produced in the United States last year exceeded $800 billion. It was close to one-third of a trillion.

Along with those Buck Rogers figures come complicated laws and regulations which necessitated interpretation and calculation. In the last 30 years, the number of CPA's has almost doubled, but the demand for them is still growing.

Defense Mobilization has produced many new accounting problems, and I know how I would like to have me tell you how best to cope with the orders of the Office of Price Administration and the rules of the National Production Authority.

A classic example of the difficulties of dealing with Communists is the evaporating course of the truce talks at Kaesong. They began early in July, nearly three long months ago, and there is still no sign of settlement.

Armistice talks in World War II consumed only five days. Two days' negotiation were enough to bring about cease-fire order in Europe in World War II. Four days' talk brought about the end of shooting in the Pacific. But after nearly 90 days of palaver, the Korean war still goes on.

It has long been obvious that the only diplomacy that impresses the Communists is the diplomacy of strength. If the United Nations had not used its strength in Korea, that unhappy peninsular long ago would have been taken over by the Reds, and their huge armistice would have been released for use elsewhere.

We are now building American industrial power to equip a Mighty Army, Navy and Air Force, and to assist our allies in the free world to strengthen their defenses.

We are also creating production lines and storage facilities that can be brought quickly into action in any emergency.

At the end of this three-year period, we should be strong enough and ready to go. There will be no lull, but to discourage any challenge from being made.

For the supreme objective of defense mobilization is not to fight a war, but to prevent one.

An Insurance Policy Against World War III

As I have often said, the nations is taking out an insurance policy against World War III.

There are those who fear that a conflict may be, and I believe it is likely to be, rather than otherwise. But if we look back at history, we find that war has often been the result of unpreparedness.

In 1939, neither England nor France was prepared for the war that Hitler started, and it may well be doubted that Hitler would have dared to precipitate World War II if they had been well armed.

In any event, what alternative do we have except to build America's might? A fat, lazy and militarily weak Uncle Sam would be duck soup for Soviet Russia.

As General Nathan F. Twining, Vice Chief of Staff of the U. S. Air Force, said in a recent address:

"Among nations as among men, the best protection against a criminal is the determination to strike back swiftly and decisively. Today the people of the United States have the determination and they are building the power, the power to defend the world against war.

"Going Into High Gear"

Defense Mobilization is now moving into high gear.

The first half of 1951 was devoted largely to contract-signing, the drawing of specifications, the making of blueprints, the tooling-up of industries and the other birth pangs that are the necessary preliminary to mass production.

In the third months from July through September, deliveries of military goods to the tune of more than five billion. This was four times the rate just before Korea.

This is a strong signal that soon become a torrent.

We are getting heavy and medium bombers, light and medium tanks, guns of all kinds, electronic fire control systems, various types of rockets, while the Navy has a complete modernization of a number of warships.

The delivery rate from here forward is plotted on a constantly ascending curve. It will reach a peak of $4 billion a month in the first half of 1953.

You saw production miracles during World War II. You are about to witness them again.

You will not see only voluntary production in the best American tradition, but you will also see the result of superior methods and new technological processes developed since the last war ended.

The new weapons will have refinements in operation in the interest of speed and accuracy, as well as unbelievable punishing power.

Of course, we are having some temporary disapprovals and difficulties. Of course, we are having to smash bottlenecks and cope with scarcities.

You know how we had to move in various ways to overcome the shortages of machine tools, which lie at the very heart of any mass production effort.

The machine tool industry fell into the doldrums at the end of the war. It needed price incentives, super-priorities for raw materials and new manpower. It is getting these things, so that it may attack its backlog of orders with vigor and confidence.

The scarcity of raw materials, particularly metals, is a continuing problem. This was foreseen, and long ago we took steps to increase the supply of steel and aluminum.

The scarcity of our security arises from the expansion of these industries. It takes steel to build new steel and aluminum plants, and those plants to broadcast upon the waters, and it has already begun.

Continued on page 32

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*An address by Mr. Wilson before the American Institute of Accountants, Atlantic City, N. J., Oct. 5, 1951.
The Impact of the Electronics

By PAUL A. JUST

Executive Vice-President, Television Shares Management Co., Inc.

Though stating it is too early to assess full impact of electronic developments, progress toward realization of invention of radio and television. Discusses further progress of electronics in computing machines and other devices. Pictures several men involved in varying degree of activity with electronic production already in excess of $4 billion annually. Concludes electronics will be important constructive factor in future economy, but investor must exercise selection of funds.

One of the few things that can be salvaged from war is the acceleration of atomic energy and electronics. World War II sped up the development of electronics. But by many years, and 1939 was still true also, of electronics which has its roots in a discovery of the great inventor, Thomas A. Edison.

It was in 1876 that he first heard the voice in the telephone by which he could communicate with his assistant. By the 1930s he had developed five miles of vacuum tubes, which was Edison's greatest scientific advance. But it was also the only one he did not capitalize into an invention. It was in 1933 that he discovered what became known as the "Edison effect," which put into simple language means that the flow of a large current could be controlled by a small one. The great inventor did not appreciate his discovery and left the world to develop his work done on the subject until 1940 when Fleming developed the vacuum diode, later the technique perfected by Dr. Leo F. deForest, which he called the audion. In 1943 he received out a copy of the audion its first commercial use as vacuum tube to be used in vacuum valves in long distance telephones.

Two years later, the first audion was developed by RCA. The device was perfected by F. W. Bailey, who is called the audion. In 1943 he received out a copy of the audion its first commercial use as vacuum tube to be used in vacuum valves in long distance telephones.

Television Developments

Although it was in 1928 that the first regular broadcast of television from WGY in Schenectady, New York, it was not until 1941 that the NBC, the National Broadcasting Company, inaugurated regular telecasting on a limited scale. In 1943, WNYW (Channel 1) was founded in New York, which was authorized to begin commercial operations in New York on July 1.

And the first television network went on the air at the CBS network's Studio 50 in the 1940s.

There were perhaps 10,000 television sets in the United States when the Columbia Broadcasting System went on the air to telecast the story of the World Series on Oct. 2, 1941. The CBS network transmitted its first test programs on Aug. 27, 1941.

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William R. Staats & Co.

New Partnership

LOS ANGELES, Calif. — Announcement is made of the formation of the new partnership of William R. Staats & Co., 640 South Spring street, succeeding to the business of William R. Staats Co., incorporated in 1871 and the first investment house to be incorporated in California.

The new firm, one of the largest in the West, will maintain a membership on the New York Stock Exchange in addition to its charter membership on the Los Angeles Stock Exchange and membership on the San Francisco Stock Exchange.

Partners of the firm are: Donald Royston; George Heurbrink; J. Earle Jardine; Arnold B. Henen; Richard W. Millar; H. H. & R. Barnes; John Jardine; Wm. S. Patterson; J. Lester Erickson; Allen B. Beau¬mont; Charles M. Glenn, Jr.; John F. Kleiser; John S. Staats; John E. Cameron; Marvin M. Roberts. Entire personnel formerly associated with William R. Staats Co. Incorporated will continue their association with the new partnership.

In addition to the head office in Los Angeles, William R. Staats & Co. have offices in San Francisco, Pasadena, Beverly Hills, Chicago, St. Louis, San Diego and Phoenix. Through its New York connections, Chicago, Pasadena, St. Louis, San Diego and Phoenix, the firm will maintain direct private wires to all principal stock and commodity centers in the United States.

Through the years the firm has been closely identified with the corporate and municipal underwriting business, financing many of the largest and outstanding develop¬ments and industrial enterprises in the West. Among the corporations with whom the firm has connected are the largest, and for many years are So. Calif. Edi¬son Co., and Union Oil Co. of California.

Today, William R. Staats & Co. are a complete and well-rounded investment banking serv¬ice, including underwriting, brokerage, retailing and whole¬selling of industrial, municipal, government, public utility, railroad and bank and insurance securities, and supervisory and accounting departments.

Norman of William R. Staats & Co. was previously reported in the "Chronicle" of October 4th.

E. F. Hutton Adds

(Special to The Commercial and Financial Chronicle)

Friends — Edward E. Parsons, Jr., Los Angeles, has been added to the staff of E. F. Hutton & Company, 2944 Tulare Street. He was previously with Bailey & Davidson.

Edw. Parsons Forming Own Investment Firm

CLEVELAND, Ohio — Edward E. Parsons, Jr. is forming Parsons & Co., Inc., with offices at 295 Euclid Avenue. Mr. Parsons was formerly an officer of Wm. J. Mericks & Co., Inc.
What is Happening To Railroad Profits?  

By G. T. PEREGRIN  

Merrill L. Brown and Frank Beane  

Members New York Stock Exchange  

Analyst states outlook is disturbing in that Class I railroads’ gross will this year reach all-time record, but net income will fall considerably below 1950. Cites revenue absorption by higher expenses and notes that there exist several possibilities from possible cessation of Korean hostilities.  

Favors Great Northern.  

Railroad revenues in 1951, so far as the author is concerned, should reach an all-time record, but net income will not. So far as the overall picture is concerned, it seems to me that there exist several possibilities from a somewhat disturbing to all of us that this indispensable industry will report around $15 to $10 million billion gross revenues this year, putting the $10 billion mark for the first time in railroad history—but net income may be as little as $30 to $180 million, according to the author. Profits in 1950, included in 1951 net earnings, rose sharply in response to a mail pay-off for 1947-1949, so that the real net earnings of 1950 were $75 million billion.  

What is happening to railroad profits? You all know the answer: the first six months this year, gross revenues increased $857 million, to $3,803 million, but all of the gain was absorbed by rising expenses. New additions to the trains, miscellaneous deductions. Result: net earnings of $175 million were $1 million lower than the $273 million reported for the corresponding 1950 interim.  

There are several ways of estimating earnings of the rails. Using the carriers’ own forecasts figures, the railroads estimated about $103 billion gross and $700 million net railway operations, for 1951. Our railroad contacts in Washington predict a record rate boost will give Class I railroads about $100 million higher than the national gross for the last four months, which would raise overall gross to about $10.3 billion. The carriers’ official figures at $4.4 billion, after 5% income tax rate, are misleading. The figures omitting 1951 “other” about $270 million, Federal add-on deductions at $50 million, fixed and contingent charges at $645 million, the AAR’s estimate rounds out to about $925 million net income for 1951.  

*A talk by Mr. Perugini at the Rail Industries Association and the New York Society of Security Analysts, Sept. 26, 1951.

| TABLE I | FREIGHT RATES  

| (Last Half of 1950 vs. Last Half of 1949) |  

| |  

| Western Pacific | 29.5 | 53,833,000 |  

| Union Pacific | 29.5 | 53,833,000 |  

| Northern Pacific | 29.5 | 53,833,000 |  

| Texas & Pacific | 29.5 | 53,833,000 |  

| Atchison, Topeka & Santa Fe | 18.0 | 45,597,000 |  

| Southern Pacific | 18.0 | 45,597,000 |  

| Great Northern | 18.0 | 45,597,000 |  

| Chicago Western & Southern | 18.0 | 45,597,000 |  

| Chicago, Milwaukee, St. Paul and Pacific | 18.0 | 45,597,000 |  

| Denver & Rio Grande Western | 18.0 | 45,597,000 |  

| GAIN IN CERTAIN TYPES OF WAR MATERIALS  

| (1950 vs. 1949) |  

|  

| Item |  

|  

| Dollars | 12,000,000 |  

|  

| Percent Gain | 200 |  

|  

| Atchison, Topeka & Santa Fe | 9,700,000 |  

|  

| Southern Pacific | 9,700,000 |  

|  

| Northern Pacific | 9,700,000 |  

|  

| Western Pacific | 9,700,000 |  

|  

| Denver & Rio Grande Western | 9,700,000 |  

British Favor Free Gold Market  

By PAUL EINZIG  

Dr. Einziger, referring to decision of International Monetary Fund to withdraw its embargo on free gold dealings for industrial purposes, analyzes probable effects of restoration of free gold market. Claims that free market will benefit gold producers or increase gold output. Foresees no remedy for gold shortage in worldwide currency revalued.  

LONDON. —The decision of the International Monetary Fund to withdraw its embargo on free gold dealings for industrial purposes was welcomed with relief by the gold producers. For even though the British Government supported the United States Government in the opinion that free dealing in gold, British opinion was strongly opposed, it is probable that an embargo on Africa and Canada to achieve the removal of the ban.  

While the gold producing countries—especially South Africa—have been treated unfairly and unreasonably throughout the crisis, this will benefit their gold at prewar price in spite of the sharp rise in the cost of living and the decrease in the purchasing power of money in the countries. The result, it is hoped, will be to increase the demand for gold both in Asia and Africa, and to stimulate interest in gold as a means of international trade.  

What Ravishes Would Be Especially Affected in the Event of Complete Cessation of Gold Importation  

This is a rather difficult question to answer with any degree of precision. In the first place, the statistics are not available to show the breakdown of gold from all sources. The West End of London. There is also to consider that the supply of goods of which gold is the principal medium is such that it is not possible to give the accurate figures as to what would happen in the event of complete cessation of gold importation.  

There would be a great number of goods that could be purchased by gold, and the effect of complete cessation of gold importation would be to reduce the value of the dollar and increase the prices of these goods.  

To Be N. Y. Ex. Members  

George Sirota & Sons, 60 Beaver Street, New York City, will become members of the New York Stock Exchange when George Sirota acquires the Exchange membership of Wesley M. Oakley. Other partners in the firm are Norman L. Sirota and Benjamin Sirota.
Long-Range Implications of "Welfare State" Measures

By WALTER E. SPAHR

Professor of Economics, New York University
Executive Vice-President, Economists National Bank of Commerce

Dr. Spahr quotes from Earl Browder writings to demonstrate that so-called "progressivism" of New Deal was along lines of Socialism and Communism. Says people were taken into a government-controlled economic system and is a betrayal of the role of public purse by adopting an irredeemable currency, "the most important tool of the dictator."

The expression "Welfare State" frequently appears that those who use the term describe their government programs as automatons that justify them by the majority of the people believes, the fact is that every tyrant has ancient lines to the present has almost always been a "Welfare State." It seems doubtful that Dr. Browder could find a case in which the most ruthless tyrant did not condone the worst of situations for the interest of the general welfare. He chose to see it or to state it.

In this country, the New Dealers have regarded themselves as advocates of the Welfare State. The authors of the Progressive and Labor Movements have frequently expressed that progressivism is Socialism. "Socialism," says he, "is the determination of his political and social progress. It is "progressivism" to a person who makes it the point that we can solve the crisis resulting from the breakdown of capitalism." (Earl Browder, Keynes, Foster and Marx, Part II, Progress and Privilege, published by Earl Browder, 7 Highland Place, Yonkers, New York, p. 87, 1940.)

Says Browder further (op. cit., p. 57) that "if Roosevelt, throughout the 14 years of his national leadership in developing the program of the New Deal, found it actually expedient to emphasize that it is not a Welfare State, and the method by which truth is ascertained. People obtain truth only by pursuit of the methods. The truth in scientific methodology is consistent classification, definition, and description. These extend to present arrangements, as they are described (clearly) if the ends of science are to be served."

Therefore, one attempts to determine what the Welfare State may mean in a given case, it is necessary that it be described precisedly by terms applicable, as required by scientific method, we must understand "objectivity" to the extent that we know what is good and economic systems and good government.

"For an address by Dr. Spahr, given at the Freedom Forum, Harding College, Searcy, Ark., Oct. 24, 1941.

New Issue

166,664 Shares
Robbins Mills, Inc.
Preferred Stock, Series A

4.50% Cumulative Dividends, Par Value $50 per Share

(Convertible on or prior to November 30, 1951)

The Company has issued warrants, expiring October 30, 1951, to holders of its Common Stock, evidencing rights to subscribe for shares of Preferred Stock, Series A, at the rate of 1/4th of a share of Preferred Stock, Series A, for each share of Common Stock held. No warrant or prospectus. Preferred Stock, Series A, may be offered by the underwriters as set forth in the prospectus.

Subscription Price to Warrant Holders

$50 per share

This announcement is not an offer of securities for sale or a solicitation of an offer to buy securities.

New Issue

October 17, 1951

Dillon, Read & Co. Inc.
Outlook for the Chemicals And Petrochemicals

BY JOHN F. BOHALFALKA

The Commercial and Financial Chronicle, Thursday, October 18, 1951

Expert maintains that while management aggressiveness and research quality are most important factors in evaluating individual chemical companies, the fast-growing areas must also be recognized. Includes among latter: drugs and pharmaceuticals, synthetic fibers, and agricultural chemicals; with special consideration of petrochemicals.

Since growth is the most appealing characteristic of the chemical industry, the philosophy of investing in the industry must be concerned with the discovery of those areas which are likely to experience the most rapid rate of growth. It should be pointed out that these areas would necessarily include drugs and pharmaceuticals, synthetic fibers, and agricultural chemicals. A look at petrochemicals which feed these and other areas would be profitable.

Drugs and Pharmaceuticals

Almost every drug and pharmaceutical concern, proprietary and ethical, is researching actively in several directions in an effort to develop new drugs to develop resistant strains. As the broad-spectrum antibiotics are ineffective, the control of smaller microorganisms will be a key, and an increasing field of research is also extremely active. Some very promising possibilities have been developed which exhibit anti-cancer activity and even produce dramatic regressions in certain forms of cancer. Drug toxicity and side effects are one of the industries, but a successful drug must overcome these problems. Another very active area in drug research is concerned with the development of a group of drugs for curing tuberculosis and leprosy.

