Observations on Pension Funds

By HENRY C. ALEXANDER*

President, J. P. Morgan & Co. Incorporated

Head of prominent New York banking institution discusses implications and effects of rapid growth of pension and social insurance funds, many of which are administered by banks' trust departments. Says era of 19th Century rugged individualism has passed and pension, together with other social security benefits, are in line with "trust" trends. Holders of funds set up by private enterprise may prove stabilizing influence.

The Convention authorities indicated that they would like me to direct my remarks today into the general field of trusts and investments. I was asked several weeks ago to give the title to my speech in order that it might be printed in the program. This was long before I had any idea what I would have to say, so I chose a large umbrella under which I might walk in almost any direction, and called it, "Observations on Trust Investments." It really is a pretty dull-sounding subject even for an audience of bankers, and when I see my colleagues among them my heart almost bleeds—rather pleasantly, however, I should say.

But let me rush to reassure you at least somewhat. I don't propose to go into the technical aspects of trust investments or to undertake a comprehensive survey of this many-sided question. It would be pre-sumptuous of me to try to deal in detail with so intricate a subject before an audience containing so many who are so well versed in it.

As a matter of fact, I have good ground for approaching any phase of the subject with considerable hesitation.

Continued on page 28

*An address by Mr. Alexander before the 56th Annual Convention of the New York State Bankers Association, Springs Lake, New Jersey, June 20, 1952.

Peace River Natural Gas Co., Ltd.
Sherritt Gordon Mines, Ltd.

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IN THIS ISSUE—Pictures taken at Annual Outing of the Bond Club of N. J. appear on pages 21-24, Inc. On page 19 are pictures taken at Annual Convention of L. D. A. of Canada which were received too late for inclusion in today's Special Supplement.

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The Security I Like Best

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

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

SEYMOUR KATZENSTEIN
Manager, Statistical Department, New York City Branch
New York Stock Exchange
Transamerica Corporation

Transamerica Corporation represents a unique combination of time-proven, superior characteristics, a discount situation, impressively attractive possibilities, an oil potential large enough to be free from normal income taxes. Accordingly, in my judgment, Transamerica is an unusual investment opportunity providing safety of principal, alternative income and a yield which is higher than average appreciation possibilities at this time.

The management in the 1951 annual report conservatively appraised the assets as being equivalent to about $33 a share. It is not difficult on a realistic basis to find that they are worth more than this.

The banking interests include 47 majority owned banks in communities in the States of California, Oregon, Washington and Arizona. The bank holdings,(when issued) are held approximately 1,500,000 shares of Bank of America and about 300,000 shares of Nation City Bank. It is estimated that these are worth about $3 a share. These huge banking interests provide stability and investment characteristics.

Transamerica also owns a group of insurance companies including The Occidental Life Insurance Company of California, Other companies are the Manufacturers casualty Insurance Company, the Pacific National Fire Insurance Company, Paramount Fire Insurance Company and Premier Insurance Company. This last company is one of the fastest growing life insurace companies in the country. It is not unreasonable to expect, in the same way Transamerica may consolidate these various insurance interests into one. The same company somewhat like Travelers Insurance. This group of assets is believed to be worth $12-13 a share of Transamerica.

The entire real estate property, financing and oil interests add an element of glamour which is not customarily found in stable insurance and banking situations. Capital Company, the real estate subsidiary, has widespread oil interests with around 3,700 acres in parts of the Wilshire Oil Field, Southern California. Both the Banking Company and the Oil Company do not intend to withdraw thisavage, its potential nonethe less is not diminished. Capital Company has mineral rights in 111 properties, most of these to other oil companies and owns oil leases in Louisiana, Texas, New Mexico, Montana, Wyoming and Colorado as well as California.

This enormous group is included in this rich group of insurance companies as well as the Capital Corporation and Columbia River Packers (Bremerton, Washington). This entire group is calculated to be worth about $10 a share of Transamerica.

There is thus derived a net asset value of about $50 compared with the present price of 29. This discount of about 30% compares favorably with that which can be obtained from less exciting investment companies.

Recently, Mr. Husband, President of Transamerica, stated that prospects for tax-free dividends are good for some time to come. Last year’s consolidated earnings were $1,500,000, with a 30% dividend. This year and also in 1951, Bank of America was distributed in lieu of the 30 cent dividend.

The Federal Reserve Board has just rendered a decision concerning Transamerica to divest itself of some of its bank holdings on the grounds that they are in restraint of trade. The case will be taken to the U.S. Supreme Court before the Court decide in favor of the government and an large scale divestments of bankings interests be required, here as in similar situations where parts have been distributed, it is likely to prove to be worth more than the whole.

GAYLORD WOOD
Investment Adviser and Publisher of "The Dow Theory Barometer,"

Dome Mines

The security I like best for the future is Dome.

The bootstrapping-methods of the current Administration have been and are in favor of generating a post-War boom.

We were already in a down phase of the KOREA FELD upon us. Business inventories have piled up. Level of 170 billion. Eventually and probably sooner than generally expected, the situation will hit the country. The greater and greater care must be exercised in assessing just the one security that is best for the future. Diversification can cover a multitude of sins. But the selection of a single security will stand out glaringly, if the price decreases adversely.

For that reason I feel that it is necessary, even more so in 1952 than it was in 1951, to select a stock that will stand a good chance of declining less than the market as a whole, if a possible wave of selling in the market appears. Such a security I believe is Dome Mines.

Dome Mines is the third in size of the gold producers in the Porcupine district, Ontario, Canada. Previously faced with the danger of deepening mines, nearby properties have been sold, thus the potential life span of Dome Mines has been lengthened.

A 63% interest in Sigma Mines (Quoted in Toronto), owned by Dome; this interest could produce dividends of $125,000 to be paid to Dome in 1950. Campbell Field, also in Dome, is owned to the extent of 64% by Dome.

Dome has a stake in the rapidly expanding oil industry in West Canada. Dome owns a 25% interest in the Dome Exploration Company, together with Western Leasoloids, Ltd, had an interest in 23 producing oil wells in the Redwater district in 1950. At the present time Dome is paying 17½ cents a quarter, to yield 5.7%. It is not, however, on current statistics that Dome Mines common stock should be purchased. The future of Dome would be greatly enhanced if the price of gold should be raised to $50 an ounce. The approach of a postwar business panic merely accelerates the day when the government will raise the price of gold as the easiest method of bringing back prosperous days.. It seems to be when the price of gold was raised back to $35.

If Dome produces around 700,000 tons of ore, a rise in the price of gold to $50 an ounce would double the raise the earnings on Dome common to around $5,000 a share. Such earnings might logically place the stock at the common in the 30 to 40 range.

In summary, I select Dome Mines stock for the stock I like best for the future.
In discussing inflation prospects, Mr. Davidson lays chief inflation cause to government deficits and government cheap money policies. Says budget deficits and loose fiscal policies inevitably carry with them other inflationary fears as the economy and public place new money on the market for goods outstripped by the volume of unexpanded productive capacity. The result is inflation which is generally thought of as being itself inflation.

The cause of inflation is not the price rise—it's the increased money supply. An increase in money supply forced through deficit financing by the government will come about by credit expansion by the commercial banks, or both.

Over the past dozen years, the volume of goods in this country so-called "fixed production" has doubled. The supply of money increased more than threefold. About two-thirds of the increase in money came from government borrowing from the banks to cover its deficits. The other one-third resulted from private loans made by the banks to business on real estate and to consumers for installment credit. The expansion of money supply is inflation at work.

Now, I want to make one thing very clear and that is no criticism of commercial banks or of any kind of banks. They are indeed indispensable to the running of any economy. The paying of a blow to the banks is the only way we can get the new money for which it has been argued. The greater part of the new money is going for current spending and not for financial investment. It is this inflation that we are here to discuss today.

The root source of the problem is inflation. This inflation is government deficits, for with government deficits there would be no reason for a cheap money policy, and in a way a cheap money policy itself is a kind of "deficit financing." The result is inflation.

Mr. Davidson also says that the policy of government has not only expanded the volume of money, but also the rate of inflation. This is true, but it is not the cause of inflation. It is the result of inflation. The cause of inflation is government deficits, for with government deficits there would be no reason for a cheap money policy, and in a way a cheap money policy itself is a kind of "deficit financing." The result is inflation.

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A Foreign Policy for The Republican Party

BY DWIGHT D. EISENHOWER

Candidate for Presidential Nomination, The Republican Party

In first outspoken political speech, Gen. Eisenhower outlines his foreign policy positions and those of his political associates that are on the ballot for the GOP Presidential nomination as well as those of the Truman Administration. Words of threat of aggressive Communism and calls for unity of Republicans and Democrats to preserve peace. Stressing maintaining our military power and that of our allies through increased productive power, and concludes we can achieve peace through strength.

In the quiet of my room here in Denver, I want to talk to you this evening in your home. I want to talk to you—seriously—the problem that is closest to all our hearts: the problem of war and the methods available to America to secure a peace that will be lasting.

Since the end of the war peace had been won in 1945, the idea of death of a single man on a distant battlefield has been virtually dismissed from our homes. The prayer in every American home is that their son will be spared.

I want to talk tonight especially to those few families who want to talk to the young man facing his turn to service, and to those who are thinking of the student whose studies may be interrupted; to the young husband and father who may be separated from his family, and to his wife who is left alone. Certain, only, those people should know the risks of the aims and aspirations and programs that can justify their heavy sacrifices.

Is this one personal reference? I have entered upon a period of political undertakings. Among the reasons which led me to take that step, no consideration weighs more heavily as the "Test of a radio address by General Eisenhower from Denver, Colo., June 29, 1952.

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Drydock Stocks

By IRA U. COLEIGH
Author of "Expanding Your Income"

The maiden voyage of the "United States," largest and fastest passenger vessel ever built in America, makes a timely and effective selling campaign for new orders of shipbuilding and repair industry.

Outside of agriculture and hunting, the oldest industry in the United States is shipbuilding. To my knowledge, this industry is stronger today than at any time in its history. We have our four most important ports. It is not a question of numbers, but of quality. As of now, there are more than 20,000 jobs in the shipbuilding industry, and the trend is upward. This is a very important sector of the economy, and it is going to be a major factor in our national economy in the years to come.

And what about the sister trade, repairing? In the Spring of 1959, the situation was really depressed. Americans were being laid up by the dozen, with foreign vessels increasingly taking over overseas trade lanes. Intercontinental commerce was being hit by truck and rail competition, and repair yards had shut down completely in many parts of the country. And thousands of skilled workers were being forced to look for other fields. Overnight, Korea brought back all this, first reactivating the West Coast, then the Naval yards, and now private yards in all parts of the country, as well as the shipyards. As a result, we have seen an increase of some 25% of all repair work.

A CYCLICAL INDUSTRY

In this brief review, we must remember the cyclical trend of very good and very bad years. As an example, the description "war industries" was noted in January, and repair and repair and more repair and some 80% increase. And today, we find ourselves out of the market, with some 90% lower costs. In our years of experience, the one thing we have learned is that the industry is cyclical, and it is not easy to keep it on track. But with a steady hand, we can expect some good years ahead.

Korean War Sparked Industry

1948 and 1949 ushered in some new orders for tankers and a few for the Korean outbreak that shipbuilding reached its peak. But there was a surge to get the mothballers back into service, then a flurry of newly designed vessels to project our fleet to meet the newest defense needs. Among the most important was the conversion to a 12,000 displacement (division) troop carrier, the $200 million ships. We built about 20 of them, and not least, the new "Martina." These ships were built by the fastest freighters afloat, with 12,000 tons deadweight capacity. No sitting ducks for sneaky "sabers," their prime purpose was to be in the field, and they were delivered to the earliest ports of call. These ships have not yet been delivered to the newest, but in the meantime, we have received about 25 of them.

With all these ships being built, and demanded, at the intervals, how does the somewhat negligible interim interest save the field! He must obviously be looking to the future, and his line of business will, like the rest, have its up and down cycles. In fact, he can probably be classified as a cyclical type, and the accompanying data, whose shares are directly related to the general economy of the country, will probably fluctuate.

Of the companies mentioned above, we believe that the major one, and the chief one in the field of shipbuilding and repair, is the United States Steel Corporation. Its shares are currently in the $30's, and show a very good trend. The company has been able to maintain a strong position in the industry, and its financial position is sound.

Continued on page 27

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Continued on page 27
Overall industrial production for the country-at-large was again adversely affected in some degree by the current steel strike and other labor-management controversies. Prospects for industrial output in the immediate future are even cloudier. The dwindling stocks of steel are expected to force some major arma-
tories on the general public with the possibility that total industrial production was moderately below the high level of a year ago, was forced under the terms of the steel strike of last year. With the exception of the Electromagpichuca policies, the nation's industrial situation is being forced to curtail production, too.

Last week's third strike of cutbacks has already mounted to an imposing list. The 1917 strike of the steel strike gang, the recent flare up of plant closures in the former week, the latter strike of cutbacks has already mounted to an imposing list. The 1917 strike of the steel strike gang, the recent flare up of plant closures in the former week, the latter strike of cutbacks has already mounted to an imposing list. The 1917 strike of the steel strike gang, the recent flare up of plant closures in the former week, the latter strike of cutbacks has already mounted to an imposing list. The 1917 strike of the steel strike gang, the recent flare up of plant closures in the former week, the latter strike of cutbacks has already mounted to an imposing list. The 1917 strike of the steel strike gang, the recent flare up of plant closures in the former week, the latter strike of cutbacks has already mounted to an imposing list. 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Some Advantages of High Taxes

BY ROGER W. BABSON

Among advantages of high taxes listed by Mr. Babson are: (1) they are an incentive to hard work; (2) they force many older persons to continue as producers; (3) they create more interest in maintaining buildings; (4) many are increased charitable gifts. Warns taxes must not destroy profits.

Now that the first half of the year 1983 is nearly over, income tax retooling still leaves in its wake a raft of questions. For instance, if s o m e o n e b e g i n s to think about the effect of income tax on profits, the first question would seem to be: Taxes bit e into profits and apparently bring about a summer mar¬
gine between sales and costs. Business trips, however, to make up for this shrinkage may be ex¬
panding the volume of sales.

Taxes May Help Business

There are also other "silver linings" to the cloud. I hate high taxes as much as any reader does, but we should realize that indi¬
rectly such taxes may have certain advantages: (1) High taxes make for greater output; (2) As high taxes are hardest on retired people living on a fixed income, these people are encouraged many of them to again become producers; (3) high taxes which should make us all more interested in electing a bet¬
ter government. (4) High taxes may result in increased gifts to churches, hospitals and charities.

Even "excess profits" taxes have certain complications. For exam¬
ple, at maximum rates, 77 cents of every dollar of excess profits may go to the government in taxes. But if the corporation decides to spend what it would go into its excess profits in transferring to shareholders, or employing more salaried, it could do so advantageously. Every dollar of salary reduces the tax cost of the corporation only 3 cents. Contrast this with the use made of these "thirty" dollars in producing and expanding sales efforts.

(This Announcement is not an Offer) To the Holders of Colombian Mortgage Bank Bonds

Agricultural Mortgage Bank

Guaranteed Twenty-Year $500 Sinking Fund Gold Bonds
Issued in 1932, Due April 15, 1952
Guaranteed Twenty-Year $500 Sinking Fund Gold Bonds
Issued in 1932, Due January 15, 1952
Guaranteed Twenty-Year $500 Sinking Fund Gold Bonds
Issued in 1932, Due December 15, 1952

Bank of Colombia

Twenty-Year $750 Sinking Fund Gold Bonds
Due April 15, 1952

Mortgage Bank of Colombia

Twenty-Year $750 Sinking Fund Gold Bonds
Due January 15, 1952

Twenty-Year $750 Sinking Fund Gold Bonds
Due February 15, 1952

Twenty-Year $625 Sinking Fund Gold Bonds
Due March 15, 1952

Mortgage Bank of Bogota

Twenty-Year $750 Sinking Fund Gold Bonds
Due June 15, 1952

Twenty-Year $750 Sinking Fund Gold Bonds
Due September 15, 1952

*Convertible Certificates for 3% External Sinking Fund $100 Bonds of the Republic of Colombia, Due October 1, 1970.

NOTICE OF EXTENSION

The time within which the Offer, dated June 25, 1952, to exchange above Bonds and the appurtenant coupons for Republic of Colombia, 3% External Sinking Fund Dollar Bonds, due October 1, 1970, in multiples of $500 principal amount has been extended from January 1, 1953 to January 1, 1954.

The period for exchange of Convertible Certificates for 3% External Sinking Fund Dollar Bonds of the Republic due October 1, 1970 in multiples of $500 principal amount has been extended from January 1, 1953 to January 1, 1954.

Copies of the Offer may be obtained upon application to the Exchange Agent, The National City Bank of New York, Corporation Department, 20 Exchange Place, New York 5, N.Y.

AGRICULTURAL MORTGAGE BANK (From Agricultural Nation)

By GUILLERMO AMAYA RAMIREZ

Taxes and the Stock Market

Now, with no degree of certainty of earnings at the level where stock prices begin, there might even be a reflection thereof in higher prices for tax-sheltered property. This should be the position of the stockholder in such a case. The taxes would now bring about long-term capital gains and so they would later be converted into dividends. In this case, the investor would be less willing to go to the tax court, the competitive position of the company should be no worse and the company may find it more feasible to engage in expansion of business at a cost that might well increase the advertising in newspapers and magazines.

Government Guaranteed Profits To Continue

Corporate profits provide over the iron the income of the Federal Government. It is a para¬
dox that the tax program, which eventually might be a drag on in-
centive, may, for a time, supply an incen¬
tive for production and expansion. The government needs to keep its nose in the stack as it taxes its progressive pro¬
gress. Some firms, which may otherwise barely survive, may then become prof¬
itable. The Federal Government is a good

seizer and for the present it appears that its case has attracted more public interest than any other case in American history.

