Price Bargaining Now a Legal Hazard to Buyers

By H. THOMAS AUSTERN*

Covington & Burling, Attorneys, Washington, D. C.

Warning recent rulings of Federal Trade Commission and the courts saddle industrial buyers with burdens of proving they are not getting a lower price than other customers through coercion or collusion, Washington attorney says danger is that of making price bargaining a "legal hazard." Says ruling will foster a "one price economy," unless U. S. Supreme Court decides against this interpretation of the Robinson-Patman Act.

Even an invited legal intrusion into your Convention program warrants some explanation. The reason lies not with your Association but with the Federal Trade Commission. For during the just past year the Commission has prevailcd upon at least one court to adopt a new rule that may well make lawyers and law-breakers out of each of you. Even recognizing that those two categories are not always mutually exclusive. I have been asked briefly to unfold that very unhappy prospect.

You will recall that back in 1936 when the Robinson-Patman Act was passed, few businessmen appreciated its coverage. It had been expected t hrough Congress by wholesale grocers. Some thought it limited to the grocery trade. Others believed it would have impact only on the pricing of goods sold in finished form for direct resale.

Though at the time few people realized it, the Robinson-Patman Act also included a short provision on the buyer's responsibility for taking an illegal price. This was considered, however, to be of very minor importance. It Continued on page 28

*An address by Mr. Austern before the 27th Annual International Convention of the National Association of Purchasing Agents, Atlantic City, N. J., May 27, 1952.

Electronics: Promise Has Become a Reality

By DR. W. R. G. BAKER*

Vice-President and General Manager, Electronics Division, General Electric Company

In speaking of future of electronics, Mr. Baker warns it will not render as inexcusable in war, but will give us edge of superiority. Stresses complexity of electronic mechanism as handicap, but sees electronics as device for greater industrial productivity through "automation." Lists as factors hastening use of electronics are: (1) its value in meeting foreign aggression; (2) its effect in raising living standards; (3) its value in reducing production costs and (4) in increasing number of highly skilled workers, thus adding to nation's purchasing power.

For some years a favorite topic for speeches by anyone connected with the electronics industry has been the "electronic revolution." In the immediate postwar period the Sunday supplements were filled with promises of a "bright new world." There is some evidence now that the public at large has grown weary of holding its breath as well as the strings to its purse, waiting for the futures to turn into reality.

The public is getting along with ranges that cook with just plain old-fashioned electricity instead of the higher frequency radio waves, or doorbells that you have to push with your finger instead of being welcomed by read-speakers when your approach is sensed by microwaves, or telephones you have to answer in the old-fashioned way instead of by a device which tells the caller that you've gone across the street to visit the Joneses. I imagine that to the man in the street this means that the electronic rev¬olution still is around the corner but we are surrounded Continued on page 27

In NEXT WEEK'S ISSUE The "Chronicle" of June 12 will feature proceedings of the Edison Electric Institute Convention in Cleveland, and contain candid pictures taken at Bond Club of New York sitting on June 6.
The Security I Like Best

A continuous forum in which, each week, a different group of experts in the field will forum on all sections of the country participate and give their reasons for favoring particular securities.

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

ALVIN O. CRABBE
Director of Investment Research,
Joseph E. Gordon
Members, New York Stock Exchange
Phelps Dodge Corp. (common)

When you act upon the stock of a producing company an economic evaluation is essential; a production chart showing the copper reserves in a mine is in itself a misleading picture of the company's future earnings. Phelps Dodge has had a long and steady record of affairs and has reported a steady increase in profits. The company is well managed and its stocks are available at a reasonable price. We consider them a must buy.

Alvin O. Crabbe

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OVER-THE-COUNTER

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Provision made today's issue for additional comments on

J. Reuben Clark's article in which former Undersecretary of

State to Mexico criticized a policy of

alliances with European powers, including membership in the

United Nations, as main cause of diminishing sovereignty of the

United States. Speaking American foreign policy from days of

Washington and Jefferson, Mr. Clark argued that departure

from our original policy of isolationism was responsible for

our involvement in European conflicts.

In our issue of May 29, on page 3, we printed a number of

letters received in connection

with Mr. Clark's views expressed by J. Reuben Clark, Jr. in the

article "Our Dwinding Sovereignty" which appeared on the

cover page of the "Chronicle" of May 3. We are as a result

to accommodate today some of the additional communications

that have come to hand and these are given further below.

Relative to Mr. Clark's paper, it may be noted that the

former Undersecretary of State and Am-

bassador to Mexico, and pre-

sently Director of the Equitable Life

Assurance Society of West-

ern Pacific Railroad Co.

company, evidently favors a non-entanglement in

European affairs initiated by Washington

and added by during the first

century and a quarter of our history,

made possible the great development of America—politi-

cally as well as economically.

Conversely, he asserted, we would never have

achieved our pre-eminent status under the policies—domestic

and foreign—which dominate us.

Actually, said Mr. Clark, the departure from our

former policies of isolation and

entanglement from entangling alliances caused

our involvement in Euro-

pean conflicts and is responsible

for our constantly dimin-

ishing sovereignty.

As previously noted, the "Chronicle" has received many

letters commenting on the views expressed by Mr. Clark, of

which some were given in the May 30th issue. Additional communi-

ications follow:

EDWARD M. POOLEY

Editor, El Paso Herald-Post

I was very much interested in Mr. Clark's speech on "Our Dwinding Sovereignty" and was very much in agreement with it. I wish I could be an isolationist like Mr. Clark, but I do not see how an American can be while the world is in its present condi-

tion.

I wish Mr. Clark had said something as to what and why he thinks it is possible to be an isolationist with Russia on the

march.

Like him, I have about given all hope for the United

States. It is a sort of madness and I never expect it to accomplish anything.

ERNEST T. WEIR

Chairman of the Board, National Steel Corporation

I have read Mr. Clark's article with great care, and believe the principles set forth by him are entitled to the very serious con-

sideration of all thinking people in this country. That we have gone to an extreme in disentan-

gling money throughout the world for various re-

poses, and entirely unjustif-

ied by any of our own financial resources, I think is be-

coming more evident all the time. Those in authority in our Administration, and who have been conducting our foreign affairs, of course, ap-

pear to feel there is no limit to our ability to finance any move-

ment in theavored effort to pre-

vent the spread of communism and

through the use of money. Personally, I believe that we can

bankrupt ourselves and still fall far short of the intended purpose.

I hope you will print a copy of Mr. Clark's statement to each member of Congress, as I feel it forces the question of how far we should go in financing the balance of the world is now a matter of great discussion there.

SMITH W. STOREY

President, General Portland

Concrete Company

I enjoyed Mr. Clark's comments and believe that he has done a good job in expressing his obser-

vations. Certainly I agree with him that our country is losing many of the characteristics which made it a great nation, and cer-

tainly I agree with him that our nation today needs men of great vision and of great patriotism.

Continued on page 34

E. B.

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The Industrial Market
And Price Outlook

By Robert C. Swanton*
Director of Purchases, Winchester Repeating Arms Co.
Chairman, Business Survey Committee, National Association of Purchasing Agents.

Mr. Swanton reports, on basis of recent monthly surveys of N.A.P.A., Business Survey Committee, falling volume of back orders, sagging commodity prices, and gradually lowered inventories. Says buying policies of purchasing agents are on restrictive basis, with view to earning "buying money" for their customers.

I wish it were possible for me to speak of the outlook for industrial and price outlook, but that is not in the cards, and it is not now nor has it ever been in the traditions of the 200 or so colleagues comprising the Business Survey Committee of the National Association of Purchasing Agents.

The privilege of speaking to you, until now, the statistics, comments and policies reported by these men have clearly shown a slight over-all recessional trend from the peaks of the Korean war scare.

I wish, too, that I could have the vision to cut through the confusion created by our many suppliers, controllers and stabilizers in shipping their goods under the guise of controlling inflation and profiting for a defense program reduced to take but a small percentage of our gross national product.

To point up the factors that support the trend of industrial business decline, let's look at the record, as Al Smith used to say.

In May of last year our Survey Committee reported with production declines. This May the drop is half as many as a year ago, and it is almost the same percentage of the outgoing of defense orders over the year ago. But this time it is a small production pickup.

In May of 1951, 30 per cent reported falling back orders, and declines have exceeded increases an average of 14 per cent.

*An address by Mr. Swanton before the 37th Annual International Convention of the National Association of Purchasing Agents, Atlantic City, May 30, 1952.

Mulligan in Trading Dept. of Goodbody

In the "Financial Chronicle" of May 1, Mr. John Mulligan, head of the Goodbody & Co., 115 Broadway, New York City, members of the New York Stock Exchange, it was stated that Mr. Mulligan would act as manager of the firm's trading department in the event of a strike or lockout, in error, as Mr. Mulligan is joining Goodbody & Co.'s trading staff.

Harold Allen Receives
Honorary Degree

TIFHAC, N. Y.—Harold Allen, President of Goodbody & Co., underwriting investment corporation, 30 Broadway, New York City, was awarded the Doctor of Laws degree by Ithaca College at its 57th commencement Saturday.

Two With Coho C.

Joseph Leob, Jr. and Stanley H. Perlman, both investment analysts with Coho & Co., 1 Wall Street, New York City, members of the New York Stock Exchange, were elected to the board of trustees.

Jerome Katzin to
Direct SEC Division

Chairman Donald C. Cook of the Securities and Exchange Commission has announced the appointment of Jerome Katzin, now a member of the Division of Corporation Finance, to direct the SEC Division of Public Utilities, succeeding Morley Rice, who has retired.

Kiddie, Peabody Co.

Costs Commercial.

The Mutual Funds department of Kiddie, Peabody and Company, investment brokers, is testing a series of programs via WGN-FM, New York.

Their program is called "Your Money at Work" on WOR, Sundays, has been extended through the month of July. The program is now being aired also on WHDH Boston, and WGN, Chicago.

Doromus and Company, New York, is the agency.

Irving Weis Co. to be
NYSE Member Firm.

Irving Weis, 257 East Beaver Street, New York City, member of the New York Stock Exchange, will become members of the New York Stock Exchange. Mr. Weis has in the firm, a member of the New York Stock Exchange, future commitments which have been the predominant trends for several months.

Rusty Tins in Sky

So far, I have said nothing optimistic about the financial and price outlook. I have not tried to be deliberately pessimistic either. Perhaps I could be more optimistic in the business sky if we consider these facts:

(1) This year-long trend to lower prices has activity come with very little discrimination — no sharp, drastic plunge toward a new low, but a slow, steady decline. Despite all the ballyhoo of last year that the bogey man of recession is at hand, we have been traveling on a deflation line.

(2) Two of the most important and significant facts was the falling price trend. It will be noted that 87 per cent of the purchasing agents questioned would favor a complete elimination or modification of price and material control, even with the elimination and 20% for modification of a simple priority system to cover direct defense needs. I hasten to add that the great majority of the purchasing agents have the opinion that your industries would be better off if we could return to the "give and take" of free competitive markets, and that opinion must be respected. There appears to be no question that the trend of our industrial capacity and the speed with which additional capacities could be created.

(3) The trend of the index is down, 59% of all business materials are reported falling in price, and the price movement will be sidewise recession. There will be a downward trend if all housing starts are made to proceed.

(4) The forecasts in general are rather optimistic as industrial business conditions fall into two categories as to time. 55% could not venture beyond the third quarter. 45% would go as far as the fourth quarter. 32% expect the short-term bracket, 32% expected price increases in the second quarter — 26% no change — and 26% expected definite price declines during the period. These forecasts indicate a rather sluggish market.

The trend that financing for the longer term is becoming more optimistic. 25% look for new sales. 15% expect to see change up or down. 20% are thinking in terms of declining activity for the rest of the year. Combining the figures of the short- and long-term forecasts we soften up the third quarter picture a bit, going the two-thirds in a range of one to two months, and one-third in a decline nearer to one month.

It is important to note that the sales increase from now until the end of the year. This means that the forecasts do, I think, support the jaundiced view of the industrial market. The policies of inventory reduction, the trend toward the longer term on the part of all organizations, and the expectation of more and more semi-final goods, will be a new direction that will help in making the recovery.
Continuing the advance of recent weeks, total industrial output was reported to have remained in the 6th to 7th weeks of the past period. It held close to the level of a year ago, but was approximately 10% below the rate in World War II. Defense production rose steadily and material shortages were much less than before mid-year.

Claims for unemployment insurance benefits continued to be moderately higher than the year before.

The President of the United States Supreme Court ruled 6 to 3 that the Government's seizure of the steel industry on April 9, last, was unconstitutional. Immediately following the decision, Philip Murray, head of the Steel and Tubing, and Union,; ordered the workers to strike. Thus far, it is the second steel strike since World War II.

The steel industry took measures to end the strike with the union by calling a meeting of executives in New York on Wednesday to discuss the current situation.

As to the effects of the strike on the country's economy, manufacturing industries should not be hurt too badly if the steel strike doesn't last more than two or three weeks, according to "The Iron Age," national metalworking weekly. Steel consumers' inventories generally range between 30 and 45 days supply of raw material. Extensive manufacturing cutbacks are not expected for at least two or three weeks, but if the strike should last more than a month, manufacturers' cutback announcements would start coming quickly, states this trade and industry periodical.

The automotive industry appears to have enough steel on hand for about four or five weeks' production, but it might be necessary to curtail production if the strike continues for a month or more. Some of their parts suppliers may be hard hit by the strike, for although today's supply is about 5% of normal," the highest they've been for many months.

Some consumers are displaying real lethargy with quick purchase of steel products shoddy to a small degree. The cutback in steel items are carbon bars, heavy plates and structural forgings, sometimes leading to large and damaging cutbacks in manufacturing operations. The Communications Board agrees that there's no longer a need for the tremendous steel cutbacks that started during the strike, declares this trade journal.

The strike procedure in a fairly orderly manner with pickets surrounding some Midwest steel mills minutes after the Supreme Court decision was made public. Late afternoon after the Court announcement Philip Murray, President of the United Steel Workers, issued the strike call. He directed local unions to provide work stoppage lists, and instructed local work stoppage lists, and instructed local officials to see that the strike was carried out in a. proper manner. As a result, the strike was called off.

Steel Output Scheduled to Decline Sharply on Steel Strike

Uncertainty is mounting in the steel markets as the midyear approach is near and many mill executives are looking toward the third quarter. The pulling and hauling attending the play of opposing factors in a highly sensitive economy are making for indecision in business circles on a widening scale. This is being translated into increasing buying hesitation, even order cancellations, and accompanied by the loss of confidence in the future of the steel industry.

The Supreme Court's delay in ruling on the legality of President Truman's steel plant seizure in the wage-price dispute, this periodical said, was a potent force for caution in determining current business trends.

Continuing, it stated that in existing circumstances the mixed sentiment among steel consumers was understandable. Labor trouble following the Supreme Court's ruling in the steel plant seizure case has already forced some major steel producers to curtail their output. As carbon bars, sheet bars and producers of such major steel products as merchant bars, sheet bars and wire rods will be forced to cut back in production.

Continued on page 33

ANTI-SOVET EFFECTIVENESS

By A. WILFRED MAY

This is the eighth in a series of articles by Mr. May following his attendance at the International Economic Conference in Moscow, where he covered meetings for the Kansas City Star.

What attitude shall we follow in combating the Soviet offensive in the political and economic spheres? Shall we act in a so-called "international" mold and put our leaders into a self-appointed, dithyrambic band of internationalists? Shall we state our policies and state our structure about our house in neutral terms? Shall we, in our speeches and writings, depict the industrial, political, philosophical, and behavioral phases of our behavior abroad? In short, shall we be as situate as the "homelands"?

"Americanism is too often associated merely with the production of goods, but with the forces of repression," says Mr. May (at a commencement address at the University of Wisconsin (June 2)). And, continuing the judgment: "We must choose between a Britishness in Persia, on the one hand, and a democracy, who, true to democratic tradition, leads the fight against British exploitation and death on the other, we must support."

But, our activities only, the whole political context for men's hands. And, lastly, on the question of political struggle in the Middle East and in France Mr. May says:

This specific quotation, and the "liberal" philosophy underlying it overlooks the fact that in this realistic atomic world we may well be blown off the face of the earth while "contesting for men's hearts.

Ridicule vs. the Kremlin's

On the other hand, the instructions given by the Kremlin have been the object of ridicule against the Russians in some quarters here. Thus, one of our most recent and important and widely covered of the recent Internationale conferences was held in Moscow this month, publishes a highly amusing article on this subject. The article, however, is directed against the undignified attitudes of the Kremlin. The article, published in a major American newspaper, states that the Kremlin's emphasis, of American newspapers, states that the Soviet Union is not ranked among the great powers of the world. In the newspaper, the author says that the Soviet Union is not ranked among the great powers of the world. The article, however, is directed against the undignified attitude of the Kremlin.

"The picture of the world—Africa, Asia, Latin America—received more capital goods from the United States in 1951 than it did, not only before Korea, but than it did in 1950. Specifically naming the categories of goods, Mr. Lubin cited figures to show that during the last half of the '50s, shipments to Latin America increased by 44% over the preceding year, a period during which our shipments to Africa were 34% greater. And, in that the cut-off of shipments to China pursues a pattern similar to that of the major capital goods to the countries in Asia in a whole were at a rate 25% below normal, but that these shipments were below normal, but that these shipments were made only in a few months.

An incidental unfortunate result of cavalier and spreading journalism has been that a deadlock between the two countries on the value of journalistic "translations" as the reason for barring visiting American correspondents.

Sailmaker Joins Bache & Co. Dept.

Bache & Co., 36 Wall Street, New York, N.Y., has announced that Robert S. Zaimber has been appointed manager of its Japan Trading Department as of June 1. Mr. Zaimber formerly was vice-president in charge of sales at Sailmaker & Villet, Inc., New York City, a wholesale importer and dealer of all kinds of Japanese-made sails and accessories. He is a former member of the board of governors of the Commodity Exchange, Inc.

Bache & Co. represents Daitichi Bussan Kisha, Ltd, one of the leading Japanese trading firms and a successor to Mitsui & Company, and is a member of Daitichi Bussan Kisha, are direct- ed by Takeo Ito, formerly head of the raw silk division of Mitsui & Company, Ltd. in New York City.

Fin. Div. Elects

The Financial Division of the Special Libraries Association has elected Mrs. Elizabeth F. Grob, chairman for the coming year, announced at last week's meeting held at the Hotel Statler. Mrs. Grob is librarian of the investment department of the Union Bank of Switzerland, Bern, noted for its services to private and public libraries, and its business in Zurich. The Association, now in its 48th year, is the only professional organization in the world specializing in public and private library service.

We are pleased to announce that MR. FRANKLYN BOUTELLE has this day been admitted as a general partner in our firm.

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June 1, 1951
Television to the Fore

By DR. COURTNEY PITTS
Vice-President in Charge of Finance, Philco Corporation

Philo Corporation official reveals recent growth of television and estimates 17 million television receivers now in use. Points out impact of television is from five to ten times as great as radio, and predicts favorable effect on industry from covering of political conventions. Lands lifting of the moratorium on television in the United States before the 1952 campaign. Remarks that the increases of color television. Says microwave relays in television have many advantages.

It is a great pleasure to have this opportunity to report that the Security Analysis of Philo Corporation official reveals some recent growth of television and estimates it has been increasing at a rate of five to ten times as great as radio, and predicts a favorable effect on industry from covering of political conventions. Lands lifting of the moratorium on television in the United States before the 1952 campaign. Remarks that the increases of color television. Says microwave relays in television have many advantages.

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Interest on the bonds is exempt, in the opinion of counsel, from all present Federal Income Taxes under existing statutes and decisions. The Turnpike Act provides that the bonds, their transfer and the income therefrom (including any profit made on the sale thereof) shall at all times be free from taxation within the State of Ohio.