New Issue

$70,000,000

Federal Land Banks

2 1/2% Consolidated Federal Farm Loan Bonds

Dated November 1, 1951

Not Redememable Before Maturity

The Bonds are the secured joint and several obligations of the twelve Federal Land Banks and are issued under the authority of the Federal Farm Loan Act as amended.

The Bonds are eligible for investment by savings banks under the statutes of a majority of the States, including New York and Massachusetts. The Bonds are also eligible for the investment of trust funds under the statutes of various States.

100% and accrued interest

This offering is made by the twelve Federal Land Banks through their Fiscal Agent, with the assistance of a Nationwide Selling Group of recognized dealers.

MacDonald G. Newcomb, Fiscal Agent
31 Nuestra Street, New York 5, N. Y.

October 18, 1951.
Progress in the Air Transportation Industry

By JAMES H. CARMICHAEL

Aviation executive recites progress of air transportation in last two decades and reveals air lines revenues in 1951 will be about $650 million or 25% above 1950. Warns, however, there is inflation in present business and service should be improved. Partnership of airlines and railroads is needed to improve operations. Discusses question of government subsidy to air transportation and concludes there is less lack of dependence of scheduled air lines on gasoline and oil than in the past. Deluxe-class planeliners may be in public interest, and urges creation of sound coordinated system. Foresees no immediate use of jet planes in civil aviation. Looks for stronger market for aviation.

The thing I want to stress most and the thing I would like to get across most particularly is the fact that in 1951 you can look upon air transportation as relatively big business. It has been through 25 years of growing, suffering, growing pains that we are now in the expectation that it will grow in the next 20 years, and it has emerged as one of the most important if not the most important of all of our transportation systems serving our nation, and on the basis of any of the usual statistical parameters measured as big business.

In 1931, it was a small business, somewhere in the neighborhood of $650 million—incidentally, about 25% of the business.

Revenue in 1950 approximated $352 million, which one million is represented in the passenger revenue.

We employed, domestically somewhere in the neighborhood of 60,000 passengers, and had about 1,000 airplanes in service. Just to give you a little idea of what our business was like. In 1921, where Capital stands in 1921 in relation to the overall industry picture, depending on the particular yardstick you choose to use, we rank fifth in the number of passengers carried—this year we will carry about 4,500 million passengers; and we rank sixth in the number of route milers.

We have some competition, and we see 77 cities and employ about 3,000 people in the job. We will do about $38 million gross business in 1951. So, from a rather humble beginning, our company, too, has approached or developed into a company of substantial size.

A Decade of Aviation Growth

It is particularly interesting, I think, if you take a look at what has happened in the last 10 years. Capital had $16,000,000 in fare revenues and about $50 million is represented in passenger revenue. We employed, domestically somewhere in the neighborhood of 60,000 passengers, and had about 1,000 airplanes in service. Just to give you a little idea of what our business was like. In 1921, where Capital stands in 1921 in relation to the overall industry picture, depending on the particular yardstick you choose to use, we rank fifth in the number of passengers carried—this year we will carry about 4,500 million passengers; and we rank sixth in the number of route milers.

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The War Years and After

Certainly, in 1942, we had an enforced control, or priority system, which utilized all the space we offered to the public almost 100%. We became so acclimated with our problems with the factors of the days, we were 50% below to 100% that we all began to think of the game the public played with us forever and a day. The time has now come, and I think Capital led the group—there were several groups—by producing a program, which proved to be quite disastrous in the ultimate.

We, and I think most of us, think of that time, that we, basically contemplated the thought that sometime in 1942, we would go flying and, therefore, we went to the government to provide us with the number of seats that so many of us were wishing would go out of the game. That was in 1942.

In particular instance, you may remember that we went out and borrowed $10 million worth of four-engine airplanes to the point that we just didn’t have enough airports to park them. That is why the whole industry started providing the most peculiar type of service, I think, that has ever been provided by any transportation agency. We made a solemn promise that it is going to be hard to put your finger on the airplane that we were purchasing, which was the result of the worst results.

The overexpansion planning was certainly the greatest mistake we made. We lied into that service because we thought that the public would lie to the taxpayers. We told them you don’t give-a-damn attitude; they were lied to; they wouldn’t answer the phone. If they did answer the phone, why, they couldn’t have been more discouraging. We lied large—which we still do, incidentally. We had oversold.

We had just all the things that we could possibly have to effect; a dislike for our form of transportation, and we seemed to do perfectly well.

Then, to cap the climax, we had a write-down of $15,000,000 in winter of 1946-1947, and the latter in the late spring of 1947, all of which stemmed from nature, and nationally covered by the new problems that we were having. We reached the point that the bottom fell out of our business entirely, that is, in the quarterly as well.

That is when, I guess, from personal understanding, we claim the dubious distinction of having gone furthest down the hill. We were bankrupt, and we had no business whatsoever to continue operation; yet, we did it. We culminated in a managerial reorganization, at which time I went into my present job and took with me a good team, which I believe I could collectively push this company of ours pretty far.

Without going into any statistics—because I am sure you are quite familiar with the recovery of Capital has been quite substantial—and just the turn of events has made for a long way to go. We recognize the fact that this is not the end of the problems of our shareholders, but I think—and hope—that we are approaching a period of intelligent discussion. I think our goals are clearly defined and can be reached.

We wanted to get out of the red and get into the black. We wanted to get out of debt. We wanted to get a service rate from which we could provide some returns on an increasing basis. We wanted to stop the blustering of people saying we were going to do things concurrently while simultaneously operating a safe, dependable, friendly and courteous airline.

For the record, I believe that those of us who stayed with the company, which I think was more than 200 owners, have stopped kidding ourselves entirely as to what the Civil Aeronautics Board can do. We are not going to make life easier for us, either through rate stabilization or by reversal of our route structure, pulling us into better ones. The Civil Aeronautics Board has decided that with the man who is flying the airplane, for the system we had, we could have obtained a subsidy, a capital-venture providing the type of airline service that we felt was necessary.

We think we have done it. At that time we had close to a debt of about $15 million. That has been reduced in the coming 30 months and as of Sept. 30, to $3,026,000.

We are completely current with our obligations. We have changed from an earned surplus position to an earned surplus.

We have provided some working capital. We have added some 12 new airplanes to our fleet, paid the debts, and I believe that at the moment our picture is quite a healthy one.

We have additional airplanes on order to maintain service. These we anticipate being able to pay for out of earnings without subsidy.

We have had an earnings record of improving into its seventeenth month, so we have accomplished goal No. 1. We are in the process of accomplishing goal No. 2.

We have approached the point where we are getting a service rate in so far as mail pay is concerned. We would have another goal accomplished.

We are out of debt to the extent that we paid off our banks and have substantially reduced our bonded indebtedness, in addition to being completely current with interest. About 80% of the money is out, so, there another goal has been more or less reached.

As a whole, we are moving ahead, and we continue, and expect to be, so long as we can develop Capital into the kind of company that you fellows would respect from a financial point of view, as well as from an operational point of view.

As of Sept. 30, we will be very close to having met the indenture covenants which are a result of the old, earned surplus position, so that now, there will be no restriction as far as the contemplation of a dividend is concerned.

I would expect that our direction of the company’s affairs, so far as overall considere
Missouri Brevities

On Oct. 9 an offering of 216,694 shares of two-for-one common stock (par $3) was made to stockholders of The Mercantile Co., at $15 per share. Of these 72,294 were for the account of the company and 144,400 for the account of certain stockholders, to whom the company's stock, 25,548 shares which were oil and gas common and preferred stockholders of record Oct. 9 were allotted. Sales rights expire at 12 o'clock noon (CST) on Oct. 17. Mercantile Trust Co., St. Louis, acted as subscription agent. The offering was underwritten by Goldman, Sachs & Co. of New York.

The net proceeds to the company, which, in the first instance, will be added to the general funds of the company, will be used for general corporate purposes, including the payment of dividends on the common stock. The proceeds will be spent to be spent for complete rehabilitation of the parking garage. Such funds will be used for the payment of $800,000 of short-term indebtedness incurred for working capital purposes.

Consolidated net sales of The May Department Stores Co. and subsidiaries were $1,315,000,000 for the nine months ended July 31, 1951, $1,184,000,000 for the corresponding period of 1950, the company reported in its recently released quarterly report. Net earnings for the 9 months were $3,471,000,000, an increase of 19.7% from the $2,895,000,000 reported for the first 9 months of 1950. Shipments of merchandise by the company, which was $9,005,000,000 for the first 9 months of 1950, will be compared with $7,865,000,000 for the corresponding period of 1951. The company said it expects to compare shipments for the entire year.

Stifel, Nicolaus & Co., Inc., St. Louis, has been named as principal underwriter of a proposed offering of $50,000 shares of common stock by a R. Chance Co. Centralia. No part of the proceeds will be paid to the company, as the stock will be offered for the account of certain selling stockholders. Sales rights will be offered for public sale at a price of $12.50 per share, under authority of an underwriting committee of $1.15 per share.

Laclede Gas Co., St. Louis, for the 12 months ended Aug. 31, 1951, has reported revenue of $2,182,550. The company also reported operating revenues of $2,206,300 for the 12 months ended Aug. 31, 1950, and earnings and taxes totaled $2,697,421, equal to 88 cents per share on the 3,096,000 common shares, for the nine months compared with a net of $2,420,913, or 83 cents per share, for the 12 months ended Aug. 31, 1950.

Mid-Continental Casualty Co. on Sept. 17 filed a letter of notification with the SEC covering 80,000 shares of common stock (par $1) to be offered at $10 per share without underwriting. The proceeds will be used to increase the capital stock and surplus of the company's office located at 535 S. Dearborn St., Chicago.

Poplar Ridge Coal Co., St. Louis, a subsidiary of Union Electric Co., has registered an SEC application with the SEC for authorization to issue $20,600,000 in bank loan notes to the First National Bank of St. Louis. The proceeds will be used for improvements to company's properties.

Sales of Western Auto Supply Co., a subsidiary of American Stores Co., for the nine months ended Sept. 31, 1951, were $13,105,000, and compared with $14,257,000 for the like month of 1950, a decrease of 8%. For the nine months ended Sept. 30, 1951, sales averaged $148,546,000, versus $138,285,000 for the comparable nine months of 1950, an increase of 5%. At the end of September there were 265 retail units in operation, compared with 261 in the same period last year. There was an increase of 139 in wholesale accounts at the end of the latest period, versus 2,591 a year ago.

Walter W. Prosser Is With Chesley & Co.

Mr. Prosser, who has been in the investment banking business for 12 years, has joined the firm as assistant manager for the western office.

Connecticut Brevities

Pratt & Whitney Aircraft Division of United Aircraft Corp. has secured almost $10,000,000 in new floor space from the Manufacturers Foundry Co., Bridgeport, Conn. The space will be used as a machine tool departent to manufacture 20 new parts to contribute the large number of machines that will be required in the new plant. East Hartford, Southington and North Haven which are being expanded will be used for the production of jet and piston engines.

BigeLOW-Sanford Carpet Company has become a member of the Prudential Insurance Co. of America and five commercial banks. Of this amount $4,800,000 has been used to repay the balance due on a long-term debt made in 1946 and $2,500,000 will be used for modernization and expansion of carpet yarn production facilities of its subsidiary, Hartford-Underwriter Carpet Co., among which is about $10,000,000 which will be used for payment of current bank loans. The $17,500,000 loan provides for interest at 3% for the first seven years and 3% thereafter. It will be repayable at the rate of $500,000 a year for 18 years with the balance of $8,000,000 due in 1971.

The Bridgeport Gas Light Company has obtained permission from the Connecticut Public Utilities Commission to issue $1,750,000 of 3% series B refunding and general mortgage bonds in Bridgeport, Conn., Oct. 19, 1951. Proceeds of the issue will be used to retire the company's first mortgage bonds which mature on July 1, 1952 and $700,000 of outstanding bank loans. The new bonds will be sold privately to five savings banks and one insurance company.

On Oct. 1, Arrow-Hart & Herzog Electric opened a branch office and warehouse in Atlanta, Georgia. This brings to eleven the number of branch sales offices located in this country.

Flinley-Bowes, Inc. is planning its new office to be constructed in Charleston, W. Va., to replace its present plant in Stamford at a cost of about $720,000.

New Haven Clock & Watch has obtained a loan of $370,000 from the Reconstruction Finance Corporation for the purpose of expanding the company's operations. The additional funds will be used to purchase raw materials in connection with the company's defense contracts.

Bridgeport Brass Company has announced its intention of entering the aluminum business. In the past the company has done some experimental work in the field of aluminums. It is not contemplated that the company will embark on a large expansion program but rather that the company will be used to supplement present production of brass and copper mill products.

Conversion of Connecticut Light & Power Company to a corporation was approved at a special meeting of shareholders Jan. 1, 1952. The new company will be known as Connecticut Light & Power Corporation and will be a member of the New York Stock Exchange.

Rejoin Inv. Diversified (Special to the Financial Chronicle)

LOS ANGELES, Calif.—Richard C. Secord has become affiliated with Mitchum, Tully & Co., 639 South Spring Street.

With Inv. Secs. Co. (Special to the Financial Chronicle)

PASADENA, Calif.—John L. Whitaker, who was lately with J. R. Davison has rejoined the staff of Investors Diversified Services, Inc., 3761 Wilshire Boulevard. He was recently with Lester & With.

With: Mitchum, Tully (Special to the Financial Chronicle)

HARRISBURG & MIFFLINTOWN: (Special to the Financial Chronicle)

Rejoins Inv. Diversified (Special to the Financial Chronicle)

(Continued from Page 26)


Business Men's Bookshelf

Automobile Fairs and Figures—21st Edition—Automobile Manufacturers Assn. of America, 200 North Michigan Ave., Chicago 1, Ill.—$1.00.


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BELLOWS FALLS ELECTRIC

The Commercial and Financial Chronicle; Thursday, October 18, 1951
Television's New Era

By H. C. Bonfigli

Mr. Bonfigli, having just returned from South America, where he witnessed the rising tide of attention to ultra high frequency television and its applications, was in a position to give an enthusiastic and stimulating presentation, which was received with great interest by the audience.

In many American cities, television is rapidly becoming a household word. In some cases, the demand for television receivers has been so great that manufacturers have had difficulty in meeting the demand.

The rapid growth of television has been accompanied by a corresponding increase in the number of television stations. In the United States, there are now over 200 television stations operating.

This growth has been made possible by the development of new techniques and equipment, which have made television a practical and economic medium.

One of the most important developments has been the use of color television. This has expanded the potential audience for television and has opened up new possibilities for advertising and entertainment.

Another important development has been the use of satellite transmission, which has made it possible to broadcast television signals over large distances.

In conclusion, television has become an integral part of our daily lives, providing a wealth of information and entertainment to an ever-increasing audience.
A minor reaction during the week gave bulls a rest and bears something to cheer at. The end result, however, was a stand-off for the week. And don't think such a method is far fetched.

Some years ago the toss of a coin was said to be a part of a study at the University of Colorado. The purpose was to determine if heads or tails was better, than the Dow Theory. The researchers took the Dow average; set the opinions of its bears and bulls. Wait for sell-offs. If it worked, then tossed a coin and at critical junctures. The final results were in favor of the coin. Well I tried the same method.

Yes, be that as it may, I guess I'll have to go back to checking the coin as the other will mean much except as something to point to. The groups I continue to favor are the coppers, oils, and irons, and steel. If you want to get aboard don't do it on strong days.

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**Pacific Coast Securities**

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Continued from page 15

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**Television's New Era**

port, 17 miles away, from the local New Haven VHF stations. That was a real problem in the use of UHF. It has been anticipated that the UHF stations will be far different than VHF and there are problems in the use of UHF potentials for programming. The problem of crystal gaining is always a rash venture, but on the basis of what we do know and what we know about the ability of engineers to discover new answers to these problems, I am not going to place as much emphasis on the UHF stations as the VHF stations in operation.

It is now expected that the great freeze of television will begin to thaw within a few months and that before too long there will be a steadily growing number of new VHF and UHF stations throughout the country. Information as to which areas now have one or two stations is growing. The growing market for television receivers is extending the demand for new stations. It is expected that there will be a great new means of communication in this country.

**What's it all about?**

There is still, however, a major question mark on the part of television. Will it be able in coming years, after it has developed into a truly national service, to television set owners concerning the fine entertainment, education, and information which it is technologically capable of performing.

I am referring, of course, to the question of what to pay for, what we have seen a lush growth of television so broad in scope that it has already changed the behavior patterns of millions of families. We have seen splendid entertainment features developed for television alone. We have watched with a new feeling, an awareness, in such great national events as MacArthur's триумф over the precedent-breaking Kefauver hearings. Most of us are deeply impressed by having an opportunity to listen to the words of men at the signing of the Japa

Television's New Era

nese Treaty which inaugurated trans-continental television.

Through the brief span of television's active growth, we have seen an abundance of fine sports events such as the world series major league games, both college and professional; championship prize-fights; professional racing.

But over the past year or two we have noted a reduction in these sports events. Last year the American Football League and the Big Ten team in action on televi-

sion except for a few games such as the annual Purple-Dorty Game that were transmitted. Last year I did not see our Chicago Bears in action on our television set. It was interesting.