On June 2, 1952, the Supreme Court of the United States, in an 8-0 decision, af-

"Three Weeks Ahead"

Towards the End

George A. Searight has opened an office in New York City, and has accepted appointment by B. V. Christie & Co. of Hous¬
ton, Texas, to represent them in dealer relations.

Mr. Searight has had an experience in the business, having recently been Manager of the Sales Division of "The Radio and Appliance Rela¬
tions Department, Bowers, Inc., Eische & King, Libbey, Stout & Co.

George A. Searight was born in the State of Louisiana and therewith he was Vice-President of the Board of Directors of the Louisiana State Bankers Association, Spring Lake, New Jersey, June 21, 1952.

Story of the Stock Decision—Its Meaning to You and Me

BY THEODORE KIENDELL

Steel companies’ attorney relates story of Government seizure of steel mills and judicairy's sustaining acts and judicial opinions which led to the final decision of a momentous case—pre¬

ceme Court declaring the President’s seizure action illegal. Lands rapid progress in settling the case judicially and states court’s decision as "clear indication that ours is a government of laws and not of men."

On April 8, 1952, the President of the United States signed an Executive order, directing the Secretary of Com¬

mermits. It was com¬

pany, brought suit in the Circuit courts to over turn the decision of the President. A writ of certiorari was duly filed and the Supreme Court, hearing the case at bar, was expected to review the lower court's decision.

The day after, on Saturday, May 5, the Supreme Court of the United States announced that it had temporarily suspended all steel production in the nation and that the seven-day period allowed by law for filing a petition for rehearing was to begin.

The Court had three weeks to decide the case and a year to make up for the temporary suspension of production.

The Court suspended the administration of the order and印花 gave a stay of execution of the order to the President.

The court's decision was announced by the Chief Justice, Charles E. Hughes, on June 8, 1952.

"A writ of certiorari is simply a record of the lower court's decision."

The President immediately suspended the order and印花 gave a stay of execution of the order to the President.

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The President immediately suspended the order and印花 gave a stay of execution of the order to the President.
 Such unreserved and unlimited power in the Executive is a concept akin to our tripartite constitutional form of government that its very assertion indicated the inherent weakness of the Government's position. There was a belated attempt on the part of the Government to recede from this extreme position, but at no time and at no place that I am aware of did the Government signify finally to concede that the courts were empowered to determine that the seizure was illegal and unconstitutional. No matter how it was approached, the Government's position had to be that the Executive is vested with supreme power, contrary to our American conception of the doctrine of separation of powers. No amount of rationalizing, no amount of equivocation, no invocation of the never-ending existence of crises or emergencies, nothing could conceal the inevitable fact that the Government had to succeed or fail on the bald proposition that in this situation the President was above the law. If Executive action exceeded constitutional limitations, it decided one of the most important Constitutional questions of all time in a comparatively short space of time and in a truly remarkable opinion. He squarely decided that the seizure was illegal and without authority of law, that the courts have power to negate Executive action, that the damage is irreparable, that the balance of the equities is on the side of the steel companies, and that they have no adequate remedy at law. This courageous and able judge delivered an opinion that has been broadcast everywhere, and it is not an overstatement to say it

Continued on page 34
Defense and Sound Money
By W. RANDOLPH BURGESS*
Chairman of the Executive Committee of The National City Bank of New York

Asserting we are faced with a war of dollars, as well as war of weapons and ideas, prominent New York banker says we must win on all three fronts if nation and its economy is to continue. Wars if burden of economic aid abroad, combined with rearmament, sap our economic strength, won't have inflation and economic chaos throughout world. Says real world problem is the American budgetary problem.

The cold war in which the United States is now engaged is a war on three fronts. It is a war of weapons, a war of economic aid, and a war of ideas.

In every great war, the principal contending parties have tried to avoid a war with more than one front. Hitler's down fall came when he espoused that principle.

The United States and its associates could lose this war by neglecting any one of the three fronts. Each one of which we unavoidably face. Unfortunately, today we are not performing with brilliant success on any one of the three fronts.

Our economic aid program depends on technology. It took us about two years to go from the production of superior weapons in both World Wars I and II. Our progress this time has been even slower, partly because the weapons are more complex, but also because we have tried to have guns and all our allies at the same time. We have not sacrificed enough civilian comfort to ensure speed in the armament field. Nevertheless, solid progress is being made, both in manpower and weapons, and in the greater cooperation of the United States and its allies.

In the war of ideas, however, we have come a good deal of stumbling and bumbling. This is not primarily a matter of propaganda, though the dissemination of facts is part of the picture. The war of ideas rests mainly on the difference of opinion and the consistency of the face we present the world by our policies and our action. It rests in part on the war of the dollar—our basic economics.

While there are, indeed, deep spiritual and moral questions at issue between the Western democracies and Russia, state socialism is also an economic idea. Our world of free enterprise will win the minds of men, in the long run, by proving to the people of the world that under our organization, there are fewer empty stomachs and more human satisfactions.

Visitors returning from Europe report grave concern among well informed people about the economic strains that Europe is suffering. The rapid inflation of the past two years has raised the prices of raw materials and increased the costs of production and thus has put a terrific strain on the balance of payments of Great Britain, especially, whose currencies are basically so vital to world trade.

The added strain of armament, piled upon the strain of struggle to rehabilitate their economies means more than just the character and useful work of Europe wonder where they are going to get the money to buy their food in the coming months. Much same situation prevails with us. We, also, are in the periphery of the Soviet and those which are subject to pressure, internal and external, from communists, India and Pakistan, all of these countries are battling with acute economic problems, on the solution of which their entire survival as free countries rests.

Our economic dilemma lies in the fact that our dollars are needed for our arsenal program and to aid countries to whom a little economic help is so necessary. At the same time, if we pour out our dollars beyond our strength to generate them, so that we do it by inflation, in effect by print ing money, we create here an economic disturbance whose ripples flow out all over the world. We may, in fact, do more damage to economic stability by overspending than we can offer by any contributions which we can make.

In many ways, the best contribution the United States can make to the company's stability of our world is to keep our domestic dollar sound, to avoid inflation and deflation in the United States.

This is the peculiar problem of fighting a cold war on three fronts: to find ways of using our dollars in a way that will effectively that the job of rearmament and giving economic aid can be undertaken in a sound and stable, economic here.

We have to keep on the problem, the world come back to the American budgetary and monetary problem; and we can replace the question in terms of our own budget, by saying that about the most important thing we can do for world stability is to balance our budget and follow sound monetary policies. To do that, and at the same time accomplish our purpose in rearming and strengthening our partners, means the utmost of economy and wise management of our resources.

Victory in the cold war is not something we just go out and buy. The law of diminishing returns sets in very soon. The soundness of the wisdom of the policies, all the way from the choice of the weapons we produce to the trade policies we make, will determine the effectiveness of our dollars.

*Extracts from an address by Mr. Burgess before the 20th Annual Convention of the New York State Bankers Association, Spring Lake, New Jersey, June 31, 1952.

This announcement is not an offer to sell or a solicitation of an offer to buy these Debentures. The offering is made only by the Prospectus.$15,000,000
The Southern New England Telephone Company
Thirty-three Year 3½% Debentures
Dated July 1, 1952
Due July 1, 1985
Price 101.014% and accrued interest
Copies of the Prospectus may be obtained from such of the undersigned, as are registered dealers in securities in this State.

LEHMAN BROTHERS
DiCK & MEHLER, Smith
SCHNECKLOFF, HUTTON & FOWLER, Inc.
STRoud & COMPANY
COURTIS & CO., INC.
FOLGER, NOLAN INCORPORATED
THE ROBINSON-HUMPHREY COMPANY, Inc.
WHITING, WILCOX & STARR
DE VRIES & CO.
RHODAS & L’IN
June 23, 1952

Dealer-Broker Investment Recommendations & Literature

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

Canadian Business Review—Monthly bulletin—Bank of Montreal, Montreal, Que., Canada, and 64 Wall Street, New York, N. Y.
Fire and Casualty Insurance—Analysis of 1951 results—Laidell, Bissell & Meeds, 120 Broadway, New York 5, N. Y.
Montreal Stock Exchange—Monthly bulletin—Montreal Curb Market—Descriptive to members and subscribers; monthly bulletin—Montreal Exchange, 570 Bishop Street, Montreal, Que., Canada.
Natural Gas Industries—Review with special reference to Chicago Corporation, Taylor Oil & Gas Co., Republic National Gas Co. and Shamrock Oil & Gas Corp.
Oil in Latin America—Discussion in current issue of "Latin American Business Highlights"—Chase National Bank of the City of New York, Pine Street, corner of Nassau, 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 15 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 13-year period—National Quotation Bureau, Inc., 16 Front Street, New York 4, N. Y.

A special copy of the analysis with special reference to Powell River Company Limited and St. Lawrence Corporation Limited—Ross, Knowles & Co., 330 Bay Street, Toronto, Ont., Canada.


American Optical Company—Data—Paul H. Davis & Co., 10 Seidman Bldg., Chicago, Ill. Also available are data on McGraw Electric Company and Lone Star Steel Company.

Carrier Corporation—Analytical bulletin—Harriman Ripple & Co., 1305 14th St., N.W., Washington 4, D. C.

Central Louisiana Electric Company—Reprints of address of F. Hugh Coughlin, President of the company, delivered at a meeting of the Louisiana Bankers Institute, Central Louisiana Electric Company, Inc., P. O. Box 111, Alexandria, La.


County Trust Co.—Memorandum—Rutberg & Co., 21 Nassau Street, New York 5, N. Y.

Eastern Utilities Associates—Analysis—May & Gannon Inc., 161 Broadway, New York 6, N. Y.

Electric Bond & Share—Memorandum—J. Haupt & Co., 111 Broadway, New York 6, N. Y.

Electro Refrigerators & Appliances Corp.—Memorandum—Ham⁃lin & Lurtz, 2 Wall Street, New York 5, N. Y.

General Tire & Rubber Company—Analysis—Van Aitienne & Co., 52 Wall Street, New York 5, N. Y.

Glass Fibres, Inc.—Memorandum—Ames, Emerich & Co., 105 South La Salle Street, Chicago, Ill. Also available is a memorandum on Kellogg Co.


International Harvester—Memorandum—Auchincloss, Parker & Bespahf, 52 Wall Street, New York 5, N. Y. Also available is a memorandum on McGregor Stoves.


Jacobs Aircraft Engine Co.—Bulletin—Kelly-Manly, Inc., 30 Broad Street, New York 4, N. Y.

Beryllium Corp.
*Metal Hydrides

Prospectus on Request

TROSTER, SINGER & CO.
Member, N. Y. Securities Dealers Association

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

Continued on page 31

Primary Market

Eberly Corp.
This announcement is not to be construed as an offer to sell, or as a solicitation of an offer to buy, any of these securities. The offering is made only by the Prospectus.

NEW ISSUE

200,000 Shares

Safeway Stores, Incorporated

4 1/2% Convertible Preferred Stock

(Cumulative; $100 par value)

Price $100 per Share

(proxy accrued dividends from July 1, 1932)

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

Merrill Lynch, Pierce, Fenner & Beane

Blath & Co., Inc.

The First Boston Corporation

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Dean Witter & Co.

Eastman, Dillon & Co.

Glore, Forgan & Co.

Goldman, Sachs & Co.

Kiddie, Peabody & Co.

Lehman Brothers

Smith, Barney & Co.

Stone & Webster Securities Corporation

Union Securities Corporation

Wertheim & Co.

White, Weld & Co.

A. G. Becker & Co.

Blair, Rollins & Co.

Central Republic Company

Drexel & Co.

Halgalen & Co.

Hemphill, Stone & Co.

Leeghnaan Corporation

Hornblower & Weeks

W. C. Langley & Co.

Lee Higgins Corporation

Paine, Webber, Jackson & Curtis

Spencer Trask & Co.

But in relation to Yalta and the concessions that were made to get Stalin into the Japanese war once the European war was ended, Admiral Leahy, the President's right hand man, has said, rather calmly, that he counselled that Stalin was not needed, and it has been established the Navy felt it had about bottled up Japan and it would only be a short time before that country sued for peace. The Army, as I have said, was agitating that we would have to land five million men in Japan. Certainly this was the public attitude of General Marshall at the time.

General Eisenhower has not talked about how he felt, at the time of Yalta, in regard to Stalin's participation in the Japanese war.

He has, however, denounced the secrecy of the agreements reached at Yalta. And at Potdam, he had no illusions about the Russians; he knew them so well that it was not a question of getting them into the Far Eastern war, it would be impossible to keep them out. Under the circumstances, he could not have been one of those insisting that deals be made with Stalin at Yalta.

Well, what advice to Roosevelt come from? Not from the Navy, not from Eisenhower. It must have come from General Marshall, from Roosevelt's leftist civilian advisers or from Roosevelt's determination to have such advice.

But aside from this, you get the impression that Eisenhower had little voice in the direction of the war. He did what he was told to do and this quality of his uniquely fitted him for this job under Roosevelt. On one occasion in his Presidential campaign, he has sought to disassociate himself from the direction of the war to the extent of saying in a speech, in effect: "You lieutenants in the crowd will understand what I mean."

The point was that lieutenants are supposed to do what they are told without asking questions. But I have never understood that Generals were unserviceable or passive men. I am quite sure you will find no milquetoasts among military leaders. They are most aggressive and articulate men who have been taught from the boy to be strong men who can sit down calmly and make calculations about a particular undertaking involving 10,000 or 50,000 men. And a businessman with an outlay of capital, is not, to my mind, a fellow who will step quietly aside and let other men run over him. He is a very determined and grim man, firm in his convictions of what is right and wrong and schooled in having his way. Armed, political leaders who make generals have a hard time keeping them from breaking over the traces.

But Eisenhower, apparently, was most tractable to the President who gave him his job. Lieutenants undoubtedly would have given a lot for such as he. You wonder just how adminable the General would be and to whom, if he became President.

NEW ISSUE

200,000 Shares

Safeway Stores, Incorporated

4 1/2% Convertible Preferred Stock

(Cumulative; $100 par value)

Price $100 per Share

(proxy accrued dividends from July 1, 1932)

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Stone & Webster Securities Corporation

Union Securities Corporation

Wertheim & Co.

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Drexel & Co.

Halgalen & Co.

Hemphill, Stone & Co.

Leeghnaan Corporation

Hornblower & Weeks

W. C. Langley & Co.

Lee Higgins Corporation

Paine, Webber, Jackson & Curtis

Spencer Trask & Co.
Price Control and Inflation

By ELLIS G. ARNALL
Director of Price Stabilization

Ascerting we can prevent inflation by effective legislation and with full cooperation of public, Price Stabilizer urges a program of higher taxes, together with restrictions on spending, on wages and on prices, as well as other restraints. Calls on every businessman to support price control program, and says his own office is "doing its best to stabilize prices." Warns price situation is still serious, and "things are not getting cheaper." Contented OPS was created to aid and help business.

Our nation has experienced two opposite extremes of economic dislocations within the brief period of one generation. First, we had a depression accompanied by widespread unemployment, and then an inflation resulting in excessive cost of living. Most of us remember what happened during the depression when jobs were scarce and prices were low. And on the other hand, I'm sure we won't be blinded by the evils of depression and fail to see that inflation can be just as disastrous.

Inflation will thoroughly disrupt the economy of any country. If we believe what history teaches us, and if we can reflect on our own experience, we know that money and prices get out of hand in times of war or major rearmament. Increased military production, scarcity, and price controls stepped up spending all tend to thrust the economy well above the amount of money in circulation. They all lead to inflation unless the government takes appropriate action to hold the price line.

We can prevent inflation by effective legislation, and with the full cooperation of every responsible citizen. And the free press — the business press — is surely one of the most important instruments in insuring the cooperation of all of us. I am sure all of you are aware that the financial and political future of our country is worth fighting for. We not only owe it to ourselves to avoid inflation, but also to our children and grandchildren.

Some of the measures which must be taken to bring about stabilization create temporary hardships and some sacrifices. But if we are to protect the nation, all of us must be willing to bear the temporary hardships and some sacrifices. But if we are to protect the nation, all of us must be willing to bear these burdens.

A strong stabilization program calls for higher taxes, restrictions on spending, wages and prices, and other restraints. Inevitably some hardships are caused by such measures.

There are some who object to paying more taxes to provide the tanks, the planes, the ships, the guns, needed to strengthen the defenses of our country. But let us remember that it is a sacrifice too great to preserve the American way of life for our children.

Wage and salary controls cause some hardships, some temporary displacements. Nevertheless, by working harmoniously and productively under the wage and salary stabilization program, labor is making its contribution to the war effort in defense of freedom.

We have received some complaints from manufacturers, merchants and businessmen who say that price controls are causing some disruptions, that controls call for too much record keeping and other difficulties. There may be some merit to these complaints, but our is a compulsory economy — one not easily regulated by a few simple rules.

It would be fairly simple to stabilize prices if only a few products and services were involved and only a few manufacturers, retailers and service establishments conducted the bulk of the nation's commerce. But, as a matter of fact, an inflation which is composed of more than a third of a million manufacturers and nearly three million firms in the distribution trades and service establishments.

Price Stabilization Office Does Its Best

However, estimated as price control may be, the Office of Price Stabilization is probably the first attempt to stabilize prices. The success of our efforts largely depends upon the cooperation we receive from those who purchase the goods and services whom we must and furnish them and from the entire group of the country.

It is definitely to the advantage of every businessman to support the price control program, and inflation will mean higher costs to him — and will destroy control for every business. If prices are not stabilized a firm may receive more for the commodities it sells, but its profits may be drastically reduced by rising costs of the materials and articles the firm buys for resale.

Indeed, I think it could be said that, for business, ours is another "office of public welfare." It is just as important to hold the prices down as the "selling price line."