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The Trust Agreement further provides, among other things, for the issuance of $326,000,000 bonds to pay the cost of the Turnpike and for the issuance of such additional bonds as may be necessary to provide additional funds for paying any balance of the cost of the Turnpike, under the limitations therein set forth, and fully defines the duties and responsibilities of all parties with respect to the construction of the Turnpike, the maintenance and operation thereof, the conservation and application of all funds and investment thereof, the security for moneys on hand or on deposit, the reserve for replacements and the setting aside of funds for paying the interest on and the principal of all bonds.

Price 100 and Interest

The bonds are offered when, as and if issued and received by the Underwriters, subject to the unsold approval of all legal proceedings by Mitchell and Forshay, New York, N. Y., Bond Counsel to the Underwriters, and Squire, Sanders & Dempsey, Cleveland, Ohio, Bond Counsel to the Ohio Turnpike Commission. The offering of the bonds is not being made hereafter. The offering is being made only by means of the Official Statement of the Commission, copies of which may be obtained in any case from such of the underwriters, including the undersigned, as may properly distribute such Official Statement in such state. It is expected that Bonds in temporary form will be ready for delivery on or before September 4, 1957, exchangeable for Definitive Bonds.
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*Green Mountain Power*

*Northeastern Public Service*

*Central Illinois Public Service*

Trost, Singer & Co.

8 (2336)

The Commercial and Financial Chronicle... Thursday, June 5, 1952

Dealer-Broker Investment Recommendations & Literature

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

Aircraft Manufacturers—Analysis—In current issue of "Market Pointers"—Francis L. Du Pont & Co., 1 Wall Street, New York 5, N. Y. Also available is an issue on the analysis of Finance Companies and Union Carbide & Carbon and a list of interesting depressed stocks and of low labor cost companies. In the current issue is featured "Gleenning" in a discussion of Hollinger Consolidated Gold Mines and a list of Switch Suggestions for Conservation Affiliation Hedges.

American Roads—Survey in current issue of "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Beane, 70 Pine Street, New York 4, N. Y.

Coal Mining—Analysis of the industry in Japan with particular reference to the National Mining Co., Mitsubishi Mining Co., Hokkaido Colliery & Steamship Co., and Seika Mining Co., Nusura Securities Co., Ltd., 1-Chome, Kabutocho, Nihonbashi, Chuo-ku, Tokyo, Japan. Also in the same brochure is a discussion of the re-revaluation of corporate fixed assets of Japanese companies.

Copper—Analysis of outlook—Van Alystyne, Noel & Co., 52 Wall Street, New York 5, N. Y.

Eastern Railroads—Review—H. Hentz & Co., 60 Beaver Street, New York 4, N. Y.

Investment Terms and Definitions—Booklet explaining terms and principles of investing in stocks and bonds—25c per copy—Investment Dealers Association of Canada, 11 Jordan Crescent, Toronto 1, Ont., Canada.

It Takes More Than Good Intentions—21 page study covering estate planning and administration—United States Trust Company, New York City.

Market Performance—Tabulation of various Canadian industries—Western City Company, 544 Howe Street, Limited, Vancouver, B. C., Canada.

New York City Bank Stocks—Ten-year survey of 17 New York City bank stocks—Lazard, Bussel & Meeds, 120 Broadway, New York 5, N. Y.


Over-the-Counter Index—Booklet showing an up-to-date comparison between the listed industrial stocks used in the Dow Jones Averages and the 35 over-the-counter industrial stocks used in the National Association of Security Dealers Averages, both to yield and market performance over a 13-year period—National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.


Private Placements—Report—Lehman Brothers, 1 William Street, New York 5, N. Y.

Public Utility Common Stocks—Comparative tabulation—G. A. Saxton & Co., Inc., 70 Pine Street, New York 5, N. Y.

Admiral Corporation—Analysis—Frool & Company, 208 South La Salle Street, Chicago 6, Ill. Also available is an analysis of Reynolds Tobacco Co.

Alliance Manufacturing Co.—Analysis—d'Avigdor Co., 63 Wall Street, New York 5, N. Y.


Betany Mills, Inc.—Bulletin—de Witt Conklin Organization, 55 Liberty Street, New York 5, N. Y. Also available is a bulletin on Eastern Industries, Inc., and Shoe Machinery Corp.

Chicago Title and Trust Company—Analysis—Central Republic Company, 209 South La Salle Street, Chicago 2, Ill.

Colombian Carbon Company—Review and Reappraisal—Sutro Bros. & Co., 120 Broadway, New York 5, N. Y.


Peoples Gas Light and Coke Company—Analysis—Freihling, Meyerhoff & Co., 120 South La Salle Street, Chicago 3, Ill.

Puzzel Sound & Power & Light—Analysis—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Reserve Oil and Gas Company—Bulletin—The Hughes Organization, 201 Post Street, San Francisco 8, Calif.


St. Louis Southwestern Railway Company—Analysis—Viles & Hickey, 49 Wall Street, New York 5, N. Y.

Teja Ranch—Analysis—Dempsey-Tegler & Co., 210 West Seventh Street, Los Angeles 17, Calif.

Twentieth Century Fund—Data—Stanley Heller & Co., 30 Pine Street, New York 3, N. Y.


White Coal Co.—Memorandum—Rotan, Mosie & Moreland, 705 Travis Street, Houston 2, Tex.

NATIONAL SECURITY TRADERS ASSOCIATION, INC.

H. B. Smith Edward H. Welsh Walter G. Massen Lester J. Thoren

Winton A. Jackson John F. Eggn. Sidney J. Sanders Henry Oettes

The National Security Traders Association announces the ap¬pointment of the following members who were nominated as Chairmen of the various committees:


Convention Committee—Edward H. Welch, Sineree, & Co., Chicago.

Legislative Committee—Walter G. Mason, Scott, Horner & Mason, Lynchburg.


Municipal Committee—Winton A. Jackson, First Southwest Company, Dallas, Tex.

Nominating Committee—John F. Eggn, First California Company, San Francisco.

Publicity Committee—Sidney J. Sanders, Foster & Marshall, Seattle.


SECURITY TRADERS ASSOCIATION OF NEW YORK

The Annual Bowling Dinner of the Security Traders Association of New York will be held tonight, June 5, 1952 at the Astler's, 67 Wall Street, at 8:30 p.m. Any non-bowler is welcome. The admission fee for bowlers is $2 per person. See Sidney Jacobs, Sidney Jacobs & Co., for reservations.

The following winners will receive prizes:

High Game Prize

Willie Kumm 1. Richy Goodman

George Leon

Heghan 2. Willie Krisman

Kassan 3. S. Dawsen Smith

Kassowich 4. M. White

High Average Prize

Arthur Burian

Best Improved Bowler

Krumholz

BOND CLUB OF DENVER

The Bond Club of Denver and Rocky Mountain Group of the Investment Bankers Association will hold their annual summer party on Aug. 22. In addition there will be a buffet Calcutta on Aug. 21.

COMING EVENTS

In Investment Field

June 5, 1952 (New York City)


June 4, 1952 (Baltimore, Md.)

Bond Club of Baltimore annual outing at the Eldridge Club.

June 5, 1952 (Chicago, Ill.)

Bond Club of Chicago field day at the Knollwood Country Club in Lake Forest.

June 5, 1952 (Los Angeles, Calif.)

Bond Club of Los Angeles Field Day at the Riviera Club.

June 5, 1952 (New York City)

Bond Club of New York outing at Sleepy Hollow Country Club, Scarborough, N. Y.

June 10-13, 1952 (Canada)

Investment Dealers' Association of Canada annual convention at the Algonquin Hotel, St. Andrews-by-the-Sea, New Brunswick.

June 11-13, 1952 (Boston, Mass.)

Security Analysts Society Regional meeting and field trips.

June 11, 1952 (New York City)

New York Curb Exchange 5 & 20 Club golf tournament at Sunningdale Country Club, Scarsdale, N. Y.

June 11, 1952 (New York City)

Bond Club of New York conference at Hotel Commodore.

June 12, 1952 (Atlanta, Ga.)

Georgia Security Dealers Association summer meeting at the new Standard Town and Country Club.

June 12, 1952 (Milwaukee, Wis.)

Milwaukee Bond Club summer outing at Oconomowoc.

June 13, 1952 (New York City)

Municipal Bond Club of New York annual outing at the West.

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$50,000,000
State of California
4%, 1½% and 1½%
State School Building Bonds, Series E

Dated May 1, 1952
Due May 1, 1956-78, incl.

Principal and interest payable at the State Capital at Sacramento, California, or at the option of the holder at the office of the State Treasurer in San Francisco, California, or at the option of the holder at the office of any depository named upon the face of the Bond, including the office of the State Treasurer in New York City. Coupon bonds are in denominations of $1,000 payable only to the holder and as such may be transferred only to the holder.

Bonds maturing on and after May 1, 1954, are subject to redemption at the option of the State, as a whole or in part, on May 1, 1953 (but not prior thereto) and on any interest payment date thereafter, at the principal amount thereof and accrued interest thereto to date of redemption. Provisions of notice of redemption shall be given a week to ten weeks not less than 10 days or more than 90 days prior to and due date of redemption, in each of the cities of San Francisco, Sacramento and Los Angeles. If less than all the bonds should be redeemed, they shall be called in reverse numerical order, the part called not less than the bonds maturing in any one year.

In the opinion of counsel, interest payable by the State upon its bonds is exempt from all present Federal and State of California Personal Income Taxes under existing statutes, regulations and court decisions.

We believe these bonds will meet the requirements as legal investments for: Savings Banks and Trust Funds in New York City, California and certain other states and for Savings Banks in Massachusetts and: Connecticut will be held eligible as securities for deposits of public monies in California.

These bonds, to be issued for school purposes, in the opinion of counsel will be valid and legally binding general obligations of the State of California payable in accordance with their terms out of the General Fund of the State, and the full faith and credit of the State of California is pledged for the punctual payment of both principal and interest. Under the enabling statute the State is obligated to collect annually, in the same manner and at the same rate as other state revenue is collected, such sum in addition to the ordinary revenue of the State as shall be required to pay principal and interest on the bonds as the same become due. The bonds were authorized by the electorate on November 8, 1950 for the purpose of providing aid for school construction in the State, the amounts thereto be repaid, in whole or in part, by the districts receiving aid.

The above bonds are offered when, and if issued and received by us, and subject to approval of legality by Messrs. Ovrick, Dohligan, Neff & Harrington, Attorneys, San Francisco, California.

NEW ISSUE

AMOUNTS, RATES, MATURITIES, YIELDS AND PRICES

<table>
<thead>
<tr>
<th>Amount</th>
<th>Coupon Rate</th>
<th>Date</th>
<th>Yield on Bond</th>
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<tr>
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<td>1954</td>
<td>1.05%</td>
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<tr>
<td>$1,600,000</td>
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<td>1955</td>
<td>1.10%</td>
</tr>
<tr>
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<td>1957</td>
<td>1.15%</td>
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<tr>
<td>$1,000,000</td>
<td>4%</td>
<td>1958</td>
<td>1.20%</td>
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<td>1959</td>
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<td>1961</td>
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<td>1962</td>
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<tr>
<td>$2,400,000</td>
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<td>1978*</td>
<td>2.00%</td>
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* Bonds, maturing 1974-78, subject to call at par May 1, 1973. Yield to maturity.

The above bonds are offered when, and if issued and received by us, and subject to approval of legality by Messrs. Ovrick, Dohligan, Neff & Harrington, Attorneys, San Francisco, California.
Let’s Have A Look at the Records

A brisk resume of phonograph record productions, profit and speeds; together with some account of the leading companies producing same.

Today’s title may easily be recognized as a twofold version of the famous slogan of the late Governor Alfred Smith, but it will, by your leave, produce no musical, rather than musical, reaction. The note. This title was first written down, which began to be written way back in 1917. When Thomas Edison put the machine to reproduce the grooves of varying depth cut in war cylinders, Ten years later, one John Henry Smith invented the disc record (and the name Columbia, the name that leniently duplicates might emerge) and the machine he built to play these records was called the gramophone—it is still, to this day, the same kind of machine that produced many hundreds—platter lots handler besides the Edison cylinder, and launched the flabby platter industry of today—an industry we became accustomed to buy records, turn on a radio, eat in a diner, or an old goods, return in a few years. One of the year, to the dors or frat houses of our ivies.

From first orchestral recordings in 1913, phonograph records encomium filled the earth, if ever by reason of when radio seemed to offer a l jerth. By 1926, however, improved and lowered in 1926. The per-sonalized sound recording revived. Rudolph Vallée, Paul WHITMAN, Guy Lombardo, Cliff Edwards and Gene Austin sparked popular platter sales to the million mark. Nineteen twenty-four was memorable in the trade principally for a violent price war. There were casualties of course, but the long range results were favorable: increased sales volume, and new enterprises. The number of companies in the industry, especially during the war years. Nineteen twenty-seven and nineteen twenty-eight. But none of the disc companies had sold (roughly 40) for each player in the category of a 700,000 Album” going over a million copies. Nineteen twenty-five was again, as a key year, the last in the long exclusive reign of the 10 R.P.M. disc. In 1928 numerous producers offered lower speed records, the advantages beimg to com-press a whole symphony into a single disc, to offer a classic ren- tion uninterrupted by record change, for better tone fidelity, a saving of storage space by doles and buyer, and much lower ship- ping. A recent interpretation of the new records also were of plastic, unbreakable material. The general sense that a permanent war is permanent!

There was, indeed, a revolution in records in 1928-29. Not only were Columbia and Victor “Columbia” the fabricator of Columbia, the fabricator of the 45 or so other speed or sound records which produced in 1934 and 2 or 1 in 1937.

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The Commercial and Financial Chronicle — Thursday, June 5, 1935

From Washington Ahead of the News

By CARLISLE BARGERON

The Supreme Court’s decision against the President’s seizure of the steel industry is being hailed generally as a mighty historic epoch in the fight for the preservation of the unimpeded use of power by the President. As Vice-President Jack Gar- ner used to say when he invited his visitors to have a drink, it’s a blow in the orator.

It is ironic that the man who led this lib- erty struggle, Mr. Garner, who is one of the major- ity finding, Justice Hugo L. Black, started out on the Court as a great liberal and no doubt was an eminent radical, no question of his liberal or of his Free Soil spirit, or of his work. He had a thorough trick when questioning a hap- less witness before his committee of pretending to be looking at the witness’ income tax re- turn or at some other revealing paper. It took a most hardy witness to stand and not to over rule that was under consideration. Then, several months after he had been confirmed, it was proved he had been a member of the hooded order and—what will be known?

The historians will undoubtedly record that it was the Great Roosevelt who put her or had her first step into internationalism and the Second World War. He had been out on the Pacific coast and was now returning to Washing- ton knowledge of the momentous step. But it is a question of what he intended to do about Hugo Black when there was nothing he could do and as to getting him off the court was concerned.

Roosvelt had to stop in Chicago and make a speech, advance copies of which had been distributed to the accompanying newspapermen. The late Harold L. Ickes boarded the train and sold him on the idea of a campaign against some of the “Brown Shirts” and immediately started a controversy of whether Roosevelt was trying to lead us into war.

Be that as it may, Black has turned out to be one of the most studious and independent members of the Court. He is a “liberal” to some extent, and he has become an “anti-semit” (the famous “quarantine the aggressors” statement) as a means of diverting attention from the war issue. He has taken the position that the Steel issue is not as important as the war, and he has avoided the question of what he intended to do about Hugo Black when there was nothing he could do and as to getting him off the court was concerned.

Even as a Senator he was not a socialist or a go in Washington’s social circuits, but he was an “anti-semit” and as for me there is no one I have met ever one of the other justices. Bluck seems to have gone further into his sphere of activity. If I recall, it was Stanley Reed, one of the three dissenters in the steel seizure decision, has never been a crusader for the Roosevelt views. He is a fellow who “lives” in Washington in a dignified way; he is, indeed, the essence of pleasant dignity. In talking with him you would get the impres- sion that he is a man who is not to be disturbed. The last thing in the world you would think about him would be that he is a radical or a “liberal.” Yet, if since his appointment to the Court by Roosevelt, he has once voted against the Administra- tion, against a single one of the revolutionary reforms, it has escaped me. Incidentally, he was brought to Washington from Kansas by Hoover to be General Counsel of the old Farm Board.

Mr. Cortese, who is a man of wide and varied experience while the steel seizure was pending before the Court to guess which way the justices would vote. There were few, if any correct guesses on either Black or Reed. The guesses had them just the other way. The man who is now, with the nomination of Senator John McClellan, I picked up a few dollars in the guessing business. I also should say that I lost on Minton, and thinking over it, I don’t know why, but I didn’t call them just to suit the man who appointed him to the Court and he hasn’t called them to suit that man’s successor.

A. J. Cortese With

G. C. Haas & Co.

Farol Co. in NYC

Add's, Harris Fisher

A. J. Cortese on June 2 joined G. C. Haas & Co., 60 Wall Farrow Co., 67 Wall Street, New York City, members of the New York Stock Exchange. Mr. Cortese, as stock announce that Harris B. Fisher, market leader and president, stage and associated with the formerly a registered representa- tion. In the past Mr. Fisher was tive for W. E. Hutton & Co. with Fahnstock & Co.
New Real Shortage of Copper

by WHIPPLE JACOBS*

President, Phelps Dodge Copper Products Corporation

Executive of large copper concern, after reciting statistics of copper production and forecasting prospective increase in supply in next four years, concludes there is no "real" shortage of copper. "One is not likely to find surpluses and, with respect to price control, supplies increased with higher prices; and (2) without present government allocations, copper price probably nearer to 40c than to 30c.

It is always a pleasure to renew my acquaintance with you generously. I regret, not only because of our business relationships over the years, but because I am feeling that a personal experience as a purchasing agent was one of the most valuable in my business career.

Your Chairman and our good friend, Willham Whipple, has been a guarded sentiment some time ago, and I agree to appear on your program—but not until I received the President's invitation, and then I knew the title of my talk.

The world's copper reserves are pretty much a matter of common knowledge. However, in spite of the risk of boring you with figures, I will review the supply picture to date, taken from official data of the several governments of the world, Commerce department, The Copper Institute, and the U. S. Copper Association.

Copper Tonnage

For the five years 1947-51 inclusive, the average tonnage of copper available annually was as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Primary Butte</th>
<th>Secondary Butte</th>
<th>Imports</th>
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<tr>
<td>1951</td>
<td>1,293,295</td>
<td>100,000</td>
<td>775,210</td>
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<td>1,293,295</td>
<td>100,000</td>
<td>775,210</td>
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<tr>
<td>1949</td>
<td>1,293,295</td>
<td>100,000</td>
<td>775,210</td>
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<td>1948</td>
<td>1,293,295</td>
<td>100,000</td>
<td>775,210</td>
</tr>
<tr>
<td>1947</td>
<td>1,293,295</td>
<td>100,000</td>
<td>775,210</td>
</tr>
</tbody>
</table>

The pattern is the same as the 1931 supply. For 1952 and the succeeding three years, our production will probably, based on new projects under way, be as follows:

In 1952: 1,530,000 Short Tons or 11.6% over 1951.
In 1953: 1,590,000 Short Tons or 21.0% over 1951.
In 1954: 1,650,000 Short Tons or 23.3% over 1951.
In 1955: 1,690,000 Short Tons or 35.6% over 1951.

If historical comparisons carry any weight in your thinking, this amount of copper could support a Federal Reserve Board index of industrial production, a 28% increase of 45% over the index figure for the first six months of 1939, the peak of the war, or acts of God, these figures seem to be of no consequence.

So much for "How Much and When?"

No Real Copper Shortage

Missing from much of my personal thinking on the subject of copper, on more than 20 years of experience as a buyer—exactly the same category that I am talking about today. As a student of the market over these years, I have come to realize, in my way, I pass these thoughts on to you for what they may be worth.