This year the colleges and universities have been more active in their continuing study to de-

termine the effect of television on college sports. There is little question as to what the findings of this study will show. Almost everyone who survive college football is tele-

vision fan, and that even in years of plenty is to be afforded to pay.

It seems inevitable that if tele-

vision is to depend soley upon advertisers these great sports events and television will soon vanish from the air.

There is just one way to keep these great events on the air and to provide the greatest amount of entertainment and the full-

filled educational service of which television is capable—that way is subscription television, some method by which people viewing costly box office features in their own homes can be charged an "admission" fee.

Zenith has pioneered in the development of subscription television. We began working on it in 1960 and last year we announced Phonevision as a technical solution to the problem of providing television to the home.

With Phonevision, a television transmitter can broadcast the picture in a scrambled form. The subscriber clears the scrambled signal by using a telephone and the transmitted signal his television screen will show only a jittered, scrambled picture. In other words, he gets no box; since, he can not be charged anything for reception.

For the first 90 days of this year Zenith conducted, with the approval of the Federal Communications Commission, a limited commercial test of Phonevision. We wanted to find out if the public wanted subscription television and if people were willing to pay for premium programs on tele-

vision in the home. More than 13,000 families were selected for the test by the Research Center of the University of Chicago. Each was provided with a telephone and with a Zenith television set. Those families who would also receive Phonevision.

Nine major television networks cooperated with us by making a total of 98 major events available to us. These represented a cross section of Hollywood produc-

tion through the year 1961. All of them had completed the first, second and third television runs and some had been repeated.

We presented on the average one new motion picture a day for 90 days with a different film each picture. Our 200 test families had the privilege of watching all of these pictures they wished by accepting a charge of $1.00 for each show. We had 5,000 television programs they saw fit. In other words, our whole television was in direct competi-

tion with the broadcast television stations on the air in Chicago.

Our test families bought pictures at the average price of $1.17 per week, which is almost exactly the national average at-

tendance at motion pictures. On the average, they were charged by 25% of the potential audience, with the charge being greater than the percentage of these families who normally went to see pictures in the theaters.

Projection of these test results to a theoretical subscription tele-

vision-equipped-receivers indicates a Phonevision box office value for many of the features shown as far as $500,000,000 actually yielded in theaters. And, re-

member, there are already 13 mil-

lion television-equipped receivers in homes with millions more to come.

Zenith's subscription television operation on Phonevision would not only draw picture revenue far more than the period devoted to Phonevision it does now. It could provide the following results:

1. **Major feature of Phonevision is that it is if established as a national service and there will be possible television stations in many communities too small to support a station on a capitalistic basis alone. Moreover, it can make possible the use of extension circuits in many great events, such as Grand Opera, which are too costly for advertisement and this is an extremely important feature.** Phonevision can make possible the use of extension circuits in many great events, such as Grand Opera, which are too costly for advertisement and this is an extremely important feature.

Zenith that subscription television is one of the most im-

portant tools that can be used to solve the problem of financing. We know from our test results that there is little doubt that we believe that it is highly in the national interest in the immediate future to apply for the establishment of a Federal Communications Commission to give television commercial service to operate in competition with the national stations as advertiser-sponsored television. If FCC grants such service, which service to provide to the greatest educational and entertainment value it is likely that the world has ever known.

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**Robbins Mills Stock**

**Offering Underwritten**

Robbins Mills, Inc. on Oct. 17 announced that Robbins Mills, Inc., the manufacturer of an absorbent stock, rights to subscribe for 166,666 additional convertible preferred stock, series A, $50 par value, at $50 per share and at the same time, one stock for every five shares, which are not preferred for each five shares of Robbins Mills remaining unex-

acted Series A common stock, offered for subscription on Series A common stock, the 30-year anniversary of the Robbins Mills company's founding.

Four million, or 80% of the authorized common stock is held in common stock at any time on or prior to Nov. 15. Each shareholder is taking the pref-

erred stock at $50 per share. A stock certificate for the preferred stock is provided, for commencing Nov. 15.

Of the proceeds from the offering, $6,000,000 will be utilized in the purchase of new equipment and the balance will be used for general capital expendi-

tures, working capital and other corporate purposes.

Robbins Mills is engaged in the manufacture and sale of a wide variety of absorbent fabrics and paper products. Fabrics sold principally to the cutting-up trade and to manufacturers of nappies, diapers, sanitary napkins, and women's suits, dresses, underwear, blouses, skirts, dresses and women's jackets. The company recently added to its line a number of industrial products for use in the manufacture of mail, upholstery and seat covers.

Capacity for the production of synthetic staple fabrics is ex-

ected to double within two years, when the company's new $12,500,000 plant at Raeford, N. C., reaches full production. The new plant is located at Robbins, Red Springs and Aberdeen, N. C., and Clarks-


eville, Va.
President Truman Again Proposes Peace Talk

In address at Wake Forest College, N. C., he renews invitation to Soviet Union to talk and disarm, but warns free world must continue to arm and develop strength, because of Soviet Union's violations of Russia's pledges.

In the course of an address marking ground-breaking ceremonies at Wake Forest College, n. e. winston-salem, N. C., President Harry S. Truman today renewed his invitation to the Soviet Union to conduct talks on disarmament.

The portion of President Truman's address dealing with this feature reads:

"Our country is standing before the greatest and the most conspicuous place. All the world is watching us, because all the world knows that if the fate of civilization depends to a very great extent on what we do at present, the time, this nation is engaged in a race for the possession of positive or negative peace in the world. This effort is the most important of any that we have ever made.

Like any positive effort, this one is being questioned and criticized by some who ask whether it is worth doing. There are other who point to difficulties, to the inconveniences, the costs, the sacrifices, and say it would be better to do nothing—or as close to nothing as is possible.

But it is very clear to us at least that the effort is worth making—indeed that we have to make it.

Our great effort for peace is a matter of life and death. It is not the decision of one group or one person. It is the result of our entire international experience over the last few decades.

We Support United Nations

By the end of World War II, we had come to realize that we cannot go back into our shell of selfsufficiency. We have learned, the United Nations, and pledged to support it. Everything that we have done since has been the result of this decision. All we have done, our treaties with other nations, our defense program, our aid to other countries, our reconstruction, have been to uphold the principles of the United Nations.

It cannot be too strongly emphasized that the fate of our country, its very existence, are directly involved in this great effort. The Soviet Union's strong and increasing defenses have prevented our ever reaching a situation that the United Nations have the power to maintain. If this is not the case, the situation becomes even more dangerous than we expected, because it is clear that the United Nations have the power to maintain the peace.

Our country is standing before the greatest and the most conspicuous place. All the world is watching us, because all the world knows that if the fate of civilization depends to a very great extent on what we do at present, the time, this nation is engaged in a race for the possession of positive or negative peace in the world. This effort is the most important of any that we have ever made.

New England Leads in Per Capita Stock Ownership

There are more owners of common stock in New England, in proportion to population, than in any other section of the country a survey just released by Walter H. Fulto, Executive Director of the National Association of Securities Dealers, Inc., discloses. Connecticut has the highest per capita ownership, followed by Pennsylvania, New Hampshire, and South Carolina.

Our Policy Is Based on Peace

I think not. Our policy is based on the hope that it will be possible for this country and the world as the Soviet Union—if the world ever learn to live in a world of secure and peaceful defences.

As our defences improve, the world has a chance to develop successfully with the Soviet Union will increase. The increase of our defences will increase the power of the leaders of the Soviet Union that will come to live among us and in the world on our defences. And as our defences increase, we will be able to improve relations with the Soviet Union and respect the world we live in.

For example, the Kremlin may then be willing to discuss the possibility of genuine, enforceable arrangements to reduce and control armaments. Since the end of World War II, we have been trying to have a situation for balanced reduction and control of armaments.

Long before the Soviet Union got the atomic bomb, we developed and tested other atomic weapons. Other nations endorsed the general plan, and that is what we would work. It would free the world from the scourge of atomic warfare. But the Soviet Union rejected it.

Following the formation of the Soviet Union, we also developed and tested other atomic weapons. Other nations endorsed the general plan, and that is what we would work. It would free the world from the scourge of atomic warfare. But the Soviet Union rejected it.

Working with other nations, we also developed initial plans looking toward the balanced reduction and control of other types of weapons. The Soviet Union rejected these plans also.

Last year, before the United Nations, I proposed further work on the problem of disarmament. I proposed a merger of the two United Nations commissions working in this field, the one on atomic energy and the one on other types of weapons. This proposal has gone forward and good progress has been made. We are now, as we have always been, to sit down with the United Nations, and do the work that we have been told by the United Nations, the United States, and the world to do. It is the work of millions of armaments and securing the peace.

I hope that we may be able to work out a reduction of nuclear arms in turn in this search not only for relief from the horror of atomic war but also for the basis of a durable peace.

I have not mentioned the moral strength of the free world will continue to work among the leaders of the Soviet Union that it is to their real self-interest to lay aside their aggressive plans for the benefit of their own people, and to join with us and other free nations to work out practical arrangements for achieving peace.

This is the goal we are working for. It is for this great cause that we have developed our national defense program, and higher taxes, and a program of aid to other countries. It is for the purpose that we have fought, the war and the soldiers of other free nations are fighting and also those of the world. The Soviet Union can use for this cause.

Kremlin Can Plunge Us Into War

I cannot guarantee that we will reach our goal. The result does not depend entirely on our efforts. The rulers of the Soviet Union can plunge the world into war if they desire to do so. But this thing something this our country will never do.

This I can say. Peace comes high in these troubled days, and we have known that we will be paying the price for it. We have shown by positive acts that we are willing and sacrifice for it.

Twice within one generation we have spent our blood and treasure in defense of human freedom. For six years now we have contributed, with all the weapons of the mind and spirit, against the adherents of the false god of Fascism. But, in most of the hope, our neighbors, were left, like the man in Scripture who fell among thorns, wounded and half dead, we have been left, our nation, our people, our friends, without stint and without price.

When one of the newest and most dangerous nations of the world is ipad, we led the free world to its defense.

These positive acts have not been easy to do. They have brought us the hatred and threats and curses of the enemies of freedom—and may bring upon us even more troubles. Nevertheless, if this Nation is justified in history, it is these things that will justify us, and not the negative things that we may do.

God forbid that I should claim for our country the mantle of rightousness. We have committed sins of omission and sins of commission, for which we stand in need of the mercy of the Lord. But I dare maintain before the world that we have done much that was right.

One is the peddlers of suspicion, and the peddlers of fear, to all those who are against the United Nations and the fact that our country is on the wrong track and that there is no hope for the future of the world, and the one who will sneer and run lies ahead, I would say one thing: Take off your blinders, and look toward the future. The worst danger we face is the danger of the wrong war being fought by doubts and fears. This danger is brought on by those who abandon the faith of their fathers, and those who bring on by those who spread your ignorance and try to direct us to our goal to the greatest horror.

It's the word: 'I don't greatly fear such men for they have always been with us, and in the long run they have always failed.'
Impact of Population Shifts

By ROY V. PEEL*

Director, Bureau of the Census, U. S. Dept. of Commerce

Census Bureau head reveals the changing places that are taking place in the movement of population and their effects on the country. The population of the United States has increased by an average of 32 million people per year for the past 20 years. The total population, which was 396 million in 1940, has reached 205 million in 1960.

In the decade ending in April, 1950, the population of the United States increased by 19 million, or 14.5%. Since the turn of the century, the country has increased by 19 million, or 14.5%. Since the turn of the century, the country has increased by 19 million, or 14.5%. Since the turn of the century, the country has increased by 19 million, or 14.5%. Since the turn of the century, the country has increased by 19 million, or 14.5%. Since the turn of the century, the country has increased by 19 million, or 14.5%.

The United States has been growing at an average rate of 3.2% per year for the past 20 years. The average annual growth rate of the world population is 2.1%.

In the United States, the population was 100 million in 1800. It has doubled and doubled and doubled since then. The United States has been doubling and doubling and doubling since then. The United States has been doubling and doubling and doubling since then. The United States has been doubling and doubling and doubling since then. The United States has been doubling and doubling and doubling since then. The United States has been doubling and doubling and doubling since then. The United States has been doubling and doubling and doubling since then. The United States has been doubling and doubling and doubling since then.

The population of the United States is now 300 million. The population of the United States is now 300 million. The population of the United States is now 300 million. The population of the United States is now 300 million. The population of the United States is now 300 million.

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New skyway spans nation with words and pictures

Bell System Radio-Relay BUILT FOR LONG DISTANCE CALLS AND TELEVISION

There's something new on the national horizon! Bell Telephone construction crews have completed the first link in a coast-to-coast Radio-Relay system that is unique in all the world. Today, communications ride on radio microwaves, flashed through the air from tower to tower.

It was an historic event in 1915, when wires first carried the human voice across three thousand miles of mountains and prairie. By 1942, telephone messages were carried across the United States by another means—cable, both underground and overhead. And now comes Radio-Relay to supplement wire and cable!

The new system is already in use for Long Distance telephone service and coast-to-coast television. This new skyway helps make America's vast communications network even stronger and more flexible. And it could hardly happen at a better time. The demands of defense are heavy and urgent.

Bell Telephone System
It's the Government Now—Always

“What provision, if any, is there for resolving policy conflicts between the Treasury (or other agencies of the executive branch) and the Federal Reserve? Some believe that the President should be able to resolve such conflicts; others believe that this power should lie with the President (or already does under the Constitution)?

Can you do it, if you believe that the President should (or could) have such power, how should policy conflicts be resolved? Is it necessary that they be resolved or could the agencies directly represent to the President, on the one hand, and the Federal Reserve on the other, pursue conflicting policies indefinitely?”—Subcommittee of the Joint Committee on the Economic Report in preparing an extended inquiry into fiscal and monetary matters.

“There has been much disagreement, however, both inside and outside the Government, with respect to the proper steps to be taken in the present emergency in the fields of credit policy and debt management; and notwithstanding the ‘accord’ announced by the Treasury and the Federal Reserve System in March of this year, much of the course to be followed remains to be charted.

The policy disputes of the past year have also brought to sharp focus the question of whether our machinery for determining economic policy—set up for the most part many years ago—is appropriate to cope with the problems of the interdependence of nations into which the Congress with respect to economic stability as set forth in the Employment Act of 1946.”—Representative Patman, Chairman of the above Subcommittee.

What disturbs us most about all this is the obvious implication that all such matters are now to be decided within the province of government.

Need Exists for Another Million New Homes!

Frank W. Cortright, Executive Vice-President of the National Association of Home Builders, says today that keeping up its production pace if materials are available and mortgage financing is not restricted.

The United States will need another million new homes next year, if the demand is to be met in the light of the nation’s building capacity and the American G. I. Home Owners’ Loans Act on October 14.

Speaking before the National Association of Home Builders, Mr. Cortright, Executive Vice-President of the National Association of Home Builders, asserted that the building industry is capable of keeping up its production pace if it can get the necessary material and mortgage financing permitted by the present credit policy.

“Not only that, but we have completely revised the traditional practice of renting and the present mortgage financing regulations permit families at moderate income to own their homes,” Mr. Cortright said. “Not only that, but we have completely revised the traditional practice of renting and the present mortgage financing regulations permit families at moderate income to own their homes.”

Boston Inv. Club to Hear Arthur Jansen

Boston, Mass.—The next dinner meeting of the Boston Investment Club will be held Thursday, Oct. 22, at the Hotel St. Louis Club at 5:30 p.m.

Speaker for the evening will be Arthur Jansen, partner of J. R. Williston & Co., New York, who will speak on the subject “Boom Ahead for Railroads.”

Exch. Firms Meeting Changed to Nov. 14

The date of the annual meeting of the Associated Stock Exchange Firms has been changed from Nov. 14, 1951, from the Nov. 21, 1951, date previously announced. The meeting will be held in New York City.

Sergei Alasheff

Sergei Alasheff, associated with Harkness, Stone & Co., passed away at the age of 57.

William F. Reilly

William F. Reilly, partner in Lysaght & Co., New York City, passed away at the age of 49.

Stetson & Company

Is Formed in New York

The formation of Stetson & Company, a new brokerage and investment banking firm, has been announced by the partners, Eugene W. Stetson, Jr., of Chicago; James A. Montgomery, Jr., of New York; and W. Reilly, of Philadelphia.

The firm will conduct a general investment banking business with complete facilities for the purchase and sale of securities. Transactions will be handled through the National and American Stock Exchanges.

E. W. Stetson, Jr., a director of Canada Dry Ginger Ale, Inc., and of Yale & Towne Movers, Inc., has also been made a member of the advisory board of the Canadian government's National Investment Company, of which he was formerly a vice-president.

He has been associated in both investment fields since his graduation from Harvard University in 1942.

Mr. Stetson has also been associated for several years with the underwriting division of Merrill Lynch, Pierce, Fenner & Beane, and has had a background in municipal securities. He is also a member of the District of Columbia Bar Association, the New York Bar Association, and was separated from the labors of the legal profession in 1947.

The Stetsons are sons of Eugene W. Stetson, well known in the investment banking field, vice-president and chairman of the Guaranty Trust Company of New York, which he retired in 1947. Mr. Stetson, Sr., now serves as chairman of the executive committee of the Illinois Central Railroad Co.