Price control is not something apart from the functions of business. It is not something one business is doing in order to help his competitors, while his are permitted to rise. Neither is the converse true — the case of a business man who complies with the law but sells for big profits when a dishonest competitor violates the law. Of course, both examples are justifiably wrong, but this stabilization program to the effect that the policy of this administration is to favor or encourage.

Price controls cannot afford damage to their names and good will by engaging in unlawful price practices. The same businessman will abide by the law and sell for a fair price even if his competitors cannot. The honest, law abiding businessman has an equal right to immediately report any unscrupulous competitors who may be trying to fatten their profits by fixing prices at higher prices than they or others can. It is his duty to help force the violator in line.

The consumer's by understanding how channels are determined, by watching for evasion, and by refusing to patronize merchants who do not live within the law. Price policies can do their job by keeping prices.

When I speak of "consumer," I mean almost everyone. I immediately report any unscrupulous competitors who may be trying to fatten their profits by fixing prices at higher prices than they or others can. It is his duty to help force the violator in line.

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Price controls cannot afford damage to their names and good will by engaging in unlawful price practices. The same businessman will abide by the law and sell for a fair price even if his competitors cannot. The honest, law abiding businessman has an equal right to immediately report any unscrupulous competitors who may be trying to fatten their profits by fixing prices at higher prices than they or others can. It is his duty to help force the violator in line.

The consumer is by understanding how channels are determined, by watching for evasion, and by refusing to patronize merchants who do not live within the law. Price policies can do their job by keeping prices.

Nevertheless, I am sure that those who are interested in getting Cheaper things are always more for many of the things they buy than she ever did before. To the housewife, this means that those markets and those bargains that seem to be able to find them when.

Things Are Not Getting Cheaper

I am further convinced from the many letters, telephone calls, telegrams, and personal visits from businessmen that things are not getting cheaper. Do you know that they have not been getting cheaper? They have not been getting cheaper and will not. They will not, of course, if they keep prices.

Here's an example of what I've just been referring to. We had an announcement two weeks ago, OPS had to authorize price increase for many runs of goods. Prices of goods which are run to market have been reduced and prices of goods which have not been reduced and were reduced and prices of goods which have been reduced and prices of goods which have been reduced and prices of goods which have been reduced and have been reduced.

We authorize the increased prices under the same conditions following the announcement in the press that grocers and retailers have to buy foods from 1 to 2 cents per on our office of Price Stabilization price list. Has the office of Price Stabilization price list. Has the office of Price Stabilization price list. Has the office of Price Stabilization price list. Has the office of Price Stabilization price list. Has the office of Price Stabilization price list. Has the office of Price Stabilization price list. Has the office of Price Stabilization price list. Has the office of Price Stabilization price list.

"Have Done a Pretty Good Job"

We have done a pretty good job of keeping price increases in the precious situation. In other words, inflation has been checked but it has not been halted. However, so long as commodities inflation is not checked, the Federal budget necessarily will make high and the balance between purchasing power and cost of living will continue to create difficulties.

Some $8 billion will be spent on high defense expenditures. Without stabilizing existing the possibility of inflation will be overlooked.

The consumer will find many businessmen today who will tell you that the need for price control is over. They have over 100 of costs, declining prices

and other trends which they say indicate that price stabilization is no longer necessary.

There are several limitations, one or the other, the inflation and, and, and, the government stabilization efforts have taken cognizance of the increased costs of products from price control and the "cost of living." But, the real truth is that there has been no significant change in the underlying cause of the cost of living since Korea, and in the same way that our economic position is now much more stable today, and that the very stability of the nation is endangered, as I was saying, the stability of the dollar is threatened.

I hope this is not just a "scare" warning. I can support this with plenty of hard facts.

But before I finish, I have some of the inflationary factors facing us, let me ask a few questions about price controls. Do you find the prices that you pay as much or cheaper than they were six months or a year ago? I don't. Prices for everything I have bought recently are either higher or as high as ever.

Have you checked with your wives, or gone shopping with them, to find out what you can get for food and other things? I don't mean buying more for the same amount, but buying things at prices they did not pay six months ago. Almost all the markets and those bargains that seem to be able to find them when.

BOSTON EDISON COMPANY

First Mortgage Bonds, Series D, 3.5% Due 1982

Dated July 1, 1952

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

HALSEY, STUART & CO. INC.

EQUITABLE SECURITIES CORPORATION

SCHOLKOFF, HUTTON & POMEROY, INC.

BAXTER, WILLIAMS & CO.

WEEDEN & CO.

TOWNSHEND, DASNY & TAYSON

R. W. PRESSPHICH & CO.

SHIELDS & COMPANY

R. L. DAY & CO.

WM. E. POLLOCK & CO., INC.

THE ROBINSON-HUMPHREY COMPANY, INC.

MULLANEY, WELLS & COMPANY

WALTER STOKES & CO.

PATTERSON, COPELAND & KENDALL, INC.
Accelerate Selective Decontrol of Prices Now! 

By FRED LAZARUS, JR.*
President, Federated Department Stores, Inc.
Chairman of the Committee of the President’s Sub-Committee on Price and Wage Controls

Prominent merchant urges speed-up of selective decontrol of prices, since economy's ability to dispose of large production depends on resiliency of price structure and power of thousands of people to make their own decisions. Foresees retail inventories in balance by July or August, resulting in stepped-up buying by and from retailers. Maintaining returning buyer's market is no just cause for worry.

Before we talk about marketing, let us get a general look at what we need to sell. The productive capacity of our country has grown, and by leaps and bounds. The policy of the defense program has demanded it. General Marshall, Secretary Lovett, and the Chiefs of Staff all agreed that the important defense goals were to be

*The address by Mr. Lazarus before Summer Conference of the American Economic Association, Cincinnati, Ohio, June 12, 1952.

The result was to do with defense, but there is a substantial inventory in civilian lines.

A Future With Few Inflationary Pressures

The foregoing statement, developed from our government statistics, presents us with an economic future that would indicate an excellent situation in spite of a few road blocks now. We have what can amount to practically unlimited production insofar as facilities are concerned, and an opportunity for everyone to work if we can sell the products of this gigantic economic machine. We have a future that, barring all-out war, should mean few if any inflationary pressures. Successes ought to be rare. Production not required for defense or civilian use could be put in mathematically that is its purpose. The standard of living should rise. We should have a price level almost devoid of speculative content, made up of the legitimate costs of wages, the raw materials of the producer, and the reasonably profitable on a competitive basis.

No Room for Wage-Price Controls

In such an economy, is there any room for wage and price controls? I think not.

Recently I headed a subcommittee of the Committee for Economic Development that has made two reports on price and wage controls. The first one criticized the present methods which are employed and suggested many needed corrections. The second one dealt with the elimination of price and wage controls. This second study, made in the careful way that all CED reports are developed, in summary states the following:

The need for price and wage controls is rapidly passing, if it has not already passed. Price and wage controls are inappropriate instruments for the control of inflation except in times of great emergency. No emergency now exists which requires their use.

In the past 10 months there has been little evidence of general inflationary pressure. Many prices have fallen below their ceilings and many more would not rise if their ceilings were removed.

Price and wage controls place too much risk in the hands of government. They tend to distort production and limit the ability of the economy to respond to changing needs. They involve substantial costs in marketing, in production and distribution and, as now employed, are unfair to large sections of the economy.

Any renewal of inflation during the present program period should be met by action for taxes, government expenditures and monetary and credit policy. Such measures can be effective. Control inflation except in extreme emergencies and they do not involve the heavy economic costs of price and wage controls.

Adopt Selective Decontrol

Therefore, the price and wage control provisions of the Defense Production Act should be extended only to Dec. 31, 1952, and a vigorous policy of selective decontrol should be started. The six months remaining before price and wage controls expire will permit an orderly return to free markets.

Continuation of price and wage control authority after this year will be unnecessary and undesirable unless a new and serious international crisis should occur.

Recognizing, however, that a new international crisis in mind, the amended act should include a provision that after Dec. 31, 1952, the President may be authorized by Joint Resolution of Congress to impose a 90-day freeze of prices and wages. During the freeze period the question of any further continuation of controls and the form they should take could be considered by Congress. The National Security Resources Board, which has the responsibility for developing emergency controls, should have a practicable and equitable system of price-wage controls established by Congressional consideration in such an emergency.

Prices are settled in millions of different instances every day.

Continued on page 16

$25,000,000

Public Service Company of Indiana, Inc.

First Mortgage Bonds, Series I, $25,000,000

Dated July 1, 1952

Price 1023/8% and accrued interest

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

HALSEY, STUART & CO., INC.
BEAR, STEARNS & CO.

DICK & MERLE-SMITH

EQUITABLE SECURITIES CORPORATION
HARRIS, HALL & COMPANY

L. F. ROTHSCHILD & CO. AND OTHERS

SHIELDS & COMPANY

COFFIN & BURR

GREGG & SONS

AUCHINLOSS, PARKER & REDPATH

BALL, BURGE & KRAUS

ALEX. BROWN & SONS

IRA HAUP! & CO.

W. M. POLLOCK & CO., INC.

R. L. DAY & CO.

FIRST OF MICHIGAN CORPORATION

GREEN, ELLIS & ANDERSON

HELPER, BRUCE & CO.

VAN ALSTYNE NOEL CORPORATION

BURNHAM AND COMPANY

COURTS & CO.

FOSTER & MARSHALL

THE ROBINSON-HUMPHREY COMPANY, INC.

Dated June 30, 1952

$20,000,000

American Gas and Electric Company

3½% Sinking Fund Debentures due 1977

Dated June 1, 1952

Price 100¼% and accrued interest

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

HALSEY, STUART & CO., INC.
BEAR, STEARNS & CO.
L. F. ROTHSCHILD & CO.

AMERICAN SECURITIES CORPORATION
BAXTER, WILLIAMS & CO.
COFFIN & BURR

NEW YORK HANSEATIC CORPORATION

AUCHINLOSS, PARKER & REDPATH

W. M. POLLOCK & CO., INC.

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BALL, BURGE & KRAUS

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Role of State and Local Units in Curbing Inflation

By RALPH A. YOUNG
Director, Division of Research and Statistics
Board of Governors, Federal Reserve System

After reviewing inflationary trends in postwar years, Federal Reserve analyst points out impact of state and local government financing in creating inflationary pressures. Says we are faced with problem of how to temper all areas of government spending, so as to reduce debt and construction outlays, when the private economy is expanding. Warns inflation danger still persists, no matter what size of stock of liquid assets and big potential for increasing credit and money supply.

Our generation has experienced one of the great inflations of history, war, postwar readjustment and catching up, and subsequent large-scale rearmament have had much to do with this inflation. Other generations enduring war and a rearmament from its savages have also suffered severe inflation. This does not excuse continuation of our inflation because we have learned something from society's previous experiences and methods of curbing inflationary pressures. Perhaps we have, but it is too early to say credit our efforts have brought inflationary trends to a definite halt. What we can say is that we have now had a year of stability — inflationary stability, but a year without further pronounced inflation.

Inflation is everyone's problem. It affects everyone — very few favorably, most adversely. It happens because of a complex of government and private actions for which no one has a degree of responsibility. We cannot control it unless there is such understanding of its cause that both public and private policies attack these causes at their source.

Institutional responsibilities for inflation and for the control of inflation differ considerably as between the governmental and private spheres of activity. Considering the role which government plays in the economy today, it is self-evident that its responsibility, particularly the responsibility of the Federal Government but also the responsibilities of local and state government — is very great. Your program committee has recognized the responsibility felt by officials of the Federal government by placing the subject on your conference agenda. It is important that you are taking this time out of a very busy week to study and discuss the impact of inflation on the services which your government undertakes to supply.

The problem of defining inflation is quite simple. Inflation is the phenomenon of continued growth in the total demand for goods exceeding the total supply available at prevailing prices. From there on, the subject grows complex. Why the excess of demand and why the inadequacy of supply?

Postwar Inflationary Developments

War inevitably generates inflationary pressures. Military requirements during conflict must take precedence; they necessarily exceed the productive capacity available to the civilian economy. At the same time, the nation's money income, i.e., its effective demand, expands. Government, the Company, does, however, tax away as much income as possible to pay for war supplies. But there is a limit to taxation; so government borrows the balance in the process it pays to swell the nation's financial resources, particularly its bank reserves. This becomes the basis of financing the postwar catch-up in production for civilian consumption. They also partly serve as the basis of further postwar credit and monetary expansion. The bigger the war that is fought, the larger the inflationary impact that may be expected. We fought a big war, and we have had a commensurate inflationary effect as an aftermath.

Immediate postwar adjustment, as Federal military expenditures declined, was remarkably short. Our civilian backlogs consisted of inevitable adjustment, and the forces of catching up, readapting and expanding our civilian capacity, and resumption of population growth shortly gave us a postwar condition of excess demand. Even though production capacity and need to produce expanded and demand increased, the Federal Reserve, to tax,” fed both by war created the price of money’s and credit and monetary expansion. Prices at wholesale and retail rose sharply.

After three years, inflationary pressures moved to a way or another almost every group in the economy, compounding the excess demand already present. The demand stagnated, particularly for government security issues, and the demand for money was increased by other factors: a large wave of speculative buying was the prime mover of a fast expanding market. The large current-over of liquid resources continued to be a factor in financing demand, but in addition another large expansion of credit and money occurred. Reaction in markets to demand pressures was a further decline in the purchasing power of the dollar and the cost of living for so short an interval of time.

Postwar Construction Expenditures of Local and State Governments

Our topic of discussion warrants special review of postwar financing and expenditures for the construction of municipal and state government facilities as related to the inflationary trends of this period. At the point of demobilization, local and state governments faced a large backlog of war-related construction requirements for schools, highways, and other public facilities. Part of the backing even carried forward from the depressed 20s when earlier government and governmental facilities had fallen short of current needs. But the backlog had most of its urgency in consequence of population relocation, population expansion, and changing patterns of economic expansion over war years.

Local and state governments were in an exceptionally strong position to meet their financing requirements. Over the war period, many of these government units had greatly improved their liquidity and lending capacity. Tax revenues were far ahead of normal because of higher national income, lower income and expenditure taxes, and higher property tax revenues. In addition, postwar conditions, curtailed construction activities and some lag in the inflationary operating expenditures made for budget surpluses. In the case of the states, it had accumulated postwar surplus funds, total, all to a billion and a quarter dollars. Both local and state governments had a debt position considerably lower — together, in fact, some $3 billion lower — than pre-1952.

With this background of need and financial strength, local and state governments regarded in a very favorable light, not only as on a par with national government, but almost as a better place to get money for financing projects, particularly those involving public works. It was far from likely that the national government would continue as a major source of funds.

In the early stage of the postwar period, the Federal Reserve did not restrain activity, and it would be difficult to restrain the public at any point. Roughly one-half was spent on highways, one-fifth for sewerage and water facilities, another one-sixth for plants and equipment of private community facilities, and one-sixth of construction was spent in public housing. There was a tremendous impetus in personal, institutional, public administrative, recreational and social and recreational programs.

Ability to finance this investment of some $10 billion and current revenues was soon exhausted. As a consequence, reliance on bond issues and additional construction costs, which had been rising rapidly. The market for public bond issues, and property obligations was especially receptive, partly because of the easy availability of bank credit that obtained, and partly because of the attractive tax-exempt property. In the fiscal years under postwar levels of Fed¬eral taxes, much of the deficit in the local and state government was covered by means of new issue. Local and state government were in a position to become major factors in the national economy in the years ahead of them in expenditures, government expenditures, and new issue of capital stocks. The Federal Reserve was in a position to be a major source of these funds, and so it was.

Discussion panels that concentrate on the development of consumer and business demand for consumer goods and services and the effect of consumer and business demand on the price level. Although demand for consumer goods and services and the effect of consumer and business demand on the price level. Although demand for consumer goods and services and the effect of consumer and business demand on the price level. Although demand for consumer goods and services and the effect of consumer and business demand on the price level. Although demand for consumer goods and services and the effect of consumer and business demand on the price level.
Progress in Asia

by EUGENE R. BLACK
President of the International Bank for Reconstruction and Development

World Bank executive, reporting on recent trip to South Asia, declares that country's economic progress is impressive. The Bank has lent $21 million worth to Pakistan and India to help develop their economies. The Bank plans to lend more to both countries in the near future.

I've been asked to give you a report on my trip I took back from South Asia. I'm glad to be speaking to this important audience on this subject, because I think it is of direct concern to all of us. About a fifth of the entire human race lives in this part of the world, and what happens in the area is likely to affect it in the future—just as happenings in China more than a decade ago helped set the country on a course that now clearly involves the welfare of all of us.

Most of the peoples of South Asia, as you know, have nearly escaped from the yoke of foreign domination. They are free now to move in directions that have been uniquely their own. The kinds of economic and social structures they will work out obviously and will be carbon copies of systems that exist in the West. But I think that they will be able to agree on certain things which are fundamental: the value of individual freedom, on the importance of the democratized family, and on the benefits of trade and contracts of all kinds, on the great advantages to be gained from peaceful and co-operative conduct of international affairs.

In South Asia, we are far from being told by the kind of melancholy prospect that now faces China. The countries of South Asia can be vigorous partners with the west. We and they can engage in the mutually profitable exchange of goods and ideas. They can do things for us and us the insensible service of maintaining their liberty against foreign domination.

Let me warn you, though, that the kind of thinking I have sometimes had about Communism and the threat of Communist regimes, seems to have penetrated to the heart of the peoples of South Asia. Other things long far better than their lives. They are not interested in grand strategy and have their own problems. What they want is more food, decent shelter, better work, a chance for themselves or their children. They want to live in dignity and self-respect. They want to satisfy simple human aspirations. They want to lead the role they play in world affairs, will be greatly influenced by what we will do for them. I am sure it will be realized. My own conviction is that they can be.