Currently, we are in a "real" present great shortage of copper, and undoubtedly, there is. I have to cut it short, but the price of copper is well below the 1945-46 level. This is the market price of copper. You cannot compare it with the prices of other metals. I am not referring to the profit and loss statement. As a result, all of us have an interest in the copper market, and we hope for profit. This is not said in any way as a criticism, it is only an observed experience.

*An address by Mr. Jacobs at the 37th Annual Convention of the National Association of Purchasing Agents, Atlantic City, New Jersey, April 30, 1952.

I do not recall at any time when the principal nonferrous metal moved divergently price-wise, not that all moved simultaneously or in the same amount, but I do recall when the move, as a whole, was downward, while one moved upward, or vice-versa, in any combination. To me it is quite clear that the market is not free, and the date is delayed by price, and allocation controls, when the copper supply will balance demand, and that time, in my opinion, will come before all the expected increased supplies are available. The statement that copper would be in short supply for a ten-year period, made not so long ago, seems to me completely unfounded.

In conclusion, and at the risk of sticking my neck out, my guess is that the future normal price of copper, which we used to call between 10c and 15c, will settle in the 45c area in the "postwar" period, "post plan" period. These are, of course, the cents in today's depressed dollar. However, this does not mean that it will not fluctuate above and below these limits, for the reasons I have already given you.

"While accumulations below 10c might be profitable, and accumulations above 30c would be likely to be dangerous; a copper formula for insuring that the cost of the commodity will not be less than 25c at the time of shipment will most probably be adopted at a price of that time. This formula, in the long run, result in the market, a fact that you can obtain—it is very simple. Avoid to overlook the market, but speculation; at all times you buy only for revenue."
What’s Ahead in Credit and Business

By Henry H. Redman
Executive Vice-President, National Association of Credit Men

Alerting us are living in a “political economy,” leading to a statistical inflation of our level of business or softening of interest rates. Says we have paid a high price for tinkering with money rates, since pegged rates resulted major inflation factor. Holts impact of tax cut has been more than offset by the other factors.

The spring let-up in demand for money has caused many people to wonder whether the time may turn soft. Before reaching any such conclusion, it is important to look to industry, since the probable deflationary effects of the Federal budget and the effort to control international currency is making an effort to bring the housing and other real estate fields is m o r e t h a n l i k e d a demand for raw materials. Even though it may be as high as it was a year ago, still will be maintained on a rather strong basis.

A program of loans by the Federal Reserve Board in the current economic cycle is being faced with a real test to face facts and try to get a realisable maturity program from the banks. It is likely that interest rates will be rising, and this makes for an artificiality that is difficult to analyze. The logical conclusion seems to be that interest rates are rising at the present time, which is precisely what saving considerable money on the servicing of the debt, is not based on fact. And low interest rates are highly inflationary. In the latter, and since the government does more buying, there is a less likelihood that interest rates would be rising. If the government increases its spending, it is forced to pay an inflated price for its procurements. The real cause of this inflationary price is due to its own follies and the circumstances that the natural law of supply and demand would not have been made more long ago.

The only way to measure a system and a profitable one is one that will give the logical character of the important character of the banking business. It is not a concrete measure of the risks which are involved in the risk of running the business. It is a considerable change in the rate of interest. It is even more comfortable to find that the larger banking institutions are more protected by the tax law than practically anything else, which they are. The earnings of the business as a whole have been large. It would probably be true that 1932 would be better than the first six months of this year, but the business is for the benefit of the general welfare, no. The dividends of business companies will be unemployed in the new month ahead.

The impact of the present tax load is not yet fully realized. The long range effect of it is a matter of speculation, and it is questionable whether business can continue to carry this load and still be the dynamic engines of the country. If a man is responsible to himself, he must realize that the world is full of evil.

The truth is that the cost of everything will be raised. People are more near the demand for services, and everyone is living off the work of others. The organization and management of the business have made it the envy of the world.

The firm first assumed prominence during the depression in the 1920’s, with the railway and railroad and the oil companies. Since that time members of our firm have been active in the business. Warner D. Townsend, now 79, is a grandson of the founder.

Alfred Young with Baker, Weeks & Harden

Looking into the Future

Ethel Allen Partner
In Brady, Baird, Garvin
Brady, Baird, Garvin, 115 Broadway, New York City, mem-
ber of the American Bar Association, is the author of the
exchange and principal commod-
ities in the 1935-39 living standards. And how many school committees have raised their taxes as they should? The result is that teachers have constantly had to pull in their belts for the education of their children, hospitalization of their young, etc. They are explaining why there is a shortage of teachers. Those teachers whose salaries have increased the most are the young college instructors, who have had an average of $1,500 in 1940 to about $3,000 to $5,000 in 1939.

This unfortunate situation is not merely due to inflation. Some of the troubles are associated with school teachers and parents themselves. The point is that the into the youth a love for work and a desire to learn. Our communities are now suffering from this neglect of fundamental principles. Many school teachers are themselves merely to blue-eyed or black-eyed pretention.

Salaried Workers vs. Wage Earners

Wage earners, the other hand, through group pressure—

And in the 1935-39 period, manufacturing workers earned, as a group, about $23 per week. Today they make about $66 per week. This represents an increase approximately 176% in wage earnings. How did these workers benefit from this increase—net at all. They’re not going to live to riotously ever and have not been rewarded. By way of contrast, a football star student, of the highest caliber, has earned.

John M. McKown | Hoppin Bros. & Co.

Hoppin Bros. & Co., 120 Broadway, New York City, member of the American Bar Association, is the author of the exchange and principal commodities in the 1935-39 living standards. How many school committees have raised their taxes as they should? The result is that teachers have constantly had to pull in their belts for the education of their children, hospitalization of their young, etc. They are explaining why there is a shortage of teachers. Those teachers whose salaries have increased the most are the young college instructors, who have had an average of $1,500 in 1940 to about $3,000 to $5,000 in 1939.

This unfortunate situation is not merely due to inflation. Some of the troubles are associated with school teachers and parents themselves. The point is that the into the youth a love for work and a desire to learn. Our communities are now suffering from this neglect of fundamental principles. Many school teachers are themselves merely to blue-eyed or black-eyed pretention.

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Rewards of Financial Success Will Be Smaller

By IRVING S. OLDS

Former Chairman, United States Steel Corporation

Speaking at a college commencement, retiring head of U. S. Steel, old industrialist suggests that the rewards of financial success, financial rewards in future will be diminished by high taxes, by inflation and by discriminations against thrift. Refers to the world today as a "capitalist world" and to adverse political attitude toward success. Holds economically successful people can be solved within limits of Constitution, and scores trespassing upon "God given rights of your neighbors" in hope of acquiring them.

In the economic sense, at least, survival is no problem in America today. In many one writes about this world, it is a heartbreakingly hopeless place. The old term, "hopes and despair," is no longer appropriate. It is no longer reserved for the millions who cannot make one economic dollar of difference in a favored social order of a preferred political party. It is adapted to an industry, world, and universe altogether.

Open up the whole new world of endeavors and careers, and no generation in history, previously or to come, will have the many opportunities in so many different fields as you will find around you.

What you make of those opportunities of course, is entirely up to you. If you are settling down to select your work for the particular work for which you are best qualified—this is your own decision. It is a trial of which you find real pleasure and a sense of honest pride: this, but success is almost inevitable. But whatever measure of success you may achieve—whether it be great or small—will depend upon you and upon the work which you do for it. And when, finally, you come to the end of your life, and look back critically over those thousands, miles, years, and then really see the picture of your own handwork. You may view it with regret or with satisfaction, but in either case—if you are honest with yourself—you will be able to say: "This I have done. This is my work.

So I salute you young men and women today, not only with profound admiration for your scholarly accomplishments; but with abiding confidence in your future success. For more than a hundred years, the graduates of Boonton College, you have been the models of eminence in virtually every major walk of life; and no one can doubt, I think, that you in your turn will be the models of your time. Let it be your record; for you have every qualification that they possessed and many advantages that they did not.

But in one respect, at least, you are at a great disadvantage and you labor under a heavy handicap which does not disturb the members of the graduating class in my day. And I do not assert that you might suppose—of the overwhelming prospect of another world. It is a threat which is no more unique in your generation than it was in the generations of my forefathers, and the disasters which have befallen almost every generation of men since the beginning of time.

The special disadvantage of which I speak is that you are uniquely yours. It stems from a disturbing condition.

*The address by Mr. Olds at Boonton College, Salem, Va., June 4, 1922.

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June 5, 1922
Prospects of Office Buildings in Central Cities

By S.W. TOOLE
Second Vice-President, Prudential Insurance Co. of America

Mr. Toole, in addressing building owners on their stake in the "City of Tomorrow," reviewed the growth and development of metropolitan areas and the role of office buildings in the central cities. He stated that the central cities have been able to perpetuate their activities by receiving a substantial portion of the new industrial and urban population. Mr. Toole noted that central cities have been able to maintain their industrial and commercial activities by attracting new businesses and industries to the area.

Before trying to answer any of these questions, let's first be sure we have the proper perspective. I am a great believer in the idea that the way to get to the top is by looking back and reviewing the results of the past. By doing so, we can avoid many pitfalls and misinterpretations. The results should enable us to be more objective in our estimates of what lies ahead.

The Growth of Cities

I think our review should start at the beginning of the century—well ahead of the start of the automobile. What will you conclude, I wonder, if we were not a nation on tires I wouldn't have been designated this subject today. As proof of this, witness the cities of Europe and Asia. They are hundreds of years older than our cities, and apparently no question in anyone's mind about their continued longevity.

The only basic difference between these cities and the cities of the future is that the latter are being designed for automobile traffic. The story was slightly different with manufacturing. We were told that while manufacturing industries did tend toward concentrating the population, the improvement of transportation facilities and, in some cases, excessive density resulted in a failure of a few industries to abandon old locations in favor of new locations. In other words, where people are numerous, and money plentiful.

Thus, economists of that period seemed to agree that the efficient industrial organization of the nation on modern lines required the concentration of population in virtually all the industries.

The Recourse of Population Concentration

There were the fundamental gains of approximately 200 million, actual growth statistics indicate that the central cities have grown more than the rest of the country. Let's look at the record.

In that same period, the 36 cities tracked by the U.S. population in 1900, found their population increasing from 14 to 15 million people—more than the country as a whole. Be that as it may, it does give us the picture of population growth, decade by decade.

During those five decades, 70 cities climbed the above-cited mountain.

Another way to look at it is that in 1930, 53 of these cities were in the first half of the century; in 1930, only 13 of them were in the first half of the century. In 1930, there were only 68 cities in the metropolitan area of the United States with a population of at least 150,000. The city of New York was 16 million, or 21% of the country's population.

In 1900 there were 106 cities with 100,000 or more people, and 100 cities had a population of 50,000 or more, 29% of the nationalfigures that were large in the 1930s are impressive figures for the cities when you consider that some of these cities are only 20 years ago. Today, they are even more impressive. We should consider that the movement to the suburbs has continued since World War I. Improved transportation facilities made this great and continuing migration possible.

Of the principal means of transportation, we should see the most important to automobiles. Buses, trams and railroads, at the first rates of the migration, the movement of the car to the suburbs. This was the beginning of suburban living.

The car was the important tool of geographical and social revolution, which really began with the war. It caught people flocking to the cities. In the United States, only 5% of our population of 150,000 or more people grew seven times higher. Housing, which was already inadequate, was made more so by the influx of millions of immigrants. Cities grew so fast that zoning, which at first was nonexistent or non-existent, was a dominant factor in the growth.

Prices and taxes on city real estate went up and up, but before you could pay the taxes and keep the land to the maximum it would make the most of the amount of land on the market. In the face of this, the city's financial condition became too poor, and even if you came available, the gradual exodus to the suburbs got under way. You can't move a mountain overnight, devalued and blighted property is commonly known as the status.

Next month we will bring us up to date, and in the last few decades, have been increasing at an interesting rate. City real estate values are quite important in our discussion. As you all know, real estate values are set by its proximity to the city center and its social and economic environment. The last two decades, the last fourth, fifths of the total population increase was concentrated in metropolitan areas. This seems to narrow our question down to an analysis of the central city areas, great and fast-growing metropolitan areas.

Up until now the suburbs have been a key factor in the growth of the central city areas. Many of the major cities in the United States are primarily of suburban and central or branch offices that have left the suburbs or in planning large regional shopping centers. This has been disadvantageous to the suburban areas.

The suburbs of the metropolitan regions have not as yet been able to provide an influx of people from the central city. There has been, so far, no trend of this sort comparable to the opening of feeders from the dominant department stores. We know of a few cases, such as the Jewel Tea Company which moved into the suburbs 20 years ago. Recently, I read in the papers that the company had decided to move its general offices out of New York to a new plant in Toronto, which involves 1,100 to 1,200 employees. This is, of course, the largest office move I have heard of.

I have no complete list of companies which have moved out of city, even if we have a list of a few that are moving at all, it is obvious that the central city and the suburbs are moving back to the city.

Any attempt to analyze the disadvantages of the central city is very difficult, and with traffic congestion—and this consideration is a very important to the central city itself, it starts out in the suburbs with all the major advantages. In the central city, our highways, streets, boulevards and sidewalks have been designed for efficient transportation, not to be considered along the same lines as the suburbs. These lines do not adequately take care of the 85 million cars and trucks which are on the roads today.

When you get into the city, the parking facilities suddenly get a lot worse. Traffic is terribly congested, and many concerns would not be able to get away from this great city. The housing situation in the central city, the traffic congestion. From the crowds during rush hours may be another reason why executives are more likely to move to the suburbs.

One company moved because they wanted to be as close to the homes of their employees as possible. The company was one of the first to build a bigger area of employees has been advanced with the idea of placing their homes near the central city.

Suppliers have always been a problem of interest to the building owner. While there are many things that can be done to alleviate this problem, it is still a matter of considering a move. The closer the building is to the manufacturing area, the better the manufacturing area, the better the suppliers are located.

Textiles, among other things, have been advanced with the idea of placing their homes near the central city. Suppose we look at some of the main advantages of the central city, then we can weigh them against the advantages of the central city.

Any attempt to analyze the disadvantages of the central city is very difficult, and with traffic congestion—and this consideration is a very important to the central city itself, it starts out in the suburbs with all the major advantages. In the central city, our highways, streets, boulevards and sidewalks have been designed for efficient transportation, not to be considered along the same lines as the suburbs. These lines do not adequately take care of the 85 million cars and trucks which are on the roads today.

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As one New York concern wrote in a report, a suburban location "seems to be the best answer for the future, match of the charm and ease of living to be found in smaller communities, without losing to any market advantage the advantages of the heart of the central city." The report also states that, "Now that we are at the other side of the picture and see what the city has to offer general offices to stay.

Advantages of Large Cities for General Offices

I hesitate to mention the ordi¬

nary Industrial facilities which you all know them so well. Brief¬

ly, however, for the record, the advantages of large cities are:

1) Good labor market—both skilled and unskilled.
2) Accessibility to banks, fi¬

nance companies, advertising agencies and business libraries.
3) Accessibility to business as¬

sociations, groups and clubs.
4) Great opportunities for trade and good transportation coming into the area.
5) Accessibility to railroad terminals and airports.

Accessibility to adult spe¬

cialized business training.
6) Availability of good main¬

tenance and repair service to of¬

fice and business machines.
7) Good police protection.

Office space will rent at reasonable rates without head¬

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The Commercial and Financial Chronicle ... Thursday, June 5, 1952
Analysis of Investment Policies of Trade Unions

By NATHAN BELLER
Assistant Professor of Economics, Pennsylvania State College

Dr. Beller analyzes balance sheets of trade unions and estimates their total assets are about a billion dollars. Funds bulk of an all but negligible amount to the financial problems arising out of trade unions' beneficiary funds.

Trade unions have become today an integral part of the American economic, social, political and cultural fabric. Their influence in all fields of human activity is widespread. In the economic field, trade unions have established a virtual monopoly over the labor market. Their economic power is evidenced by the fact that they control the entire market for labor. This has enabled them to negotiate with employers on wages, hours and working conditions, and to bargain for their members' interests.

In the political field, trade unions have become powerful political forces. They have played a major role in the formulation and adoption of labor legislation and have influenced the course of political events. Their political power is reflected in the fact that they have been able to influence the outcome of elections, both at the national and state levels.

In the cultural field, trade unions have had a profound impact on the development of American culture. They have promoted the growth of organized labor, which has contributed to the development of a social welfare system and has provided a basis for the development of other social institutions.

Trade unions have also played a significant role in the development of American literature, art, and music. Their influence is evident in the fact that they have supported the work of many of the most important American writers, musicians, and artists.

Trade unions have also had a significant impact on the development of American education. They have supported the establishment of many of the most important American universities and have contributed to the growth of higher education in the United States.

The growth of trade unions has been accompanied by a growth in the size of the labor movement. This has led to a corresponding growth in the size of the trade union movement. The trade union movement has become a major force in American society, and its influence is reflected in the fact that it has become an integral part of the American political and economic system.
Our Negative Foreign Policy

By William G. Lightheart

Calling our "containment and boycott" foreign policy negative and dangerous to the United States in a world in which we can escape only by a humiliating retreat or by war.

Says outcome of present policies will be war which may well destroy everything we are supposed to be defending.

A discussion of how our foreign policy would properly begin with a brief historical review to explain how this policy has come to be adopted.

We have been given a chance to re-fight the previous course of our nation, our allies, and the present rulers of Russia, who are thoroughly defeated in the rest of the world. But the war is not over and I must write to this brief that there is not time for such an approach and I shall have to state it in minutes of the salient points I hope to lay before you.

The first thing that strikes me in considering our foreign policy is the apparent disregard of the question. It is markedly on fear—fear of Russian aggression—and it is not a question of Russian subversion—and that fear leads us to action and action rather than through policy. In other words, it is a negative policy rather than a positive one. We talk a lot about a bold new policy of "containment," but there is no policy for the under-developed regions of the world, but what we do is quizzical and ill-coordinated. We METHODICALLY pull our presidents from our judges by our acts and not by our words. It requires only a little old saying, that you do speak so loudly we can't hear what you say.

This is well illustrated by the current national budget. In the fiscal year we propose to spend something like $30 billion, of which $10 billion will be spent for arms, to presumably protect ourselves, about $6 billion to arm our allies, and less than $1 billion for military aid. This is not a question of an economic aid. But of this latter sum—less than $1 billion—how much of the product—the greater part is to be used to bolster the rearmament of Europe. It is a question of the wisdom of strategic raw materials.

We shall call this a defense program, and of course, none of us wants war. But if we did want war, or if we felt sure that war was inevitable, I can't think of anything we would do different from what we are actually doing.

We have adopted a military policy called containment, and in its name we have undertaken to prevent further Russian expansion and the spread of Communist influence. This is the purpose we have established American naval and air bases around the world, particularly in the Soviet bloc, which we are arming and equipping with our long-range bombers. We have made regional alliances with the Western European, South America, and the Pacific, and are negotiating with the Middle East. We have embarked upon a program of military training for the armed forces, not only for ourselves, but for all our allies. We have adopted conscription in the United States, and conscripts in world wars. We have formed regional alliances with the Western European, South America, and the Pacific, and are negotiating with the Middle East. We have embarked upon a program of military training for the armed forces, not only for ourselves, but for all our allies. We have adopted conscription in the United States, and conscripts in world wars.

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A New Look at Our Foreign Policy

BY WILLIAM F. EDWARDS

Dean, School of Commerce, Brigham Young University, Provo, Utah

Volume 175 Number 5122...The Commercial and Financial Chronicle

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The World War II

When Germany occupied Poland and the cry of war was sent around the world, America again declared neutrality, as we had done when we fought the first war. In both cases, we again adopted a democracy, and even more so, Wilson's principles.

Roosevelt's foreign policy was based on the belief that the United States was a three-term president, and that it should not take part in any war or conflict unless there was a direct threat to its national security. Roosevelt's decision to enter the war in 1917 was a turning point in American foreign policy, and it led to a more aggressive and interventionist approach.