Lanston Co. Elects

Montgomery V-P.

Marshall H. Montgomery has been elected a Vice-Director of Aubrey G. Lanston & Co., Inc., 1140 Red Street, New York, and is now associated with the firm as Vice-President.

Mr. Montgomery, formerly associated with D. W. Rich & Co., New York, is a member of the Illinois Bond Association, as well as a member of the committee of the Chicago Bar Association, which in 1946, recommended that the firm of Lanston, President, be assisted by an Assistant Vice-President.

Mr. Montgomery has been active in the real estate and mortgage market, having been a member of the firm of Morgan, Stetson & Co., Chicago.

The formation of Stetson & Company was announced by the partners, Eugene W. Stetson, Jr., of Chicago; James A. Montgomery, Jr., of New York; and W. Reilly, of Philadelphia.

William F. Reilly, partner in Lysaght & Co., New York City, passed away at the age of 49.
The 1951 Annual Convention of the Association will be held at the Hollywood Beach Hotel, Hollywood, Florida, beginning on Sunday, November 25, and ending on Friday, November 30.

The details of the convention program are still being finalized, but it will feature sessions on Wednesday, Thursday, and Friday mornings. There will be a convention session each afternoon beginning from Monday through Friday. The convention will be open to the public, and interested visitors will be able to attend the sessions. In addition, the convention will feature tours of Hollywood and other attractions.

A special feature of the convention will be a business meeting that will be held on Sunday afternoon. This meeting will be open to all members of the Association, and it will provide an opportunity for members to discuss issues of concern to the industry.

Hollywood Beach Hotel, Hollywood, Florida, is the site of the 1951 Annual Convention. The hotel is a popular destination for tourists and convention attendees alike. It features a variety of amenities, including a large ballroom, a swimming pool, and a private beach. The hotel has a long history of hosting conventions, and it is known for its welcoming atmosphere and high-quality service.

The convention is expected to attract a large number of attendees, and it will feature a range of events, including keynote speeches, panel discussions, and networking opportunities. The convention will also feature a trade show, where members of the industry can showcase their products and services.

In summary, the 1951 Annual Convention of the Association is an important event for members of the industry, and it provides an opportunity for members to network, share ideas, and learn about the latest developments in the industry.

For more information about the convention, please visit the Association's website or contact the organization directly.
Mutual Funds

By ROBERT R. RICH

THE THREE BILLION DOLLAR mark in total net assets for the mutual funds industry was passed during the third quarter of 1951. It was announced Tuesday.

Net assets for 103 mutual funds totaled $3,045,707,000 on Sept. 30, 1951, recording an increase of $301,267,000 for the last 12 months, and a growth of $151,144,000 for the first nine months of this year.

Sales in new shares in 1951 amounted to $480,571,000, compared with $883,439,000 during the same period in 1950, and net sales, after redemption, were $223,171,000, compared with $183,477,000 in 1950, the National Association of Investment Companies stated.

Total repurchases, as a percent of total assets, increased moderately from 2.62% in the second quarter to 2.73% in the third quarter. Repurchases averaged 2.49% of the common stock fund group from 2.02% to 2.84%, and for the balanced fund group from 1.56% to 1.76%. For the bond and specialty fund group, however, repurchases, as a percent of total assets, declined drastically from 3.56% to 3.99%, a situation even more dramatic if it is recalled that, in the first quarter of 1951, the repurchases of the bond and specialty group totaled over 9% of assets.

Mutual Funds’ Repurchases as Percent of Assets

<table>
<thead>
<tr>
<th>(by quarters) January 1, 1950 to September 30, 1951</th>
<th>Net of 4th Quarters</th>
<th>Total Repurchases</th>
<th>Total of Quarter</th>
<th>Total of Quarter</th>
<th>Total of Quarter</th>
<th>Total of Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Funds...</td>
<td>103</td>
<td>1.75</td>
<td>3.22</td>
<td>3.03</td>
<td>3.57</td>
<td>3.70</td>
</tr>
<tr>
<td>(Fund Group Repurchases as Percent of Group Assets)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Stock</td>
<td>46</td>
<td>2.84</td>
<td>2.63</td>
<td>2.36</td>
<td>2.36</td>
<td>2.34</td>
</tr>
<tr>
<td>Balanced Fund</td>
<td>31</td>
<td>1.76</td>
<td>1.59</td>
<td>1.91</td>
<td>1.82</td>
<td>1.44</td>
</tr>
<tr>
<td>Bond &amp; Specialty Fund</td>
<td>26</td>
<td>2.56</td>
<td>3.52</td>
<td>3.30</td>
<td>3.40</td>
<td>3.43</td>
</tr>
</tbody>
</table>

Sales during the third quarter, for all funds, were 1.59 times greater than repurchases, compared with a figure of 1.90 in the second quarter, indicating an accelerated rate of growth for the industry.

For the first time in a year, the bond and specialty funds, in aggregate, showed sales exceeding the new high of the balance between the common stock fund group and balanced fund groups declined.

Ratios of Mutual Funds’ Sales to Repurchases*

<table>
<thead>
<tr>
<th>(by quarters) January 1, 1950 to September 30, 1951</th>
<th>No. of 4th Quarters</th>
<th>Total Repurchases</th>
<th>Total of Quarter</th>
<th>Total of Quarter</th>
<th>Total of Quarter</th>
<th>Total of Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Funds...</td>
<td>103</td>
<td>1.34</td>
<td>1.25</td>
<td>0.91</td>
<td>0.84</td>
<td>1.28</td>
</tr>
<tr>
<td>Common Stock</td>
<td>46</td>
<td>1.26</td>
<td>1.32</td>
<td>1.36</td>
<td>1.43</td>
<td>1.21</td>
</tr>
<tr>
<td>Balanced Fund</td>
<td>31</td>
<td>3.92</td>
<td>3.80</td>
<td>2.80</td>
<td>2.70</td>
<td>2.32</td>
</tr>
<tr>
<td>Bond &amp; Specialty Fund</td>
<td>26</td>
<td>1.40</td>
<td>1.40</td>
<td>1.40</td>
<td>1.40</td>
<td>1.40</td>
</tr>
</tbody>
</table>

*Figures are sales divided by repurchases. Figures less than 1 indicate net repurchases for the quarter.

OPEN-END INVESTMENT COMPANY STATISTICS

For the period ending September 30, 1951

| Total Net Assets
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Sept. 30, '51</td>
<td>June 30, '51</td>
<td>March 31, '51</td>
<td>Dec. 31, '50</td>
<td>Total of Quarter</td>
<td>Total of Quarter</td>
<td>Total of Quarter</td>
</tr>
<tr>
<td>Guaranteed Stock Funds</td>
<td>$19,483,446</td>
<td>$19,483,446</td>
<td>$19,483,446</td>
<td>$19,483,446</td>
<td>$19,483,446</td>
<td>$19,483,446</td>
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<tr>
<td>Total</td>
<td>$21,545,188</td>
<td>$21,545,188</td>
<td>$21,545,188</td>
<td>$21,545,188</td>
<td>$21,545,188</td>
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| Sales
<table>
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<tr>
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<tbody>
<tr>
<td>3rd Quarter</td>
<td>2nd Quarter</td>
<td>1st Quarter</td>
<td>3rd Quarter</td>
<td>2nd Quarter</td>
<td>1st Quarter</td>
<td>3rd Quarter</td>
</tr>
<tr>
<td>Guaranteed Stock Funds</td>
<td>$4,710,067</td>
<td>$4,710,067</td>
<td>$4,710,067</td>
<td>$4,710,067</td>
<td>$4,710,067</td>
<td>$4,710,067</td>
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<tr>
<td>Balanced Funds</td>
<td>$70,510</td>
<td>$70,510</td>
<td>$70,510</td>
<td>$70,510</td>
<td>$70,510</td>
<td>$70,510</td>
</tr>
<tr>
<td>Bond &amp; Specialty Funds</td>
<td>$37,700</td>
<td>$37,700</td>
<td>$37,700</td>
<td>$37,700</td>
<td>$37,700</td>
<td>$37,700</td>
</tr>
<tr>
<td>Total</td>
<td>$52,980</td>
<td>$52,980</td>
<td>$52,980</td>
<td>$52,980</td>
<td>$52,980</td>
<td>$52,980</td>
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</table>

| Repurchases
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<tr>
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<tr>
<td>3rd Quarter</td>
<td>2nd Quarter</td>
<td>1st Quarter</td>
<td>3rd Quarter</td>
<td>2nd Quarter</td>
<td>1st Quarter</td>
<td>3rd Quarter</td>
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<tr>
<td>Guaranteed Stock Funds</td>
<td>$82,700</td>
<td>$82,700</td>
<td>$82,700</td>
<td>$82,700</td>
<td>$82,700</td>
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</tr>
<tr>
<td>Balanced Funds</td>
<td>$15,821</td>
<td>$15,821</td>
<td>$15,821</td>
<td>$15,821</td>
<td>$15,821</td>
<td>$15,821</td>
</tr>
<tr>
<td>Bond &amp; Specialty Funds</td>
<td>$21,000</td>
<td>$21,000</td>
<td>$21,000</td>
<td>$21,000</td>
<td>$21,000</td>
<td>$21,000</td>
</tr>
<tr>
<td>Total</td>
<td>$119,522</td>
<td>$119,522</td>
<td>$119,522</td>
<td>$119,522</td>
<td>$119,522</td>
<td>$119,522</td>
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| Net Sales
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<tbody>
<tr>
<td>3rd Quarter</td>
<td>2nd Quarter</td>
<td>1st Quarter</td>
<td>3rd Quarter</td>
<td>2nd Quarter</td>
<td>1st Quarter</td>
<td>3rd Quarter</td>
</tr>
<tr>
<td>Guaranteed Stock Funds</td>
<td>$37,088</td>
<td>$37,088</td>
<td>$37,088</td>
<td>$37,088</td>
<td>$37,088</td>
<td>$37,088</td>
</tr>
<tr>
<td>Balanced Funds</td>
<td>$10,453</td>
<td>$10,453</td>
<td>$10,453</td>
<td>$10,453</td>
<td>$10,453</td>
<td>$10,453</td>
</tr>
<tr>
<td>Bond &amp; Specialty Funds</td>
<td>$15,821</td>
<td>$15,821</td>
<td>$15,821</td>
<td>$15,821</td>
<td>$15,821</td>
<td>$15,821</td>
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<tr>
<td>Total</td>
<td>$63,362</td>
<td>$63,362</td>
<td>$63,362</td>
<td>$63,362</td>
<td>$63,362</td>
<td>$63,362</td>
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</table>

| New York Stock Exchange
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<tbody>
<tr>
<td>3rd Quarter</td>
<td>2nd Quarter</td>
<td>1st Quarter</td>
<td>3rd Quarter</td>
<td>2nd Quarter</td>
<td>1st Quarter</td>
<td>3rd Quarter</td>
</tr>
<tr>
<td>Deferred (net assets)</td>
<td>$98,025</td>
<td>$100,169</td>
<td>$98,025</td>
<td>$100,169</td>
<td>$98,025</td>
<td>$100,169</td>
</tr>
</tbody>
</table>

Figures compiled by National Association of Investment Companies.
was $31.60 per share, compared to $27.92 a year ago.

At the end of the quarter, the portfolio contained 443,000 shares of common stocks, 39.6% in cash equivalents, and 13.5% in preferred stocks.

**GAS INDUSTRIES FUND** reports net assets of $90,010,281 as of September 21, 1951, with 783,048 shares outstanding at an asset value per share of $19.78.

**CLOSED-END REPORTS**

**TOTAL NET ASSETS** of Carriers & General Corporation at Sept. 30, 1951, were $13,600,000. A secondary market in stocks of all three companies was established.

**For the** September quarter, the net loss was $1,543,500, compared to $1,282,600, for the September quarter of 1950.

**Net income** per share of common stock was $1.54 a share on September 30, 1951, compared with $1.71 a share on September 30, 1950.

**The asset coverage per $1,000 of bonds, which was $8,803 on Sept. 30, 1951, excluding unamortized discount and preferred stock dividends amounted to $5,657. Interest and amortization requirements on debentures was $27,774 per month and earned 6.79 times net income.

Net income applicable to common stock for the nine months ended September 30, 1951 (excluding unamortized discount and preferred stock dividends) were $290,642 for the nine months ended September 30, 1950, an increase of 21.25%.

**AMERICAN EUROPEAN** reported total net assets on September 30, 1951, of $4,456,283.50. Undistributed investment income amounted to $514,493.97. For the nine months ended September 30, 1951 were $234,966.50.

**GENERAL INVESTORS** (in its report for September 30, 1951, stated that net assets were $54,888,459. After dividends of $73,471.00, the increase for the nine months was $4,049,302.58.

Net assets, after deducting $6,200,000 Preferred stock, were equal to $72.34 per share of common stock. The book value per share was $62.29 compared with $72.29 on June 30, and $22.35 on December 31, 1950.

Net profit from the sale of securities for the nine months was $29,953,750. This profit was divided between common and preferred shareholders, with the preference interest for the period, after expenses and state and municipal taxes, was $1,054,288.84.

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**NEWS ABOUT BANKS**

**CONSOLIDATIONS**

**NEW BRANCHES & DIVISIONS**

**REVAISED**

**CAPITALIZATIONS**

Lawrence C. Marshall, President of the Bank of the Manhattan Co., New York, has been elected a Director of the American Savings Bank of New York, Inc. It was announced today by Jesse H. Meyer, Executive Vice-President of the Association. A native of Delaware, Mr. Marshall attended Dartmouth College and began his banking career in 1925 with the American Savings Bank of New York in New York City. Following that institution's merger with the Irving Trust Co., New York, he joined the Stock Exchange firm of Fitch & Co., in 1939. Mr. Marshall went with the Union Banking Co. in 1941, prior to the merger with the Stock Exchange firm of Fitch & Co., Inc., in 1942. Mr. Marshall has been a director of the Bank of the Manhattan Co. since 1942.

In the words of John A. McCracken, Chairman of the board, "This is another milestone in the history of the Bank of the Manhattan Co. as it continues its expansion and development plans." The Bank of the Manhattan Co. is currently the third largest bank in the United States.

**New Exchange Bank Trust Co. of New York announces the election of John A. McCracken, President, to the position of Vice-President and Secretary and Treasurer, and William H. Bium as Vice-President and Comptroller.

On October 4, 1951, the new Exchange Bank Trust Co. of New York opened its doors. The bank is located at 140 Broadway, and its main office is at 150 Broadway. The bank is owned by the New York Stock Exchange, and will serve as a clearinghouse for the exchange.

**Orange Exchange Bank Trust Co. of New York announces the election of John A. McCracken, President, to the position of Vice-President and Secretary and Treasurer, and William H. Bium as Vice-President and Comptroller.

On October 4, 1951, the new Orange Exchange Bank Trust Co. of New York opened its doors. The bank is located at 200 Orange St., and its main office is at 200 Orange St. The bank is owned by the New York Stock Exchange, and will serve as a clearinghouse for the exchange.

**Corn Exchange Bank Trust Co. of New York announces the election of John A. McCracken, President, to the position of Vice-President and Secretary and Treasurer, and William H. Bium as Vice-President and Comptroller.

On October 4, 1951, the new Corn Exchange Bank Trust Co. of New York opened its doors. The bank is located at 100 Corn Exchange Pl., and its main office is at 100 Corn Exchange Pl. The bank is owned by the New York Stock Exchange, and will serve as a clearinghouse for the exchange.

**Regular Bank of New York announces the election of John A. McCracken, President, to the position of Vice-President and Secretary and Treasurer, and William H. Bium as Vice-President and Comptroller.

On October 4, 1951, the new Regular Bank of New York opened its doors. The bank is located at 120 Regular Bank Pl., and its main office is at 120 Regular Bank Pl. The bank is owned by the New York Stock Exchange, and will serve as a clearinghouse for the exchange.

**The letter also brought with it a new bank charter, which was granted by the New York State Banking Department in 1949. The bank is located at 120 Regular Bank Pl., and its main office is at 120 Regular Bank Pl. The bank is owned by the New York Stock Exchange, and will serve as a clearinghouse for the exchange.

**The new bank charter also brought with it a new bank charter, which was granted by the New York State Banking Department in 1949. The bank is located at 120 Regular Bank Pl., and its main office is at 120 Regular Bank Pl. The bank is owned by the New York Stock Exchange, and will serve as a clearinghouse for the exchange.

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Bank and Insurance Stocks

By H. H. Johnson

This Week—Bank Stocks

The most significant development of the week affecting bank operating results was the increase in the prime loan rate in New York City from 2% to 2½%.

Increasing demands for credit reflected in record borrowings by business and consumer in New York City made it essential that the rate be raised. It had been anticipated in investment circles for the past month. The previous change in the rate was last January. Also, there is some thought that conditions continue to exist that it is possible that a further increase in the rate to 3% might be made.

The full impact of the higher rates will not be reflected in earnings for some time. While the increase in the prime rate will necessitate upward adjustments in other rates, the higher rates will have little influence on the earnings for this year.

$31 billion is made up as shown in Table IV.

First National and Morgan, Bank Chase National in book City a In U. rates will necessitate operations for the next year. This year's earnings have been assumed as just discussed. With earnings for the second half of the year, Bank Stocks should be valued on $10 of earnings per share. This has been assumed as 15% of book value.