*An address by Mr. Black before the 5th Annual Convention of the New York State Bankers Association, Spring Lake, New Jersey, May 29, 1952.*

Pakistan, India and Ceylon

I do not have enough time to report to you on all the countries I visited during my trip. I do want to talk to you, about, though, Pakistan, India and Ceylon. With their 440 million people, these three countries contain about a fifth of the population of South Asia. The three countries have a common culture, a common ancestry, and are going on their way in Malaya and Indo-China.

It is not likely that the next few years are likely to be a happy one for our world. It is unlikely that the next few years will see in the area more development and political stability. The Bank expects that the Bank's loans will help economic development and political stability, but it is also a result of wide agreement on the objectives they are pursuing. Speaking frankly and personally, I would have to be critical of some aspects of government policy in some of these countries. As in fact I was when I talked with officials in the area early this year. When private capital is scarce, it is natural enough for governments to attempt, at least in particular enterprises, to produce needed goods; but I thought this tendency had gone too far. It seemed to me also that in some instances such governmental instruments as price controls and subsidies were doing more harm than good.

Fiscal Policy Good

But in the important field of fiscal policy, these governments have made considerable progress. It is a very good thing. In India, Pakistan, and Ceylon, the interest on the debt is less than 25% of total government revenue, and the interest on the debt is less than 25% of total government revenue, and the interest on the debt is less than 25% of total government revenue.

In South Asia, the three countries have a common culture, a common ancestry, and are going on their way in Malaya and Indo-China. They have certain similarities which make it possible to discuss them together, and they are the countries that usually come to mind when we think of the area of the world.

We are all more or less familiar with the problems of progress that exist in South Asia. We know that the three countries, which lack the basic muscles of a developed economy, have to face the problems of power and transportation. Human talents are in short supply, too, which is a problem for administrative, technicians, foremen, and others. We have the need for farmers and workers able to read and follow directions. There is, however, no shortage of human beings; the heavy weight of population on relatively meagre supplies of food and goods is the principal problem in the countries.

We know about the poverty there—that methods of production are primitive, that production is low, and that the average individual income is less than $50 a year.

Let me report to you that in all these countries, I think the prospects for progress are good. There is an enormous reservoir of potential, among the private and public sectors, that can be raised productivity and living standards. There is a high degree of political stability which should help this determination to carry through. There is an increasing adoption of sound fiscal policy and a proper rate of growth, a rise in the rate of savings, a rise in the rate of investments, and of course, the banks are putting their resources into the area.

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I do not want to be optimistic about future growth of population in South Asia. We know that the three countries, which lack the basic muscles of a developed economy, have to face the problems of power and transportation. Human talents are in short supply, too, which is a problem for administrative, technicians, foremen, and others. We have the need for farmers and workers able to read and follow directions. There is, however, no shortage of human beings; the heavy weight of population on relatively meagre supplies of food and goods is the principal problem in the countries.

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Pessimism Regarding Sterling Stability

By PAUL RINZIG

Dr. Eising comments on views regarding stability of sterling exchange, and the depressive effects of recent sterling deprecation in world markets. Forecasts heavy withdrawals of colonial sterling balances as adverse factors, however, there is no reason for early sterlil devaluation.

LONDON, Eng.—On June 12 Mr. Butler, British Chancellor of the Exchequer, made a statement which aimed at dispelling alarmist rumors about the position and prospects of sterling that were in circulation during recent weeks. These rumors arose as a result of the realization that the position in the market that was evident in April and during the first half of May was not maintained. The decline in London to a slight discount and the evidence of growing export difficulties gave rise to a renewed feeling of pessimism. This feeling became reinforced at the beginning of June through the ministerial pre¬lamentation of a remark made by Mr. Boyd-Carpenter, Financial Secretary to the Treasury, that who said the gold reserve would only be able to pay for two months’ imports. Many people interpreted this as meaning that the gold reserve was likely to be used up in two months, forgetting that the greater part of the imports is paid with the aid of exports and that the deficit of balance of payments that has to be paid out of the gold reserve. There was also a renewed campaign in favor of allowing sterling to float at its present level, while at the same time making it convertible at fluctuating rates. Publicity given to this half-baked proposal did not help matters. Pessimism was further increased by the disclosure of Britain’s liabilities and losses under the payments Union arrangement, and by the premature announcement of additional burdens arising through the financial arrangements connected with German reparations.

In the circumstances the Chancellor of the Exchequer felt it necessary to reassure public opinion, by disclosing the fact that, in spite of the adverse factors in operation, the sale of loans of gold since the publication of the interim figure for March 21, amounted to less than £6 million. It is true that during the period under review receipt of resources from the United States, Canada, and India, allowing for this abnormal receipt the outflow of gold has declined very considerably in comparison with the figures for the preceding quarter. Moreover, the statement that the outflow during the present quarter would be well over £10 million. Although there are bound to be some fluctuations during the remaining months of June, the final figure for the second quarter of 1932 is not likely to be very much in excess of the figure for the present quarter.

During the course of the debate that followed the statement it was alleged in some quarters that the relative improvement of the gold position had produced a fall at the cost of sterling balances of imported commodities. A statement issued subsequently from official quarters made it clear, however, that during the past six months the stock position has remained virtually unaltered. The most reassuring fact about the gold position is that Mr. Butler’s statement was far from favorable. Sterilization depreciated farther, and reached the level at which it may be expected to remain. And the right section of pessimism that accompanied it, was attributed to a speech by Mr. K. Mii, minister of agriculture, and a Mr. C. M., im¬ploring the Government to avoid the necessity of devaluing sterling, and, if necessary, to consider the possibility of derating the staple exports of the Colonies. Now that the raw material balances held by the Colonies are not funded and are liable to be drawn upon extensively. The Government is in fact gravely concerned about the position in regard to these Colonial sterling balances. Their total is believed to be about £1,000 million, most of it equal to our sterling balances, whereas the gold reserves are just about £100 million. The problem of whether gold may be considered safe during 1932—which is what matters from the point of view of those concerned with foreign exchanges. The Government is not prepared to say anything definite. It does not feel like to promise it to allow sterling to fluctuate freely. If and when, in the uncer¬tain future, consideration should arise to the effect that money in some form would find its way out of the Colonies, it is possible, impossible to make forecasts about the more distant future, because the records do not show what yield 3.35%. The bonds will be offered put into the market. It is implied, therefore, that the effect of devaluation might be according to the principle of the gold standard, as high as 6%. This would be to plunge the world into currency chaos by returning to the floating sterling.

There is no reason to believe, however, that events will force the government to devalue once more, at any rate during the next six months. At the present rate of gold outflow sterling could be defended at its present level for years. Its own cost of production of £1,000 million, the cost of devaluation of £1,000 million, is capable of being sustained by the sterling balances of the Colonies. The value of the dollar is threatened by the possible devaluation of sterling.

Dr. Paul Eising

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Thayer & Baker, Inc.
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Kuhn, Loeb Offers Gulf Power Bonds

Kuhn, Loeb & Co. is offering today (Thursday) $7,000,000 Gulf Power Co., senior mortgage bonds, 4 5/8% series due 1982 at 104.75, yield 3.35%. The bonds are first mortgage bonds issued on the Gulf Power Co. at July 1, 1982. The firm, bidding alone for the issue, considers it a competitive sale Tuesday on a market that is favorable to issues of this quality.

Regular redemption of the new bonds will be made at prices de¬termined from time to time. In addition, a special redemption purpose the bonds will be redeemed at par prices ranging from $99.68% to $100.

Gulf Power Co. will use the proceeds of the issue to secure part of the funds required for construction and acquisition of permanent improvements, ex¬tensions and additions to its utility plant, to reimburse its treasury in part for expenditures made for such purposes in the payment of bank loans of $4,000,000 incurred for such pur¬poses.

The company is an operational subsidiary of the Southern Co., and is engaged within the north¬eastern territory of the state of Florida, in the sale of electricity in 63 communities, as well as in rural areas, the sale of a substantial amount of electric energy to a non-affili¬ated utility and a rural cooperatives association; and, incident to its electric business, the sale of the electric energy for operating purposes, and for the payment of bank loans of $4,000,000 incurred for such pur¬poses.

Edgar Kennedy Opens

Edgar Kennedy is engaging in a securities business from offices at 117 West 38th Street, New York.

E. J. Monroe Company

SLATINGBURG, N. Y.—E. J. Monroe Company, of Platts¬burg is engaging in a securities business from offices at 360 Cornelia Street.

With J. R. Willianton

William F. Arliott has joined the research staff of J. R. Wil¬liam & Co., 115 Broadway, New York, 5, N. Y., government of New York Stock Exchange, as portfolio analyst.
The Commercial and Financial Chronicle . . . Thursday, June 26, 1924

NEWS ABOUT BANKS AND BANKERS

CONSOLIDATIONS WITHIN THE BANKS, NEW OFFICERS, ETC.

CAPITALIZATIONS

John T. Madden, President of the Engineering Company, in Savings Bank of New York, announced on

Robert A. Gay Vincent E. Boyen
June 23 that the Board of Trus¬
ters has appointed Robert A. Gay a Vice-President and Vincent E. Boyen an Assistant Trust Officer of the bank. Mr. Gay became associated with the bank in 1929 and since 1940 has served as an As¬

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sonnel Manager and has been en¬
tered the employ of the bank in 1946 as a member of the Accounting

Department and in 1950 was appointed Systems Supervisor.

Melville E. Ambler has been appointed an Assistant Trust Of¬
ficer of Chemical Bank & Trust Company of New York, it was an¬
nounced on June 19 by N. Baxter Jackson, Chairman. Mr. Ambler will assist in the development of the personal trust new business. He formerly was an Assistant Secre¬
tary at the Land Title & Trust Company of Philadelphia.

The Board of Directors of The National City Bank of New York has named O. H. Grover as an Assistant to the President of the Board, and since March, 1951, as Director of the Service Department. He is a graduate of Columbia University and has been with the bank for 30 years and has served as an As¬

sitent Trust Officer and Personnel Manager and has been en¬
tered the employ of the bank in 1946 as a member of the Accounting

Department and in 1950 was appointed Systems Supervisor.

W. E. Hengs, President of Gray¬
bar Electric Company, Inc., has been elected a Trustee of Union Dime Savings Bank of New York, according to an announcement by the Board of Directors. Mr. Hengs is a director and member of the Executive Committee of the Gray¬
bar Electric Company. He has been with the company since the beginning of his business career 39 years. . .

Ray n. Glover

A merger of the Bloomfield Savings Bank, of Bloomfield, N. J., with the National Newark & Essex Banking Company of New¬

erly, was announced on June 29 by the stockholders of the two banks, effective on June 29 when the two institutions merged. The Bloomfield Savings Bank and Trust Company became the Bloomfield Center and Westminster offices of the National Newark & Essex Bank Co. The Newark "Eve¬

tides" reported that the merger plan was announ¬
ced May 14 by Robert R. Cowan and Cecil R. Berr, re¬

spective Presidents of the Newark and Bloomfield institutions, fol¬

lowing approval by directors of both banks. A more recent joint statement to customers, Messrs. Cowan and Berry said, ac¬

quired the "News." The "present management and personnel of the two Bloomfield offices will be continued as in the past. Both institutions have for many years shared in the business and industrial leaders, partic¬

ularly in the area where the amount was too large for the Bloomfield bank to handle in its entirety." The "News" added: "National Newark, founded in 1854, is the oldest bank in the State. The Bloomfield in¬

stitution was founded in 1889. Lewis E. Doolittle an officer of Na¬

tional Newark, was active in founding the Bloomfield National Bank, a predecessor of the Bloomfield Bank & Trust Co., and be¬

came its first President. The Bloomfield National Bank was for many years a director of National Newark. . .

Robert J. Kleisinger, President of the Guaranty Trust Company of New York, has been elected a director of the firm's holding company, National City & Trust Company. The firm is the largest bank in the country, with assets of over $5 billion. Mr. Kleisinger has been a director of the bank since its organization in 1929. He was born in New York City in 1890 and received his education at the City College of New York.

The First National Bank in Wabash, Ind., increased its capital stock from $150,000 to a stock dividend of $50,000.

Texas Eastern Transmission Corporation

Preferred Stock, 4.75% Convertible Series

(Tax Value $105 per share)

Price $100 per share

plus accrued dividends from June 1, 1952

DISSOLUTION

1920, Shares

The Texas Eastern Transmission Corporation has announced the dissolution of its certificate of incorporation. The company was organized in 1920 and has never been in operation.

Copies of the prospectus may be obtained from each of the underwriters (who are among the underwriters named in the prospectus) or may also be obtained from their respective offices as follows:

Mr. Lay, 12 Broadway, New York, N. Y.

Mr. Minton, 1000 Wilshire Blvd., Los Angeles, Calif.

Mr. Boulton, 500 Fifth Ave., New York, N. Y.

Mr. Poole, 537 Market St., San Francisco, Calif.

Mr. Albritton, 1220 G St., N. W., Washington, D. C.

Mr. Cogswell, 275 Putnam Ave., Cambridge, Mass.

Mr. Gilmore, 100 W. Monroe St., Chicago, Ill.

Mr. Harkins, 40 Wall St., New York, N. Y.

Mr. Harkins, 40 Wall St., New York, N. Y.

Mr. Harkins, 40 Wall St., New York, N. Y.

Mr. Harkins, 40 Wall St., New York, N. Y.
Accelerate Selective Decontrol of Prices Now!

in an economy like ours, and the ability to quickly dispose of large production depending on stability of the price structure and the power of thousands of people to make their own judgment. Not only the leaders of business, but all labor and all who share in the prosperity of the country, must understand that present control continues we cannot work meaningfully. That must be apparent. No one can strangle the economy in the same time bring to it the imagination necessary to do the larger job we have to do.

During 1951 and so far in 1952, the liquid savings of the people went to an all time high that had never before been reached in times when goods and services were plentiful. Economists have always figured that more disposable income meant more retail business, because people generally spent the money that they had— the old story of buying a hole in one's pocket. But that hasn't been true recently. It is fine commentary on the good sense of the American people, and particularly the American housewives.

They furnish their own price control now, and they do not count thousands of government employees for a controlled日下午.

France, England and Italy have for years tried government control to save their currencies, production, high costs, particularly in vital connection, with the markets, petrol, partially paid labor and coordinate power in government.

All of our leaders say that a strong American economy is our first line of defense. How have we gotten it? Certainly not with government direction, no matter how expert it may be. Of course there must be ground rules, but not detailed instructions. It is time to return to the kind of business practices that have made this the greatest country of opportunity.

Back in 1928 or 1929, the incomes of some Americans were in the shape of an apex, with a very large group at the bottom having a family income of $250 a year or less, and moving up to a point where there were a few people receiving very large incomes. And across this pyramid indicating the different income levels, and when you came to the center of it, it was clear to everyone that family income picture is much more in the shape of a diamond, with few families having an income of $1,000 a year or less, and a few families having large incomes—but across the center of the diamond, there is a large group with incomes of $5,000 to $7,500 a year. Many of this group have moved up from the bottom. They know the value of a dollar. They buy with care, and when they are only constantly satisfied that the article for which they are spending their money gives them the satisfaction it deserves.

I have grown up in a competitive retailing atmosphere. We put our "raw materials" from manufacturers with the services that our customers wanted. If we knew our stuff, we did it in an efficient way to justify a profit. In the extent that we understood the customer's desire, we were successful. If you only tried to sell the goods that the manufacturer wanted to sell, we were probably doomed to a period of little or no profits.

So this kind of a market economy made it possible for us to do the selling of the goods, and this made it possible for those of us who worked with the retail merchants to think in terms of the customer's need, to find the type of goods that would attract the customer, to figure out the best way to sell the goods, and to do so in a way that was profitable to the business.

The old days should be welcomed, but we must realize that today, with a staff of young men and women working at the easy seller's market, we ought to address ourselves to this problem with all possible speed.

The prospect of a five- or ten-year period of potential overproduction seems to be regarded with fear by some quarters. We have been so used to selling our market, to shortages, to people buying everything that we produced, that we have gotten a bit complacent. But in the last two small spells of a buyer's market since 1940. Retailers have for many years have been a big problem. The manufacturers forget in many instances to study the customers' needs of their markets. The concern should be regarded as the principal stockholder. The future

should be different. The emphasis must be changed. During the tournament of skepticism about the "30s" and the "26s" we learned and knew how. Unquestionably, we must do it again.

It seems to me that opportunities are great.

Imputations of Importance (1)

(1) In the last 15 months retailers were in engaging in their surprise inventories. At such a time they are not nearly as sensitive to their customers' wants as they usually are. Retail stocks did not properly reflect the everyday things. This has been now changed, and by July or August stocks should be in balance as against the present consumer buying. Under these circumstances purchasing from retailers and purchasing by retailers will probably improve. That has always been true in the past.

(2) Many of our cities need to make over. This is particularly true of the old ones, where long depression has created slums, impossible traffic conditions, high crime percentages, and has driven people to the suburbs in order to find sunshine and a better life. We are also in the cities themselves that should continue. There are great investments in water and sewer lines, public utilities, schools and streets so that if slum clearance and face lifting could be easily carried out, and the proper kind of traffic and planning facilities developed, the cities again would become pleasant habitation.

Even though this work will all be movement to the suburbs, but perhaps not at the present accelerated rate. In these new directions, there are opportunities to develop homes, to develop new buildings, and many other things.

New Style of Dress

(3) The new suburban informal living has brought an altogether different style of dress to the people who have moved. Sportsmen, and people that like activity, dress for informal occasions.

The new dress is that of the "30s" or "40s," which is more comfortable, more suitable for the kind of living in which there is more ease and freedom of living. This is the new dressing for new homes, new furnishings and many other things.

Distribution and marketing must be determined to carry a much wider range of the line. All of the old, hard-hitting competitive quick sales are out.

Given the right kind of government fiscal management, involving shipment of the goods, federal and state, and possibly at times, the government will be able to compete with the private enterprise. We must have in the future a better understanding of what is needed, and how to get it to the customer.