The United Nations was formed after World War II to promote international cooperation and prevent future wars. The United States played a leading role in the formation of the United Nations, and it has been a member of the organization ever since.

The Cold War

The Cold War was a period of tension and conflict between the United States and the Soviet Union, which lasted from the end of World War II in 1945 until the collapse of the Soviet Union in 1991. The Cold War was characterized by the ideological struggle between capitalism and socialism, and it was marked by the division of Europe and the world into two opposing blocs.

The United States played a leading role in the Cold War, and it was involved in numerous conflicts and interventions during this period. The United States was also a major contributor to the United Nations, and it played a key role in the organization's efforts to promote international cooperation and prevent future wars.

The Vietnam War

The Vietnam War was a major conflict between the United States and Vietnam, which lasted from 1955 to 1975. The United States became involved in the Vietnam War in the 1960s, and it was a major factor in the political and economic changes that occurred in the United States during this period.

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The Gulf War

The Gulf War was a conflict between Iraq and a coalition of countries, which lasted from 1990 to 1991. The United States played a leading role in the Gulf War, and it was involved in numerous conflicts and interventions during this period. The United States was also a major contributor to the United Nations, and it played a key role in the organization's efforts to promote international cooperation and prevent future wars.

The War on Terror

The War on Terror was a major conflict that began in 2001, and it was a response to the terrorist attacks on the United States on September 11, 2001. The United States played a leading role in the War on Terror, and it was involved in numerous conflicts and interventions during this period. The United States was also a major contributor to the United Nations, and it played a key role in the organization's efforts to promote international cooperation and prevent future wars.

The United States is a major player in world affairs, and it is involved in numerous conflicts and interventions around the world. The United States is a leading contributor to the United Nations, and it plays a key role in the organization's efforts to promote international cooperation and prevent future wars.

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The boom in Canadian securities, which has created a speculative
interest in the United States, Great Britain and continental
Europe during the past two years, resulted in multi-million
sale of New York securities by Canadians, with encouraging
results regarding the effect of the situation on Canadian economy.
The investors in the United States subscribed to Canadian bonds
and the forces affecting the exchange value of the Canadian
dollar.

Concerning these matters, the current issue of the "Business
Review" of the Bank of Montreal finds the picture much more
cumbersome. The Bank feels the background of the situation and to put underlying
inferences in their proper perspective, they publish the following:

Monthly Canadian unlisted

Canadian Securities

BY WILLIAM J. MCKAY

1950

Exports of Goods and Services...
$4,234,000,000

1951

Imports of Goods and Services...
$5,176,000,000

$4,234,000,000

Net Capital Inflow...
$932,000,000

$124,000,000

1951 first sum as follows:

Consequent Increase in Official
Holdings of Gold & U.S. Dollars
$694,000,000

$39,000,000

Commenting on these figures the "Business Review" states:

The export-import balance on current account of Canada was
for the first time experienced by Canada since the early 1900's. They did
not stem from any excessive decline in exports. On the contrary, the fact that imports,
over two years as a whole, were even more buoyant than the
export trade. The import curve was sustained by the large increase of machinery imported
in domestic plant expansion but was particularly strong in the third quarter, due to the
post-Korean buying boom in civilian goods and the heavy initial
dependence of Canada's defense program.

It is important to note, therefore, that the deficit in 1951 was
concentrated in the first half of that year. The deficit in the third
quarter was negligible and was more than offset by a surplus in
the last quarter. On the basis of incomplete data available it would appear
that the trade imbalance was recorded in the first quarter of 1952. In other words, for at least six months to the end of March
this year Canada has again been paying her way in current
transactions. It is of considerable significance in accounting for the recent strength of the Canadian dollar.

Unlike the situation prevailing in the 1950, the capital movement from
the United States in 1951 was far from sufficient to balance
our current account deficit with the United States, as the following
tabulation, for 1951, illustrates:

<table>
<thead>
<tr>
<th>Economic Sector</th>
<th>Current Account</th>
<th>Net Capital Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$856</td>
<td>-$59</td>
</tr>
<tr>
<td>Other Countries</td>
<td>-240</td>
<td>+2</td>
</tr>
<tr>
<td>All Countries</td>
<td>-524</td>
<td>+563</td>
</tr>
</tbody>
</table>

Thus the net result of Canada's current and capital transac-
tions with the United States was a deficit of $100 million. The sterling
account, conversely, was itself short by $174 million of the amount required to square accounts with the United States, or which Canada could not recover from its
own hard currency reserves. Similarly, Canada's other capital movements were
not sufficient to balance their Canadian ledger. In short, even after having received $560 million in capital funds from the U.S.A., Canada still needed nearly $400 million to meet the remainder of her current deficit with that
country last year and was dependent for these funds on the ability
and willingness of overseas countries to buy substantially more
from us than we bought from them.

The existence of these large contrary balances under con-
trols of continuing dollar stringent overseas remains as a vul-
nerable element in Canada's trading structure. This vulnerability
may well be accentuated by the necessary and determined efforts
now being made by sterling area countries to shore up their own
welfare and prosperity reserves by curtailment of their former
expansionary overseas purchases in the case of Canada and the
U.S.A."

Railroad Securities

Chicago & North Western and N. Y. Central

Misfortune seems always to strike those in the poorest posi-
tions. Since the end of the war, during which there have been few roads in the
country so hard pressed in their efforts to control costs and
maintain a reasonable income and are suffering from the
Chicago & North Western and New York Central. For
this year, that year 1950 has been the year when the
income was hit hard by outside forces. New York
Central started the year with

The earnings had been running substantially above the
low earnings of the first two months of the year. The

road was hit hard by the only one which was not
affected by this disruption of transportation in the

For these reasons gains of the first two months it
by no means completely offset losses from severe floods,
and there was a sharp jump. Earnings for the

By April 21 and even then service on
this important transcontinental route was restored only on a
restricted basis.

During the interval it was necessary to deviate North Western trains over other railroads and the
New York Central was no exception. In addition to the
disruption of traffic, the company estimates the cost of restoring
the service to about $500,000. This of course is just a small
part of the story. Obviously this disruption of oper-
a tions also had a serious affect on traffic volume during the period covered by the storms and floods.

The extent of harm from this source is, of course, impossible
even to estimate. Earnings have been running consistently below the levels of a
year ago, for the first four months the road set a net operating deficit of $1,357,000 and
$3,547,000. In the first four months of 1951, the road lost
$6,027,000 and $1,797,000. For all of last year the
road lost $1,800,000 on a share on the preferred stock be-
fore funds and $2,355 after funds. The latter was the only one on which earnings available for dividends
were guaranteed. Though the railroad company has its own
several important areas since the beginning
of the year, it had accumulated a large territory in South Dakota and Nebraska, and in the
Chicago & North Western the company has its most exten-
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The Spectre of Inflation

By JOSEPH MAYER*

Head, Department of Economics, Miami University, Oxford, Ohio

After explaining the processes of inflation and the relationship of fluctuating money supply to business activity, Professor Mayer lists as methods of reducing purchasing power in presence of inflation, (1) reduced head purchases by individuals, and (2) income tax reductions.

In Lewis Carroll's "Through the Looking-Glass," the "hero" after an argument relating the study and economy is quoted as having said, "It's quite an argument with it, you know, about whether something is burning or not, that pacing about over the floor, until, when he says, 'I'm quite certain that the simple heat search suggests both his slippers off his feet,' there are certainly, I think, very obvious indications of the wrongness of all of that story, you know."

For the past year and a half or more, we have been in a period of considerable heated discussion over the spectre of inflation. I don't know whether anyone has noticed, but in the course of the debate, but quite evidently many people that we think have been arguing that we are in a period of deflation in fact has thus far been not an argument at all, but only a series of polemics, but an elfish sprit, quite delightful, but rather confusing, point. John Harri¬man of the Boston University, who pres¬sed this point of view in part of his economic analysis paper in January, 1952, as follows: "It looks as though an understandable but inaccurate picture of a bad situation has been painted, the first phase of which has passed, which I think has the potential of a serious problem."

Let us look at a few particular facts which may seem arguable in the area, there was about 8 months an inflation of prices, then deflation of the basic commodities but also of consumer goods, which alarmed the country and resulted in the gini¬ation or tightening of various controls, monetary, fiscal, and direct¬ly applicable to prices and wages.

At the same time, industrial production in physical terms rose about 10%.

Then we can put the inflation changed markedly. Prices of basic commodities fell sharply, prices of consumer goods continued to rise, but production was going up rapidly, the industrial production was going up by 30% and 40% in some centers, prices of consumer goods continuing to rise; very significant changes in the industrial production have been evident since 1950, and the general public is aware of these changes.

But there is one important aspect of the situation which is not widely recognized: the change in the purchasing power of wages.

The purchasing power of wages has been increasing significantly over the past few years. This is evident from the fact that, even though prices of consumer goods have been rising, wages have been increasing at a faster rate. This has resulted in a significant increase in the real purchasing power of wages.

Moreover, the increase in the purchasing power of wages has been accompanied by a significant reduction in the rate of inflation. Even though prices have been rising, the rate of inflation has been slowing down, and in some cases, the rate of inflation has even been negative.

This is an important point to keep in mind when thinking about the spectre of inflation. It is important to recognize that the spectre of inflation is not necessarily equivalent to an increase in the rate of inflation. In fact, the spectre of inflation can actually be seen as a result of a decrease in the rate of inflation, as wages have been increasing more rapidly than prices.

In conclusion, we can say that the spectre of inflation is not necessarily equivalent to an increase in the rate of inflation. It is important to recognize that the spectre of inflation can actually be seen as a result of a decrease in the rate of inflation, as wages have been increasing more rapidly than prices.
Revival of Protectionism—A Menace to United States
By A. M. Strong* 

Commenting on what appears to be a revival of protectionism in the U. S., Mr. Strong predicts that this trend will handicap economic recovery of European and other allied nations.

There is a revival of an anti-capitalist attitude in our country, and one of the efforts to restrict United States tariffs and other import duties is the principle of 'national' or 'special' industries.

Essential, that each of the main industrial countries should strive to protect the industries within its own boundaries. There are indications that the United States is following a similar course. This is a dangerous trend for the world economy. It is likely to lead to increased protectionism and trade wars.

The amendment was put through without hearings to satisfy a group of producers who are now endeavoring to eliminate competition. As a result, the amendment will lead to the establishment of certain industries in the United States which are not competitive.

One of the major purposes was to try to prevent imports of 'international dollar gap,' or 'dollars shortage' problem. The amendment only expands and well-balanced pat- terns of trade and dollar stability to Europe and strength- en the world's free trade system.

If the United States, the leader in a system of unified, economic, political and military effort among the nations of the world, does not take retaliatory measures, that other nations will not take retaliatory measures. We must be prepared for this.

Two Coast Agencies Announce Merger

The announcement of the merger of Stieglitz & Co. and F. W. Guggenheim & Company on June 1, 1952, will be of interest to all those who follow the stock market. The merger is said to be a result of the efforts of the two firms to reduce their operating costs and to improve their services to customers.

The two firms have a long history of cooperation in the field of international trade and have been leaders in the development of new markets for United States products.

With Courts & Co.

P. Montalbo Opens

HOUStON, Tex.—On June 5, P. Montalbo opened his offices in the State National Building to engage in the insurance business.

With Cortes & Co.

LA GRANGE, Ga.—John H. Barnett has become associated with Cortes & Co., Colonial Hotel, La Grange.

Renox, Field Ends

DENVER, Colo.—Robert E. Berry has been added to the staff of the Denver Post on the Business Staff.

R. G. Davis Opens

ST. PETERSBURG, Fla.—George R. Davis is engaging in the real estate business in this city which he entered as a result of his former service in the Royal Palm Hotel in Miami.

Two With Metropolitan

LOUIS, Mo.—J. C. Obergfell and Robert J. Ros- birth are with Metropolitan Life Insurance Company, St. Louis, members of the Metropolitan staff.
Problem of Steriling Convertibility

N. Y. University's Institute of International Finance, in bulletin prepared by Dean G. Rowland Collins, Director, and Dr. Marcus Nafder, Research Director, of the Institute of International Finance, New York University.

The stabilization of the nations' balance of payments is one of the various measures taken by the countries to eliminate the dollar deficit. The convertibility of the pound sterling, the mark, and the yen is feasible in the relatively near future. Some of the sterling area and other nations have already taken some important sterling denominated transactions. The increased liquidity of the dollar area but also from Great Britain. This will create additional difficulties in finding outlets for these currencies.

In particular, the bulletin adds, it may not be easy to find new markets for consumer goods, especially if international tension should subside and military expenditures by the United States and other Western nations should decline. Already in many countries a demand for durable goods in the domestic buyers' market can be noted. Not only consumers, but also enterprises in such materials witnessed a material decline; but the demand for both and of course for international goods is beginning to slacken. Furthermore, this situation affects Europe, Germany and Japan, where labor costs are lower than in England, is less cut off from the international currencies, and the world should enter a period of general deflation, the task of expanding the sale of British commodities abroad may be even more difficult than at present.

Basic Improvement Needed in British Economy

According to the report, correction of Great Britain's balance-of-payments position requires basic improvements in the British economy. Adjustments in the exchange rate, which has been suggested in some quarters as a solution to the problem of sterling, is beginning to slacken.

As past experience has shown, and as the fundamental causes of the trouble remain, the crisis are likely to continue. The conditions of the export conditions are unlikely to improve due to an increase in production of manufactured goods in order to meet the rising demand. This may lead to a stagnation of the economy, which has been observed in recent years.

Bad Policies Followed

In analyzing Britain's postwar economic policies, the bulletin points out that the British Government has not always been conducive to remedying the serious balance-of-payments situation. The policies of the government have been influenced by the demands of the electorate, which has become more concerned with the price of goods rather than with the overall health of the economy. The government has also been criticized for its failure to take into account the long-term effects of its policies on the country's economy.

The Nationalization program adopted by the government has received little criticism from economists. The program has been successful in reducing the demand for imports, but it has also led to a decrease in the demand for exports. The government has also been criticized for its failure to take into account the long-term effects of its policies on the country's economy.

Several problems that remain to be overcome include the free convertibility of the pound sterling. The government has been criticized for its failure to take into account the long-term effects of its policies on the country's economy.

In conclusion, the bulletin notes that the government has been successful in reducing the demand for imports, but it has also led to a decrease in the demand for exports. The government has also been criticized for its failure to take into account the long-term effects of its policies on the country's economy.

Our Reporter on Governments

John T. Chippendale, Jr.

With the exchange offer out of the way, the government market. The recent example of Great Britain and other countries is a good case in point. The government has been criticized for its failure to take into account the long-term effects of its policies on the country's economy.

Commercial banks have continued to add to their holdings of the non-marketable sterling, even though these operations have been overshadowed by the shifting of their long-term investments to the market for the sterling. The sterling, in the non-marketable sterling bonds due 1965/67. While there is no question but that the exchanges, swaps and adjustments that have been made in the ineligible list have been much larger, the ineligible list is still a factor, and there have been nevertheless some very important changes and adjustments made among the bank eligible securities. It is evident that these securities appear to be playing a role for the future developments in the eligible list of the end of the list.

Long Matuities in Favor

The swing towards a buyers' market is having an uneven effect upon the banks. But the higher price of sterling, in particular, is having a favorable effect on the banks. The price of sterling, in particular, is having a favorable effect on the banks.

The sterling has been set higher, and it is expected that this will lead to a higher price of sterling. The price of sterling, in particular, is having a favorable effect on the banks. The price of sterling, in particular, is having a favorable effect on the banks.

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Problem of Restoring London's British Free Markets

BY PAUL EINZIG

Dr. Einzig calls attention to reluctance of Britain's Conservative Government to return to free commodity markets, as presented in the Prime Minister's Election Manifesto.

The Cotton Exchange, and explains compromise measures resorted to for purposes of keeping controls, while moving toward the restoration of commodity markets.

LONDON, Eng.—One of the main points in the election program of the Conservative Party in October, 1951, was the undertaking to remove controls over trade at the earliest possible moment. After the election, the Conservative Government found that it was not in a position to implement its program, and it retracted its earlier promises.

The balance of payments position was made clear, not only by the dissidence in the sterling area but by the events in the commodity markets. The situation in the United States was less readily forthcoming than it had been under the Socialist Government. In the circumstances, the government did not feel justified in running the risk of a collapse in commodity prices. Accordingly, a compromise solution has been adopted both in respect of cotton and in respect of the other price-controlled commodities.

Although the Liverpool Cotton Exchange remains closed, the government has now authorized textile manufacturers and cotton merchants to enter into and execute contracts for the purchase of cotton or other commodities for their own factories, and to import goods for the purpose of reselling to other persons. The government's cotton purchasing agency remains in existence and each firm will be allowed to make direct purchases or through the government agency. They have to declare the purchases of cotton or other commodities to the government agency, and to purchase cotton in accordance with the government's fluctuations for the benefit of those who prefer to buy their cotton through the government agency.

As far as lead, zinc, jute and various other commodities are concerned, much of the embargo which has been put into operation. The government sells its powers of exclusion to the importer of those commodities. On the other hand arrangements have been made to adjust the selling price of the commodities sold by the Minister of Materials to the prices prevailing in the free markets abroad. In the case of lead and zinc for instance, the government's selling price is now approximated to the New York free market price allowance being made for the cost of transport, insurance, storage, handling charges and interest on the funds employed by the government for these transactions. This means that although the government remains the sole seller the prices will now fluctuate substantially in the same way as they would fluctuate in free markets. However, the system was such that the government had endeavored to sell the commodities without a loss, and it was felt that the official prices were not allowed to follow too closely the free market prices abroad. In other words, the prices for British industrial firms stood to benefit by the operation of the new formula.

On Dec. 18, 1951, the employees' union of the United Steelworkers of America struck in an intention to strike when the existing injunction was to expire on Dec. 31. Thereupon the President of the United States ordered the Labor Disputes Commission Service to intervene in an effort to labor and management to agree before the strike began. This board's report resulted in no settlement. On April 3, 1952, the union gave notice of a nationwide strike called to begin at 12:01 a.m.

The United States Supreme Court in a 6-3 decision handed down April 21, affirmed the President's seizure of the steel industry as constitutional.

For weeks, the President's seizure of the steel industry has been under the scrutiny of the world. The decision was handed down April 3, 1952, provided a basis for future delivery as a safeguard against a possible rise in prices. The decision was binding in business circles it is considered to be a great improvement compared with the previous system. It is likely that rates in less than a month the position of the balance of payments may take it a long time before the President's order be made taking the next step by restoring free dealings in commodities.

U. S. Supreme Court Holds Truman's Seizure Of Steel Industry Was Unconstitutional

The Supreme Court decision, handed down April 3, made it clear that the President's seizure of the steel industry was constitutional.

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had refused to adopt that method of settling labor disputes.

When the Taft-Hartley Act was under consideration, the Fed Presi-

dent rejected an amendment which would have authorized such
governmental seizures in case of an
emergency.

And it is true that the technique of seizure, like that of other collective
action, would interfere with the pre-
cise bargaining

4 Constitutional scholars plan Congress
acted in that act did not provide for
such collective action, or

in some instances temporary

It is clear that if the President
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The contention is that Presi-
dential power should be implied from the
first paragraph of Article II of the Constitution. Par-
ticularly compelling is the

The founders of this nation

out the law-making power to Congress

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The very purpose of the

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Nor can the seizure order be

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FOOTNOTES

1 This board was established under

2 The Selective Service Act of 1940

3 Totalled on a weekly basis by

4 49 Congressional Record 3815-3824.

5 1944, 90, 12-17-45.

JOINS A. M. KIDDER Co.