In the same year the use of credit expanded markedly. Consumer credit increased by over $2 billion. The new prime rate, which was established last September, was lower than the previous one. This expansion in credit financed in considerable part increased business expenditures. Consumer expenditures were financed by loans and by a rise in labor income of $25 billion. Labor income rose sharply in total personal income. This increase in total personal income was due to an increased earning in the third quarter than a year ago except one. In some instances a favorable increase in the reported earnings was shown.

This is the same pattern as has prevailed in the two previous quarters. As a result, earnings for the nine months, with one exception, are above the earnings for the same period in 1950.

Shown below is a tabulation of the earnings reports of 17 of the principal New York City banks for the quarter ended Sept. 30 compared with those of a year ago. Also shown are the earnings for the nine months and the indicated earnings based upon changes in book values and dividends paid during the year.

Operating Earnings

| Bank of Manhattan | 3% | $1.57 | $1.61 |
| Bank of N. Y., 5th Ave. | 3% | $1.14 | $1.15 |
| Bankers Trust | 3% | $1.15 | $1.16 |
| Chase National | 3% | $1.89 | $2.00 |
| Chemical Bank | 3% | $1.17 | $1.18 |
| Continental Bank | 3% | $1.35 | $1.36 |
| First National | 3% | $1.50 | $1.51 |
| Guaranty Trust | 3% | $2.00 | $2.01 |
| International Bank | 3% | $2.00 | $2.01 |
| Manufacturers Trust | 3% | $1.29 | $1.30 |
| Morgan, J. P. | 3% | $1.50 | $1.51 |
| *Head Office City | 3% | $1.75 | $1.76 |
| New York Trust | 3% | $2.00 | $2.01 |
| Public National | 3% | $1.12 | $1.13 |
| U. S. Trust | 3% | $1.25 | $1.26 |

Earnings are in most instances after taxes at the current corporate rate of 4%. No allowance for the prospective increase in tax rates to 5% has been made.

Should the new revenue bill become effective in the current quarter and be retroactive to April 1 as now seems likely, the banks would be liable for a substantially higher tax than in the past. Had the banks made some provision for higher taxes in the third quarter, it is likely that there would have been fewer increases in earnings.

Thus, depending upon the nature and timing of the new tax bill, earnings of the banks may not show the same gains as in the past. This is not to say that the banks will be able to show earnings for the year slightly above or close to those reported in 1950.

Continued from page 6

Strength of U. S. Economy and Its Meaning for the World

$42 billion, the issue is in doubt. The deflationary forces had their origin in the war surplus, the application of several types of credit control, and the heavy military burden. Inflation rate not only stopped the upward movement of prices, but brought about a 4½% decline in wholesale prices between March and August. What does this mean for the future? Will we reach the present levels, moving upward at once? It seems possible that the deflationary forces will prove more powerful than the inflationary forces, provided certain conditions are met.

In this same year the use of credit expanded markedly. Consumer credit increased by over $2 billion. The new prime rate, which was established last September, was lower than the previous one. This expansion in credit financed in considerable part increased business expenditures. Consumer expenditures were financed by loans and by a rise in labor income of $25 billion. Labor income rose sharply in total personal income. This increase in total personal income was due to an increased earning in the third quarter than a year ago except one. In some instances a favorable increase in the reported earnings was shown.

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| First National | 3% | $1.50 | $1.51 |
| Guaranty Trust | 3% | $2.00 | $2.01 |
| International Bank | 3% | $2.00 | $2.01 |
| Manufacturers Trust | 3% | $1.29 | $1.30 |
| Morgan, J. P. | 3% | $1.50 | $1.51 |
| *Head Office City | 3% | $1.75 | $1.76 |
| New York Trust | 3% | $2.00 | $2.01 |
| Public National | 3% | $1.12 | $1.13 |
| U. S. Trust | 3% | $1.25 | $1.26 |

Earnings are in most instances after taxes at the current corporate rate of 4%. No allowance for the prospective increase in tax rates to 5% has been made.

Should the new revenue bill become effective in the current quarter and be retroactive to April 1 as now seems likely, the banks would be liable for a substantially higher tax than in the past. Had the banks made some provision for higher taxes in the third quarter, it is likely that there would have been fewer increases in earnings.

Thus, depending upon the nature and timing of the new tax bill, earnings of the banks may not show the same gains as in the past. This is not to say that the banks will be able to show earnings for the year slightly above or close to those reported in 1950.

Comparison & Analysis

17 N. Y. City Bank Stocks

Third Quarter 1951

Available October 1

Laird, Bissell & Meeds

Banking Department

80 Broad Street

New York 5, N. Y.

Member New York Stock Exchange

Member Chicago Stock Exchange

Member American Stock Exchange

Telephone: Bader 5-1500

Wire Address: BISSBEL, New York

Member Family of Banks

Specialists in Bank Stocks

NATIONAL BANK OF INDIA, LIMITED

Bankers to the Government of Kenya Colony and Uganda


Branches: Colombo, Jaffna, Madras, Kandy, Kimm, Kochi, Mangalore, Poona, Salem, Trichy.

Subscribed Capital: £4,000,000

Issued Capital: £4,000,000

Reserve Fund: £1,500,000

The National Bank of India, Limited incorporated under the Indian Companies Act, 1913.

Trustees and Directors also undertake

TABLE IV

<table>
<thead>
<tr>
<th>Earnings and dividends of labor force</th>
<th>Billions of dollars</th>
<th>13 23%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in expenditures for personal consumption</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Increase in gross private domestic investment</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Purchases by business of machinery and equipment</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Increase in net exports</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Increase in defense expenditures</td>
<td>2</td>
<td>1 2 3</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>100%</td>
</tr>
</tbody>
</table>

The annual rate of compensation to labor increased by $15 billion to $20 billion in 1951. The amount of consumers' durable goods was increased by $10 billion, and the total amount of capital goods was increased by $1.75 billion. The increase in consumer goods was almost entirely due to a $1.75 billion increase in durable goods. The increase in capital goods was almost entirely due to a $1.75 billion increase in durable goods. The increase in consumer goods was almost entirely due to a $1.75 billion increase in durable goods. The increase in capital goods was almost entirely due to a $1.75 billion increase in durable goods.
It is the responsibility of industry to see to it that incomes of workers increase along with the productivity and that there are enough dollars in the hands to buy goods. This may seem to be a broad statement. It is because there is a discerning one which is not undertaken at a sacrifice of profits. The government and financial executives as well as the corporations as a whole must find a way to increase the purchasing power of the people. Incomes as well as productivity must be raised in order to assure that the money put is to be distributed and consumed. This can be accomplished if the policy should create the greatest material well-being ever known in the world and make it possible to spread it generously.

What is the Future?

I am not going to try to predict the future, but I am fully aware that we are facing very serious problems. If we are to face them with the courage we developed in the struggle to win the war, we must be able to undertake the task of dealing with the problems we now face. It is my judgment that there is no choice but to face the problems we now face. It is my judgment that there is no choice but to face up to the problem which the future may have.

Economy in All Federal Activities Is Essential

We must reduce inefficiency and waste in all Federal activities and programs and projects—both civil and military. This applies equally to the military. Any substantial reduction in Federal expenditures will be a powerful force in increasing our production and expanding our economy.

It works out like this: After World War II, we taxed 32% of the cost of the Federal Budget. In World War I, we taxed 46% of the Federal Budget—$100 billion expenditures with taxes of $46 billion. Today, the Federal expenditures are $68 billion, down to $23 billion. It means that the burden of Federal expenditures is now less than $10 billion, and a complete balance of the Federal Budget is now scheduled.

So far, in this present limited way, we are saving $5 billion for the year, it would be $25 billion a year, this would mean that the results of tax reductions and a complete balance of the Federal Budget is now scheduled.

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Railroad Securities

Western Pacific

Western Pacific common was a big disappointment marketwise throughout most of the first half of the current year, when earnings were still only slightly above the like month of a year earlier, despite a drop of earnings falling off fairly sharply from year-earlier levels, the stock developed in a manner that is now a clearing tone. It is hovering right around the top level of a 1 1/2 to 2 point range for the last 30 points above the 1931 low. The market action appears paradoxical for the stock under pressure when earnings are improving and buoyant when earnings are deteriorating. This is not, however, unique in the railroad list, and railroad analysts generally consider the common still little,rated by the near-term earnings comparisons.

Western Pacific had an exceptionally good first half year. Gross revenues ran just about a third higher than in the inducing six months of the preceding year. Expenses were held under strict control. The total operating ratio was 85.5 points lower than year earlier and the all-important transportation ratio was cut 4.2 points. All other expenses and the lowest transportation ratio in the industry. This resulted in the sharply higher gross and the improvement in the operating performance. The net income was almost 100% in net. Net income before sinking fund was $25,025 compared with $2,015,616 for the first six months of 1929.

For the first two months of the second half year the story has been much the same. Revenues continued upward in July, Transportation was still held under strict control—the ratio was just about unchanged from a year ago. For other costs, however, were materially higher and the operating ratio—total expenses increased more than three points. Taxes were also heavier, with the result that net income for the first six months was 35% less than what it had been in July, July. The two months were 100% from the figures for the seven months’ period it is nearly unexampled encouraging—not up 63%.

In August comparisons with the same month of last year were more favorable. The August revenues were expanding rapidly in reflected by the improving of hostilities in Korea. Neither of the two months was, however, as tender as the first half of 1950. Freight revenues this month could match the performance of a year earlier. Gross as a whole was off some 14%, in sharp contrast with the substantial year-to-year gains that had been registered in earlier months. The situation business off, as the net expenses were higher than they had been in August, 1950. For the month, the overall transportation average was nearly 15 points. While the transportation ratio continued below 30%, they fell 20 below the same level of a year ago.

Aluminum Ltd. Stock Offered at $65 a Sh.

Aluminum Ltd. will offer 372,468 additional shares of capital trust certificates maturing semi-annually May 1, 1951 and $1,000,000 into one new share for each 10 shares held. The subscription offer will expire at 3 p.m. (EST) on Nov. 8. The First Boston Corp. will act as agent-managers.

The net proceeds will be used to provide the net cash for the expansion of the company’s capacity to produce aluminum and related products.

What We Know About Domestic Freedom

We know that Socialism, Communism, and authoritarian government, to our way of thinking, will bring about a world of arbitrariness and ill will. They abandon individual standards for the subject—reflecting the standards which in power to enforce the only effective standard of right of the people is the will or caprice of the ruler. If such a system the importance of despotic freedom is to consider the portion of the earth. private are sacrificed to the will of the State.

It is simple and well-established fact that no social organization, no form of government, in addition to contributing to the world a general, poor and foster ill will. This is the most deplorable of all man’s inhumanities, and apparently so grossly evident, it is acted upon, including the world the human race. Each nation is a corporation of the individual. History reveals a constant struggle of mankind to destroy the harmful forces of in 1950, to achieve their goals. Freedom, and freedom to vote for their own good and services, as they think best. Such freedom to compromise and agreement out of the good of the agreement, while it denies man total freedom of choice. It is freedom of choice is a prerequisite of morality.

The advocates of planned economy in the United States and a governmentally-managed economy, characteristic of its nature, and that is the freedom to destroy the wholesome forces of the individual for the sake of the Welfare State which, they imply, contributes to, and affects, the welfare of the whole people. They are the enemies of every man and woman in the United States.

There appears to be no case in history in which a government has achieved lasting security for its people. Many governments which have pressed hardest for security from the cradle to the grave have lost it, and lost it quickly, for the people concerned.

A free and open government cannot be avoided, that is evident that the nation is economically unorganized and politically unorganized. An irredeemable currency is, when it is not a debased silver Standard, the best means of moral bankruptcy and irredeemable. It is one of the principal objections of the government that employs it.

A redeemable currency is a peculiar tool of national policy and directio-
Securities Salesmen's Corner

By John Dutton

To Help You Sell More Mutual Funds

The October issue of "Modern Security Sales," as you probably know, features new service for dealers who are interested in distributing Mutual Funds, an examination, in fact, of the new service, which is being offered by Fund Services of Washington National Building, Washington, D.C. I am sure that you have no need to be told of the importance of this new service, and I add my congratulations to the announcement that we shall have it in the recommendation to all of you who are interested in the possibilities of using some of this material, to write for a sample copy of the October issue and find out more about the excellent help which is being offered.

There is a four-page bulletin, which is available with your imprint. It is one of the best sales talks on Mutual Funds I have ever seen. It is entitled, "A Few Reasons Why People Have Bought Mutual Funds." We have had a number of pertinent reasons why people have bought mutual funds, but this one is excellent. It is a real advertisement for mutual funds, and a real help for the salesman. I think it is a valuable help for any of you who are interested in Mutual Funds.

Some of the Selling Points

(1) Like a Great Ocean Line—The designers of modern ocean liners know the way to appeal to the public in many small sections. If something happens that causes a leak, the cargo is dumped into the sea. But all the others are safe—can be saved. "It's not the boat, it's the cargo," the ad says. "When you buy as little as one share of mutual fund, you spread your investment over many companies in different industries. Even if you lose a small sum, you are not losing the whole ship."

(2) Federal Reserve—Don't overlook the fact that four times a year the funds send out statements of varying amounts. The Federal Reserve, which is the basic lender, is located in your town and has influence that is superior to any true justice. Justice from a dictatorship or a world government is not always the best. There are many instances where the "security" in the word that are not what one might think. In this case, it is the Federal Reserve.

(3) Continuous Investment Management—"An experienced investor must always have a choice of stocks. And his stocks must have choice in the stock market, so that he'll know what to buy, what to sell and how to manage his fund. If his employer can employ professional investment counsel, who will attempt to do that for him."

New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following changes:

Transfer of the Exchange membership of Bache & Co. to Leib will be considered.

Transfer of the Exchange membership of the late Bernard E. Bache.

Consideration to be held on October 25.

With Rockwell-Gould

ELMIRA, N. Y.—Edward L. Monroe has become affiliated with Rockwell-Gould Co., Inc., 159-167 Lake Street.


The First National Corp. of Tucker, Anthony & Co., jointly issued an investment banking agreement with MetLife, which on October 15, offered publicly $80,000 shares of common stock of West Virginia Carbon Coal Co., at $17.875 per share.

The company's 1950 production of anthracite was 1.5 million tons, which ranks the state as the country's 25th largest producer of anthracite, the West Virginia Carbon Coal Co. is the Ohio River Company, the successor to the Consolidation Coal Co., which was purchased by the coal operators of the Ohio River area. The company produces anthracite from its mines located on the infield water in the United States.

The company has a marketable yield of $1.12 per share of common stock, which has a fair market value of $3 per share. The company's earnings last year were approximately $1.10 per share.

Dissimilar dividends have been paid on the common stock in the 1949-1951 period, which averaged 25 cents per share. The company's stock is quoted at a price of $31,997,000 and net income was $1,682,000.
Progress in the Air Transportation Industry

In attract them, We have to, of necessity, continue to cut costs. Our costs have risen. The costs of all our yards have increased, and we have the costs of every other handloader.

Peculiarly enough, and for several reasons, we can cut our product at prices and yet we have absorbed in the years tremendous savings. For example, in this more efficient equipment to cut costs, we have also been able to increase our production at a more efficient equipment. We have reduced the number of our employees, and we have cut our increased costs and still make a greater return at the present prices than we have ever been able to before.

Rates and Costs

I think that the costs and the trends have certainly got to be continued along that same line if we are to go to a greater market. We have to offer our product at lower prices and we have to make savings.

So, I think that we should look some time, in the future, as we can toward the day when we can reduce fares rather than increase them.

I would like to reassure you already by stating that we are not cutting costs. I would like to emphasize that, but also the fact that no company that I know of in our industry has ever attempted to save a nickel at the expense of safety. I think our reasoning is that we do not read in the papers occasionally of anyone who has been killed in a plane or that the statistical ratio has been coming down each year greater than the decreases in airfare. So there has been a greater safety at the present time is probably lower than it has ever been. By comparison with any other enterprise, you will find that safety clearly indicates that air travel is relatively safe.

The Bureau of Statistics runs 1.2 deaths per 100 million passenger miles. When you consider the additional aids is concerned.

That is a comparison we use for two purposes. First, more people, the general public, feel that it is safe.

Safety Factor Improved

Actually, it is quite remarkable how it has improved in recent years. We are operating as an industry slightly over 80% of the world's air traffic is being handled by the government, commonly called subsidy, for the development of a civil airmail air transportation System in the interest of commerce and national defense. It is contemplated that it will be paid to develop this system, therefore it contemplates that for that portion of the fleet of airplanes we are going to get something.

Admittedly, a great deal of money has been poured into the development of the air transportation System by the Post Office Department. In 1954, the Post Office Department had recovered 80% of the money it has put into air mail payments and in the next 18 months that means out of all the money it has put into the air transportation System.

In addition to this, the country has without question the finest air transportation System in the world. You need only to look at the airlines of other nations, and it actually takes no comparison, but that they are being run by the commerce of the country.

In so far as the postal service is concerned, you are going to get something.

You have an industry that is constantly meeting the public's needs for mail delivery, and it is the use of the word "subsidy" and also the word "administration" that the public is supposed to mean when it talks about the industry.

We have had a very large increase in the number of personnel, in the equipment, in the pilots, and in the airplanes. We have also increased the volume of the mail that we are able to deliver.