Halsey, Stuart Group Offers Utility Bonds

Public offering by a group of underwriters headed by Halsey, Stuart & Company of $7,500,000 Public Service Co. of Colorado, Series 1, 3%, due 1952, is being made at 102.8% and 102.8%. Proceeds from the sale of the bonds, and from the sale of $3,000,000 preferred stock, will be applied to the company's and the management's and the Atlanta bank notes and the balance toward the cost of its construction program.

The company has the option of redeeming the bonds at prices between 101%3/8 and 101.59%, and for sinking fund purposes, the bonds will be redeemed at prices beginning at 101%3/8.

Public Service Co. of Indiana is operating its electricity in areas located in 76 cities of the State of Indiana. The territory is large, and particularly in the northwestern and the central Indiana, and widely diversified industries are located. The utilities served are Terre Haute, Lafayette, Kokomo, Lafayette, New Albany and other cities.

With Goodbody & Co.


Johs Courts Staff

GREENVILLE, N.C.—Walter L. Robinson, Jr. has joined the staff of Jons Courts Staff.

Rejoins Leo Schoenbrenner

LOS ANGELES, Calif.—Walter Shriver, former assistant staff of Leo Schoenbrenner, 138 West Wood Boulevard.

McAndrew Adds to Staff

SAN FRANCISCO, Calif.—Jay D. McEvoy has been added to the staff of McAndrew.

With Waldron & Co.

The Financial Consultant, SAN FRANCISCO, Calif.—Timm H. Yu has joined the staff of Waldron & Company, Russ Building.

With Hamilton Manager's

DENVER, Colo.—T. Gordon is a little affiliated with Hamilton Management Corporation, 445 Grant Street.

S. W. Sec. Branch

MIDLAND, Tex.—Southwesterners have a branch office in the Capital Building under the direction of Timothy H. Dunn.

Two With Waddell & Reed

LINCNOLN, Neb. — Delma L. Kreutz and Julius D. Monroe are associated with Waddell & Reed, Continental National Bank Building.

Kuhn, Loeb & Co.

First Mortgage Bonds, 3%, Series due 1982

DATED July 1, 1952

OFFERING PRICE 100.47% AND ACCRUED INTEREST

$7,000,000 Gulf Power Company

First Mortgage Bonds, 3%, Series due 1982

DATED July 1, 1952

OFFERING PRICE 100.47% AND ACCRUED INTEREST

Copies of the Prospectus may be obtained from the undersigned by persons in any State where the undersigned are licensed to act.
NY Curb's Extended Trading Time Deemed Highly Successful

Edward T. McCormick, President of New York Curb Exchange, announces extended trading to 3:30 p.m. is likely to be permanent.

A statement prepared by Edward P. McCormick, President, New York Curb Exchange, for Bache & Company, Inc. News radio show on Mutual Broadcasting Network, which was read by Henry G. Amberg, commentator, on Tuesday, June 24, 1952, expresses satisfaction with the recent adoption by the Exchange of an extension of daily trading hours from 3 to 3:30 p.m.

The statement of Mr. McCormick follows:

"After reviewing the reports of the first three weeks of trading under our current experiment with extended trading hours, I can report that, while the program has been in operation only a short period and the broad picture has yet to unfold, results to date are so good that I am optimistic about the possibility of maintaining the 3:30 close on a permanent basis.

"Since we began our experiment on June 2 our volume has totaled 4,629,310 shares. Turnover in the 10 to 3 period was 4,081,108 shares with a volume of 447,223 shares traded in the 15 extra half-hour periods. So far business transacted after three o'clock has averaged 11% of the 10 to 3 o'clock trading. The greatest percentage of business in the 3 to 3:30 period, as compared to 10 to 3 trading, in any single day was reached on June 15 when the percentage climbed past 15%.

Amer. Gas & Elec. Co. Securities Offered

On June 19, Halsey, Stuart & Co. Inc., and associates, offered publicly a new issue of 20,000,000 American Gas & Electric Co. 3 1/8% sinking fund debentures due 1977 at 100.75% and accrued interest, while The First Boston Corp. headed a group of underwriters offered publicly 170,000 shares of common stock (par $10) of the same utility at $80.25 per share.

The company expects to apply in 1952 the proceeds from the sale of the abovementioned securities to the purchase of additional shares of the common stocks of Appalachian Electric Power Co. and The Ohio Power Co., subsidiaries, and to the payment of $5,000,000 of notes payable to banks, issued by the company in connection with its investment of $8,000,000 in additional common shares of another subsidiary, Indiana & Michigan Electric Co., in January, 1952. The additional investment in the new subsidiary will enable them to meet part of the estimated costs of their construction programs.

Through the operation of a graduated annual sinking fund, payable in cash or debentures, beginning in the year 1966, 100% of the debentures will be retired at or prior to maturity.

Regular redemption of the debentures will be made at prices from 103.75% to par. Sinking fund redemptions may be made at refunding prices from 100.875% to par.

American Gas & Electric Co. is a public utility holding company which owns, directly or indirectly, all of the outstanding common capital stocks of its operating electric utility subsidiaries except Central Ohio Light & Power Co. and preferred stock and bonds of one of them. The properties of the electric utility subsidiaries, located in the States of Michigan, Indiana, Ohio, Kentucky, West Virginia, Virginia and Tennessee, are physically interconnected, and their operations coordinated as a single integrated utility system. The principal operating subsidiaries in the company's system serve 2,599 communities in an area having an estimated population of 4,581,000.

Safeway Stores Conv. Pfd. Stock Offered

Merrill Lynch, Pierce, Fenner & Beane and associates yesterday (June 23) offered 200,000 shares of Safeway Stores, Inc. 4 1/2% convertible preferred stock at $100 per share. The new preferred stock is convertible into common at the rate of $33 1/3 per share of common stock, subject to adjustment.

Proceeds from the sale of the preferred stock will be used to reduce short term bank loans which were obtained to finance inventories and to meet current costs of the company's construction and modernization program.

The new preferred stock will be redeemable at prices ranging downward from $105 to $100.50.

Safeway Stores, Inc., operates a chain of retail food stores (3,113 at March 22, 1952) in 23 states, the District of Columbia and the five western provinces of Canada. A general wholesale grocery, business also is conducted in Canada. The retail stores deal in groceries, meats, fresh produce, beverages, bakery and dairy products, frozen foods and other goods usually sold in the general retail food business.

On the basis of sales volume for 1951, the company believes it ranks second among the food chains of the country.

F. H. Curtis With Hayden, Stone & Co.

(Special to the Washington Post)

BOSTON, MASS. — F. Harmon Curtis has become associated with Hayden, Stone & Co., 10 Post Office Square. Mr. Curtis in the past was an officer of Robert Hawkins & Co., Inc. and prior thereto was a partner in Newton, Abbe & Co.

Draper, Sears Adds

(Special to the Providence Journal)

BOSTON, Mass. — Richard H. Titus has been added to the staff of Draper, Sears & Co., 53 State Street, members of the New York and Boston Stock Exchanges.

Taxes and Your Telephone

A considerable part of the money you pay for telephone service goes right out in taxes. In fact, the total telephone tax bill last year averaged $2.70 per month for every Bell telephone in the country. It will be even higher this year.

Taxes are necessary...you couldn't run a city, state or nation without them. But they do mount up.

BELL TELEPHONE SYSTEM
Canada's important economical position in this changing world consti¬tutes a part of a general analysis and comment on the nature of human progress. A modern economy which has been pub¬lished in recent issues of the "Monthly Letter" of the Royal Bank of Canada. Through reviewing progress in the civilized world as a whole, the important position of present-day Canada in material and economic life has been commented on, without the deter¬mining feature of a vast array of statistics and analysis. Concerning Canada, the Royal Bank of Canada's "Monthly Letter" states:

"Until not so many years ago there was an inclination on the part of other countries to look upon Canada as merely a source of raw materials. Today Canada is an industrial country, culturally efficient and soundly progressive."

"It is 85 years since our loose provinces were gathered together by Confederation. In that time we have broken through frontiers of geography and climate and philosophy and custom to reach our place in the world. Today the attention of leading in attempts to breach old-time prejudice and selfishness and ingenuity and industry of reconstructing and stable progress marks us from the others by-side with political peace."

"In his farewell message last January, Governor General Alexander said this: 'Today, with a population of approximately 5,000,000, Canada is one of the richest countries in the world, and the real strength of Canada is not just beginning. If nature has been kind to us, and we have put our nature to good use, we could not have chosen a finer acreage upon which to show off her gifts.'

"Canadian people have contributed to the progress not only of their own country but of the world. Let us look at some of our little-remembered achieve¬ments."

"The years after Confederation Alexander Graham Bell made the world's first long distance telephone call. It was from Brantford to Paris, Ontario, and the ques¬tion was 'How are you?' The answer was 'To be or not to be.'"

"John Wright of Toronto de¬vised the first trolley pole, mak¬ing the electric street car prac¬ticable. Robert Foulis, of Saint John, N. B., invented the steam plow. He and his son Charles developed it, making a new land to grow wheat. Insulin was found by Dr. Fred¬erick Banting of the Royal University and the Banting Institute con¬sumed with the discovery of the disease which took so heavy a toll of life among diabetics and the whole world, may magnify a human hair to the size of a tele¬scope."

"When Canada's first census was taken in 1851 to measure the advance¬ment made by this French colony since its founding in 1672 by the Jesuits of Quebec by Champlain 58 years earlier, the country contained 3,315 inhabitants. Two hun¬dred years later we had nearly 10,000,000 of which census recorded 14,000,428 people."

"Now opening companies with legal tender status, rather than at first agricultural, supplemented by a million dollar silver in 1871, totaling $26,300,000, we are in modern times as we know it today with the gold of 1900-1913, mainly from Great Britain, and of 1920-1929, mainly from the United States. Since the end of World War II, domestic capital and foreign capital have joined to usher in what appears to be a new era of rapid and extensive industrialization."

"It is easy to show Canada's in¬dustrial progress statistically. Our gross national product at market prices grew from $5,086 million in 1929 to nearly $12,500 million, and an estimated $21,241 million, in 1952. Manufacturing production represented 41.3% of the net product. Coal production and manufacturing was only 12.7%. By 1948 agriculture had recovered its old value and net worth of production, against 53.3% for manufacturing."

"But statistics are not everything. Canadians are not seeking to dominate the world. The impression they have is a country developed by their people, using all that science can give them as an aid, but always relying on their own firmly grounded in the rich cultural heritage of the past."

"Canada does not dominate the physical world by her economic strength, her armies, or her population figures, but in the world of ideas, of humanity and of graceful living she may hope to continue second to no country on earth."

"There are, of course, dangers in progress. Progress isn't alto¬gether desirable because it makes things so easy. If the blessings of civilization are greater, the possible disasters are also greater. It all depends on how we conduct ourselves in this new con¬dition. A scientist said woe¬fully: 'Life, as we know it, is about to be snuffed out by a man built the airplane, but the airplane will death will be a triumph.'"

"Something entirely different from technical progress is needed to guide us through this large world which now comprises humanity. The problems of the new world will have to be on a similarly widening scale."

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**CANADIAN BONDS**

**Government**

**Provincial**

**Municipal**

**Corporation**

**CANADIAN STOCKS**

**A. E. Ames & Co.**

**INCORPORATED**

**Two Wall Street**

**New York**

**Word 4-2400**

**NY 1-1045**

**Fifty Congress Street**

**Boston 2, Mass.**

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**Boston Edison 3 3/8% Bonds Offered**

Halsey, Stuart & Co. Inc. and Alexander, Brown & Co. are managing several underbids $250,000 merchants, Fred Lazarus, Jr., President of Federated Department Stores, Inc., added that neither central nor management, in fact, individual store management could specify prices at which each piece of merchandise would be sold, but that this had to be delegated to department man¬agers.

"Mr. Lazarus then said: "Even with the best intentions and the most experienced staff, no Washington office can say, and prices are set in millions of different instances every day in an economy like ours, and its ability to dispose quickly of large production depends on the resiliency of the price structure and the power of thousands of persons to make our own decisions."

If only the rank and file could be duly impressed with this obvious fact.

**Watson Heads New York State Bankers Ass'n**

Convention at Spring Lake, N.J., also elects Stanley A. Nelson as Vice-President, and Arthur F. Burnson as Treasurer.

Ernest H. Watson, President, First Westchester National Bank of New Rochelle, New York, was elected President of the New York State Bankers Association at its 56th Annual Convention at Spring Lake, N.J., on June 20. He succeeds William T. Taylor, Vice-President and Director, Bankers Trust Company, New York. Stanley A. Nelson, President, Bank of Gowanda, Gowanda, New York, was elected Vice-President, and Arthur F. Burnson, Executive Vice-President, State Bank of Honeye Falls, Honeye Falls, was elected Treasurer.

Mr. Watson, of Warren, Pennsylvania, in 1889, was first introduced to the banking and financial world as a member of the St. Lawrence Mutual Savings Bank. He is a credit man with the Truscon Steel Company, Youngstown, Ohio. To broaden his knowledge and experience further, Mr. Wat¬son joined the Bank of Gowanda, and with the help of Mr. Stanley A. Nelson, the new Vice-President of the Association, he took over the duties of the Bank of Gowanda, and in 1918, he was elected President.

Arthur F. Burnson, the new Treasurer, became affiliated with the banking business 35 years ago when he joined the employ of The Chatham & Brownsville Bank, Rochester, New York. From 1926 to 1936 he was associated with the Manufacturers' Trust Company, New York, and Mr. Burnson's services were soon sought by the State Bank of Honeye Falls, Honeye Falls, New York, with which institution he took over the duties of President in 1936. He was elected Executive Vice-President, the position he now holds, in 1949.

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**Southern New England Tel. Debens. Offered**

Lehman Brothers and Salomon Brothers, Inc., have been engaged since yesterday (June 25) to offer $15,000,000 of Debentures due July 1, 1952, of The Southern New England Telephone Co., at 101.04% and accrued interest. The group won the award of the de¬bentures at competitive selling prices on a bid of 100.53%. The debentures are re¬deemable at general redemption prices ranging from 104.014% to face.

From the proceeds of the offer¬ing, the company will make call advances in the amount of $12,000,000 on Southern New England Telephone Co. and Telegraph Co. and the remain¬ing $3,000,000 will be added to the company's fund. The company intends to expire before the end of 1952 an existing American Telephone and Telegraph Co. in order for extensions, additions and connections of the Southern New England Telephone Co. plant.

The Southern New England Telephone Co., incorporated in 1835, furnishes local telephone service within the State of Con¬necticut, is owned by a group of telephone companies and in a few small communities is affiliated with the Society of the Telephone Co. The company also furnishes toll service within Connecticut, Massachusetts and New York, and in points outside the state in New Jersey, Rhode Island and Massachusetts. The services also include the tele¬graph service of the American Telegraph Co., wireless radio-television service and the tele¬graph service of the American Electric lic telephone and telegrapher's use, for the transmission of radio and the other purposes. On March 31, 1952, the company's service numbered 523,919.

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**With Howard Labouzie**

(Honored to Thanks President Company)

NEW YORK, June 23.—Mr. Howard Labouzie, President of the New England Telephone Co., has been named a director of the Pacific Telephone and Telegraph Co., a position he held for many years. The appointment was made by the company's board of directors at its meeting in San Francisco last week.

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**The Commercial and Financial Chronicle. . . Thursday, June 26, 1952**
At the Convention of the Investment Dealers' Association of Canada

(Pictures arrived too late for inclusion in today's special Canadian Supplement)
New Jersey Bank Stocks
INSURANCE STOCKS
MUNICIPAL BONDS

Adams & Hinckley
INVESTMENT SECURITIES
24 Commerce St., Newark 2, N. J.
Telephone Market 1-0932
N. Y. Phone: Pacific 2-6059
Bell System Ticket 83H 251

New Jersey and
General Market Municipalities

F. R. Cole & Co.
24 Commerce St., Newark 2, N. J.
Telephone Market 2-6455
New York Telephone: Work 2-7776

Toll Bridge Turnpike
and Tunnel Securities

Why Not?
Harry P. Schaub, Inc.
74 Broad Street
Newark 1, New Jersey
MABERT 2-0111

Municipal & Corporate Securities

Van Deventer Brothers
Incorporated
24 Commerce St. 61 Broadway
Newark, N. J. NEW YORK CITY

New Jersey Securities

Koelher & Gunther
31 Clinton St., Newark 5, N. J.
Phone Market 3-0109
Open End Phone in New York City 906 2-042

Securities Salesman's Corner

By JOHN DUTTON

Back during the war years of around 1943, I knew a fellow who was the leading salesman for memberships to a large Chamber of Commerce in an eastern city. Ordinarily one would not suspect that any salesman could earn a much higher than average income from his commissions on this type of proposition. But this man had done just that. Other salesmen tried this field and very few were able to do much with it. In fact, that salesman was so good at sell-

ing memberships that his bosses refused to give him any other kind of job in the organization; besides he wouldn't have accepted if they did—he was doing too well as a commission salesman.

One day I asked him what he thought was the reason why he was doing so well and so many others failed. He thought a mo-

ment and without hesitation re-
plied, "I think this job is 90% glacially slow." I asked him to explain further. "Well," he said, "This is just a glance, but I thought it might help you understand. Every night when I come in from my calls I go over the next day's work, I have them as-

sorted in piles. Some are for next week. Some for day after tomorrow. But look at that stack for Saturday morning." I did, and noticed about twenty prospect cards in a neat pile on the table. I asked him if he expected to make that many calls on a short Saturday morning. "Of course not," he replied, "that's just sorting out our pile."

Then he told me that for the first year and a half of his job he took a pocketful of prospect cards and called on every work con-

tract section of the city. This was because he wanted to save time travel. He even selected his clients in a single industry, such as import-

ers, wholesalers, large broker.