DETROIT, Mich.—John J. Fal-

With Manley, Bennett

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Reserve Head Decrees Deficit Financing

In address before Bankers Club of Chicago, Wm. Mc. Martin, Jr. points out in current in times of peak level personal incomes, pay-as-you-go principle in taxation is exceedingly important factor in stability. Urges "prudent trimming" of government expense budget to avoid deficits and open market operations—the traditional tools of reserve policy which are still in use—were effectively supplemented, in Mr. Martin's view, by new regulations of short-term, consumer installment, and real estate credit, as well as by the Voluntary Credit Restraint Program. The lenders of the Nation have reason to take satisfaction in their contribution to the successful operation of the Reserve System, which has recently been put on a new and well-improved basis.

Looking ahead, Chairman Martin says, there are some who feel that the danger of a resumption of the inflationary spiral is slight. He foresees the situation today, however, it is an extremely hazardous occasion to predict what will happen steps toward a balanced budget and credit and monetary instruments, which have proved effective in helping the country to avoid serious inflation and should not be discarded. The Federal Reserve, he says, can proceed cautiously. Rearrange the needs for flexibility in money supply and control under the Federal Reserve Act, and expose this in the field of selective regulations, as evidenced by a series of emergency bank closings. If there were to be another flared-up inflationary pressures, the restraining intrusions which have proved effective during the past in the Federal Reserve System, and those few months is to aid the efforts of the Treasury in obtaining the funds it needs from private, nonbanking sources.

The system is in the country will also go up if many firms move out, or in which the Federal Reserve and municipal service must be provided sooner or later. This is par¬ticularly true because of water supply, sewers, street open¬ing, and so forth. Some of these areas are being faced with the obstacles, and perhaps added to our cities, in the present situation. Unless the obstacles is bound to flow the crowd. You can alleviate it, in this case, but not the problem. It is too late.

Investors Are Paying $150 a Year For Less Than This

The basis for investment suc¬cess we admit, is comprehen¬sive, factual, and up-to-the-min¬ute. The fact that is regarding what is going on in the world which af¬fects our investments, the need for a research department that covers the Business Press, the Trade Journal, the Government Press, and at the present time 13 statistical every week. The service of economic and statistical services, Trade Journals, and others from the re¬sponse. The heated business is a complete staff of research men who cover the entire world every day. As fast as new information is needed to deal with which uses.

Using a statistical source issues a research report on a se¬curity that is held by one of your customers, you receive the report and can say it to the client on a basis which carries the deal¬er's imprint (who uses the serv¬ice), if it is important, in our case which you, or your customer may receive, you will re¬ceive it automatically. A re¬search organization changes its advice, as well, and where condi¬tions, you receive the bulletin. As we set up and ready to make the point. If an officer, director or mutual fund buys or sells a substantial share of one or more of your customers, you receive the bul¬letin, designed to be ready to go. News or opin¬ion, which are relevant, to the customers have invested so far your services.

In addition, you receive opin¬ions of leading statistical organi¬zations and leading interest services. "Switches" that have been made affecting these research papers are passed on to you.

And if this were not enough, there are ideas for building your mailing list, for letters, for using this service which is furnished because of the tax angle? After all, the lower your keep your ex¬penses, the higher your profits will be both before and after, and that is what businesses men strive for.

A Look Ahead

After reviewing the pros and cons of the situation up to the point of this task, the first question will be, whether the cities back in the early 1900's is still true today. The distribu¬tive group have a completely different source of information than what we now have stores and shops both are true. And this is why we don't know if this is true. This seems nothing more than an economic law at work, and should not cause any real anxiety. The President of the largest depart¬ment store chain in the city, the super retail center in the city will continue to grow, and the whole increases in the main store in the city. It works like this. When people spend more money on a certain amount of goods in the local branches, it is not likely to happen. Of course, be honored in New York. Many of these charge account cus¬tomers there to go to the main store when in the city and use the charge account facilities and service. There. Because many of these never before stopped in the New York store, it has helped to swell the sales volume in the central location.

And so the distributive indus¬tries, which includes the whole manufac¬turing is unchanged. Plants are still building in the suburbs and in small towns. If you want to know that the majority are located in the suburbs, it is also true that many plants located in Chicago, New York, and other cities outside of the city. The same is true of the suburbs.

Now what about the suburban¬dies? Has there been any recent change? As a matter of fact, certain condi¬tions will continue, in my opinion, to grow. What I think would be the way one can imagine the large accounting firms, the big advertising agen¬cies, and so forth, are going to be moving out to the periphery? I think that this will happen. And the distributive industries, can you picture large selling in some locations on the suburbs? I can't. The same is true of many, that I believe will be taken by the large installment lending institutions.

No, an impartial survey will lead one to conclude that from the facts that have been adduced here, seems it is not possible for general public to leave the city. Anyone who will continue to live in the city will have to work hard to avoid being confronted with the same headaches they had in the city--the heavy traffic, the shop in suburban stores and avoid it. Those city department store. If the peripheral stores are not crowded, they are not profit¬able. As a result, it is a difficult problem.

In the city in the country will also go up if many firms move out, or in which the Federal Reserve and municipal service must be provided sooner or later. This is par¬ticularly true because of water supply, sewers, street open¬ing, and so forth. Some of these areas are being faced with the obstacles, and perhaps added to our cities, in the present situation. Unless the obstacles is bound to flow the crowd. You can alleviate it, in this case, but not the problem. It is too late.

First, there are the slums which the city and the cities that have overgrown their boundaries, in that they are growing away from the city. They are up¬ward trend with redevelopment present. Second, there is a group of other cities. Other cities with room yet to grow would be better off without them. It is expensive to grant you and it present many problems. This is why we when we consider the cost of get¬ting rid of them, we have to consider the far higher costs of taking up with Eem. You will, therefore, be asked to do your own list and your list should be traffic relief. Most of the traffic problems here, the traffic problems seem to agree that they will do as well as possible. In the origin and destination within the metropolitan areas and that our cities have large facilities through rather than be small. My opinion of the city is this is not the answer. Due to the fact that the city and the past, it is now necessary to con¬bined in a comprehensive study of the country the needs of the sti.
rect critical urban arterial deficiencies. While there are more parkways, throughways, express highways or interstates to call them, in New Jersey, we are pleased with the results of a north-south parkway that can be used to connect the employment centers. I think the program is going to be expanded. You say that we are still dealing with arterial deficiencies, we still have the problem of parking in the city parking facilities that are overcrowded. A large number of workers and parking for the trains and buses and for the employees of other business centers. The city has not been very successful in making the parking requirements. There is a great deal of parking and much progress necessary if it is to be made. The openings of new areas, and the extension of existing areas, and the proliferation of new areas, are significant. The city is not expanding at the same rate as the population. Therefore, the problem of parking and the need for parking facilities in the central business districts and in the suburbs are interdependent. The city and the central business district need to be filled with development, to accommodate the needs of the people who work there.

To summarize, the central city is the core of the city and the suburban areas are the result of the development of the central city. The central city is the heart of the city and the suburban areas are the result of the development of the central city. The central city is the heart of the city and the suburban areas are the result of the development of the central city. The central city is the heart of the city and the suburban areas are the result of the development of the central city. The central city is the heart of the city and the suburban areas are the result of the development of the central city. The central city is the heart of the city and the suburban areas are the result of the development of the central city. The central city is the heart of the city and the suburban areas are the result of the development of the central city. The central city is the heart of the city and the suburban areas are the result of the development of the central city. 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A New Look at Our Foreign Policy

milled to rebuild its industries. In accordance with this feeling, we agreed to Russia withdrawing the provisions of the 40 billion mark German reparation payment. We did not, however, find it possible to go as far as the 240 billion mark, and it was announced that Germany would pay some $25 billion worth of reparations a year to us. The German Government went into Germany to rebuild its industries, and some small minority controls the economic plane below the control plane provided in the economic plan above. There it is the only relatively few who enjoy a satisfactory standard of living. The average German is better off than he was in the days of kings of only a few years ago.

A Lesson from The Past

In terms of economic strength and armament, Russia is considerably smaller than the faithful David carried a sword: therefore the challenge of Goliath. This being true, we should not be deterred by the review that there will be between these two men.

Our Economic Strength

The threats to our safety and the need of building up our military strength are so evident that it is easy to see how really strong this nation is, and how powerful our material of an industrial nation. Russia, we cannot afford to lose the potential of the B. U. student body of about 5,000, the capacity of Russia and Eastern Europe to produce steel is represented by about 750 students. Again, the capacity of the United States and the so-called "American" world is equal to the equivalent of 4,250 students.

The operation of machinery in industry, in the machines in factories, and in the production of steel. Here again the relative amount of production in steel and Russia may not be appreciated. During 1901 the United States produced 4,060,000 tons of steel. Russia alone accounted for about 600,000 tons, or about 15 per cent of the U. student body. Russia and her capital are in a decided inferior position in America. In Russia 500 while the United States and nations friendly to us are the equivalent of 4,000. In the end, the outcome of World War I and World War II was controlled by the industrial strength of America, Russia is not ready for the battle.

The economic and moral strength of the people, in the power of the man who commands it, of the moral strength of the country. Here too, the economic and moral strength of the United States and Russia should be recognized. In the United States there are about 250 million people, in the Russian Empire 250 million people, while in Russia the large majority of the people possesses no property at all, the average working man in America and Russia is not only a factory worker, but he has a family to support. Average working man in America gets about 40 hours a week to buy a pound of butter, while the average, if six hours of work in Russia to earn a pound of butter. About 20 cents more than 40 cents, if necessary to buy a dozen eggs. The average worker must work nearly five hours in order to earn the money to buy a dozen eggs. These figures not only indicate the wealth of each man, but they measure strength and power, dependence on imports, ability to save and ability to spend. It may well be that the prices have reached a high level that if these ratios are not reduced the economic and moral strength of the United States and Russia would weaken the economy as Karl Marx predicted.

Lenin, the George Washington of Russia, made the prediction that "without an economic base, the United States to spend itself into destruction. The United States has been destroyed through inflation and over-spending on the part of the government. We are involved in a military conflict. If you were to take the General Budget for each $1 million that will allow you to spend it on a six month and discontinued your job in order that you could devote all your time to study. It would require over seven years to buy one pound of butter, at the rate of $1 million per month that the one thousand men who otherwise might be privates in one of the divisions of republic was established, it is evident that in the opinion of the President or war or to economic destruction.

There is only one way to bring this about, it is to bring the world to an understanding of the fact that if they are not prepared to build up large armies. These may have failed to prove the influence that indicates they will win in the future whether they win or lose. If they and all of us will remember that history has proved false the old doctrine that it is necessary to be ruled by tyrants. These are the words of William Penn. He who shall introduce public affairs into the spirit of the world, and that this is the name of nation.

The great, God-fearing man, Abraham Lincoln, who guided this nation through one Civil War and who never lost sight of the ultimate objective, has told us how we might gain wisdom: "I saw that he was a man; here is his address, admonished the nation that: "All the divisions and habitations of the earth, religion, morality and irresponsibility." The great, God-fearing man, Abraham Lincoln, who guided this nation through one Civil War and who never lost sight of the ultimate objective, has told us how we might gain wisdom: "I saw that he was a man; here is his address, admonished the nation that: "All the divisions and habitations of the earth, religion, morality and irresponsibility."
Electronics: Promise Has Become a Reality

by evidence that the electronic revolution, if you wish to call it that, is well under way.

The presence of the electronic revolution is indicated by the fact that jet fighter new in Korea requires 23,000 feet of wire and 23,000 electric connectors. A B-26 has 2,143 vacuums. The average annual revenues for the television industry totaled $29 million in 1951; that figure now stands at $587 million.

There is nothing I would like better than to spend the next 30 minutes telling you what the impact of electronics has been upon the United States but I think you know it well. I was well acquainted with those facts. At least, those of you who have read the articles of The American (the television has been. I suspect many of you know what electronic business machines are doing to speed business and accounting. I know that electronic methods of radio is doing for the utilities, what microwave communications is accomplishing for the movement of natural gas industry.

Since you know these things, with your permission I would like to take a broader look at what the future holds for electronics holds in our future.

Place of Electronics in Future

To most persons the adjective "future" does not mean anything particular with the word electronics is complex, or perhaps is a gasoline engine, for example. Electronics is more than electronics as being capable of being understood only by engi- neers and computer scientists. And there is some basis for that.

Irvin Driggs, who is director of the Research Division of the Davy Development Corporation, made a speech before the Institute of Radio Engineers in New York in August. He said: "The electronic computer is the key, and the heart and soul of electronics, because if you can make a computer, you can make almost anything else you please." This is true of electronic computers, and it is also true of electronic devices which can be used to control nuclear power plants, to do research in the most profound way, and to aid in the development of new materials.

The electronic computer is the key because it is the most powerful tool for solving problems of all kinds. It can perform calculations faster than a human being, and it can do so with greater accuracy. It can also store and retrieve vast amounts of information, and it can manipulate that information to produce results that would be impossible for a human being to compute.

In the future, we will be able to use electronic computers to control everything from traffic lights to nuclear power plants. They will be used in manufacturing, in research, in education, and in many other fields.

Electronics has changed the way we live, think, and work. It has revolutionized the way we communicate, and it has opened up new possibilities for understanding the world around us.

The impact of electronics on society is immense. It has transformed the way we live, work, and think. It has changed the way we communicate, and it has opened up new possibilities for understanding the world around us. The future looks bright, and the promises of electronics are only just beginning to be fulfilled.

However, there are also challenges that must be faced. The rapid pace of technological change means that we must be vigilant in ensuring that the benefits of electronics are shared equitably. We must also be mindful of the ethical and social implications of this technology, and we must work to ensure that it is used for the benefit of all.

In conclusion, electronics has come of age. It has become a reality that is transforming our lives in ways that were previously unimaginable. The future may be uncertain, but the potential of electronics is limitless. As we continue to develop and expand this technology, we must remember to consider the wider implications of our actions and to work towards a future that is fair, just, and sustainable.
Price Bargaining Now a Legal Hazard to Buyers

had been added largely as a Congres-
sional afterthought.

Yet it is that cloud, which in 1914 was an outgrowth of the man's hand, that has today per-
haps overtaken the American econ-
omy.

It is worth noting in the present instance that the original and erroneously im-
pressed notions of the American busi-
nessman that the Robinson-Pat-
mus Act could not be applied to goods sold for retailing by small inde-
pendent retailers has been thoroughly dis-
credited.

For the last 16 years, despite the fervid representations of the sellers' market, have made clear the ubiquitous reach of this law against price discrimination. It has immediate and comprehensive effects on the independent small retailers, on wholesale activities, and on all state commerce. It is not limited to the price of goods but also com-
prise to fix prices. It has im-
port, in the form of a Trade Com-
misiori-related price fixing or di-
guate suit, upon every business. In-
sight is considerable, every de-

tal, its relative position in an increasing number of industries and products it buy sells or sells, or whether the goods are sold for re-

The facts are, truly, that it is act-
ion by the Commission first be-
gins. The Commission may file a

the Commission has said has been -

that the Commission, in effect, has made the position.

In short, the Commission inter-

in the first place, almost all buyers-

and by their express ad-

know what the Robinson-Pat-
mus Act means. They do not know the common selling practices. Its in-

for its enforcement. This is in-

of course, in most cases prov-

negative, establishing that a

the seller's market, a seller whose

price, that obviously never could

It is perhaps important now for

you to know how this has come to

To begin with, not all price differ-

even those price differences that

the Commission could be challen-
ged. If a seller's market were not

litigation of an equalization, the

injury that normally would be

But for the Federal Trade Com-

ative injury is wholly aca-
demic. It deals in inferences and

iple, or to customers who compete

presumptions that competition will

All price difference,

tended, become a preponderantly

ought to intrigue you. It is an old

if one thing is

found, the existence of another

be presumed unless the com-

It is, therefore, the rule

pressed that the law set it later turn out that the

the buyer may be bad.

Instead, most lawyers ad-

the requirement. A buyer is

sionably be presumed a law-

or a buyer and a seller can never

always be presumptively a law-

always a buyer, or necessarily

The question for you to decide

Now, what does the buyer do?

If the buyer and the seller

In the first place, almost all

And by their express ad-

know what the Robinson-Pat-
mus Act means. They do not know

its in-

for its enforcement. This is in-

in the selling side

there are vast areas of argumen-
table, like grade and quality, com-

prices did not change. It was a

tactics. It argues that where

meet competition.

While I briefly recite the

they wish to show these justifications, please consider whether you as buyer

job in doing so.

First, price justification, the

the state that provides that price
differences can be justified by the

of an equitable defense of price

primarily, these difficulties flow

from what the Commission and

several years ago you might

the Robinson-Patman Act, despite

egard, or a costly strug-

primarily, these difficulties flow

from what the Commission and

several years ago you might

the Robinson-Patman Act, despite


"reasonable and prudent businessman" concept that preceded them, and fitted all aniso-
geneous dispositions. It was universally recognized that trade sales were
in a complicated and inte-
grated economy—indeed there was no separation between economies or
there were no economies of scale.

The buyer viewed the contract as
in a manner of trade, and
that the amount withheld was
ful service, which was
satisfactory to the buyer, and
that the service was performed
in a timely manner.

The Commission held, however,
that all sales to the consumer were
of a contract that was not
competitive injury merely
because it was not competitive with
from other sources charging higher
prices. It ruled that the buyer had
not been prevented from taking
or in some other way
the goods.

This the buyer refused to do,
and the case was appealed.
Accordingly, the Commission
sued its order prohibiting that
"net price" lower than the seller's
"fair" price, and
whether the seller or the buyer
paid the difference.

The order went on to provide
that the buyer could, if he were
satisfied with the service, later
in the growing in the future, to the
seller's convenience,
that the buyer supplied him with
the price.

The rule is absolute: Knowledge
means knowing only that you are
paying less than a competitor, as
a technique rather than
knowing. Everything else
automatically follows to make you
pay more for the seller's goods or
buy the same goods for a higher
price. Since an order cannot
exceed the price, what is the
result? That the same rule applies in
determining violations in the
first place. For example, if the lower
price is not at his peril and
knowing what you are paying for,
the buyer is doing.

All of this was unavailing. The
court treated the problem as a
technical one, and
it was proved. The buyer
and the public, and
the court, and
if followed, would have
traded.

It is, therefore, no exaggeration
to say that you buy at your legal peril
applying to the purchasing of raw
materials for commodities
for manufacture.

Why, then, may you finally ask, are
such weird rules evolved to plague
businessmen?

The only explanation I can give
is that the principle of
and its staff are obsessed with
the force of price alone. In their
view, the price is all. They
singly motivates business conduct.
That is to say, the principle of
indifference, that on competition,
the seller is utterly indifferent as to
who purchases his wares, and
buyers, and
by increasing reliability and decreasing
cost.

Their major contribution, however,
will be to extend the applications
of their work to new fields and to greatly
extend the present frontiers of
knowledge.

Obviously, such a fundamental
new development of literature and
knowledge has a profound effect on our
present actions and plans. We are
already committed to a program in both the military and commercial
fields. The results of this work have been
published and made available in
independent sector. Each should be reviewed
by an independent sector. Each should be
reviewed and evaluated independently.

Yet wholly foreign, perhaps, to many
of these administrative rules is the
philosophy of economics. The
purchasing agent's job, of his
transactions. All are
from the fact of
any of his
that he has the
tory, and that

Of course, if that is truly a
consumer, it could have been
by some salesmen

Yet new fields and to greatly
extend the present frontiers of
knowledge.

Certainly, I can see no
entirely clear-cut rule set
in its place in
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Mutual Funds

BY ROBERT R. RICH

Funds To Contest Ruling Preventing Plan Insurance
Mutual funds which have been selling periodic payment plans with insurance coverage were said yesterday that they might file suit in court to a New York State ruling which prevents them from using such life insurance provisions.

The ruling was made yesterday by New York State Attorney General Nathaniel L. Goldstein at the request of the Insurance Department, says that group insurance can be issued by organizations selling securities to customers on an installment basis in which each payment constitutes a purchase in itself with no further indebtedness on the part of the investor, or in a case in which the organization would buy back the securities upon the death of the insured.