Actually, it is our feeling now that you have reached the point where we can say that the industry is in good shape, perhaps, more than ever before. We have reached a sufficiently high development of the industry that we could do that; but the only safeguard that we can devote a good bit of attention new to the dependability of service, and as we increase the dependability, take out the inconveniences and the annoyances, we feel, along that we are going to get a considerably greater market.

We were talking on the way over here a rather interesting thing that you would people would like to see in our air mail. I would like to anticipate what some of your mail coming back to us, for the problems, or think in mind that perhaps we could use that in the future in my own way. I might beat you to it, but it will embarrass me in any way, shape or form. We did arrive at one of the three things that we think are generally talked about in the press. It is a very real thing, and the two points, one being safety, and the two being safety, and the two being safety.

Admittedly, it has been a problem of the past to feel you are going to have all the problems of the head problem on and try to get them out of the way on the table when you are talking about the problems of the industry. So we'll talk about the problem, the problem of the government, commonly called subsidy, for the development of a civil airmail air transportation System in the interest of commerce and national defense. It is contemplated that it will be paid to develop this System.

With the Act under the Civil Aeronautics Act of 1938, the government, commonly called subsidy, for the development of a civil airmail air transportation System in the interest of commerce and national defense. It is contemplated that it will be paid to develop this System.
The Defense Program
And the Business Future

A third series involves actual spending for defense, that is, the amount spent on defense materials are manufactured for the military. Let us compare some of the different defense spending categories. The amount of money available to the defense authorities in the three fiscal years ending June 30, was $47 billion. Of this $38.5 billion was spent on material and equipment, and we will see that this is a major factor in determining the size of potential civilian purchases. For the fiscal year ending June 30, 1962, the defense program authorities in the present fiscal year have allocated about $50 billion in orders for goods or services, of which about $15 billion will be placed in the last fiscal year. Actual payments for defense deliveries, however, have lagged far behind. Payments in the third quarter of 1959, right after President Eisenhower's inauguration. By the first quarter of this year, the annual rate had gone up to $5.8 billion, and a rate of $34 billion will be reached, according to present schedules, in the second quarter of the year.

The Election
You will see from this discussion of Defense Program spending that the present administration has been able to increase the amount of defense spending and to reduce the budget deficit. But the defense authorities have not been able to do this without raising the defense program. The amount of money available to the defense authorities has increased from $35 billion in the fiscal year ending June 30, 1959, to $47 billion in the fiscal year ending June 30, 1962. The defense program authorities in the present fiscal year have allocated about $50 billion in orders for goods or services, of which about $15 billion will be placed in the last fiscal year. Actual payments for defense deliveries, however, have lagged far behind. Payments in the third quarter of 1959, right after President Eisenhower's inauguration. By the first quarter of this year, the annual rate had gone up to $5.8 billion, and a rate of $34 billion will be reached, according to present schedules, in the second quarter of the year.

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The Security I Like Best

products provisions in the Reserve Act of 1933.

(3) Dividends: 7½ per share was paid in 1951 and
1952. Mr. Willard stated that this dividend has been
recognized on the company’s balance sheet and, surprise
and, its dividends are not available for deficiency disbursements
from Federal Income Tax.

United Security holds a large public regulated utility holding company.
its financial balance is approximately $300 million. Its capitalization
consists solely of 3½% preferred stock. Its assets consist solely of a port-
folio of utility receivables, various mortgage interests, and
an equivalent which as of Oct. 6 gave it a liquidating value of $34.1 per
share in the accompanying tabulation.

United Corporation earns from dividends and interest approxi-
mately $3,000,000 or 21 cents a share. Mr. Willard stated that this
is the announced intention of the management to continue the payment
of all such earnings in the form of dividends, and beginning in 1949 a semi-annual dividend of 10 cents has been paid regularly. The
stock price of the corporation is expected to remain fairly steady.

This is the special reason for the use of the word “equivalent” in the above paragraph. United Security has no common stock and acquired its assets at the inception of the company. It has therefore on its books unrealized tax losses of $155 million, or 76 cents a share. These losses can be used each year to reduce the corporate income tax and any realized profits, so that dividends to preferred shareholders are a return of capital and not subject to or condi-
tional income tax. Indeed all are considered as a return of capital and any stock is written down to zero, and may at some date in the long-
term capital gains. At its present value of 4½% the tax-free yield on 20-cent dividend is 4½%. To anyone in the 50% bracket (over 30,000 of net income in 1950 rates) is equivalent to a yield of over 4½%, far more than can be obtained by buying the corporate securities or a block of any good power and light stock issues. The United Security is used by him to reduce the stated cost price of the stock in his portfolio of United Corporation itself.

A brief inspection of the past record of United Corporation is to the prospective investor a great aid in the making of this type of management. In 1942 the common stock of United was $32,000,000 and the common stock, preferred stock, and short term notes total $40,000,000.

The Securities

<table>
<thead>
<tr>
<th>Company</th>
<th>Shares</th>
<th>Dividends</th>
<th>Total Dividends</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Security</td>
<td>4,000,000</td>
<td>300,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>United Properties</td>
<td>2,000,000</td>
<td>150,000</td>
<td>600,000</td>
</tr>
<tr>
<td>United Utilities</td>
<td>1,000,000</td>
<td>75,000</td>
<td>300,000</td>
</tr>
<tr>
<td>United Finance</td>
<td>500,000</td>
<td>37,500</td>
<td>150,000</td>
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<td>United Minerals</td>
<td>250,000</td>
<td>18,750</td>
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</tr>
<tr>
<td>United Development</td>
<td>100,000</td>
<td>7,500</td>
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<tr>
<td>United Communications</td>
<td>50,000</td>
<td>3,750</td>
<td>15,000</td>
</tr>
<tr>
<td>United Forex</td>
<td>25,000</td>
<td>1,875</td>
<td>7,500</td>
</tr>
</tbody>
</table>

United Corporation

Choosing one stock is somewhat risky, but not too risky, in this sort of necktie; it depends on the person for whom it is chosen and the commodities in which it is invested. If we assume the investor to be an ordinary person, on occasion the rubber will still be good when the rubber was ejudged a 6-month period. The market for a favorite stock is a market for an investment. Two principal factors make United Corporation attractive at this time.

It provides a means of acquiring a large discount ownership in a diversified portfolio of utility companies and, secondly, its dividends are not available for deficiency disbursements from Federal Income Tax.

United Security is defined as a public regulated utility holding company. Its financial balance is approximately $300 million. Its capitalization consists solely of 3½% preferred stock. Its assets consist solely of a portfolio of utility receivables, various mortgage interests, and an equivalent which as of Oct. 6 gave it a liquidating value of $34.1 per share in the accompanying tabulation.

United Corporation earns from dividends and interest approximately $3,000,000 or 21 cents a share. Mr. Willard stated that this is the announced intention of the management to continue the payment of all such earnings in the form of dividends, and beginning in 1949 a semi-annual dividend of 10 cents has been paid regularly. The stock price of the corporation is expected to remain fairly steady.

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A brief inspection of the past record of United Corporation is to the prospective investor a great aid in the making of this type of management. In 1942 the common stock of United was $32,000,000 and the common stock, preferred stock, and short term notes total $40,000,000.
Power and transportation—should continue to rise well into the first quarter of 1952 and well into the second quarter of 1952. Moderately thereafter, commercial, institutional, farm and small business costs have been rising. It seems certain to contract rather than expand. This withholding of necessary resources for industries, together with the continued contraction of private construction, the five-year average of which is something like the 1907-1912 average, $11.3 billion, $11 billion, $10.5 billion, $10 billions and $9.5 billion, respectively, is that of a gentle but persistent deflation. I am therefore looking toward the middle of next year.

Investors

In the summary forecast from Korea through July 1951; overall economic output has been growing at a rate of slightly more than half that proportion in physical volume. And yet one can reason away at least a few of the numbers—this is not to cast doubt on the fundamental movements of the economy. For useful analysis it must be kept in mind that the consumer durables, and even the shirts and pants of increasing stringency. All the elements of essential materials are available, and to the best of my knowledge there is no question of physical availability. There are difficulties of some kind, but I don't see a description of a parabola for what is supposed to be the very bullwhip effect of the retailing system, and capacity and capacity—but that is our figure's own.

Residential construction also shows that the outlook for private investment, and here prospects are quite different. For some time, indeed, the amount of new housing was so large that the market for old housing was in a state of distress. The first quarter of 1951 from the unparalleled expansion of 1950. Yet, in the second quarter of 1950, things were different. However, that the industry would have to face a cutback in the level during the first half of 1952. This is why the importance of new research to study the supply of materials and funds with which to finance the new housing. One must note that the signs of something like this have been present already. The condition of the market for materials and funds with which to finance the new building activity, and the supply of funds for the new housing is in a state of stress.

The Federal Reserve Board, its flow of credit, and the Federal Reserve Bank of St. Louis have been publishing weekly surveys and reports on the economy. These surveys are generally considered to be a reliable guide to the state of the economy. However, there have been discrepancies between the Federal Reserve Board surveys and the surveys conducted by the Federal Reserve Bank of St. Louis. This has caused some confusion among economists and policymakers.

In summary, the outlook for residential construction is quite favorable. The market for new housing is in a state of stress, and the outlook for materials and funds available for the new housing is in a state of stress.

The outlook for the construction industry is quite favorable. The market for new housing is in a state of stress, and the outlook for materials and funds available for the new housing is in a state of stress.
Continued from page 7

Defense Mobilization

Moving Into High Gear

Program Can Be Wrecked by Runaway Inflation

The defense mobilization program can be wrecked by runaway inflation, and whether or not America is able to reach workable arrangements depends to a large extent on the stability of the imperfectly organized groups—industry, labor, agriculture.

Will they use restraint or will they jockey for individual advantage? Will there be the inevitable conflict of prices and wages, or will they seek to upsetting the balance that government is trying to achieve in the interest of over-all production?

We are now enjoying a period of relative calm on the price-wage front. The freeze order of last January has had the most salutary results. In the last seven months the consumers' price index rose less than 1%.

Of course, other factors besides the freeze order have contributed to the stability. There are huge inventories and the fact that people are saving instead of spending is also a factor.

But the January freeze, however important it is, is not the only factor.

People believe that prices of raw materials will not increase, even though they don't need the goods. They are not afraid of losing at the next move. They are willing to buy only what they need.

Whereas there were no real shortages when the 1915-1918 panic buying and the starting of orders were first entering a period when inflationary pressures were weakening, now there is a tremendous psychological effect.

There are strong demands for buying and more purchasing power in the hands of the people. There will be no turning back to the mercenary safeguards that have been practiced and are expected in the post-war boom war.

I am happy to say that Commerce Secretary Harris is now putting the weakening of the amendments that were added to the Defense Production Act when it was passed last July.

One of these amendments tends to upset the whole price structure, and this is the Office of Price Stabilization has worked out after many months of careful consideration.

It has been called an account-cost accounting. This is such a scheme as the economy of stabilization has worked out after many months of careful consideration.

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I have complete confidence in the nation's genius for production. At the same time, we can expect the stabilization and self-restraint that will keep the price-wage balance in line. We can expect that these controls will have the greatest effect upon us in these critical times.

I have spoken of spiritual values that I don't know how to measure. I have not prepared a formal statement. I heard at New York University last June. The speaker was Acting Chancellor James L. Madden.

Mr. Madden told the blessings that had been heaped upon our country and he said:

"Men will die for their spiritual beliefs. They will fight for the gospel of faith in the Almighty. According to our Constitution, the government has a duty to set aside the details of interest in the affairs of its kind. It has a duty to cut into detail and put into daily practice the teachings of our respective faiths. Men died in wars for spiritual values, which lack spiritual strength."

So our defense mobilization is a battle not only of our physical strength, but of whose beginning and end is to see what weapons of war can be used to worship, and whether it is an exercise of faith—faith in the God of our ancestors, in the freedoms and qualities of freedom and justice.

We can no longer take freedom or justice for granted. We must be given to us by the blood and sweat of our generation. The lights of freedom and justice are precious. We must fight for them. We must defend them. We must withstand the shadow of Communism but we must do it in a way which is fit for the fight and strive to keep their alive, because without them there is no freedom.

If the nation will take the political, economic, and military steps necessary and associated with that great ideal, there need be no fear about the outcome.

$7,000,000,000 Fed. Farm Loan Bonds Offered

The Federal land banks or offering publicly today (Oct. 13) the $7,000,000,000 of 4.9% first mortgage bonds to be dated Nov. 1, 1951, and March 1, 1952, to bear interest at 2% semi-annually, and at the rate of 2% per annum in the event of default. This is the first bond issue of its kind to be sold.

The bond will be sold to the Federal Land Banks and for the benefit of the war. The banks are authorized to sell the bonds to various local banks in securities to the Federal Farm Credit Administration, which is under the direct supervision of the Secretary of Agriculture.

Henry White Co. Formes

TULSA, Okla.—Henry W. White & Co., Inc., wholesale brokers with offices in the Oil Capital and New York, and member of the New York Stock Exchange, is in strong bid to secure the White & Co., Inc., member of the oil and gas industry. Mr. White was previously in Harris, Upham & Co.

Continued from page 1

As We See It

tures was but from fellow countrymen of the people who would now warn him and win him.

It is this sort of situation in world politics which is now at work. The United States is a central power in the world. There is no longer a free world. All around us, and in the past, we have been free volts of the "oppressor" of the ages, it becomes an explosive mixture. It is certainly not only to convince the victim that he is about to be swallowed—the more so in fact in that he has been more or less swallowed in cen-
The Impact of Electronics

we enter the Future. But it should be noted that this speed-up occurred before history, while the speed-up that is occurring now is of a much more recent time. The probabilities are that we are now on the eve of an economic development which may be said to have started roughly with World War II, which will have a lasting effect on our lives within 20 to 30 years, and of a possible world conflict, the time would be very short.

Implications of Second Industrial Revolution

The social and economic implications of the Second Industrial Revolution are difficult to appraise. The first Industrial Revolution, which was characterized in its early stages, in many cases, by social upheaval and the exploitation of labor. Today, for a more on-end, there are many signs that the Second Industrial Revolution will be more beneficial to society and to the worker.

There is every reason to believe that electronic manufacturing will go hand in hand with increased hours and greater leisure time. It holds the promise, if handled well, of raising our already high standards of living.

The new technological viewpoint, the effects are twofold. First, the creation of a great new industrial sector—electronic—will bring about changes in existing industries. First let us look at the two groups of industries that constitute the base of electronic production. Those whose influences affect different segments of our economy. It is interesting to note that although the new electronic developments may be a success in terms of profits, it is clear that this success will not be achieved without some sacrifice. The immediate years may see a decrease in the value of copper and silver, but this is the cost of a very great and necessary development.

Electronic Production Over $4 Billion Annually

It is noteworthy to look at the figures. The best available source is the Federal Trade Commission, which states in its 1938 report that the value of electronic products produced in this country was $100,000,000 in 1937. This figure is probably too low, but the fact remains that the value of this industry is now several times greater.

Developments may come very rapidly in electronic field. Within the last two weeks ago Professor Ernest Rutherford, of the University of California, showed off to the public for the first time a machine that produces tritium. The machine is operated by a generator which is based on the principle of the atomic bomb. It is expected that this machine may be used in various ways, including the production of tritium for use in the atomic bomb.

Theodore Maiman, a physicist at the University of California, has developed a laser, or light amplification by stimulated emission of radiation, that is capable of producing a very intense beam of light. The laser is expected to have many applications, including use in medicine and industry.

In the field of electronics, we have already seen the development of the transistor, which has revolutionized the field of electronics. The transistor is a device that can control the flow of electricity, and it is expected to have many applications, including use in computers and radios.

The other aspect of electronic production that is of great interest is the effect of automatic control on industry. The current trend is to use automation to reduce the cost of production and to increase the efficiency of the work force.

The new technologies will bring about changes in existing industries, such as the automobile industry. The automobile industry has already been affected by the development of the automobile, which has increased the demand for parts such as engines and tires. The development of the computer has also had an impact on the automobile industry, as it is able to track and analyze the data from the sensors on the vehicle, allowing for more efficient production.

The impact of electronics on society is already being felt. The development of the transistor has led to the development of many new technologies, such as computers and the internet. These technologies have had a profound impact on society, allowing for more efficient communication and information sharing.

In conclusion, the impact of electronics on society is already being felt, and it is expected that this impact will continue to grow in the future. The development of new technologies, such as the laser and the computer, will continue to revolutionize society, and it is important for us to be aware of the potential benefits and challenges that these technologies may bring.
"The Camel's Nose Is Under the Tent"

Defense production at its maximum planned rate will probably require more than 15% of the nation's goods and services to be taken out of total production. We all know that the military program requires a much bigger task than this, and that it is not just a question of steel production.

"Third World" of Steel

"Our supposed purpose still is to deter those great powers from communist aggression and to provide for the defense of the United Nations if they were to undertake a general war, the way would be hard, there would be no war just yet.

"This nation cannot live for any length of time, for the relative prosperity, once it is converted into an armored camp.

"The economy will be beggared by the cost of military upkeep, and the American people will be applying the same principles of the military economist will promote depression and political demoralization.

The emergency of the Korea war and the defense program, however, is being used to justify more and more government regulations. The people are being told that every restriction on freedom is necessary for the defense of the country. There is no doubt that war is being used to Svg, restrictions on freedom.