In his city since those involved in certain lines of activ-

ity were usually concentrated in a specific area he thought that this might assist him to accomplish better results. He also said that these sound proce-

dures he found that he was still unable to make the calls. He was justify the excessive amount of time that he wasted waiting for interviews, or trying to find peo-

ple who were out of their office, or who would not see him.

But he decided to use the telephone. He used it exclusively for the purpose of making appoint-

ments. He eliminated dead-

wood by the hundreds, and in this way he collected real pros-

pects that he could see at a defi-

nite time and for a purpose. He spent between five and six hours a week on the telephone just mak-

ing appointments. I asked him when he thought he had the best results from his phone calls. He told me that rainy days were ex-

cellent and that sometimes he would take an entire day at the end of the week for this purpose. He said that people would some-

times give him an interview on a week-end call that was set up for the following week, when they might not do so if he tried them on a Monday or Tuesday.

Now to get back to his state-

ment about his glacially slow job, he called it, was the main reason for his high earnings. I grant (having known him well) that he is a hard worker, but it does seem to me that he also had the capacity to analyze his problems and work out a solution for them. Sales work is a combination of applied psychology and salesmanship.

Many investment organizations are beginning to put more emphasis on salesmen of certain spe-

cial types of security buyers. To-

day we have the wealthy investor who is plagued by high taxes and who has specific investment needs. He wants a man who knows how to handle him, a man who can provide him with the best service. He wants to make sure that his money is going to work and, in our case, that he will have the intellec-

tual status of the personal ad-

viser. A sales assistant must have the same amount of knowledge as the financial counselor in the investment department. In a practical sense, a sales assistant must have the same ability to find the right investment, to handle the telephone properly, and to meet all of the requests of the investor. He must be able to meet the needs of the investor.

According to Robert M. Cath-

rine, President of the National Association of Mutual Savings Banks and President, Dollar Sav-

ings Bank of the City of New-

York, the following results have been achieved:

- New York City in May, 1951: the largest for any one month in the history of the nation.

- Savings deposits exceeding $137,000,000 during May, 1951.

- Growth of deposits for the past 12 months is $13,000,000,000, or 6.6%.

- The large gain in deposits, Mr. Catharine says, reflects a contin-

ued inflow of new funds from savers. During May, deposits posited 10% more in their regular accounts than they did during the corresponding month of 1950, and they withdrew 3% less. For 14 consecutive months, deposits have been above those of the year before, while withdrawals have been less in 11 of the preceding 12 months. In May, as during the first four months, three-fourths of the regular deposit gain resulted from the receipt of new money in contrast to interest dividends.

- Mortgages of holding companies contained the largest million mark, while holdings of U.S. Governments continued their decline below that figure. At the close of May, mortgage holdings reached $103.0 billion, or 62.3% of assets, and holdings of U.S. Gov-

ernments were $98.5 billion, or 197.3%. During May, holdings of mortgage rose $108 million and holdings of corporate and munici-

pals securities $81 million. Hold-

ings of U.S. Governments declined $14,000,000 and cash $18,000,000.

Inv. Counsel Ass'n
Elections New Officers

At the annual dinner meeting of the Investment Counsel As-

sociation of America held in New York, several new officers were elected for the ensuing year.

Chairman, Fred L. Allis, of Loomis Sayles & Co., Inc.; Vice-

Chairman, Howard F. Wortham of Wortham & North, Inc.; Secretary, Jacob H. Wood, of Van Cleef & Co., Inc.; Treasurer, James F. Lawrence of Waddell, and Counsel, Smith H. Sussman of Waddell & Davis.

The Association, found in 1943, is a national organiza-

tion which has taken an active part in matters affecting the in-

terest of the profession or its clients.

With Gibbs & Co.
(Special to The Financial Chronicle)
Worcester, Mass. - Gerard R. Leidy has become connected with Smith, Hagee & Co., Penobscot Building, members of the New York and Detroit Stock Ex-

changes.

Henry Borchers Opens
Office in New York City

In a recent move, Henry Borchers has gained an important office in a securities business from off-

ices at 81 Cliff Street, New York City.

The Commercial and Financial Chronicle . . . Thursday, June 20, 1951
Bond Club of New Jersey

Harry Miller, Regent & Spa, East Orange, N. J., President of the New Jersey Bond Club.


Alex Schiller, National State Bank, Newark; Ken Soper, Julius A. Rippe, Inc., Newark; Cy Corr, Mueller & Corr, Newark.


H. C. Mettler, III, Hall & Company, New York City; Carl A. Preim, B. W. Pressgrove, New York City; Ed Hinchley, Adams & Hinchley, Newark; J. Dick Hassett, Equitable Securities Corporation, New York City.


Al Curtis, Vice-President and Trust Officer, First National Bank of Paterson, N. J.; F. Raymond Peterson, Chairman of the Board, First National Bank & Trust Company of Paterson, N. J.; Ray A. Hitchings, Vice-President, Fidelity Union Trust Company, Newark.
Annual Summer Outing


W. B. Scullion, Ewing & Co., Montclair, N. J.; B. K. Kestner, Blue Ridge Mutual, New York City

H. B. Smith, Pershing & Co., New York City; Portland Merrill, Blyth & Co., Inc., New York City

George Henderson, Harris, Upham & Co., Newark, N. J.; James B. Kirk, Harris, Upham & Co., Newark, N. J.; Frank E. Quinby, Howard Savings Institution, Newark


Harold B. Smith, Pershing & Co., New York City; Portland Merrill, Blyth & Co., Inc., New York City


Daniel L. Reifer, National State Bank, Newark; James G. Campbell, Jr., W. E. Watse & Co., Trenton, N. J.; John W. Kreis, Howard Savings Institution, Newark; George W. Ansell, Trenton Savings Fund Society, Trenton, N. J.

R. F. Bennett, E. A. Clark & Co., New York City; Dick Clough, Robert Garrett & Sons, New York City; Frank Callison, First Boston Corporation, New York City; Russell Hartman, Spencer Frank & Co., New York City


W. B. Scribner, Ewing & Co., Montclair, N. J.; B. K. Kestner, Blue Ridge Mutual, New York City
At Rock Spring Club


Paul Rutter, American Insurance Co., Newark, N. J.; Julius A. Rippe, Julius A. Rippe, Inc., Newark; D. R. Cox, National State Bank, Newark; F. R. Becker, Guaranty Trust Company, New York City


Harry D. Miller, Nugent & Ives, East Orange, N. J., President of the Bank Club of New Jersey; Ed Kezer, B. J. Van Ingen & Co., Inc., New York City; Field Dyer, Gurney & Weeks, New York City; Mort Rogers, Rand & Co., New York City; Walter H. Smith, Fidelity Union Trust Company, Newark, N. J.

Don Mackenzie, Marine Midland Trust Company, New York City; H. C. Brexner, Allen & Company, New York City; C. W. Slights, Jr., Grenney, Marsche & Co., New York City

Walter F. Cose, B. J. Van Ingen & Co., Inc., New York City; Don Joseph, memorandum; Daniel E. Fitzpatrick, Phelps, Fenn & Co., New York City

Henry D. Miller, Nugent & Ives, East Orange, N. J.; President of the Bank Club of New Jersey; Ed Kezer, B. J. Van Ingen & Co., Inc., New York City; Field Dyer, Gurney & Weeks, New York City; Mort Rogers, Rand & Co., New York City; Walter H. Smith, Fidelity Union Trust Company, Newark, N. J.
June 20th, 1952
The following are the scores of the winners in the golf tournament and other sports events at the annual outing of the Bond Club of St. Louis on June 5th at St. Louis Country Club, St. Louis, Mo. (The pictures on the opposite appear elsewhere in today's issue.)

Bond Club Trophy:
Class "A":
Low Gross: L. Walter Dempsey Net 63
1st Low Net: T. G. Kenyon 67
2nd Low Net: B. M. DeRouff 67
Class "B":
Low Gross: R. Nassler 69
1st Low Net: D. B. Fairbanks 71
2nd Low Net: W. P. Pruden
Class "C":
Low Gross: R. P. Bennett 70
1st Low Net: J. Gilbert and R. P. Norton
2nd Low Net: C. Bishop and R. B. Baekky

Kickers:
F. J. Brown
Nearest the Pin: 1st Place: J. D. Beachard 10 inches
2nd Place: H. Ballou 10 inches
3rd Place: J. Gilbert and R. P. Norton
Horseholders: 1st Prize: R. P. Bennett
2nd Prize: C. Bishop and R. B. Baekky

Continued from page 3

Will Inflation Come Again?

The Staff joint estimate spending at only $30 billion, which would be 10% less than the fully understood. This estimate was based on an analysis of the budget, which instead of spreading Congress on the principle of pay-as-you-go. In addition, the budget reflects a great body of opinion that the deficit is a far shorter term, and that the executive can spend, even if the funds are made available by legislation. In the long run, I feel we would feel much more comfortable if the funds were not made available.

Prospective Deficit and Further Illustration

Congress is cutting the spending requests. What is the total authorizations for the year? The budget cannot now predict. We cannot be sure that Congress will extend the existing ailments by many billions of dollars. It does, in fact, inflationary? In the pure sense, it means more inflation—there will be more money in the economy not matched by new goods and services. Whether this assures general price rises above present levels, I cannot say. In the absence of new money, it seems quite likely that prices will go up $70 billion. Perhaps the effect of the money will be to keep prices on a reasonably stable course. What would be. To condone this situation the Treasury consumer is never entitled to a genuine inflation. But the timing of the flow of new money is also of significant. The Federal Reserve is seri- ously in balance in regard to the inflow of tax receipts during the first and second six months of the fiscal years. Taking the lower of the tax receipts estimated for next year, the Federal Reserve has estimated Federal spending of $38.5 billion, but tax collections of only $31.7 billion, an underestimation of $4.7 billion. However, the military and postal payroll estimates to Congress two and a half billion dollars higher than those set forth by the President, and in the absence of official disavowal, the Administration actually plans to spend $48.5 billion during the fiscal year, creating a deficit of $10.9 billion.

More recently, the staff of the Joint Congressional Committee on Price Stability has estimated revenue under present tax laws at only $63.8 billion, or nearly $21 billion below the Administration's estimate. Thus, there is a difference of nearly $21 billion between the Administration, and the most recent author-
Bank and Insurance Stocks

By E. H. Johnson

This Week—Stocks

Operating results of the New York City banks for the first half of the current year should be available next week. It is expected that these results will be considerably better than those reported in the comparable period of 1931. Although all banks may not follow the same pattern, the general trend of earnings should be upward.

The primary reason for this expected improvement in operating results is the increased rate of interest which has been paid on deposit liabilities. In addition, the higher level of interest rates currently prevailing.

In other words, the banks have benefited throughout the entire quarter from higher deposit rates. Operations in the second quarter are expected to be even more pronounced. The practical effect has been that as old loans made a year ago have matured new ones have been made at the higher rates. Thus, operations in the second quarter have been aided by having a greater portion of earning assets employed at the higher rates.

Although the total composition of earning assets is concerned is expected, there have been only minor changes in the different groups during the quarter.

Commercial loans were in a seasonal downtrend during most of the period, but the decline was less marked than in previous years. It is expected that they will remain at the 1931 level.

In the case of the balance sheet, demand deposits, which had been previously 1,709,577,000,000, are expected to increase to 1,710,577,000,000, an increase of 7,000,000,000 in recent months.

The net result of the various factors should be a modest gain in the total of earning assets. Then, as interest rates have averaged higher, there should be a favorable increase in gross income.

If the banks are successful in collecting their past dues, it is expected that their past due interest rates on new ones.

The trend, of course, is higher. Also, it is difficult to exact the extent to which banks have increased their past due interest rate for the quarter, but it is expected that the average will be considerably above the level of the same period the past year.

While the comparison between New York and Philadelphia banks may not be entirely valid because of the difference in operations, similar factors are expected to result in similar results in both cities. Therefore, it is interesting to note the operations of the Philadelphia banks. The Pennsylvania Company for Banking and Trusts for the six months ending June 30, 1932, is believed to be indicative of the results to be expected among the New York institutions in their semi-annual reports.

<table>
<thead>
<tr>
<th>June 30, 1932</th>
<th>June 30, 1931</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>$5,794,873</td>
</tr>
<tr>
<td>Interest on loans</td>
<td>2,684,283</td>
</tr>
<tr>
<td>Income on other items</td>
<td>2,083,952</td>
</tr>
<tr>
<td>Gross income</td>
<td>$10,068,749</td>
</tr>
<tr>
<td>Expenses</td>
<td>$3,219,783</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>$2,609,728</td>
</tr>
<tr>
<td>Other expenses</td>
<td>$1,083,871</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$6,927,384</td>
</tr>
<tr>
<td>Operating income</td>
<td>$3,137,365</td>
</tr>
<tr>
<td>Reserve for Federal income taxes</td>
<td>$1,200,350</td>
</tr>
<tr>
<td>Net income</td>
<td>$1,937,015</td>
</tr>
</tbody>
</table>

Representing Harris Trust

Harris Trust and Savings Bank announces that G. Philip Whitman is now associated with the firm as its New England representative.

Five With Clayton Secs. (Special to The Financial Chronicle)

PORTLAND, Maine—Albert R. Babo, A. Harold Hallett, H. Joy, Charles R. McKeeny, and Charles W. Smith have been associated with Clayton Securities Co., Inc. They have been with J. Arthur Warner & Co., Inc.

Continued from first page

Europe Turning Again

To the Gold Standard

The new loan goes well; since subscriptions opened on May 20, the Frenchmen are even liquidating their foreign exchange by the proceeds—bliss the amnesty which the French Government restored to the dollar. France takes a good 50 francs a day, and offering to sell the coins on the open market.

According to the terms of the agreement, it seems likely that the French government would run in case the "Napoléon" franc has not been depleted, but avers by coining gold (as has been done in the past) for selling the coins on the open market.

France Sets the Pace

Financial results of the trade data

The net of all Western European currencies (excluding the Belgian francs) for the franc is nearest the To most of the figures for other countries, a deficit trade has been reported by a round 20%. With the French budget in the red to the extent of 7.5%, the French governments gold reserve re¬mains unaltered. The franc, however, continues to gain in the foreign exchange market, and the franc has ceased to function as a stable unit of exchange. As a result, the question of confidence, is the question.

Right-of-center Premier Pierre Laval has been acclaimed as the "great- ing of its golden horns. He stopped the country, which is too low a rate, and ordered the gold bullion to the note¬printing press. Also, he continues the credit restrictions, imposes heavier taxes on the unwieldy system of nationalized industries; de¬creases the salary level; improves the tax collection; classifies taxes by different levels; reduces tax deferrals; establishes personal taxes on dual incomes; increases the public debt; and accepts the foreign gold.

Poincaré's gold loan is a 60-year issue, the proceeds of which will be used to settle the country's debts. The purchase price can be paid in gold bullion or in currency at the discretion of the buyer. The amount of the loan is expected to be sold by bidding at the same time as the sale of the gold bullion at the London market.

In France, the government has decided to accept any gold bullion as part of the payment for the purchase of its gold loan. The gold bullion will be delivered at the Paris Mint.

Poincaré's government is determined to maintain the parity of the franc with the gold standard. The government will sell gold bullion to the extent necessary to maintain this parity. The government will also sell gold bullion to the extent necessary to meet the demand for gold bullion by foreign countries. The government will also sell gold bullion to the extent necessary to meet the demand for gold bullion by foreign countries.

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The Great Monetary Gamble

With Hill Richards

LOUISVILLE, Ky.—George W. Hill Richards, president of the First National Bank of Louisville and of several other banks in the city, has been working with Hill Richards on the problem of reestablishing the nation's financial stability. The problem of the dollar is now at the forefront of the country's economic agenda. The dollar has been weakened by the rapid increase in the money supply, which has been caused by the Federal Reserve System's efforts to provide liquidity to the banking system. The dollar is now at the forefront of the country's economic agenda. The problem of the dollar is now at the forefront of the country's economic agenda. The dollar has been weakened by the rapid increase in the money supply, which has been caused by the Federal Reserve System's efforts to provide liquidity to the banking system.
A Foreign Policy for The Republican Party

would reduce our support for it by a large margin as we do today. True, the United Nations, in several respects, is a temporary and short of its peace objectives. But the whole world has shorten- ed and is proving that it will do all of us. Should we, then, sur- rende, leave the United Nations, which is broad and deep, the Peace. Is our objective. The United Nations is an instrument of peace. We aim to make it continually more vital and ef- fective.

There must be no wavering in our support for the North Atlantic Treaty Organization. The United States has stood within the limits of the Charter of the United Nations. Even those who blindly opposed it when it was launched in 1948 have now stopped the spread of Com- munism in Europe and the Medi- terranean world. Our close agree- ments with other American coun- tries and the aims of the common Pacific must equally be given the same support.

Thirdly, we must state our pur- poses in positive rather than in terms of negative arguments. We cannot always be picking ourselves up off the sand, but we must be prepared to meet through our official opera- tions in foreign affairs. Only through the statement of our purposes in the interna- tional scene, can we hope to be sure of our nation's aims.

A Program to Establish Our Peaceful Intentions

We must build our confidence and assurance of those who are with us and of those who are against us. We must, if we are to successfully pursue a decent policy to its ultimate end. Within such political strength, we can broadly announce that we will never again permit another nation, which is a friend, to be made to be free—those who live unselfishly, even the Iron Cor- tain. This means launching of a concerted political program that will establish our peaceful intent; encourage our allies; and assure all that a collective defensive mea- sure is established we shall never be able to do this.

Fourth, we must be strong! I look forward to the day when, from the strength of our unity, the will must be able to pro- ceed from the strength of our unity: In a just and practical plan for freedom throughout the world from the hurri- canes of armaments. If we are strong, they will probably see in such a peaceful polity a great interest in and will feel obliged to accept, even if we were to make their course and slowly, a plan for peace and disarmament.

Kremlin Understands Language of Strength

We can say that today only if we are strong the language of the men in the Kremlin understand.