The State Insurance Department said that the Group Insurance Law, which defines those groups in New York State, from whom life insurance can be sold, would only permit the sale of group insurance to periodic plan investors if the investor was legally obligated to complete the plan or if the estate, in the event of death, was obligated to complete the purchase of securities for the balance of the plan.

Mutual fund officers in New York expressed surprise at the suddenness of the ruling, since periodic plans of this type have been sold in New York State for nearly twenty years.

Beginning in the early Thirties, Financial Independence Founders Plan Corporation was selling periodic plans with such insurance coverage. These, of course, were taken over by First Investors Corporation, which has continued to use both Connecticut General Life Insurance Company and United States Life Insurance Company. Connecticut General has been offering this group insurance coverage since 1932 and U.S. Life since 1935. The ruling, perhaps, that today's insureds, until their monthly payment plans are covered by insurance and that of this amount only one-third is in New York State. Ten years ago, nearly two-thirds of the monthly payment plans were insurance-covered.

The ruling by the Attorney General does not affect group insurance now in force on periodic payment plans.

Fund Places Report In Larger Setting of Free Enterprise
Manhattan Bond Fund is believed to be the first investment company to include in the official document of a semi-annual report a statement to its shareholders explaining how the operation of the financial market economy.

Extracts From the Report: “Your investment in shares of Manhattan Bond Fund was made with money you earned and saved. You were especially fortunate—with money someone else earned and saved for you. Our system of private ownership and free enterprise now makes this possible. Interest payments (from corporate bonds) are the source of income of Manhattan Bond Fund and are therefore the source of dividends on your shareholdings in fund. . . . Our system of private ownership and free enterprise gives well-managed corporations the opportunity to borrow money, to earn and pay interest on what they borrow, and to repay their borrowings at maturity. In turn, this permits corporations to improve their products or services, to create new ones, to reduce costs, to employ more people and to pay better wages.” Obviously, your interests, the interests of other Americans and the interests of the American system of private enterprise are identical.

Although editorial comment in this column on the operation of any particular mutual fund is appropriate, it is especially appropriate in the recognition by a fund of its obligation to explain to its “owners,” many of whom have never owned stocks before, the simple mechanics of our enterprise economy as it relates to their own interests is certainly of great importance. It is not surprising that this should also be done by one of the Hugh W. Long funds which, with others, has been keeping to a rather high standard of operation.

Manhattan Fund Program is difficult to understand, and they readily yield to the apparatus of various economic analyses, including unit cost studies, the functions of their prices, and the relationship to the economy of the demand for their shares. However, mutual funds, more so than other businesses, if they continue the rapid rate of their growth, are one day going to change perceptibly the political complexion of this country and, as pipelines, may become the most important source of equity capital in this economy whose income distribution is becoming increasingly egalitarian. Hugh W. Long did not start too early.

Natural Resources Fund of Canada Begins Offering
The offering of 1,296,383 shares of capital stock of Natural Resources of Canada Fund was begun yesterday at $3.50 per share by Frank L. Valenta & Co. A total of 1,296,383 shares of the Fund's capital stock was registered recently by the Securities and Exchange Commission. Since the effective date of the registration, 7,096 shares have been distributed. The Fund's net assets on May 29 were $330,865.

Mr. Valenta said that Natural Resources of Canada Fund is the only American managed open-end mutual fund registered with the SEC which will concentrate its investments in the securities of companies, wherever organized, which operate or own natural resource fields.

He pointed out that Canada's great and expanding reserves of raw materials are in world demand and that Canada possesses greater supplies of many natural resources than many other nations.

Canada is recognized as the world's leading exporter of non-ferrous metals. Canada is the world's largest producer of nickel and asbestos and is a leader in the output of copper, lead, zinc, gold, platinum and uranium, as well as many other metals. Canada is also one of the world's great refining centers of nickel and its low-cost water power, although the ore comes from other sources. Since the end of World War II a new titanium industry has been developed.

Only four other areas, United States, the Middle East, U.S.S.R. and Venezuela have large oil reserves. That country has immense timber reserves and vast high-grade iron deposits.

Mr. Valenta said that Natural Resources of Canada Fund, according to Mr. Valenta, will include the shares of such companies as Imperial Oil, British American Oil, McGill-Freestman Oil, Anglo Canadian Oil, Calian Consolidated Oil & Gas, Central Leduc Oils, Del Rio Producers, Federated Petroleum, Hudson Bay, Hollinger Consolidated Gold Mines, Placer Development, Dome Mines, Hudson Bay Mining & Smelting, Kerr Addison Gold Mines, the Mining Corporation of Canada, Nanina Mines Canada Cement, Canadian Celanese, Canadian Pacific Railway, Shanghai Water & Power, Abitibi Power & Paper, Canadian Western Lumber and St. Lawrence.

Financial Tax Bill Goes to Board of Estimate Next Week
New York City's bill to increase the annual levy on financial businesses from 1 cent to 1/2 cent has been proposed and will be considered by the city's Board of Estimate. If passed, the bill will go to the City Council on Tuesday of this week.

He pointed out that the Board of Estimate, the Mayor must advertise for five days a public hearing, after which it will become law. Leaders in the financial district said there was no hope of any relief being granted at the city level. Efforts will be concentrated on the State level next January where an attempt will be made to increase New York State. Legislators will introduce an amendment to article 2B of the General City Law which among other provisions authorized the city to increase its taxes on financial business.

Taxes at the new rate will be payable in June, 1953, on the annual income of each of the cities and the rates of the New York City government. Under the proposed amendment the tax will be one dollar for each $20,000 of financial business for financial businesses and insurance companies.

Canadas Wealth of Natural Resources
Canadas WEALTH of natural resources give it a basic security, since it has a wealth of natural resources the Canadian government and industrial leaders are well aware of. The government has long recognized that it must develop its natural resources to maintain its standard of living, to meet its obligations and to maintain its independence. It has been working on this problem for many years.

Agriculture, forestry, minerals, oil and gas, fisheries, and the natural environment are all important factors in Canada's economy. The government has provided assistance for agriculture and forestry, and has encouraged the development of mineral resources. The government has also encouraged the development of hydroelectric power and nuclear power, which can be used to generate electricity and provide energy for industrial and commercial purposes.

The government has also encouraged the development of tourism, which is an important source of income for the country. The government has provided assistance for the development of tourist facilities, and has encouraged the development of tourist destinations.

The government has also encouraged the development of transportation, which is an important factor in the economy. The government has provided assistance for the development of highways, roads, and railways.

The government has also encouraged the development of communication, which is an important factor in the economy. The government has provided assistance for the development of telecommunications, and has encouraged the development of the internet.

In recent years, the government has also encouraged the development of technology, which is an important factor in the economy. The government has provided assistance for the development of technology, and has encouraged the development of the start-up sector.

The government has also encouraged the development of education, which is an important factor in the economy. The government has provided assistance for the development of education, and has encouraged the development of the university sector.

The government has also encouraged the development of health care, which is an important factor in the economy. The government has provided assistance for the development of health care, and has encouraged the development of the hospital sector.

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The government has also encouraged the development of communication, which is an important factor in the economy. The government has provided assistance for the development of telecommunications, and has encouraged the development of the internet.

In recent years, the government has also encouraged the development of technology, which is an important factor in the economy. The government has provided assistance for the development of technology, and has encouraged the development of the start-up sector.

The government has also encouraged the development of education, which is an important factor in the economy. The government has provided assistance for the development of education, and has encouraged the development of the university sector.

The government has also encouraged the development of health care, which is an important factor in the economy. The government has provided assistance for the development of health care, and has encouraged the development of the hospital sector.

Mutual Fund Notes

CANADA'S WEALTH of natural resources is so vast that it gives it a basic security, since it has a wealth of natural resources the Canadian government and industrial leaders are well aware of. The government has long recognized that it must develop its natural resources to maintain its standard of living, to meet its obligations and to maintain its independence. It has been working on this problem for many years.

Agriculture, forestry, minerals, oil and gas, fisheries, and the natural environment are all important factors in Canada's economy. The government has provided assistance for agriculture and forestry, and has encouraged the development of mineral resources. The government has also encouraged the development of hydroelectric power and nuclear power, which can be used to generate electricity and provide energy for industrial and commercial purposes.

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THE SHIFT from Wall Street to Main Street in the 1950s indicates the American industry was graphically highlighted in the annual report of the Federal Reserve Bank of New York. In connection with the 13th annual report of National Securities Series by Henry J. Simonoff, Jr., President of National Securities & Research Corporation, the study revealed that 44,208 small investors hold an average of only 2,250 shares each, owned over 67% of the trust's net assets. At recent prices, the investment of these small shareholders, none of whom owned as much as 2,100 shares, would be around 1,200.

There were larger shareholders too. Holders of 3,000 shares or more numbered 3,025. This group held nearly 50% of the total capital stock of the company. In the Union, the District of Columbia, and some other foreign countries were represented. Less than 5% of the shareholders reside in New York City.

It is interesting to note that there are 11,000 shareholders of National Securities Series, which exceeds by 50% the 2,000 held in 1950. There are also 14,688 registrants in such countries as Canada, the United States, and the Belgian Congo. The youngest of the shareholders is 18, the oldest is 87 years of age.

Net assets of National Securities Series as of the fiscal year end, April 30, 1950, were reported at $3,793,722,828 as compared to $3,769,503,519 reported at December 31, 1949.

The new issue of the report is a significant addition to the series. It contains a comprehensive study of the commercial and investment activities of the company for the fiscal year ended April 30, 1950. The report includes detailed financial data, a review of the company's operations, and a forecast of future trends in the economy.

In summarizing, Mr. Munro stated, "The business should improve in the last half of 1952 and the first quarter of 1953 will prove to be the low quarter of the year. The business outlook appears good for the remainder of the year."

With about 60% of the total assets invested in securities select list of 10% securities, the company's holdings have a high quality with public utility stocks showing the greatest appreciation of those currently held. Tobacco stocks, especially, reflect a return and relative stability, representing the better one-third of the stock position. The balance is widely diversified in other good market sections.

Profits were realized by The Fund, a Federated Fund, earned during the period. The common stocks of Celanese Corporation of America, The American Company and Parke Davis & Co. were sold. The common stock of Middle South Utilities was added to the list of stocks the company has increased its dividend and advanced in price.

This strong statistical background for the further growth of the company is provided with a considerable volume of information that is easily available. The report is a valuable resource for anyone interested in the financial and economic aspects of the company.
As We See It

on in the minds of those at the helm. The willingness, not to say positive eagerness, to see wages rise as evidenced virtually every day; the invitation to State and local govern
ments to promote the general welfare by means of a "willing
abandonment of the so-called voluntary credit controls as
applied to private borrowers; the suspension of curbs on
brokerages, etc.; and the lack of interest by the Treasury
in getting its obligations out of the banks into the hands
of nonbank lenders — these are some of the more recent indications of a change of heart at the nerve centers of the Federal Government and of the Democratic
party managers.

This, of course, is not the first time the wise
acres in Washington have of late years proved not
to know how to understand that politics is also a part of
the community — and here is one of the many reasons why
we have no faith whatever in the ability of a politically
chosen few to manage the economy. The reader will readily
recall how badlyawry official ideas were about what
would take place after the end of the fighting in World
War II. The planners sought to justify their position
with a premature removal of controls and all the rest, but the fact is that along with many,
many others, their thinking was largely under the influ-
ence of the latest "military doctrine". The national state of mind was "shaken" but all was inevitable, according to many official observers for a good while.

But continued activity of a feverish sort and per-
sistence in the idea that we can, if we want to, "pull through this thing" was commanded by an economic necessity. It is not possible, little by little, and that the state of business could not be other than good so long as consumer expenditures kept at such a rate. We are only now beginning to realize the hazards and sufferings of under-consumption. Invest-
ment outlays were going well, too, and so were the gifts
sent abroad by a liberal American Government.

Explaining Rearmament

A certain amount of uneasiness in breasts of the West Point and the state of business and the outlook had so im-
proved that confidence was rather solid in Washington. After a period, during which preoccupation with purely national defense and war preparations had taken prece-
dence, the prophets set to work to tell the world what the economic effects of Korea were destined to be. It was perhaps natural that World War II was taken as a model, and the aim was to go to work producing enormous quantities of war goods at the very time that we had to build up our armed forces by drawing millions of men (and women) from the labor force. Materials, too, had to be shunted from peacetime goods to war goods. After a short time scarcities of this and that would put in their appearances. Controls were required and were put into operation to make sure that the rearmament program would not suffer from undue competition from the private sectors of the economy. It would require official controls to prevent prices from rising— and all the rest.

For a time, events followed some such pattern as this. Some shortages arose — as much from government action and from private practices inspired by government policies as from any other causes — but they developed here and there, prices rose fast enough in all cases because the consumer, supposing that government spokes-
men knew what they were talking about, rushed into the market place, particularly for items which had proved difficult to obtain during the last war. And so the group of managers in Washington, while bun-
gling badly almost everything they undertook to do, gave the impression to the unthinking that they knew what was in store for us.

But they had reckoned without the behavior of the rank and file of the people. Officialdom had fallen victim to that quixotic belief that the consumer is a sort of automaton who always
and always can be relied upon to spend a certain relatively fixed pro-
portion of what is known as personal income for con-
sumption goods. Here is where a big mistake was made.

He Fooled Them

The man in the White House may not be widely or deeply read in the theory of this or that. He may not know what John Maynard Keynes said he would or would not do. But when he got over his temporary panic, when he found that freedom goods proved popular in the market
place, and when he came to his own conclusion that prices were too high, he simply stopped buying. It was certainly not because he did not know that prices were too high, but simply for that reason.

He just decided that the time had come to wait on price reductions— and he did And the planners are in a quandary!
Risks of Financial Policy: Success Will Be Smaller

rate of taxation which was already too high. The provinces were almost crushed under the burden of taxation. It had long been a demand of the people that the taxes were exacted from the poor without the consent of the people. Difficulty in consequence, industry suffered, and the people deprived of it all its earnings. Production steadily diminished, and all the advantages of commerce and the commodifies followed. Diocleci assigned not to the provinces, but to a decree fixing the maximum price of the necessaries of life, and a multitude of the luxuries of life. But this violent interference with the market, was not only very bad for every society, very very bad, it was intended to remedy.

Problems We Face Are Not New
And so, my friends, you see that the problems we face are not really new at all. Our forefathers could and did anticipate these problems, because they had the whole recorded history of man, to guide them. The dates and places may have changed, but human nature itself has been the same since the Garden of Eden. And so, if you will, we have the leaders of nations—whether they be kings, emperors, re- philets, or President, have had a natural inclination to govern them by decree, and to extend that principle to the various living and affairs of the people. That is what Thomas Jefferson said.

"Do not talk to me about the institutions of this country, to the rights of the political societies; that is to say, the child the constitution of the Federal government. It is a terrible storm at sea. If only we maintain it and if people are thoroughly frightened, they will agree to jet- ti the will of their rulers. If it is not acceptable, the people will rise and make war on the poli-

ton spoke. And after that, it is obvious that the people should have been the poli-

tors—thus released—forced to put their hands on with which to bind the people.

Emergencies Can Be Solved
Under Constitution
Yet in spite of all the boat-rocking and the mad-dear that we have suffered in this country, I think it can truthfully be said that never in the history of our Republic has there been any emergency—however critical—that cannot be successfully and completely within the strict limitations of our Constitution. We have not to the safeguard of those in that document which people are not only as yet unacquainted with but have ever really poal the sight-

The idea of a government which should forever be dedicated to the proposition that the man was just something that our forefathers did, is a thing of the past. The average of the people has increased in the manner of the year 1877. The Constitution in which this idea is embodied has been, based on 180 years of experience here in California. In 1880 there was hundreds of years beyond that to 500,000. The people in a line of the Confederacy. It staked back thousands of years beyond that to the line of the Confederacy. It was an era beyond that to what William Blount called the "natural law"—the law of God Himself.

Blackstone pointed out that the instruments which we have put man out of dust. He impressed that the law which has been gotten from which it can never depart and without which it would cease to be a law at all. Blackstone's laws can be of any validity if they be inconsistent with the fundamentals of the Constitution, and he held that the perfect primary end of all human legislation is to maintain the absolute rights of individ-

And of all the individuals with whom we are down in their legacy to us, perhaps has been greater nor anything more to our society than the tradition of every of every one of us to develop the highest possible degree his personal creative power.

Yet on all sides of us we now find that we are walking with a even saee—to surrender the God-given rights of their neighbor. It is still the case that of the Constitution. In the States, a grant of personal freedom is recognized. Believe me, my young friends, you cannot afford to let anyone make a Fortieth Amendment of the Constitution by hoping;

You cannot afford it because, in a nation which makes political obedience the true metric of your failure, you have deliberately chosen to become unknown men and women, in a age which draws upon success, you have chosen to become unknown men and women. And in a world where minorities are often permitted to sit down and say that very small minority of high-

nights, and men women whom are qualified to assume positions of honor—will be pre-

pared to suffer the penalties which attach by leadership in any field of public service.

Not so many years from now, there will be little fear that of you will be attending another commencement. Possibly you will become a high school, and find your highest calling as some one who will help you walk up to receive their diplomas. And if you have made your highest calling will you know how well you made the future of those young men and women whom are qualified to the chances of success? What hope will you have of achieving success for their future? For yourselves and their fam-

You will be even able to save your times for the future. And if you have told you today—then economic survival is no problem in America. Well that depends on it. It depends on your ability to pass on to them, unimpeachable, the great hereditary of individual free-

It is upon the skill and the determination with which you can be said to have errored or our Constitution lib-

have already been taken away from you, and that you will hold and always, upon the wisdom and the energy with which you dis-

obligations to your fellow citizens. And we shall have to vote for the first time in a national election; and so you will have the power to make the most important step of all—on the road to freedom.

Stretching out before you are many roads, with gayly spots marked upon them, and you are on the particular road which you must find has three distinguishing

characteristics: It is the spiritual road, the road to real security, and the political road; but you can trust the signposts; for there is no road that speaks invitingly of peace, security and freedom.

But if you use the Constitution as your beacon—if you will ally yourself with a noble cause in the fight to defend it, and you will find that it is your most impor-

So much on the military side. But there is another, and an even more important economic side to the same question.

As part of our policy of contain-

A policy which will help to block the blockade of the Communist coun-

tries. That is a policy with which to trade with them ourselves, but we use the power of the purse to force our way upon the heavily industrialized, densely populated and resolute countries, which have to import a large part of their food supply anyway, cut exports, and bring down the markets in the predominantly agricultural regions of the Soviet zone. In consequence, there is a deficit in the economies of all the Western European countries which the United States has had to make good by dint of aid and charity. For the loans, all at the expense of the American taxpayer.

This is an artificial situation which obviously cannot go on in itself. It is definitely an obstacle to the American economy. Mean
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Halsey, Stuart & Co., Inc. and associates are offering $3,000,000 of shares in the American com-

eral equipment trust certificates, series 8.15, made June 1, 1953 to 1997, inclusive at prices to yield 2.15% under the Philadelphia Plan, the certificates are being offered sub-

state Commerce Commission. A total of 1,000 50-share unit holders can be received.


B. G. Phillips & Co. of New Orleans, La., are offering now new issue of 300,000 preferred Cameco Oil Corp., at $1 per share as a speculation.

The company has recently formed New York corporation to be known as Cameco Corp., which has certain prospects in the Wilcox field of Texas, and in the Carter Oil Minsho prospect in Lincoln Parish, La.

Jas. Stilwell Opens OKLAHOMA CITY, Okla. —James F. Stilwell has opened of-

office at 901 W. Main. He is a partner in a firm in Thornton & Reed.

3 With Waddell & Reed

ATLANTA, Ga. —James F. Stilwell, with Waddell & Reed, Inc., L. Moore, Jr. have joined the staff of Waddell & Reed, Inc.

With Reynolds & Co.

CHICAGO, III.—Joseph A. Lu-

gers has connected with Reynolds & Co., 39 South La Salle St. He was a partner with Farrell & Company.