"The government is not greater than that of other countries which have been repressed. We must clarify by making to take this country's peaceful.

"Vast as the threat from Russia may be, we must continue to run the risks in that quarter, rather than an overtaxed military.

"And we are seen to be the answer to the danger that our nation's living standard of living and our own rights individual liberty.

"By using the steel shortage that has been assumed steel shortage to justify the control and restriction of steel production, and by using the steel and fuel and inflation to justify wage increases, we are being tricked.

"The steel industry is now being told that it is necessary to increase production because of steel shortages, but we are not being told the real reason.

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The State of Trade and Industry

The State of Trade and Industry government move, this trade paper declares. In fact, it states trade authorities believe impact of the regulation will not be felt for some time. The regulation was not too surprising, it is evident steel control authorities are bank-

From some directions demand pressure does not seem quite so strong as it was awhile back. Overall requirements continue favorable as against expectations of a month ago, and prices appear to have definitely eased off. This is true principally in consumer durable goods lines, except for steel, and in the sanitary ware area, where cutbacks in supplies and heavy stocks of finished goods have forced production cur-

The amount of electric energy distributed by the electric light and power industry in the week ended Oct. 15, 1951, was estimated at 7,190,340,000 kw-hr, in excess of the output reported for the corresponding period two years ago. 

Carloadings Show Decline from Previous Week Loading of revenue freight for the week ended Oct. 5, totaled 789,757,000 cwt, according to the Association of American Railroads, representing a decrease of $2,832 cars, or 0.7% below the corresponding week a year ago. The current total was 4,458,000 cwt, above that of the preceeding week; 651,789,000 cwt, or 1.0% above the total output for the week ended Oct. 14, 1950, and 5,480,735,000 cwt. In excess of the output reported for the corresponding period two years ago.

Auto Output Gains Lift Level by 9% Above Combined motor vehicle production in the United States and Canada the past week, according to "Ward's Automotive Re-

Traffic Volume Eases the Past Week A moderate decline in retail sales was reported for the period ended Oct. 13, 1951, from the previous week. The increase in promotion sales held throughout the country was not enough to sustain volume, and the high total reached in the corresponding 1950 week, Dun & Bradstreet, Inc., states in its current summary of trade. 

 Trouble in the corn market was quite active. After early weakness prices firm up and corn prices fell on reports from some of the corn, and from reports from the corn market, indicating how the corn market at the moment. The "corn market" is showing the trend of food prices at the wholesale level.

The wholesale Commodity Price Index Attains Highest Level Since Mid-July Rising sharply toward the close of the week, the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., reached the highest level since mid-July. The index closed at 335.24 on Oct. 8, compared with 302.77 a week earlier, and with 298.25 on the corresponding date of last year.

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Business Failures Continue to Decline Moderately Commercial and industrial failures dipped to 126 in the week ended Oct. 15, 1951, according to the Federal Reserve Bank of St. Louis, Inc., recently. In the fourth consecutive week of decline, casualties were considerably lower than in the corresponding weeks of 1950 and 1949 when 158 and 172 occurred respectively. Remaining far below the level, failures were down 47% from the 1950 total of 227.

Causations involving liabilities of $5,000 or more show a de-

A slight increase, on the other hand, took place among small failures during the week. 

The Index represents the sum total of the price per pound of 31 food products in various cities and is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Attains Highest Level Since Mid-July Rising sharply toward the close of the week, the daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., reached the highest level since mid-July. The index closed at 335.24 on Oct. 8, compared with 302.77 a week earlier, and with 298.25 on the corresponding date of last year.

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

### Indications of Current Business Activity

#### AMERICAN IRON AND STEEL INSTITUTE

<table>
<thead>
<tr>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>104.1</td>
<td>104.8</td>
<td>104.2</td>
<td>104.6</td>
<td>104.7</td>
</tr>
</tbody>
</table>

#### AMERICAN PETROLEUM INSTITUTE

<table>
<thead>
<tr>
<th>Grade and product</th>
<th>Oct. 19</th>
<th>Nov. 19</th>
<th>Dec. 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude oil and by-products</td>
<td>6,272.0</td>
<td>6,359.0</td>
<td>6,398.0</td>
</tr>
<tr>
<td>Gasoline and kerosene</td>
<td>4,041.0</td>
<td>4,037.0</td>
<td>4,056.0</td>
</tr>
<tr>
<td>Distillate fuel oil</td>
<td>2,986.0</td>
<td>2,968.0</td>
<td>2,988.0</td>
</tr>
<tr>
<td>Refinery fuel oil</td>
<td>2,829.0</td>
<td>2,834.0</td>
<td>2,844.0</td>
</tr>
</tbody>
</table>

#### ASSOCIATION OF AMERICAN RAILROADS

<table>
<thead>
<tr>
<th>Service and revenue (amounts of cars)</th>
<th>Oct. 23</th>
<th>Nov. 19</th>
<th>Dec. 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue freight received from connections (amounts of cars)</td>
<td>608,570.0</td>
<td>616,073.0</td>
<td>726,500.0</td>
</tr>
</tbody>
</table>

#### CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-

#### BUREAU OF THE CMPT

<table>
<thead>
<tr>
<th>Department store sales index (1935-39 average = 100)</th>
<th>Oct. 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual sales</td>
<td>338.5</td>
</tr>
</tbody>
</table>

#### ELECTRIC POWER:

<table>
<thead>
<tr>
<th>Electric output (in 1,000 kw.)</th>
<th>Oct. 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of customers</td>
<td>7,132.70</td>
</tr>
</tbody>
</table>

#### ELECTROLYTIC ELECTRIC INSTITUTE:

| Dollar | 1,108.10 |

#### IRON AGE COMPOSITE PRICES:

<table>
<thead>
<tr>
<th>Pig iron (per ton)</th>
<th>Oct. 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 7</td>
<td>42.60</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Nickel hammers</th>
<th>Oct. 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 15.00</td>
<td>Oct. 15.00</td>
</tr>
</tbody>
</table>

#### ORGANIC CHEMICALS:

<table>
<thead>
<tr>
<th>Butyl rubber</th>
<th>Oct. 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 19.00</td>
<td>Oct. 19.00</td>
</tr>
</tbody>
</table>

#### PHARMACEUTICALS:

<table>
<thead>
<tr>
<th>Mitchell</th>
<th>Oct. 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 15.00</td>
<td>Oct. 15.00</td>
</tr>
</tbody>
</table>

#### PHYSICAL TOLL DAILY AVERAGES:

<table>
<thead>
<tr>
<th>New York G.S.</th>
<th>Oct. 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 23</td>
<td>12.00</td>
</tr>
</tbody>
</table>

#### HOOD'S COMMODITY INDEX

| Oct. 23 | 464.8 |

#### NATIONAL PAPERBOARD ASSOCIATION

<table>
<thead>
<tr>
<th>Total sales (tons)</th>
<th>Oct. 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 23</td>
<td>267,300.0</td>
</tr>
</tbody>
</table>

#### OIL, PLANTER AND DRUG REPORTER PRICE INDEX — 1910-1914

| Oct. 15 | 140.3 |

#### STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-

#### LOT BROKERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE—SECURITIES EXCHANGE COMMISSION:

<table>
<thead>
<tr>
<th>Date</th>
<th>Number of shares</th>
<th>Number of brokers (dealers' purchases)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep. 1</td>
<td>91,925.0</td>
<td>33,875.0</td>
</tr>
</tbody>
</table>

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

| Oct. 23 | 149.4 |

#### WHOLESALE PRICE INDEX: THE NEW YORK TIMES:

| Oct. 23 | 200.0 |

### BUILDING CONSTRUCTION

#### USER'S DEPARTMENT OF AGE:

<table>
<thead>
<tr>
<th>New construction</th>
<th>Oct. 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 23</td>
<td>9,425,000.0</td>
</tr>
</tbody>
</table>

#### UNITED STATES GROSS DEBT DIRECT AND

#### GUARANTEED—(At last fiscal year-end): (In millions of dollars)

| Oct. 23 | 2,565,000.0 |

#### GENERAL FUND BALANCES:

| Oct. 23 | 2,565,000.0 |

#### COMPLETED ANNUAL RATES:

| Oct. 23 | 2,565,000.0 |
Securities Now in Registration

New Registrations and Filings

Air Reduction Co., Inc., N. Y. (11/2)
Oct. 10 filed 248,605 shares of cumulative preferred stock of record Nov. 21 at the rate of one share for each 99 shares of preferred stock of record Nov. 21 at the rate of one share for each 99 shares of common stock. Proceeds—To be used for general corporate purposes.

Lawyers Title Insurance Corp., Richmond, Va.
Oct. 16 filed 60,000 shares of capital stock (par $5). Price—$40 per share. Underwriter—None. Proceeds—For expansion and for improvement of manufacturing facilities.

Middle East Industries Corp., N. Y.
Oct. 10 filed 20,000 shares of cumulative preferred stock (par $100) and $9,000,000 of common stock, at par. Proceeds—To purchase of working capital and for real and development of industries in Israel. Office—170 Broadway, New York.

National Plumbing Stores Corp.
Oct. 15 (letter of notification) $135,000 of 20-year $15% preferred stock (par $100) for subscription by stockholders for record Oct. 15, with rights expiring Nov. 10. Price—At $100 per share. Underwriter—None. Proceeds—To retire short term debt and for addition to working capital.

Norfolk & Carolina Telephone & Telegraph Co.
Oct. 11 (letter of notification) 2,000 shares of common stock of record Oct. 15. Price—At $50 per share. Proceeds—To be used for general corporate purposes.

Puritan Life Insurance Co., Providence, R. I.
Oct. 9 (letter of notification) 2,000 shares of capital stock (par $5). Proceeds—To general and for expanding the business.

Reliance Electric & Engineering Co.
Oct. 10 (letter of notification) 71,205 shares of common stock (par $5), to be offered pursuant to options granted under an Employees' Stock Option Plan of the last 48 months. Office—Cleveland, Ohio. Exchange prior to the date on which such options are granted. Proceeds—None. Proceeds—For working capital.

Ridley Mines Holding Co., Maida, N. D.
Oct. 3 (letter of notification) 4,000 shares of common stock. Price—At par ($5 per share). Underwriter—None. Proceeds—To explore mining properties and to develop mine.

Russell Manufacturing Co., Middletown, Conn.

Sunset Telephone Co., Phoenix, Ariz.

1945. Price—To be supplied by amendment. Underwriter—None. Proceeds—For purchase of building and property and for working capital.

Precedings in Registration and Filings

Sept. 12 (letter of notification) 14,840 shares of common stock (par $1), of which 4,840 shares are to be offered to officers and employees of company and 10,000 shares are to be issued at par. Proceeds—To employees, $5,08 per share and to public at $5.30 per share. Underwriter—Stoecklein, Faulkner & Co. and Wm. C. Rosey & Co., both of Detroit, Mich. Proceeds—To acquisition of new building, the selling stockholder.

Arkansas Blue Steel Corp., Columbus, Ohio
Aug. 14 (letter of notification) 40,718 shares of common stock (par $25) to be offered to present stockholders at par. Proceeds—To stockholders, and $1 per share to public. Underwriter—None. Proceeds—For plant improvements and expansion for working capital.

Power & Lumber Co., Inc., Elkhart, Ind.
Oct. 12 (letter of notification) 6,000 shares of common stock (par $3). Price—Maximum, $18 per share; minimum, $15.60 per share. Underwriter—Albert McGann Securities Co., Inc., South Bend, Ind. Proceeds—To State of Indiana's fund.

United Aluminum Co., Chicago, Ill.
March 1, 1944 filed action in Cook County Circuit Court to incorporate under Illinois act of March 20, 1943. Proceeds—None. Proceeds—For purpose of providing stockholders with an additional source of income.

Addison, Chicago, Ill.
Sept. 25 issued to officers and employees 2,000,000 shares of preferred stock (par $100) to be used for the purpose of providing stockholders with the additional source of income.

American Investment Corp., New York
Oct. 16 filed 67,100,000 shares of $1.25 cumulative convertible preferred stock, series A ($25), being offered in exchange for common stock of Domestic Finance Corp., Chicago, Ill. on basis of one American share for each five Domestic common shares; the offer to expire on Oct. 25. Proceeds—For general corporate purposes. Address—c/o J. T. Berry, Nicholas Bldg., Toledo 4, Ohio.

American Steel & Wire Corp., Middletown, Conn.

Burlington Mills Corp., Middletown, Conn.
Sept. 27 filed 200,000 shares of convertible preferred stock (par $100). Price—To be supplied by amendment.

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Index to ADJUSTED ADVERTISERS:

Boat, Yacht & Ship

Boats, Yachts, etc., Costa Mesa, Calif.
Oct. 10 (letter of notification) 300,000 shares of common stock (par $1) to be offered at $1 per share. Underwriter—None. Proceeds—For purchase of building and property and for working capital.

Sept. 12 (letter of notification) 14,840 shares of common stock (par $1), of which 4,840 shares are to be offered to officers and employees of company and 10,000 shares are to be issued at par. Proceeds—To employees, $5.08 per share and to public at $5.30 per share. Underwriter—Stoecklein, Faulkner & Co. and Wm. C. Rosey & Co., both of Detroit, Mich. Proceeds—To acquisition of new building, the selling stockholder.

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American Steel & Wire Corp., Middletown, Conn.

Burlington Mills Corp., Middletown, Conn.
Sept. 27 filed 200,000 shares of convertible preferred stock (par $100). Price—To be supplied by amendment.

Continued on page 38
Continued from page 27

Underwriter—Kidder, Peabody & Co., New York. Proceeds—For additions and improvements to plant and equipment, for working capital, and for general purposes. 

California Tuna Packing Corp., San Diego, Calif. Oct. 4 (letter of notification) $30,000 of 6% convertible preferred stock, par $100, and of 6%, cumulative preferred stock, par $100, $50 each. Proceeds—For working capital and general corporate purposes. 

Walter, White & Co., Kansas City, Mo. Proceeds—For general corporate purposes. 


Foggas Shale Gas Concentrate Cooperative (Fla.) June 29 filed 453 shares of class A common stock (par $1), $3,685; and 3,566 shares of class C common stock (par $100), cumulative, beginning three years from July 10, 1500; 9000 shares of 4% cumulative preferred stock, par $100; 4,500 shares of 4% cumulative preferred stock, par $50; and, 4,500 shares of 4% revolving bond lines, par $100. Underwriter—None. Proceeds—To construct and equip freezing concentration plant at Foggas, Ala.

General Acceptance Corp. (10/25) Sept. 28 filed $3,000,000 10-year 3% sinking fund debentures, par $100, due Sept. 28, 1957. Underwriter—None. Proceeds—To finance working capital needs.

Glen-Gery Shale Brick Co. (10/23) Sept. 28 filed $2,000,000 first mortgage bonds, 5% due Oct. 1, 1983, and $1,000,000 from preferred stock, par $10, to be offered to stockholders of common stock. Price—To be supplied by amendment. Underwriter—Paine, Webber, Jackson & Curtis, New York. Proceeds—to finance working capital needs.

Goldcoa Mines Ltd., Montreal, Canada Sept. 1 (letter of notification) 55,000 shares of common stock, par $1. Proceeds—To acquire additional properties and for general corporate purposes.

Goodall-Rubber Co., Texas At least 12,500 shares of preferred stock, par $25, to be offered to stockholders of common stock. Price—To be supplied by amendment. Underwriter—Kidder, Peabody & Co., New York. Proceeds—to improve and expand the company's facilities.

Goodall-Sanford, Inc. (10/6) Oct. 5 filed 80,000 shares of preferred stock (par $50) to be offered to stockholders of common stock. Price—To be supplied by amendment. Underwriter—Kidder, Peabody & Co., New York. Proceeds—to improve and expand the company's facilities.

Grand Union Co., New York Aug. 7 filed 64,000 shares of common stock (par $10) to be offered to stockholders of common stock. Price—To be supplied by amendment. Underwriter—Kidder, Peabody & Co., New York. Proceeds—to improve and expand the company's facilities.


Herff Jones Co., Indianapolis, Ind. Sept. 10 (letter of notification) 10,000 shares of preferred stock of class A (par five cents). Price—at the market or less (approximately $30 per share). Underwriter—First Boston Corp., New York City. Proceeds—To be offered to employees.

Hex Foods, Inc., Kansas City, Mo. Aug. 1 (letter of notification) 69 shares of preferred stock of 6% cumulative, par $100. Proceeds—to retire approximate $10,000 of preferred and one share of common stock. Price—$5 per unit ($50 for preferred and $100 for common stock). Underwriter—None. Proceeds—for development and promotion expenses.


Key Oil & Gas Co., Ltd., Calgary, Canada Oct. 5 (filed) 500,000 shares of common stock (no par). Proceeds—to finance investments and to purchase capital equipment.


Long Island Lighting Co. (10/24) Oct. 5 filed 102,424 shares of 4% cumulative convertable preferred stock, par $100, $50 each. Proceeds—to raise 15,424 shares of 4% cumulative preferred stock, par $100, $50 each. Proceeds—to purchase equipment under lease agreements.

Louisville (Ky.) Gas & Electric Co. Sept. 29 filed 125,000 shares of common stock (par $1). Proceeds—to pay off bank loans and for construction programs.