We must have an unbreakable under- standing that we shall generously pro- claim to all peoples our belief in God and our devotion to the ideals and causes that spring from belief. But we must go on for and for our children, the cause we support is that of freedom; the right of the American people to work and speak and worship according to their own beliefs; the right to own property; the right to the pursuit of science, to be equal, in the sight of God, with any other people, the immunity of belief, of aspiration and of striving in a deeply believe, is the American people's best defense.

Along with spiritual strength, we must, at all costs, increase our power to produce what we need for ourselves and an additional margin for the support of our armed forces and for necessary military assistance to our allies. In this connection, we must be ever watchful that we do not run up against the dollar price for defense. A bank in which America is a defense.
Harold Scott Heads NY Fund Committee

Harold W. Scott, partner in Dean Witter & Co. and Chairman of the Exchange Committee of The Federal Reserve Bank of New York, is heading a Committee composed of leaders in all branches of the exchanges field who are working to increase contributions to the funds by firms in their respective areas.

The Fund’s 15th annual campaign, now reaching the wind-up stage, presents a combined appeal to business organizations and employees groups on behalf of 432 local voluntary hospitals and health and welfare agencies serving 3,000,000 New Yorkers annually in all boroughs. Divisional chiefs, when contacted by Mr. Scott are:

Cotton and Commodity Exchange: Norman Stroka.
Curb Exchange: Vanderpool Adolphus & Exchange.
Investment Advisors: Laurence Johnson, Loomis, Sayles & Co.
Stock Exchange Firms: W. F. Van Vechten, Laidlaw & Company.
Unlisted Brokers: John F. McLaughlin, McLaughlin, Heus & Co.

With Investment Service

(Special to The Financial CHRONICLE)

DENVER, Colo.—John H. Fanderlin and Richard B. Noble have become affiliated with Investment Service Corporation, 44 Sherman Street.

Waddell & Redd Add

(Special to The Financial CHRONICLE)

PHILADELPHIA, April 12—Arthur E. Emerson, Gardner B. Miller, and George F. Reisch have joined the staff of Waddell & Redd, Inc., U. S. National Bank Building.

Edgar B. Grier


J. S. TREASURY STATE

and

MUNICIPAL SECURITIES

With A. G. Edwards & Sons, Inc.

JOHN T. CHIPPINGE, JR.

Our Reporter on Governments

The new Treasury flotation of $4,249,000,000 of 2 1/2% bonds due June 15, 1958, has been given little new life to the market. Trading and activity has been stepped up, with buyers and sellers getting together on trades, because there are holders of these issues who want to sell them. On the other hand, the commercial banks are not adverse to putting these bonds down to liquidate other positions. This has led to the called speculation or "free rider" having something of a heavy day, but it is not threatening because there have been many occasions in the past when this same thing has gone on. While this has resulted in a bit of a penalty as far as the ultimate owners of the new issue are concerned there are several points of scale that do not make this entirely a one-sided picture.

The Treasury is offering to a new underwriter of activity. In the market is the 2 1/2 June 15, 1958, but there has been some fairly good active action. The issue is eligible for inclusion in the June 15, 1958, and the 2 1/2 due 1962. The short-market is looking for the lively side with Treasury bills getting considerable attention.

Three Times Overscribed

The Treasury offering of $4,249,000,000 of 2 1/2% bonds due June 15, 1958, is in such demand that investors subscribed for $11,695,000,000 of these securities or more than times the amount that was first asked for by the Government. Commercial banks and primary dealers, or the banks that buy the Government’s bonds, were the largest single category. How many of the new 2 1/2% will finally find their way into the commercial banks is a matter of conjecture. However, it is believed in some quarters that at least $3,642,000,000 of bonds will be bought by non-bank buyers and eventually come to the market, as the Government has indicated that the $3,642,000,000 obtained by non-bank buyers will eventually come to market.

Many of the speculative buyers have been sellers of the 2 1/2%. Right now these bonds are going at a good premium, but there was a large amount of caution in the early trading before the offer was made. If the Government had indicated when the financing was approved there would be no indication as to whether the allotments would be 100% or less. However, in the event that the commercial banks and railroad companies find their allotments are made, it is likely that the banks and railroads will be able to sell the bonds at a substantial premium, and commercial banks and railroad companies would be able to buy the bonds at a substantial discount.

Compensating Factors to Banks

On the other hand, the commercial banks while simultaneously disposing of some of their positions, the fact that they received only $100,000,000 in the new bond offerings, has been of little help to them. From the temporary holders, there are, however, some compensating factors that are helpful to the commercial banks involved. The first place, many of these institutions made loans to customers which made it possible for them to earn interest on the new bonds. Also, the use of the Treasury, tax and loan account gives the deposits an advantage because as long as these deposits remain with the commercial banks, they will be able to employ these funds for income producing purposes. It is a well known fact that the commercial banks do not keep funds idle, and the earnings that are obtained from these securities are used to meet the needs of certain small and intermediate and long term market very much understated as far as funds are concerned. This should not be unfavorable to these securities.

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a time, and not so long ago from the standpoint of our national his- tory, the banks were the order of the day. plans in such respects as pensions of enrollments, and the like, became dependent in old age could be provided by friendly or local community agencies, or mutual establishments, or voluntary organizations. Today even our most successful and best-managed for the most part employers, and the vast majority of the rank and file of our industrial establishments and communities feel a natural urge to achieve a higher degree of security for themselves and their employes. As the nature of these organizations, and the increase in the numbers of older individuals who plan their lives with these uncertainties in mind and so to accumulate sav- ings against the inevitable rainy days in earlier and simpler times, this was easier to do than it is now. For heavy taxes, high prices and low interest rates in our own time make sav- ings almost impossible, unless a change that has taken place, over that period of time, has really increased the number of families of corporate life, and it is to be expected that our industries and factories are the source of the increasing size of the age of retirement, the increasing number of old and aged persons.

The widespread desire of business people to be able to give their employees a more or less permanent retirement and long-term security for their years after employment, and worry about it, can be seen among us today. Our industrial leaders widely spread the idea that the most important factor, and the most important asset, in the future of our country is the development of a sound, widely spread, and permanent old-age insurance system for our industrial workers. Our industrial leaders also recognize the necessity of providing for the education of the children of the workers, and the people who work in this industry, and who are now going to work in this industry, to understand and to be able to understand the importance of these things and how to plan for them.

Summary

Very briefly, in general terms, I think I can summarize the whole problem and my thoughts on it somewhat as fol- lows:

Our country is no longer what it was during the 19th century of rugged individualism. We pay the same tribute to our national life and its progress and development as we pay to our national life and its progress and development in the 19th century. We have the same rights and the same opportunities to develop as we had in the 19th century. We have the same responsibilities and the same duties as we had in the 19th century.

Our citizens are as much at home today as they were in the 19th century. They have the same rights and the same opportunities to develop as they have in the 19th century. They have the same responsibilities and the same duties as they have in the 19th century.
**Mutual Funds**

By ROBERT R. RICH

Hugh W. Long Offers Dealers Extra Concession

Until Sept. 30, 1952, Hugh W. Long & Company is offering dealers an extra concession of 1% on sales of less than $25,000 on the shares of Diversified Investment Fund and Diversified Common Stock Fund. Dealers will qualify for this additional commission if their sales on the two funds aggregate $5,000 or more in a calendar month, with the exception of June, in which the "quota" is set at $2,500.

The schedule of extra concessions for this period, subject to the "quota" requirement is:

<table>
<thead>
<tr>
<th>On Individual Sales</th>
<th>Regular Commission</th>
<th>Extra Commission</th>
<th>Total Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100 - $24,999</td>
<td>5%</td>
<td>0%</td>
<td>5%</td>
</tr>
<tr>
<td>25,000 - 49,999</td>
<td>4%</td>
<td>1%</td>
<td>5%</td>
</tr>
<tr>
<td>50,000 - 99,999</td>
<td>3%</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>100,000 - 249,999</td>
<td>2%</td>
<td>3%</td>
<td>5%</td>
</tr>
</tbody>
</table>

**Distributors Group Revives Interest in Tobacco Shares**

In the case for Tobacco Shares, Distributors Group stated that although the 1951 dividend is 26% higher than 1946 and although the market averages are well above the 1946 peak, tobacco stocks in this fund can be bought for 33% less than their 1946 highs and lower than their lows in 1951, when the last market advance began. The fund stated that the dividends are known for its stability of earning power and dividends, first, because of the steady sales figures for 1946 through good years had, second, because of the low labor costs derived from a high degree of mechanization and third, because of the industry's function as a tax collector, which it is claimed, gives the government a vested interest in this industry's welfare.

Analyzing the historical behavior of tobacco stocks, the fund noted that in the 1927-29 period, the market rose 70% while tobacco stocks increased only 1%, while in the period following 1929-32, tobacco stocks, although they declined, behaved relatively so much better than the market in investment in them would have been worth almost three times more in 1922 low as an equal amount invested in the stock averages in 1928.

Since the end of December, 1944 to April 1947, the market advanced 70% while tobacco stocks declined 4%, only to behave considerably better during the subsequent general market decline.

Following at the present situation, there has been since 1949 a general market advance of 70%, while tobacco stocks have declined 10% and this is one reason why Distributors Group regards its Tobacco Shares now as an appropriate investment for investors who are seeking guaranteed returns in bonds or stocks who or wish to hedge against the possibility of a declining stock market.

At the present time, Group Securities' Fully Authorized Fund has about 6% of its assets in tobacco stocks and its Common Stock Fund has about 8% of the portfolio holdings in this industry.

**Investment Notes:**

Over one half of the present national income after taxes is available for "discretionary spending." Advertising Age reports in an exhaustive national marketing analysis. In 1949, only one-third of the American income was "discretionary." Discretionary spending power today, after basic living costs are met, is four-and-one half times greater than prewar. This spending power, which is where the market for mutual funds shares lies, is $19.5 billion today compared with $28.5 billion in 1940. . . . Pauling, in the last 12 years has increased 19%, the study adds, while real purchasing power has increased 74% and personal income after taxes has increased 213%. . . . Byzantine government, Chairman David Sarnoff, Chairman of the board of RCA, has noted that what once was "discretionary" is on the way to being "electrified," with new vistas to practically all other industries being opened by the electron." . . . Television. . . . More and more assets are now over $175 billion, beginning a of $146,000,000 in September, 1948. . . . Two new letters

distributors were announced this week as Axa Securities and Axa Group's "Axa" system, but "Life's never perfect." Newsweek use the "Axa" system. Typewriter, had a had time telling their stories after "He's a pretty good New Yorker," says Erwin of "Editor & Publisher" reports the story, "kike's" public relations men ran out of typewriter for all the people who turned up. To help matters, someone borrowed a few typewriters from the Axa Company, when the typewriters arrived, however, reporters stared helplessly at the blank keyboards. It seems that students learn how to type by using typewriter keys without the actual words. A few reporters learned how to type that way, too—In Arlington.

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**Mutual Fund Notes**

The second anniversary of the start of the second round of commodity prices, noted 10% above the levels prevailing in 1950, says Calvin Bullock in its study of commodity prices.

"In this is the third, or 'cold war,' the study says, 'raw times.'" The ascendancy phase carried the D.B.S. Index of 28 raw materials to an all-time peak of 396.5 early in 1951. The plunging trend since then in raw material prices have since been interrupted only to returns to 283.7 by June 4, 1952, a net change of 11.1%.

Retail prices, the analysis comments, as measured by the Consumers' Price Index (1926-29 = 100) have shown an even more alarming decline for the period 1951-52 deflation of raw materials. This index which stood at 183.8 in February, '51, increased to 192.6 by April, '52, a net change of -3.8%.

A deep seated and basic reason, for these price declines has been said to be "the increasing artificial interferences which have been placed in the normal functioning of free prices in recent years. These have made for rigidities, inconsistencies and abnormalities in the body economic.

The spread of wage price regulations to practically every area of the economy appears to be the inevitable manifestation of the steady growth of big government. The theory that determination of price levels is a proper function of government is inextricably linked forward impetus as far back as the enactment of the Federal Robinson-Patman Act of 1936, the so-called "fair trade laws" enacted by various states, wartime OPA, and the postwar OAG. The chairman of the board of a leading tobacco firm recently summed up the Pilgrim's Progress of price legislation when he said: 'What started off 26 years ago as an emergency has become an era.'

The analysis of commodity price behavior has become essen- tially the study of price central sales and regulations, and price forecasts are demand and price unless the prognosticator is well versed in governmental planning policies, it seems hard to believe that it was only 24 years ago when President Calvin Coolidge said: in vetoing the Mary Haugen farm bill, government price fixing, once started, has alike no legal and is so. It is an economic folly from which this country has every right to be spared.

The retail prices, the analysis comments, as measured by the Consumers' Price Index (1926-29 = 100) have shown an even more alarming decline for the period 1951-52 deflation of raw materials. This index which stood at 183.8 in February, '51, increased to 192.6 by April, '52, a net change of -3.8%.

Investment managers believe they qualify for inclusion in professional ranks such as medici- nel and law, said Edward C. Johnson, President of Fidelity

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**A Mutual Investment Fund**

Prospectus may be obtained from investment dealers or THE PAPER CORPORATION

250 Berkeley St., Boston, Mass. FOUNDED 1925)

**INCORPORATED INVESTORS**

**Custodian Funds**

<table>
<thead>
<tr>
<th>BOND, PREFERRED AND COMMON STOCK FUNDS</th>
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<tbody>
<tr>
<td><strong>Keystone Fund</strong></td>
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<tr>
<td><strong>Valor Preferred and Common Stock Fund</strong></td>
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<tr>
<td><strong>The Keystone Company</strong></td>
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<tr>
<td>50 Congress Street, Boston, Mass.</td>
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<tr>
<td>Phone 617-225-3750</td>
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<td>For your investment advisors</td>
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<tr>
<td><strong>LORD, AHBETT &amp; CO.</strong></td>
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<tr>
<td>New York Chicago Atlanta Los Angeles</td>
</tr>
</tbody>
</table>

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**Wellington Fund**

EQUIVALENT TO BALANCED MUTUAL INVESTMENT FUND

Prospects from your investment director

**PREMIER INVESTMENT FUND**

**Aviation Group Shares**

Bank Group Shares

Insurance Group Shares

Stock and Bond Group Shares

(Mutual Investment Funds) of Institutional Shares, Ltd.

Distributed by HARE'S LTD.