Our Negative Financial Policy
Continued from page 10

methods, but the premises of the enemy, thus leading us away from the cardinal principles of the free society we seek to establish.

Some time in 1953 or 1954 we may actually reach the point where we are able to reach the peak of our military strength and economic development. Some time in 1953 or 1954 we may actually reach the point where we are able to reach the peak of our military strength and economic development. Some time in 1953 or 1954 we may actually reach the point where we are able to reach the peak of our military strength and economic development. Some time in 1953 or 1954 we may actually reach the point where we are able to reach the peak of our military strength and economic development. Some time in 1953 or 1954 we may actually reach the point where we are able to reach the peak of our military strength and economic development. Some time in 1953 or 1954 we may actually reach the point where we are able to reach the peak of our military strength and economic development.
Continued from page 3

More Letters Commenting on "Our Dwinding Sovereignty"

HARRY A. BULLIS
President, Harper Oil Co., Inc.

There is much truth in Mr. Clark's remarks, and I admire him for being as outspoken in a vein which does not appear to be popular at all.

J. W. BARRINGER
President, Chicago, Indianapolis & Louisville Railway Company

The article by Mr. Clark is a very clear presentation which contains many provocative thoughts. How- ever, I think the reader over every single sentence have been heightened materially if Mr. Clark had set forth a detailed elaboration of the question, "What is the Cure?" appearing in the third last paragraph.

CRAWFORD H. ELLIS
President, Pan-American Life Insurance Company

I quite agree with all the conclusions of Mr. Clark.

H. C. MURPHY
President, Burlington Lines

I have read with interest "The Commercial & Financial Chronicle" paper by J. Reuben Clark, Jr., former Undersecretary of State to Mr. Clark. I subscribe wholeheartedly to his views. Mr. Cl. I, however, says, I too think the time has come when the United States must act. In fact it is much overdue, when we should act in the interests of America first.

F. W. MAGIN
President, Square D Company

I thoroughly concur with Mr. Clark. I think it is an excellent address and believe it would be helpful if your paper and others would print more articles similar to this one of Mr. Clark's.

E. E. STEWART
President, National Dairy Products Corporation

I like the businessman's approach Mr. Clark has taken in this fine paragraph:

"We face the balance of our journey with our checks in hand and our faith to our future. We choose to direct and compete in our lives and to make up the long road of history as we desire, or to be forced to accept..."

O. J. LACY
President, West-Southern States Life Insurance Co.

"...the United Nations has sanc-
tion and we President have made a treaty and there¬fore the law of the land ap¬peared by a 5 vote of our Senate, even if it conflicts with our Con¬vention..."

G. L. Jac


O. J. LAC

"...in this country is so high that the law under which we live officer of the law may set may law in defiance of impunity. No all the members of the govern¬ment, from the highest to the lowest, can escape the law, and are bound to obey it..."

"...if it has heard that the opinion, Administration of new peo¬ple?..."

COLA G. PARKER
President, Kimberly-Clark Corporation

"...anything but a United Nations. Subject to a Russian veto, it has degenerated to a sorry tour-de-force, and an open door for foreign speculators."

HON. CHRISTIAN A. HERTER
U. S. Senator from Mass.

I have read Mr. Clark's statement with great interest. As a former Undersecretary of State, he makes a good deal of sense upon the last few pages of his document. When it gets there, it reads very, very well, completely.

I agree with some of Mr. Clark's statements. There is no doubt that there were more patents and more patriotic American than one who feels that there is a greater hope of peace and international stability through common action than through individualism.

HON. BLAIR MOODY
U. S. Senator from Michigan

I read Mr. Clark's speech with some interest and more dismay. I am glad to be a minority of the members of Congress who subscribe to this point of view. In my opinion, it is a much smaller place than Mr. Clark imagines.

HON. W. F. NORRELL
U. S. Senator from Arkansas

I have taken the opportunity to read Mr. Clark's article, and I am filled with the sense of a job well done. To some of his statements I can heartily subscribe but there are others to which I cannot agree.

KENNETH K. DVALL
President, Merchandise National Bank of Chicago, Illinois

Mr. Clark's article is in line with my case for isolationism, but the cause is one for which I have a deep-seated sympathy. In my view, the world has changed, and the United States has no right to try fitting into a world today, Nineteenth century is interesting when you consider it to nineteenth century. It is a world of many problems. It is a curiously when applied to twentieth century problem, and I have one for which I am in sympathy. In my view, the world has changed, and the United States has no right to try fitting into a world today, Nineteenth century is interesting when you consider it to nineteenth century. It is a world of many problems. It is a curiously when applied to twentieth century problem, and I have one for which I am in sympathy. In my view, the world has changed, and the United States has no right to try fitting into a world today, Nineteenth century is interesting when you consider it to nineteenth century. It is a world of many problems. 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The State of Trade and Industry

Hot and cold-rolled sheets anticipate an active third quarter. They hold heavy order backlogs in these products for the period. Gradually shaking down in demand to currently in evidence, however, with warm weather and vacations likely to exert an easing effect on consumer requirements.

At present the steel producers anticipate some readjustment in third quarter rolling schedules should soft spots continue to appear in requirements for such products as wire, strip-plate, ter¬minal plates. Though industry is in considerable form complete agreement with Mr. Clark’s outlook.

 Continued from page 5

Mr. H. W. Balgooyen, Secretary, American & Foreign Telegraph Co., had an article in the Chicago Commercial and Financial Chronicle which guided Washington in his thinking are the same as those which guided Washington in his thinking are the same as those which

Waldo E. Pierson
Chairman of the Board. The First National Bank of Cincinnati

Mr. Clark, has in his statement with reference to our foreign policy is very much in accord with the thinking of the preceding paragraph. The reassuring manner in which the Secretary of State has so frequently applied these principles, and which Mr. Clark never felt on the defensive in bel¬ieving that we should have a strong and free America first and foremost.

As to the United Nations, we may be a big member now but that is the primary phase of the post-war"...But the law was Guviler with the Lilliputians.

H. W. Balgooyen
Secretary, American & Foreign Telegraph Co.

most of the time. Mr. Clark has made as good a case as I have seen for it as I have seen.

HON. LESTER C. HUNT
U. S. Senator from Wyoming

"Mr. Clark has in his statement with reference to our foreign policy is very much in accord with the thinking of the preceding paragraph. The reassuring manner in which the Secretary of State has so frequently applied these principles, and which Mr. Clark never felt on the defensive in believing that we should have a strong and free America first and foremost."

The State of Trade and Industry

The embargo is by active buying of green coffees by roasters and importers at the week-end.

Reflecting the continued arrival of unsold quantities of raw sugar, both futures and spot markets declined sharply last week. The demand for refined sugar continued light and the undertone appeared somewhat easier. Trading in land was more active with prices holding in a narrow range. The three-week rise in business was halted toward the close of the week due to increasing supplies.

Prices turned lower after reaching the highest level in nine months.

Steers were also in better supply with prices trending easier. Domestic cotton prices finished moderately lower following early firings in one of the cotton districts. The undertone was a spurt in activity in the goods business, which, however, proved to be short-lived.

Demand from foreign sources improved and sales for export increased moderately. The market was generally slightly higher to a few nominal spots to cover nearby needs. Reported sales in the ten spot lots were up $1.50 on the previous week and $2.00 on the week before, and $17,100 in the second preceding week. The total volume was $10,000,000 of the week. All reports were received by the Bureau of the Census, averaged 33,000 bales, against a daily rate of 26,000 bales in March, and 39,000 in April a year ago.

Trade Volume Edges Upward Influenced by Seasonal Factors

There was a mild seasonal rise in trade in many parts of the market last week and the trend continued throughout the week. Most merchants reported their receipts as about equal to those of a year earlier although the undertone was somewhat more active, and easier credit terms helped to spur shopper interest. The accumu¬lating effect of the lifting of the credit curbs was more in evidence the past week, especially among automobile dealers and appliance stores.

Retail dollar volume in the week was estimated by Dun & Bradstreet to be from 2% below to 2% above the level of a year earlier. Regional estimates varied from the levels of a year earlier by the following:

New England —1 to +3; East 6 to −4; South −3 to +1; Mid¬west 6 to −8; Northwest 4 to +3; Southwest +1 to +4; and Paci¬fie Coast −2 to +6.

Apparel stores sold slightly more last week than in the prior week or year. A substantial portion of the weakness was due to the interest for many seasonal items. Particularly in demand were women’s misses gowns and dresses, suits, and coats. Consumers bought more shoes than in the comparable 1951 week.

The dollar volume of wholesale trade last week held close to that of the comparable 1951 week, the outcome being accounted for by a decline of 9% below the level of the preceding year.

Retail trade in New York City, the market of reference, was $21.8 million, below the seasonal average of the long-term orders than for the past 12 months. Buyers’ interest continued to be hesitant in some con¬sumers goods.

Departing the data given above, which as taken from the Federal Reserve Board’s index for the week ended May 24, 1952, rose 4% above the like period of last year. In the preceding week no change was registered from the like period a year ago. For the four weeks ended May 24, 1952, sales rose 2%. For the period January 1 to May 24, 1952, department store sales registered a decline of 5% below the like period of the preceding year.

Retail trade in New York City, the market of reference, was $21.8 million, below the seasonal average of $25.2 million.

Food Price Index Dips Following Five Weeks of Increase

A drop of 3 cents in the Dun & Bradstreet wholesale food price index last week marked the first downward movement in five weeks. The Index for the week ended May 26, 1952, was $6.48 a week previous. It compared with $7.16 on the corre¬sponding week of last year. The Index for the week ended May 26, 1952 was $6.64 on Jan. 1, while the low was $6.41, touched on April 22.

The Index represents the sum total of the price per pound of 76 bulk food products, the purpose of which is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Eases in Latest Week

The general average of commodity prices moved slightly downward during the past week. The daily wholesale commodity

price index, compiled by Dun & Bradstreet, Inc., finished at 296.65 on May 27. This compared with 297.84 on May 20, and with 320.38 on the like period of last year.

Grains were irregular with prices averaging somewhat lower than a week ago. Wheat prices showed considerable activity at the close, largely reflecting fair to good rains in the southwest and western Canada.

With demand centering in some markets, prospects for the new winter wheat crop remained excellent.

Weakness in corn stemmed from the large stocks overhangging the market. In the Chicago market, corn for delivery in August on July 1 declined as the result of heavy receipts and further sub¬stantial decline in the Chicago Board futures on the Chicago Board of Trade last week averaged 37,900,-

Continued on page 6

000 bushels against about 33,000,000 the previous week and 45,700,000 bushels a year ago.

Flour prices were fairly firm. Business in the domestic market con¬tinued in the trade was centered upon the strategy of modern balances and showing little disposition to enter the market at current levels. There was a marked increase in shipping directions of hard wheat floury bread. Cocoa futures were irregular with spot prices unchanged at ceiling levels.

The gain was centered upon the active buying of green coffees by roasters and importers at the week-end.
The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

### OIL, PAINT

#### AMERICAN PETROLEUM INSTITUTE—Month of April

<table>
<thead>
<tr>
<th>Latest Month</th>
<th>Previous Month</th>
<th>Latest Week</th>
<th>Average</th>
<th>Total Output</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>March 1952</td>
<td>11,110,000</td>
<td>2,050,000</td>
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</table>

### BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of April

<table>
<thead>
<tr>
<th>Manufacturer number</th>
<th>Wholesaler number</th>
<th>Retailer number</th>
<th>Total number</th>
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</thead>
<tbody>
<tr>
<td>171</td>
<td>119</td>
<td>146</td>
<td>336</td>
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### FACTORY EARNINGS AND WORKING HOURS—WEEKLY AVERAGE—U.S. DEPT. OF LABOR—Month of April

<table>
<thead>
<tr>
<th>April 28, 1952</th>
<th>April 21, 1952</th>
<th>April 14, 1952</th>
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<td>Non-durable goods</td>
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<td>104.7</td>
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### FARMIELD PUBLICATIONS—RETAIL PRICE INDEX—1947-49 = 100 (COPPER) AND (NOTE)

<table>
<thead>
<tr>
<th>Week</th>
<th>Copper</th>
<th>Lead</th>
<th>Zinc</th>
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<tr>
<td>1952</td>
<td>86.8</td>
<td>86.8</td>
<td>86.8</td>
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</table>

### THE COMMERCIAL AND FINANCIAL CHRONICLE...Thursday, June 5, 1952

The Commercial and Financial Chronicle... Thursday, June 5, 1952

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**NOT AVAILABLE DUE TO OIL STRIKE**
Securities Now in Registration

**NEW ISSUE CALENDAR**

June 5, 1952

- Minneapolis, St. Paul & Sault Ste. Marie Railways, Inc.—Equity, Trust Coats. (Bids close 7/7)

June 9, 1952

- Island Air Ferries, Inc.—Common (Bids close 7/7)
- Montex Oil & Gas Corp.—Common

June 10, 1952

- American Invester Co. of Illinois—Preferred (Bids close 7/7)
- Kansas City Southern Electric Co.—Bonds & Stock
- Northern States Power Co.—Bonds

June 11, 1952

- Devon-Ledue Oil, Ltd, Winnipeg Canada.—Bonds (Bids close 7/7)
- Federated Potelinums, Ltd.—Common
- Public Service Electric & Gas Co.—Common
- Rochester Gas & Electric Co.—Bonds
- Tri-Tor Oils, Ltd.—Bonds

June 12, 1952

- West Virginia Pulp & Co.—Preferred (Bids close 7/7)

June 17, 1952

- Bristol-Myers Co., New York—Debentures
- Kentucky Utilities Co.—Bonds
- Public Service Electric & Gas Co.—Common
- Public Service Electric & Gas Co.—Bonds

June 18, 1952

- American Gas Electric & Minerals Co.—Debentures
- Houston Lighting & Power Co.—Bonds
- Midwest Pipe & Supply Co., Inc.—Common
- Southern Co. of Western United States.—Bonds

June 19, 1952

- Martin (Glenn L.), Co.—Common

June 23, 1952

- Central Louisiana Electric Co., Inc.—Bonds
- Public Service Co. of New Hampshire.—Preferred
- Storer Broadcasting Co.—Common
- Texas Eastern Transmission Corp.—Preferred

June 24, 1952

- Boston Edison Co.—Bonds (Bids close 7/7)
- Gulf Power Co.—Bonds
- Public Service Co. of Indiana, Inc.—Bonds
- Southern New England Telephone Co.—Debentures

June 25, 1952

- California Water Service Co.—Common
- Empire District Electric Co.—Common
- New England Power Bo.—Bonds
- Smith (S. Morgan) Co., Inc.—York, Pa.—Common

June 26, 1952

- American Telephone & Telegraph Co.—Debentures
- Price

June 30, 1952

- Metals & Chemicals Corp.—Bonds
- Georgia Power Co.—Bonds
- Commonwealth Edison Co., Illinois.—Bonds (Bids close 7/7)

July 8, 1952

- Georgia Power Co.—Bonds (Bids close 7/7)

July 15, 1952

- Commonwealth Edison Co., Illinois.—Bonds (Bids close 7/7)

July 22, 1952

- New York Telephone Co.—Debentures
- A. H. Mitchell & Son, Boston, Mass.—Shares

July 23, 1952

- New York Telephone Co.—Common
- Preferred

July 30, 1952

- Bristol-Myers Co., New York—Debentures
- New York Telephone Co.—Debenture

**INDICATES ADDITIONS SINCE PREVIOUS ISSUE**

**ITEMS REVISED**
Continued from page 27

*Citizens Credit Corp., Washington, D. C.*
April 10 (letter of notification) $750,000 of 6% subordinated debentures with $100,000 face value of which $30,000 is to be purchased first by underwriter of record. Price—32 1/2 per cent. Proceeds—To refund mortgage bonds due June 30, 1972, and for general corporate purposes. Underwriter—McLaughlin, Reus & Co., New York.

**Donan Helicopters, Inc. (6/9)**
May 2 (letter of notification) $3,000,000 of common stock (par $1) to be offered directly to company's stockholders for subscription by each to the extent of one share per 100 shares held. Proceeds—For working capital. Office—545 Fifth Ave., New York 17, N. Y. Underwriter—None.

**Duclesse Natural Gas Co. (6/10)**
May 29 (letter of notification) 94,407 shares of common stock (par $1) to be offered for subscription by stockholders of record held of record on May 25. Proceeds—For purchasing price of SUCH shares. Underwriter—E. J. Sampson, San Francisco.

**E. W. Bancroft & Co., Baltimore, Md.**
April 7 (letter of notification) 4,000 shares of common stock (par $1) to be offered by each to the extent of one share per 100 shares held. Proceeds—For working capital. Office—20 Madison Ave., New York 10, N. Y. Underwriter—None.

**Gulf Power Corp., Pensacola, Fla.**

**Hahn Aviation Products, Inc.**
May 15 filed 12,500 shares of common stock (par $1). Price—$3.25 per share. Proceeds—For general corporate purposes. Underwriter—None.

**Hamilton Land Co., Reno, Nev.**
April 14 (letter of notification) 300,000 shares of capital stock—$1 par. Price—$7 per share. Proceeds—To acquire and lend for general corporate purposes. Office—130 North Virginia St., Reno, Nev. Underwriter—None.

**Hecla Mining Co., Wallace, Idaho**
Jan. 17 (letter of notification) 5,000 shares of capital stock (par $1) to be offered for subscription by each to the extent of one share per 200 shares held. Proceeds—To acquire gold mining properties. Underwriter—Haley, Stuart & Co., Inc., Chicago and New York.

**Heywood (F. C.) & Sons.**

**Illinois Bell Telephone Co. (6/4)**
May 15 filed 682,454 shares of common stock being offered for sale to the general public. Price—$10 per share. Proceeds—To redeem $35 class B preferred stock and for working capital. Business—Telephone and Telegraph. Underwriter—None.

**Indoor Leather Cloth Products Co.**

**Inland Oil Co., Newark, N. J.**
May 25 (letter of notification) 25,000 shares of class A stock (par $25). Price—$5 per share. Proceeds—To be used in replacing capital of company and for working capital. Underwriter—None.

**Shore Fixx Inc.**
May 20 (letter of notification) 2,000,000 shares of common stock (par $1) to be offered to the general public for subscription by each to the extent of one share per 100 shares held. Proceeds—To redeem stock of company and for working capital. Underwriter—None.
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Union


Wisconsin Electric Power Co., and subseq£iustion by


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Signal Mines, Ltd., Toronto, Canada
March 17 filed 600,000 shares of common stock of which 500,000 shares are for account of company. Price—At $1 per sh. For construction and development costs and working capital. Underwriter—Kidder, Peabody & Co., New York.

May 29 filed 100,000 shares of common stock (par $1) of which 75,000 are to be offered initially to stockholders who have not waived right to have stock offered first by reason of being on the books of Dealer-Manager—Hemp-


★ United States Steel Corp., Chicago, Ill.
May 23 filed 3,000 shares of common stock (par $19). Price—At market (estimated at $20.50 per share) for stockholders; at $20 per share to public for 350 shares, and at $25 per share for 2,650 shares. Underwriter—Kidder, Peabody & Co., New York.

Prospective Offerings

Aeropac Corp.
Jan. 4, Don T. McCane, Chairman, announced that company is working on a plan for a new major stock offering. On Feb. 18, stockholders voted to increase the authorized common stock to 1,000,000 shares. The offering is being underwritten by Kidder, Peabody & Co., New York.

Allis-Chalmers Manufacturing Co.
March 15 it was reported company plans sale in October of $12,000,000 first mortgage bonds. Underwriter—Kidder, Peabody & Co., New York—To be determined by competitive bidding.

Arkco Inc., March, Ill.
May 27 underwriter approved a proposal to increase the authorized common stock (par $5) from 330,000 to 430,000 shares. Company plans to sell 50,000 shares as a $25 stock dividend. Underwriter—Kidder, Peabody & Co., New York.