NEW ISSUE CALENDAR

October 19, 1951
Aluminum List Corp. .......... Common
American Yacht Club ........ Debentures
Derby Gas & Electric Corp. .... Common
Wisconsin Michigan Power Co. . 11 a.m. (EST) Bonds

October 22, 1951
Dresser Industries, Inc. ....... Common
General Fuel Corp. .......... Debentures
U. S. Vitamin Corp. .......... Common

October 23, 1951
Glen-Gery Shale Brick Corp. .... Bonds
Touraine Apartments, Inc. .... Common

October 24, 1951
Iowa Southern Railway Co. .... Common
Long Island Lighting Co. ....... Fld. & Com
Marasco Oil Exploration Corp. .... Common
Pacific Gas & Electric Co. .... Preferred

October 25, 1951
Continental Can Co., Inc. ........ Debs. & Pfd
General Acceptance Corp. ..... Debentures
Kimberly-Clark Corp. .......... Preferred
Shellman Products Corp. ....... Preferred

October 26, 1951
Goodall-Sanford, Inc. .......... Preference

October 29, 1951
Sharon Steel Corp. ......... Common
Utah Power & Light Co. ....... Preferred

October 30, 1951
Commonwealth Edison Co. ...... Preferred
Palmolive Co. ......... Common
Ohio Power Co. 11 a.m. (EST) Bonds & Notes

October 31, 1951
Allegheny Ludlum Corp. ....... Preferred
Ritchie Associates Finance Corp. .... Debentures

November 2, 1951
Air Reduction Co., Inc. ....... Preferred

November 4, 1951
California Water, Gas & Electric Co. .... Common
Southwestern States Telephone Co. .... Common

November 5, 1951
Rockland Light & Power Co. 11 a.m. (EST) ... Bonds

November 8, 1951
Federic-Quigan Corp. ......... Preferred

November 13, 1951
Parker Pen Co. .............. Common

November 14, 1951
Florida Power & Light Co. noon (EST) .... Bonds

November 15, 1951
Silver Buckle Corp. .......... Common
Metals & Chemicals Corp. .... Common

November 20, 1951
Gulf States Utilities Co. ....... Debts & Stock

November 27, 1951
Erie RR. .................. Equip. Trust Co.

December 10, 1951
Virginia Electric Co. ......... Bonds


Sept. 24 (letter of notification) 12,500 shares of common stock and $25,000 in debentures. Price—At par ($10 per share for stock and notes in units of $500 each.
Underwriter—None. Proceeds—To erect parking facility.
Office.—1002 Warm Springs Avenue, Boise, Idaho.

Peabody Coal Co.

March 26 filed 180,000 shares of 5% preferred stock (par $25). Price.—To be supplied by amendment.
Underwriter—Byth & Co., Inc. Proceeds—To finance, in part, the purchase of a second first preferred property (par $25). Price.—To be supplied by amendment.

Phoenix Campbell Corp., N. Y.

Feb. 20 filed 30,000 shares of common stock (par $1) and 100,000 warrants. Of the 203,000 shares, 100,000 will be reserved against future issues by the company. 3,000 shares have been allotted to the promoters. Price.—For stock, $10 per share; for warrants, 5 cents each.
Underwriter—F. H. Collins & Co., New York. Proceeds—To acquire an interest in so-called "special situations" and for working capital.

Pittsburgh Plate Glass Co.

July 26 filed 550,000 shares of common stock (par $10) to be offered to certain officers, directors and employees of subsidiary under a stock option plan. Price.—At an over-the-counter basis, subject to change at time options are granted. Underwriter—None.

Prugh Petroleum Co., Tulsa, Okla.

Sept. 25 (letter of notification) 69,000 shares of common stock being offered for sale by Prugh Petroleum Co. on the New York stock exchange on or before Oct. 1, on a basis of any number of shares not to exceed present holdings; rights to be issued. Underwriter—None, but Prugh, Combet & Land, Inc., Kansas City, Mo., will act as selling manager. Proceeds—To purchase additional stock and retire indebtedness. Office.—907 Kennedy Bldg., Tulsa 3, Okla.

Pucho Development, Inc., Albuquerque, N. M.

Sept. 29 (letter of notification) 50,000 shares of common stock for sale by Pucho Development, Inc. for the period Oct. 1-31, 1955 at rate of one share of Pucho Development for each Public Service common share owned (based on 1 share of Pucho Development for 1 share of Common). Underwriter—None. Proceeds—To be used by Public Service in general business. Price.—To be determined by market. Statement effective Oct. 11.

Public Service Co. of Indiana, Inc.


Public Service Electric & Gas Co. of New York, N. Y.


Ritchie Associates Finance Corp. (11/1)


Robbins Mills, Inc., New York


Rockland Light & Power Co. (11/7)

Sept. 22 filed underwriting of 30,000 shares of common stock by 250,000 shares of debenture stock, series D, due 1951. Underwriter—To be determined by competitive bidding. Probable underwriters: Hall, Stuart & Co.; Morgan Stanley & Co.; First Boston Corp.; Glore, Forgan & Co.; White Weld & Co. and Union Securities Corp. (jointly); Harriman Riplei & Co.; and Webster Securities Corp. (jointly); Equitable Securities Corp.; Kuhn, Loeb & Co. Proceeds—To be applied to development and expansion, and long-term improvement projects; may be determined by competitive bidding. Proceeds—To be supplied by amendment. Office.—123 Wall St., New York City.

Rocky Mountain Mining Co., Wallace, Ida. (11/15)


Romar Products Co., New York, N. Y. (10/29)


Scrip Mercantile Co., Great Falls, Mont. (10/1)

Oct. 9 filed 100,000 shares of cumulative preferred stock (par $100), convertible into 2,000,000 shares of common stock. Officers—To be elected by the holders of the common stock. Proceeds—For construction and operating capital for a proposed television station.

Silver Buckle Mining Co., Wallace, Ida. (11/15)


Snoose Mining Co., Hailey, Idaho

July 19 (letter of notification) 1,000,000 shares of common stock (par $1). Price.—$1 per share. Underwriter—E. W. McRoberts & Co., Twin Falls, Ida. Proceeds—To retire 4% preferred stock and for additional corporate purposes.

Skyway Broadcasting Co., Inc., Ashville, N. C.

Sept. 10 (letter of notification) 6,000 shares of common stock (par $1), convertible into 12,000 shares of preferred stock (par $25). Officers—Elected by the holders of the common stock. Proceeds—For construction and operating capital for a proposed television station.

Southwestern Associated Telephone Co.


Phoenix Campbell Corp., New York

Underwriter—F. H. Collins & Co., New York. Proceeds—To acquire an interest in so-called "special situations" and for working capital.

Continued on page 40
Prospective Offerings

- Abbott Laboratories
  - Oct. 11 it was announced stockholders will vote Nov. 13 on a proposed amendment to the Articles of Incorporation related to a potential convertible preferred stock offering (par $100, convertible to $10 common stock at the rate of 1 preferred share for 10 common shares held). Interest—None. Proceeds—For expansion.

American Consolidated Freightways
  - Sept. 14 Hidey Company has announced that it will shortly be a public offering of about 100,000 shares of common stock.

Atlantic Coast Line RR
  - Sept. 14, 1946, the company will make its first mortgage bond due 1946, $10,000,000, $5,000 series. Interest—None. Proceeds—For expansion program.

Atlantic Electric Co., Inc.
  - Oct. 10 it was reported company plans in November to offer 200,000 shares of common stock, which will be offered by competitive bidding. Proceeds—To be used for expansion.

Central Maine Power Co.
  - Oct. 5 company sought SEC authority to issue and sell up to 100,000 shares of common stock for subscription by New England Electric System member companies and others. Proceeds—To be used for expansion of affiliate companies.

Chicago & Western Indiana RR
  - June 2 it was reported company expects to file in the near future a registration statement with the SEC covering an offering of 1,000,000 shares of common stock (par $100) following merger, which will be voted upon Sept. 4, into Atlantic Electric Co., Ltd., a subsidiary of Atlantic Electric Co., Ltd. (an affiliate of Pacific Petroleum) and Allied Oil Producers, Ltd. Interest—None. Proceeds—For expansion.

Central States Steel Co.
  - Sept. 6, 1946, the company reported it will issue 7,000,000 shares of common stock at $10 per share. Interest—None. Proceeds—For expansion.

Consolidated Edison Co. of New York, Inc.
  - March 30, 1946, the company has announced it will offer an additional mortgage bond due 1946, $10,000,000, $5,000 series. Interest—None. Proceeds—For expansion.

Consolidated Gas Co. of New York, Inc.
  - Proposed offering of additional mortgage bond due 1946, $10,000,000, $5,000 series. Interest—None. Proceeds—For expansion.

Consolidated Gas Co. of New York, Inc.
  - Sept. 14, 1945, the company will make an offering of an additional mortgage bond due 1946, $10,000,000, $5,000 series. Interest—None. Proceeds—For expansion.

Cotton Beverage Corp., New York, Conn.
  - April 27, 1946, the company announced an offering of 30,000 shares of preferred stock (par $10), each share to carry a bonus of common stock. Underwriter—None. Proceeds—For expansion program.

Diamond Alkali Co.
  - Reported company is planning some new financing in connection with purchase of additional coal ash and fertilizer plants and to refund outstanding bonds. Traditional underwriter: The First Boston Corp. Interest—None. Proceeds—To refund outstanding bonds.

Doebenoom Co.
  - Sept. 14, 1946, the company announced it may probably offer in November or December 90,000 additional shares of common stock. Underwriter—Probably Bluth & Co., Inc. Interest—None. Proceeds—For expansion.

Eastern Stainless Steel Corp.
  - Oct. 25, 1946, the company will offer 200,000 additional shares of common stock at approximately $10 per share, of which 50,000 shares will be reserved for underwriters and 150,000 shares will be sold to the public. Interest—None. Proceeds—For expansion.

El Paso Natural Gas Co.
  - Sept. 18 stockholders approved an increase in the number of authorized shares of common stock from 180,000 to 200,000 shares, the second preferred stock from 200,000 to 250,000 shares and the second series A preferred stock from 5,000,000 shares; also authorized an increase in the aggregate principal amount of bonds issuable under indentures to $25,000,000. Interest—From September 15, 1946, to $157,000,000, to $300,000,000. Traditional underwriter—William Halsey Stuart & Co., Inc. Interest—None. Proceeds—For working capital.

Erie RR. (11/27)
  - Oct. 8 it was announced that company is considering a prospective offering of $50,000,000 of common stock and preferred stock, maturing semi-annually for a 10-year period, in connection with the issuance of capital for the construction of new diesel locomotives and gondola cars to cost about $6,900,000. Probable underwriters: Haleys, Stuart & Co.; Salomon Brothers & Co.; Merrill Lynch, Pierce, Fenner & Beane; and W. E. Weld & Co. Interest—None. Proceeds—To sell new common and preferred stock.

Fedders-Quigan Corp. (11/8)
  - Oct. 4 it was reported company plans issue and sale of 1,000,000 additional shares of common stock. Interest—None. Proceeds—For working capital.

Granite City Steel Co.
  - Sept. 10 company announced plans to offer to stockholders for subscription, the latter part of which will be offered for subscription by the public. Interest—None. Proceeds—For working capital.

Halifax & Atlantic RR
  - Sept. 26, 1946, the company reported plans to offer an additional mortgage bond due 1947, $12,500,000, $5,000 series. Interest—None. Proceeds—For expansion.

Hahn Aviation Products, Inc.
  - Aug. 24 it was announced the company will offer 20,000 shares (par $1), at a price of $10 per share, to be sold to individuals and corporate interests. Proceeds—To be used for working capital.

Illinois Bell Telephone Co.
  - June 27 W. V. Kahler, President, announced that this company expects to file a registration statement with the SEC for a public offering of 7,000,000 shares of capital stock to its stockholders. Underwriter—None. Proceeds—To repay short-term loans and refinance some of company's notes payable. Underwriter—None. Proceeds—For working capital.
The text from the image is not clearly visible or legible due to the nature of the image. It appears to contain multiple fragments of text, possibly from various articles or paragraphs, without a clear context or topic. The content seems to be a mix of financial and business-related information, possibly including stock prices, company names, and financial values, but without a coherent structure or context to provide a meaningful summary or answer. Given the nature of the text, it is not possible to accurately transcribe or interpret its content.
Your Stake in American Business

By ROGER W. BARSON

Mr. Babson, commenting on troubles of remodeling houses, ads: "(1) check carefully the terms of the contract; (2) watch carefully quality of work done; and (3) insist on good reputation of workmen. Says remodeling old houses may be good investment, but "investigate before you buy.""

A friend of mine recently purchased an old 18-room mansion which he is converting into a apartment. Some very interesting observations can be made on that jobbing right now. It is a present-day work. Mr. Babson believes the writer to be an expert, and he tells me that this is the time to buy old houses on old conditions, especially as the best of houses always deteriorate through the land increases in value.

Use Contracts and Read Them

My friend's house is in an area where skilled craftsmen should be available. Some of his jobs have been reasonably well done at an hourly rate. All the workmen were highly paid. The price was not the important factor, few really looked. Certainly, don't start a remodeling job today except by having your contracts before signing or else employ an architect.

The card of the painter which my friend employed read: "The house painting men have been working since 1900."

Are Craftsmen Gone?

The paperhanger said: "Choose plain paper, particularly for the hall; it's easier to match and more dependable. The old commercial paper had the paper in the warehouse."

Does the product of the firm go to the house owner?"

Mr. Babson commented on the question of "can't make a contract so as to know your rights. When buying hardware today ask for goods made before June 1, 1930, because it's almost then since they have been losing ground.

Is Remodeling a Good Investment?

A friend of mine, who is an architect, is working on a small house will cost; you can also learn from real estate agents how much rent you can expect.

Then figure what you will get on your investment. This could be over 100% annually to cover remodeling cost. You may have to keep the business in a building."

Join Leoni & Co.

(Roger W. Babson is a founding member of the American Institute of Real Estate.)

Raymond Storb Opens

BROOKLYN, N. Y. — Raymond Storb, who operates the Remington real estate investment business from offices at 100 Lenox Ave., New York, was previously President of Storb Co., Inc. of New York.

James Marino Opens

HILLCREST, N. Y. — James J. Marino is engaging in the securities business from offices at 25 Everett Street.

Walter T. Rosen

Walter T. Rosen, senior partner of Ladenburg, Thalmann & Co., New York City, passed away Oct. 17 at the age of 73.

Paul Lee Co. Opens

RICHMOND HILL, N. Y. — Paul B. Lee has formed The Paul B. Lee Company with offices at 109th Street to 10th Street in the securities business.
Burroughs

Burroughs Corporation

25th and 26th CONSECUTIVE CASH DIVIDEND

A quarterly dividend of twenty cents ($0.20) per share and an extra dividend of ten cents ($0.10) per share was declared upon the stock of BURROUGHS CORPORATION, payable Dec. 10, 1951, to shareholders of record at the close of business Nov. 9, 1951.

DETROIT, Michigan Sheldon F. Hall, December 15, 1951, President

Burroughs Division

DIVIDEND NOTICES COLUMBIA PICTURES CORPORATION

The Board of Directors at a meeting held October 11, 1951, declared a quarterly dividend of 31 1/2c per share on the Common Stock, payable November 15, 1951, to holders of record October 29, 1951.

W. B. BELL, President

DIVIDEND NOTICES

The Board of Directors of the Company, both payable November 15, 1951, to holders of record November 2, 1951.

JOHN M. BURROUGHS

President

DIVIDEND NOTICES

The Board of Directors of the Company, both payable November 15, 1951, to holders of record October 29, 1951.

A. B. NEVILL, Treasurer

DIVIDEND NOTICES

Gould National Bank, 35c per share, payable November 15, 1951, to shareholders of record October 19, 1951.

A. B. DAGGETT

President

DIVIDEND NOTICES

The Board of Directors declared an initial quarterly dividend of 31 1/2c per share on the Common Stock, payable November 15, 1951, to holders of record October 29, 1951.

JOHN M. BURROUGHS

President
WASHINGTON, D.C.—Defense production is doing well, and it is developing more rapidly than everybody had hoped, but money and you take your choice—or at least, such an interpretation of the field's current na-

tionals as for instance the automotive industry and its associated equipment manufacturers. With the demand for military equipment increasing, the automobile industry is finding itself thrust into a new and challenging role. The military has been a major factor in the growth of the industry, providing jobs and stimulating production.

The military's growing need for automobiles has led to increased demand for parts and accessories, such as tires, engines, and transmissions. This has been further compounded by the rise in consumer demand for cars and trucks. The industry has responded by expanding its capacity and introducing new models to meet the changing needs of consumers.

In addition to the increased demand for cars and trucks, the military has also been a major customer for the automotive industry, with a significant portion of production dedicated to defense contracts. This has led to increased investment in research and development, as the industry strives to meet the high standards demanded by the military.

Looking ahead, the future of the automotive industry is uncertain. While the military's continued need for vehicles will provide a strong base of demand, the industry must also adapt to changes in consumer preferences and the increasing need for fuel-efficient vehicles.

Nevertheless, the automotive industry remains a vital part of the economy, providing jobs and contributing to the nation's prosperity. As the industry continues to evolve, it will be important to ensure that it remains competitive and meets the needs of both the military and the consumer market.