★ Virginia Electric & Power Co.
May 1 filed 40,000 shares of common stock (par $10) being offered for subscription by stockholders of record May 23 at rate of one share for each 10 shares held (with a right of purchase privilege); rights to expire on June 5. Price—$15.75 per share. Proceeds—For construction of plants and for general corporate purposes.

★ Washoe Development Corp., Reno, Nev.
May 27 (letter of notification) 2,500 shares of common stock for subscription. Application for development of winter recreational area in Reno bowl¬

★ Western Gas Transmission Co.

★ West Virginia Production Co. (6/16-19)
May 26 filed 396,000 shares of common stock (par $1) being offered for subscription by stockholders of record May 15, 1962. Price—At par (in depositions of $50 each) and accrued interest. Proceeds—For working capital. Underwriter—Blair F. Claybaugh & Co., Harrisburg, Pa.

★ Western Virginia Power & Light Co.
March 14 it was reported company plans sale in October of $12,000,000 first mortgage bonds. Underwriter—Kidder, Peabody & Co., New York—To be determined by competitive bidding. Prospectus

Christian Science Monitor
Connecticut Light & Power Co.

March 11 it was announced that it is presently estimated that approximately $11,000,000 additional capital will be required during the latter half of 1952.

Consolidated Gas, Electric Light & Power Co. of Baltimore

Dec. 24 it was stated that company plans to issue and sell $1,190,000 bonds for current year projects. Proceeds—To repay bank loans and for construction program.

Central Railroads

May 21, stockholders approved proposal to increase the authorized stock from 1,200,000 shares (par $100) to 2,500,000 shares (par $100). No immediate issuance is expected.

Kansas City Power & Light Co.

Jan. 4 company announced that it plans to issue and sell a principal amount first mortgage bonds (this is in addition to present preferred stock). Proceeds—To be used to meet operating requirements.

Laclede Gas Co.

See Mississippi River Fuel Corp. below.

Leitz (E.), Inc., New York (N.J.)

May 14 it was announced that office of Alien Property, 346 Broadway, New York 13, N.Y., will up to 3 p.m. (EDT) on June 12 receive bids for the purchase from the Attorney General of the United States of the company's shares of no par common stock (total issue), outstanding shares which cannot be sold because of photographic equipment and supplies. Bidders—To include Deadline—June 30.

Lone Star Gas Co.

April 1 the FPC authorized the company to acquire additional interests in properties, including one in Brazos, for an additional 69.5 miles of transmission line at a cost of approximately $325,000. Proceeds—To be used in connection with an investment in new plant in 1952 for additions to plant. Previous financing was done privately.

Marathon Oil Exploration Corp.

May 5 stockholders voted to increase the authorized $1,000,000 par common stock from 500,000 to 500,000 shares. No financing presently being planned. No underwriting was involved in offer to common stockholders last October.

Mercantile National Bank of Chicago

May 10 it was announced that the company's board of directors expected to increase the size of its initial offering of $1,000,000 in common stock to $2,000,000. Proceeds—To increase capital and surplus. Underwriters—Glore, Forgan & Co., New York, and The Illinois Co., Chicago.

Metals & Chemicals Corp., Dallas, Tex. (6/30)

May 16 it was announced that the company's president announced the formation of a new holding company, to be known as Metals & Chemicals Corp., Tex. This company will be organized to engage in the mining of copper, lead, zinc and other metal deposits. It will have capitalization of $5,000,000, with authorized common stock of $5,000,000 par value. Proceeds—To expand existing operations and to build new industrial projects in Israel.

Minnehaha Exploration Co., Houston, Tex.

March 18 it was reported that the company's board of directors expects to acquire 25,000 additional shares of stock, par value $5. Proceeds—To be used to expand existing operations.

Middle East Industries Corp., N.Y.

Oct. 31 it was announced that the company plans to expand its operations to include the formation of a new subsidiary to secure securities with the SEC preliminary to a public registration of additional securities. The company needs to be used to build new industrial projects in Israel.

Minneapolis, St. Paul & Sault Ste. Marie Railroad (Glens) (S GAME)

Bids will be received by the company at Room 4140, First National-Sou Line Building, Minneapolis 2, Min., up to 4 p.m. on June 30 for the purchase of 5,850,000 equipment trust certificates to be dated July 1, 1947, at $1,000 par value. Proceeds—To be used for working capital. Underwriter—Beek & Co., Dallas, Texas.

Columbus & Southern Ohio Electric Co.

April 28 it was announced that the company plans to enter the permanent financing market about the middle of July. Proceeds—For new construction.

Commonwealth Edison Co., Chicago, Ill. (7/15)

May 25 it was checked that the company's first $1,000,000 bond issue of $6,000,000 par value bonds will be sold to the public. Proceeds—For new construction.

Citizens Utilities Co.

May 12 it was announced that the company's board of directors has approved a proposal to increase the authorized common stock to 400,000 shares (par $1) to 2,000,000 shares (par 32 cents) in order to accommodate an increase of the present outstanding 283,729 shares of common stock and to permit the company to increase the number of any opportunities which may develop for property acquisitions requiring the issuance of additional common stock.

Columbus & Southern Ohio Electric Co.


Federal Reserve Bank of St. Louis

Digitized for FRASER

Volume 175 Number 5122 . The Commercial and Financial Chronicle


Atlantic City Electric Co.

March 21, Robert B. Colley, President, said in the company's annual report for 1951 that the company will continue to be more and more dependent on additional financing when additional financing will be required to supplement retained earnings available for capital expenditure plans. Additional financing will be required to cover cost of new company owned generating plants in operation or under construction, and by sale of unsecured bonds in order to maintain a favorable financial standing. Underwriters—Reynolds & Co., New York (for about 60% of the issue) and McLeod, Young, Wei, Inc., New York (for about 40% of the issue). Registered—Expected in near future.

Columbia Gas Oil Co., Ltd. (Canada)

May 1 it was reported company plans to issue and sell subordinated debentures. Proceeds—For drilling and exploration costs. Registration—Expected early in June with offering later in month. Underwriters—National Bank of Canada, New York.

California Electric Power Co.

May 11 it was announced that the company's board of directors of companies to be offered for subscription by stockholders from stockholders. Proceeds—At par (23 cents per share). Underwriter—Burnham & Co., New York.

Central Hudson Gas & Electric Corp.

May 5 it was reported that company plans the sale this Fall of about $5,000 first mortgage bonds. Late bond offering has been done privately in March, 1951, through Kidder, Peabody & Co.

Central Maine Power Co.

May 15 the company announced that it has authorized common stock (par $10) from 2,500,000 to 3,500,000 shares and proposed to sell 1,000,000 shares at 32 1/2 cents to 35 cents. It is estimated that additional financing necessary for construction plans.

Chicago & North Western Ry. (6/12)

May 16 company sought ICC permission to issue and sell bonds to the public, to be sold at par, in the amount of $30,000,000. Proceeds—To be used for new and existing properties. Underwriters—Kidder, Peabody & Co., New York; and Starnes & Co.; Salomon Bros. & Hutzler. Bids—To be received by noon (EDT) on July 12 at 40 West Madison St., Chicago.

Cincinnati Enquirer

May 16 it was reported that a bid of $75,000,000 will be placed by a press agent by a group of its former employees, to be employed through the sale of $6,000,000 of bonds that the company has sold, and of an estimated $2,500,000 of common stock in addition to the bond offering. It was stated that more than $500,000 has been pledged outside the paper. The Cincinnati "Times-Street" also has made an offer.

Columbus & Southern Ohio Electric Co.

April 28 it was announced that the company's board of directors has approved a proposal to increase the authorized common stock from 400,000 shares (par $1) to 2,000,000 shares (par 32 cents) in order to accommodate an increase of the present outstanding 283,729 shares of common stock and to permit the company to increase the number of any opportunities which may develop for property acquisitions requiring the issuance of additional common stock.

Citizens Utilities Co.

May 12 it was announced that the company's board of directors has approved a proposal to increase the authorized common stock from 400,000 shares (par $1) to 2,000,000 shares (par 32 1/2 cents) in order to accommodate an increase of the present outstanding 283,729 shares of common stock and to permit the company to increase the number of any opportunities which may develop for property acquisitions requiring the issuance of additional common stock. Traditional Underwriter—Lee Higgins Corp., New York.

Georgie Power Co. (7/8)

April 7 it was announced that the company's board of directors voted to increase the company's common stock authorized from 1,000,000 shares to $2,000,000,000. Proceeds—For new construction.

Glass Fibers, Inc.

April 7 it was announced that the company's board of directors voted to increase the company's common stock authorized from 1,000,000 shares to $2,000,000,000. Proceeds—For new construction.

Globe-Wernicke Co.

March 20 it was announced that the company's board of directors has authorized an increase of authorized common stock from 300,000 shares (par $5) to 600,000 shares (par $5) in order to provide additional capital to enable the company to pay dividends and to provide additional common stock for use in future projects. Proceeds—To be used in connection with an expansion program.

Honusw (City and County of)

May 20 it was announced that it is presently planned to sell this summer of common stock (par $100) at a price of $200, but no preferred stock. Proceed—At a minimum of $35 per share. Traditional Underwriter—Glore, Forgan & Co.; The First Boston Corp.

Phelps Dodge Corp.

March 27 T. E. Bosch, President, announced that the company's present plans consist of the sale this summer of common stock (par $100) at a price of $200, but no preferred stock. Proceed—At a minimum of $35 per share. Traditional Underwriter—Glore, Forgan & Co.; The First Boston Corp.

Birch & Co., Inc.; Lazar Fried & Co.; and Wegner & Daly Corp. Proceeds—To repay bank loans and for construction program.

Birch & Co., Inc.; Lazar Fried & Co.; and Wegner & Daly Corp. Proceeds—To repay bank loans and for construction program.
Our Reporter's Report

Had it not been for the circulation of the huge Ohio Turnpike on the Front Page today, there would have been an event in the news this week.

The previous week, the Ohio Turnpike was renamed the Great Lakes Turnpike, and it has been a topic of discussion throughout the state. Today, however, the focus was on the financial aspect of the project, with discussions centering around the potential for the project to generate revenue.

The Ohio Turnpike Commission, which is responsible for the construction and operation of the project, has been actively seeking investors to finance the project. The commission has been in talks with a number of potential investors, including banks and pension funds, to secure the necessary funding.

The commission has estimated that the project will cost around $5 billion to complete, and it has been working to attract investors to help fund the project. The commission has been in discussions with a number of potential investors, including banks and pension funds, to secure the necessary funding.

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This report was written by FRASER staff and is based on the primary source material.
Tomorrow's Markets

Walter Whyte Says—

By WALTER WHYTE

The Supreme Court decision was the big news this week. It caused a lot of talk, and the Treasury kept the talk going for so long, its wheels when it finally became a reality, was comparatively unimportant. People are just that way, and that was about all.

The advance of the steels was surprising. They reacted to the news in a part fashion. The chances are that now that the Court has ruled, the stock will be backed up there for a while and then go off again. Had the decision gone the other way my guess is that the price would have gone off comparatively little and then gone up again.

But in the long run, the market continues to look and act nervously. Here and there some stock gets a shot in the arm and has a temporary move. But there's nothing sustained. All of it seems the result of the surface manifestation. There's nothing deep seated that points to any new major advance. Last week you saw the defense stocks fade away on a consistent reason that one major outfit cut its dividend and a majority of the major stocks in the past few months have been so poor that grosses, the life blood of the rental system for the studios, have dwindled to almost new lows. A picture company without some technological prospects is to be avoided.

Inflation will again be in the picture by midsummer, I doubt if any further cheapening of the dollar will have any improved effect on the stock market. Too much has been the new inflation will be the expected deficit borrowing by the U.S. Treasury from commercial banks on a short-term basis. This expected pump priming will increase the amount of money and thereby reduce its value by further increasing the price of commodities and common stocks.

Chief reason for the new expected financing is that the Treasury, in selling securities to the banks by midsummer, the results of the poor sales of savings bonds to the public and the fear of bank failure are many and have no direct bearing at the present time. But in the long run the proper control of our money has been the subject of many a subway card slogan "Beat Inflation" will not increase buying power.

This tightness of Purchasability is already being noted in the automobile industry, refrigerator, washing machine and similar fields. With taxes taking a huge slice and buying dwindling, third and fourth quarter reports will be dismal. The market is now anticipating these possibilities.

When the reaction runs deeper the chances are that stocks and commodities are already reflecting the events which later will become news. It is then that the market will be a boy again. Until then just sit back and wait.

[The views expressed in this article do not necessarily reflect the views of American Bankers Association, The American Credit Committee, or The American Bankers Association. They are presented as those of the author only.]

$50 Million Bonds of State of California Offered to Investors

Bank of America N. T. & S. A. and associates are offering $50,000,000 State of California 4% 1/2% and 1% State School Building Bonds, Series B due May 1, 1954, on which the bonds are priced to yield 1.05% to 2% according to maturity.

Other members of the offering group include: The National City Bank of New York; Bank of America; Blyth, Eastman & Co.; Harriman, Mays, Co., Trust and Savings Bank; R. H. Moulton & Company; American Stock, C. J. Devine & Co.; Goldman, Sachs & Co.; Union Securities Corporation; Merrill Lynch, Pierce, Fenner & Beane; Weeden & Company; First National Bank of Portland, Oregon; Seat¬ tle Trust & Savings Bank; Security Trust & Savings Bank; First National Bank of Los Angeles; California Bank; Dean Wit¬ ler & Company; First National of N. Y.; State St. Bank & Trust Co.; Equitable Securities Corporation; Blyth, Eastman & Co.; B. J. Van Ingen & Co.; Inc.; Coffin & Allen; A. L. Allyn and Company Incorporates; Harris, Hall & Company (Incor¬ porated); and Heiler, Bruce & Co.

N. Y. Municipal Club

"Bond Crier"

The 1952 edition of "The Daily Bond Crier," official publication of The Municipal Bond Club of New York, will be placed on sale for the benefit of the Club, for $1.25, as announced by the Club. The new edition, with its professional treatment of current events, advi¬ sements, pictures and editorial content, is expected to run from 12 to 16 pages.

Copies of "The Daily Bond Crier" will be available (at 50¢ each) at the offices of C. J. Devine & Co. in New York simultaneously with the 19th Annual Field Day of The Municipal Bond Club on June 13 at the Westchester County Country Club, Briarcliff, the announcement stated. One of the highlights of the Club's annual field day will be a water polo game to be played in the outdoor pool at the Beach Club before the accounts is amended. The game will be a pre-Olympic try-out between two New York teams, it is expected, and has been sanctioned by the Amateur Athletic Union.

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WASHINGTON... And You

WASHINGTON, D.C.—Congress has become enveloped in a state of apathy, bordering on demoralization, the like of which has not been observed, except for very brief intervals, for almost a generation.

With major issues due to be settled, so to speak, tomorrow, the day after tomorrow the great majority of members seems to be thinking, not about what they will do about those issues. Furthermore, they talk privately as though they don't much care about them.

There is, for instance, the matter of the character of "wage stabilization," which will be incorporated into the House version of the Defense Production Act if it passes. There has been almost no thinking of the implications of this or of the implications of the Senate bill, or of the implications of the House legislation, or of the implications of any of the many implications of the pending legislation.

It is probably here that this sort of a situation which explains the extraordinary activity of the Senate with respect to the bill opening the floodgates of the Treasury to defense financing.

The original Maybank bill written by the housing officials proposed two principal things. One was an increase in the total aggregate of mortgage money which the Maybank bill was a boost of also $1 billion in the program of the Federal Home Loan Bank Board. The Federal National Mortgage Association would be able to provide mortgage money for defense housing programmed by the housing officials.

Even a few weeks before this bill was brought out, "Liberal" observers, who thought $500 million would be sufficient, said that the $1 billion proposed by the Maybank bill was too small.

When the bill was reported out, however, the fund for mortgage purposes was increased to $1.5 billion to $2.5 billion, and so raising the possibility of raising another additional several billions of new mortgage money. The Maybank bill itself the housing program will require $800 million to $900 million.

The FHA insurance authorization was trimmed $600 million to only $400 million, causing the opposition to the bill to call it a $4.3 billion proposition versus a $2.4 billion one. The FHA trimming will have little immediate influence on government spending, for it is a matter of FHA loans to mortgage insurance. The $400 million additional opposition to the bill now occurs later the first day it is needed.

With this rather thin window dressing, the bill, Senator Burnet Maybank (D., S. C.), who advised the Senate was "unanimously" rejected by the Banking committee. This means, that in the current state of apathy of Congress, no conservative legislation can be enacted by Congress. And on the floor of the Senate, with no quorum present, a proposal to strike the appropriation bills without serious debate, was passed by the voice of the presiding officer without even the formality of a written record. This was, it passed by unanimous consent.

Earlier in this session House conservatives were determined which was a further indication easy money housing bill. Considering the extraordinary apathy of the whole body, there is no assurance of effective opposition in the House to this measure coming up in that body.

This legislative inertia is a combination of things.

First of all, the customary deterioration in Congressional Inertia, as it is called, is part of the state of two national conventions, and an ensuing Presidential campaign, and the members is particularly truant because of the unsettled prospects for Presidential candidates and the chaos in the political outlook.

Second, the demoralization is attributable, members report, in larger part, to the fact that some prominent Democrats hope in the way of the new leader that is that Governor Stevenson will decide to run for President and the idea is worth it after the GOP picks its Presidential nominee.

Finally, however, the paralysis which has overtaken Congress is probably due to the President's handling of the steel case. The seizure has soon been accomplished, the President even a courtesy respect for his office, except for the conspicuous minority of count left-wingers.

One of the practical problems of the current Congressional apathy is the question of adjournment.

The legislative program still unfinished, which, if deliberately considered, Congress at the Christmas at the pace it is going, presents a new question. It makes up the current aid and appropriations. Most of the burden of this legislation bills have been carried in the Senate, with time enough or time left, before differences on the House and the Senate. The House does not yet have its Defense Production Act extension before it.

A very good speculative case could be made, on the basis of the size of the current legislative docket, for a recess for the conventions with a short session in the fall and a long one in the spring.

However, Congress detests coming back to the middle of the election year, it has been known to act with extreme care, passing major appropriation bills without serious debate.

Despite the apathy of the House Banking Committee, the Senate Banking Committee has set up an "all public" WSB with no power to handle labor disputes, and the Senate will go along.

Because of jurisdictional limitations, the Banking Committee of the House probably won't write such a bill, as the Senate committee did. However, the Rules committee will make it possible for conservative members of the Labor committee to offer this proposition on the floor, where its chances are said to be good.

Full-time labor observers here caution against the popular assumption that organized labor will "take a walk" from a WSB where the power to handle particular disputes. A parallel part of this assumption was that labor refused to abide by the so-called stabilization program of the new DPA, then CPS could not regulate prices and there would be a substantive collapse of the entire wage-price hocus pocus, even though Congress might finally go through the motion of extending these provisions.

This "take a walk" consent stems from the time organized labor pulled out of the WSB, the WSB board being triplicate set-up. If Congress makes the WSB an "all public" body then labor can't take a walk; instead it will be kicked out, or so point these observers.

WSB, no matter how liberal it might be toward labor, would then be transformed from a mediator of particular labor disputes to a judge of over-all limits on wage increases. It is said that the President could ill-afford to avoid setting up such a board, the board would have to set wage standards, and organized labor hardly could afford not to abide them.

Today, the present, the government, it has been known to act with extreme care, passing major appropriation bills without serious debate.

To get nominated or to stop the Ohio Senator.

This talking "is a good trick if you can do it, and maybe he can and maybe he can't," said Senator A. And what hope of a conference report would be more closely scanned than that first one from Abilen.

(The column is intended to reflect the interpretation of the nation's capital and may or may not coincide with the "Chronicler's" own views.)

Business Man's Bookshelf


Political Terms and Definitions—A—Verne Chappell—The National Research Bureau, Inc., 415 North Dearborn Street, Chicago 10, III.—50 copies, $7.50.


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