15 RECTOR STREET NEW YORK 6, N. Y.

Prospects may be obtained from the above or local dealers.
**Price Control and Inflation**

```
was an ad from one of the large grocery chains stating "Over 100 food and drug controls are in effect.

"Are You Paid Lower Than OPS Controls?"

We checked the ad for accuracy. Items advertised were actually only 23 items, and they were all OPS controls. Of these, 102 were included in the midweek weekly index, as you can see in the table. Single prices, units lower than the OPS ceiling price for the item, when the item was bought in a single unit, were also advertised. An item on which the ceiling was $27.86 for 50 or 100 was offered for sale at two for $4.95. In another case, a 24-ounce can of soft drink was offered for sale at 7 cents per can.

We then checked to see if the items on which OPS had recently gone up were actually selling prices were being advertised. There were only a couple of the 2% of those prices, and even then just a fraction of a cent. It was not a great deal of bother to the retailers.

The net asset value per share on Dec. 31 was $27.86 and $27.86. Net income was $27.86 on Dec. 31, $40.30 per share, with $27.86 and $27.86 per share, compared with $57.86 for Dec. 31 and $31, $151,808,000 per share, compared with $31, $151,808,000, and $31, $151,808,000 on Nov. 30, 1951. Net profits realized from the sale of short-term investments were $16,308,625. Dividends declared were $16,308,625. The percentage in cash and bonds increased during the period from 4.8% to 5.2%, while the percentage in common stocks decreased from 31.6% to 27.7%.

**Continued from page 10**

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**Dealer-Broker Investment Recommendations & Literature**

Kaiser Steel—Memorandum—Dempsey-Tegeler & Co., 210 West Broadway, New York City, N. Y. 1, Los Angeles 14, Calif.

Kewanee Oil Corporation—Memorandum—Troster, Singer & Co., 74 Trim by Place, New York City, N. Y. 8, Calif.

Kinnwood Oil Company—Detailed report—Dallas Rupe & Son, Kirby Building, Dallas 1, Tex.


Rockwell Manufacturing Company—Analysis—Bill Richards & Co., 621 South Spring Street, Los Angeles 14, Calif. Also writers are analysts of Teleprint Corporation and Time, Inc.


Sterling Finance Corporation—Bulletin—Walt Clyde, 144 East 24th Street, New York City, N. Y. 10, Calif.


Trane Company—Brochure—Smith, Barney & Co., 14 Wall St., New York City, N. Y. 5, Calif. Also available on a report on Rock Oil Co., Inc., 111 Market St., New York City, N. Y. 5, Calif.

**United States Lines—**Herzfeld & Stern, 30 Broadway, New York City, N. Y. 4, Calif.


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**The growth of National Security Credits,** said Simmons, "is a fact that the increased public acceptance of these funds as desirable investment funds reflects a great future and today stands at the threshold of its greatest achievements.

**Continued from page 8**

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**United States Lines—**Herzfeld & Stern, 30 Broadway, New York City, N. Y. 4, Calif.

Northern States Power Company

The company, which serves the Basin in the Western Central area, has system revenues of about $39 million, of which some $14 million is contributed by Northern States Power of Wisconsin and other subsidiaries. The company serves extensive retail in 478 communities, including the “Twin Cities,” St. Paul and Minneapolis, and at wholesale in New York, New Jersey, and 73 other communities. Of the communities served, 372 are in Minneapolis, 114 in Wisconsin, 21 in North Dakota, and 44 in South Dakota.

Including subsidiaries and after adjustment for the recent issuance of $31.5 million first mortgage bonds due 1932 and 11,090 shares of common stock, capitalization is approximately as follows:

<table>
<thead>
<tr>
<th>Years</th>
<th>Millions</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1932</td>
<td>$35,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>1931</td>
<td>$25,000,000</td>
<td>71%</td>
</tr>
<tr>
<td>1930</td>
<td>$20,000,000</td>
<td>57%</td>
</tr>
<tr>
<td>1929</td>
<td>$15,000,000</td>
<td>44%</td>
</tr>
<tr>
<td>1928</td>
<td>$25,000,000</td>
<td>71%</td>
</tr>
</tbody>
</table>

It is estimated that, in addition to the recent $31 million issues, about $50 million financing may be necessary during 1933-35, however, the company will resort to such financing only if necessary. Also, in 1955, its policy being to do public financing in alternate years.

The earnings and dividend record on the common stock have been as follows in recent years:

<table>
<thead>
<tr>
<th>Years</th>
<th>Earnings</th>
<th>Dividends</th>
</tr>
</thead>
<tbody>
<tr>
<td>1931</td>
<td>$75</td>
<td>$7.50</td>
</tr>
<tr>
<td>1930</td>
<td>$75</td>
<td>$7.00</td>
</tr>
<tr>
<td>1929</td>
<td>$75</td>
<td>$6.50</td>
</tr>
<tr>
<td>1928</td>
<td>$75</td>
<td>$6.00</td>
</tr>
</tbody>
</table>

In January the company announced increases in certain electric rates which it was estimated would yield $2.3 million additional net income annually. This amount would be equivalent to about 0.6% of the gross revenues. In addition to the increase in the number of customers, 105,000 additional shares of common stock have been issued. The dividend payout would be about 50% of the earnings.

In 1932 the company estimates that it will have earnings of $13 million, an increase of 20% over the recent year. The earnings for the current year are approximately at $4 million.

Dillon, Reed Group


text continues...
Wholesale Commodity Price Index Held to a Narrow Range

The daily wholesale commodity price index, compiled by Dan & Bradstreet, Inc., remained in a narrow range and closed moderately lower on Friday, January 15, 1954. The index dropped for the second
week in succession, having declined 0.5 points, or 0.2 percent, comparing with 295.12 a week earlier, and with 315.14 on the corre-

Grain markets, except for wheat, developed a firmer tone last
week. Rather sharp declines in wheat were influenced by the disheartening report of a marked decline in the acreage for the sure
of new crop marketings. The June 1 report of the Department of
Agriculture showed a total of 2,894,394,000 acres, as against 3,077,000,
000 bushels, or 74,000,000 more than the May 1 estimate.

If realized, this production would slightly exceed the previous
record. The 1953 crop harvest was

Trading in corn was more active the past week, buying, being
stimulated by drought conditions in the western part of the belt. Drought conditions also prevailed widely in the northern corn
area, although trade reports indicated that such sales would be discon-
tinued shortly. With many farmers taking advantage of the
unusually good price levels based on the prospects for a crop of less than 17,000,000 bushels, trading in all grains was very
fast on the Chicago Board of Trade last week reached a daily average of 36,700
000 bushels, comparing with 38,500,000 the previous week, and 28,
500,000 in the same week last year.

Flour buying continued at the slow pace of recent weeks. Some
mills reported New York City suffered in comparison were
wheat bakery floors due to exhaustion of balances on mill books, but
mills and jobbers showed no disposition to anticipate bey-
ond their nearby needs. Cocoa prices moved slightly lower, re-
fecting weakness abroad and losses in manufactured goods.

Loaf of bread was sharply to $1.11-1/4, bags of 100, to $12.50, and with
in many countries showing some
interest in shipments. Beans, prices remained at $1.00 a
week, and during that period
150,000 the previous week. Trading in this market was more active with
prices showing some limit to selling tendencies. Brinm, a
vegetable oils and lower livc hog values. Cattle were
mostly steady to slightly lower, with lambs off sharply at the close.

Commodity Price Index

The week ending June 15, 1954, was a week of considerable
activity in the commodity exchange. The Dow Jones Averages
is above the ten
total of 2153. The standard
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As We See It

be to divorce his wife and hire her as a housekeeper. Of course, the learned gentleman was pointedly saying that the salary of a housekeeper is included in Gross National Product, although the identical service of the housewife who does not draw down any recognized salary or pay is not.

Is It Anywhere?

But there are many other and more serious defects in this figure, to Gross National Product as a measure of economic welfare. For those who have not taken the trouble to inquire what this new astronomical figure really is, it may seem simply that it is the economic output of the nation (except certain services like those of the housewife, and various things which we do for ourselves) taken at market value.

One cannot say that any such overall figure as this can obviously be accepted by any thoughtful man as subject to a substantial margin of error — some good statisticians have said a 20% margin of error, and, of course, it moves up and down with prices of contingent attempts by the Department of Commerce to eliminate the effect of price changes upon its estimates of Gross National Product are designed to nullify it in a serious need, but the margin of possible, even probable, error is naturally substantially larger by reason of this additional government of estimating.

One must, however, look carefully into the composition of the Gross National Product and to think carefully about the real nature of economic welfare to come to a full comprehension of the shortcomings of this figure, Gross National Product, as a measure of prosperity.

Let us note, first of all, some of the things which are included in the current output of goods and services. Particularly pertinent at the moment is the fact that all the guns, tanks, military equipment, compensation of soldiers, and all the rest which go to make up rearmament and other defense activities are included. A moment’s reflection would point to the necessity of economic welfare, but hardly part and parcel of it.

More Arms More GNP

During World War II we reached new highs in Gross National Product partly because prices rose drastically and partly because of the tremendous output of the warships. On a smaller scale we are doing somewhat the same thing today. For any given dollar of Gross National Product today we are receiving very much less in terms of goods other than the dollar increase that we did say in 1947, 1948, 1949, or any previous year.

A good many other things included in Gross National Product shall not only be put down as necessary expense of the attainment of prosperity but, among them, of course, the cost, not inconsiderable, of estimating Gross National Product! The salaries of the armies of civil and military statisticians at various levels are, course, one of the items included in Gross National Product. Vast tax payments to all levels of government go to swell the total. Do these things always add to economic welfare? The answer is obvious.

Again, for a number of months following the outbreak of fighting in Korea in 1950, consumers and businessmen in many if not all fields feverishly added to their inventories of many kinds and varieties of goods. All this swelled Gross National Product while it was going to the expense of represented additions to the stock of things people really want and to the addition of goods of the state of economic welfare, but he be naive indeed who permitted his reasoning to stop there. They are united the production of good things, and it is now obvious that it had to be paid for.

As a measure of how active we are — regardless of how much raving in circles we are doing—Gross National Product is not a reliable guide to tenable conclusions as to the degree of real economic welfare, it is necessary to estimate the amount of running around in circles which we are doing.
Role of State and Local Units in Curbing Inflation

Thus, the value of contracts placed for educational, and other industries and in the financial area, voluntary credit re- view of contracts for social administration have been suspended and real estate credit regulation has been liberalized.

Even though these steps have been taken, there is still a need to recognize that the economic recovery is being threatened by the continued high levels of inflation and unemployment. The government must continue to monitor the situation and to take further action if necessary.

Preservation of an ample reserve depends in part on the ability of the Federal Reserve System to help cope with economic reversals. In an unavoidable responsibility of the government, and especially the Federal Reserve System, to maintain a reserve of financial resources that will enable it to conduct governmental affairs so that an adequate cushion is available for the protection of the economy from any unforeseen shocks. The government must also continue to monitor the situation and to take further action if necessary.

An Area for Special Consideration

One particular development that is of concern is the continued increase in the cost of living. The government must continue to monitor the situation and to take further action if necessary. The government must also continue to monitor the situation and to take further action if necessary.

Conclusion

It reaffirms the traditional principle that ours is a government of laws and not of men. It refuses to recognize that any man is above the law, no matter how powerful or influential. It upholds the principle of equality before the law, and is committed to the protection of the rights of all citizens against illegal and unconstitutional actions. Whatever the deviations from this principle, there is a burden on community leaders to maintain the integrity of the Constitution and to ensure that its principles are respected.

The Constitution is a bulwark of freedom. It is a document that has been tested by the storms of history, and it is a testament to the courage of our forefathers. It is a document that has been amended and interpreted over the years, but it remains a testament to the wisdom and foresight of those who drafted it. It is a document that has been the foundation of our nation, and it is a testament to the strength and resilience of our people.

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

### ALUMINUM (BUREAU OF MINES)
Production of primary aluminum in the U. S. for week ended April 15, 1927, 76,008 short tons; at end of Apr., 77,003 tons.

### GAS (BUREAU OF MINES)
Natural gas sales (Th. cu.m.) Apr., 4,789,000; May, 4,241,000.

### STEEL (BUREAU OF MINES)
Shipments of steel products, excl. cotton alloy & stainless, for month of April, 1,103,700 tons; total for quarter, 3,308,000 tons.

### BANK DEBITS—BOARDS OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
Month of May (in thousands): $113,150,000.

### BUSINESS FAILURES—BRO. & BRADSTREET
May—Month of April, 135 failures.

### CIVIL CONSTRUCTION ENGINEERING—ENGINEERING NEWS-RECORD
Total new orders: May, 30,322,000,000; April, 27,971,000,000; May 1926, 22,940,000,000.

### CONSUMER CREDIT OUTSTANDING—GOVERNMENT FINANCIAL STATISTICS
Estimated short-term credit: April, 1,238,700,000; May, 1,301,700,000; June, 1,362,700,000.

### COTTON AND LINEN—DEPARTMENT OF COMMERCE
Exports—basis: May, 475,287,000 pounds.

### COTTON—BULLION AND EXCHANGE
Cotton advances—basis: May 24, 399.780 cents.

### COTTON—DOMESTIC TRADE
Daily average price: May 24, 399.780 cents.

### COTTON—WESTERN MARKETS
Cotton advance—basis: May 24, 399.780 cents.

### FOOD Credits
Cotton advance—basis: May 24, 399.780 cents.

### METAL Credits
Cotton advance—basis: May 24, 399.780 cents.

### MINING—BUREAU OF MINES
Total new orders: May, 30,322,000,000; April, 27,971,000,000; May 1926, 22,940,000,000.

### MINING—BUREAU OF MINES
New contracts: May, 30,322,000,000; April, 27,971,000,000; May 1926, 22,940,000,000.

### METAL Credits
Cotton advance—basis: May 24, 399.780 cents.
<table>
<thead>
<tr>
<th>Date</th>
<th>Company/Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 26, 1952</td>
<td>Virginia Ry. Co. Equip. Tract Cfs. (see note at end of calendar)</td>
</tr>
<tr>
<td>June 27, 1952</td>
<td>Blockson Chemical Co. (Gottman, Behle &amp; Co.)</td>
</tr>
<tr>
<td>June 30, 1952</td>
<td>Penoeceat Chemical Fibre Co. (Ours &amp; Run. Inc. and Chase, Whitman, West &amp; Winsor, Inc.)</td>
</tr>
<tr>
<td>July 1, 1952</td>
<td>Devan-Ludce Oil Co. (McClain, Rees &amp; Co.)</td>
</tr>
<tr>
<td>July 2, 1952</td>
<td>Duquesne Natural Gas Co. (Sawdell &amp; Co., and C. T. Willman &amp; Co., Ltd.)</td>
</tr>
<tr>
<td>July 3, 1952</td>
<td>Florida Power Corp. (Kleider, Pyatcher &amp; Co. and Merrill Lynch, Pierce, Fenner &amp; Rhoads)</td>
</tr>
<tr>
<td>July 4, 1952</td>
<td>General Public Utilities Corp. (see notification)</td>
</tr>
<tr>
<td>July 5, 1952</td>
<td>Peerless Casualty Co. (Gott &amp; York)</td>
</tr>
<tr>
<td>July 9, 1952</td>
<td>Case Chemical Co. (Gott &amp; York, Inc., Vickers Bros.)</td>
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<tr>
<td>July 9, 1952</td>
<td>McCarthy (Glen.) Inc. (St. Y. Christie &amp; Co.)</td>
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<tr>
<td>July 9, 1952</td>
<td>Pyramid Oil &amp; Gas Co. (Williams &amp; Co., Inc.)</td>
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<tr>
<td>July 9, 1952</td>
<td>Georgia Power Corp. (Bids July 11 A.M.)</td>
</tr>
<tr>
<td>July 9, 1952</td>
<td>South Jersey Gas Co. (Bids 11 A.M. EDT)</td>
</tr>
<tr>
<td>July 9, 1952</td>
<td>Staley (A. E.) Manufacturing Co.—Debentures (Smith, Barley &amp; Co. and The First Boston Corp.)</td>
</tr>
<tr>
<td>July 10, 1952</td>
<td>Texas Gas Transmission Corp. (Bids, 2:30 P.M.)</td>
</tr>
<tr>
<td>July 15, 1952</td>
<td>Byrd Oil Co. (Bids, 9:00 A.M.)</td>
</tr>
<tr>
<td>July 16, 1952</td>
<td>Ralston Purina Co. (Bids, 9:00 A.M.)</td>
</tr>
<tr>
<td>July 16, 1952</td>
<td>Bailey Selburn Oil &amp; Gas Ltd. (Bids, 9:00 A.M.)</td>
</tr>
<tr>
<td>July 22, 1952</td>
<td>Gulf States Utilities Co.—Preference stock</td>
</tr>
<tr>
<td>August 5, 1952</td>
<td>Pennsylvania Electric Co.—Bonds &amp; Preferred (see notification)</td>
</tr>
<tr>
<td>September 9, 1952</td>
<td>Arkansas Power &amp; Light Co. (Bids to be invited)</td>
</tr>
</tbody>
</table>

**Notices of public offerings of stock for sale or subscription.**
Continued from page 37

Eastern Stainless Steel Corp., Baltimore, Md.

Electro-Components Corp. of America

Empire District Electric Co.
June 3 filed 150,000 shares of common stock (par $.50). Price—at par (in denominations of $1,000 each). Proceeds—for working capital. Address—P. O. Box 276, Richmond, Mich. Underwriter—None.

Federal Services Finance Corp.
June 2 filed $2,000,000 of 5 1/2% convertible subordinated debentures, due 1962. Price—at par (in denominations of $1,000 each). Proceeds—for working capital. Underwriter—None.

Florida Power Corp., St. Petersburg, Fla.
June 6 filed 399,000 shares of common stock (par $7.50) to be offered at $10 per share. Price at rate of one new share for each five shares held on June 20. Price—to be supplied by amendment. Proceeds—for new construction. Underwriters—Kidder, Peabody & Co. and Merrill Lynch. Price—At $10 per share.

Front Range Uranium, Inc., Denver, Colo.
June 2 (letter of notification) 500,000 shares of common stock (par $1). Proceeds—for exploration and development expenses. Underwriter—None.

May 23 filed 95,440 shares of common stock (par $1) to be offered at $5 per share. Price—to be supplied by amendment. Proceeds—to repay a part of the Government loan stock at rate of one share for Gar Wood for each three shares held on June 20. Amendment—Underwriter—None. Status—effective June 13.

July 14 (letter of notification) 3,000,000 shares of common stock (par $1) being offered for subscription. Proceeds—to be used for reorganization. Proceeds—to be distributed to holders of old stock. Underwriter—None. Status—effective June 13.

General Public Utilities Corp. (7/1)

Good Hope Investors, Inc., Boise, Idaho
June 13 (letter of notification) 1,000,000 shares of common stock. Price—$1 per share. Proceeds—to be used for general corporate purposes. Underwriter—None.

Great Lakes Utilities Co. (7/22)
July 16 filed 50,000 shares of cumulative preference stock (par $100). Price—Proceeds—to be used for general corporate purposes. Proceeds—to be used for general corporate purposes. Underwriter—None.

Greenbrier & Rainbow Co., Inc.
June 3 (letter of notification) 100,000 shares of common stock (par $.01) being offered for subscription by all stockholders on a for-share-for-share basis; rights to subscribe for shares will be distributed to shareholders of record of May 15. Proceeds—for working capital. Underwriter—None.

Grydene Co. of America, Inc.
June 16 (letter of notification) 75,000 shares of class A common stock (par $1). Price—to be offered for subscription by all stockholders on a for-share-for-share basis; rights to subscribe for shares will be distributed to shareholders of record of May 16. Proceeds—for working capital. Underwriter—Thomson & McKinnon, New York.

Hatch Mining Co., Wallace, Idaho.
April 14 (letter of notification) 300,000 shares of capital stock (par $.25). Price—at market (approximately $8 per share). Proceeds—to M. K. Pallorit, the selling stockholder. Underwriter—None.

Hawaii Mining Co., Reno, Nev.
April 14 (letter of notification) 300,000 shares of capital stock (par $.01). Price—at market (approximately $8 per share). Proceeds—to M. K. Pallorit, the selling stockholder. Underwriter—None.

Hamilton Land Co., Reno, Nev.
April 14 (letter of notification) 300,000 shares of capital stock (par $.01). Price—at market (approximately $8 per share). Proceeds—to M. K. Pallorit, the selling stockholder. Underwriter—None.

Hecla Mining Co., Wallace, Idaho.
April 6 (letter of notification) 250,000 shares of capital stock (par $.25). Price—at market (approximately $8 per share). Proceeds—to M. K. Pallorit, the selling stockholder. Underwriter—None.

Hewitts, Inc., Seattle, Wash.

Hewitts, Inc., Seattle, Wash.
April 14 (letter of notification) 300,000 shares of capital stock (par $.01). Price—at market (approximately $8 per share). Proceeds—to M. K. Pallorit, the selling stockholder. Underwriter—None.

May 29 filed $4,250,000 of 5% convertible debentures due 1972. Proceeds—to be offered for subscription by all stockholders of record May 17 at rate of $50 principal amount per share. Proceeds—to be offered for subscription by all stockholders of record May 17 at rate of $50 principal amount per share. Underwriter—None. Price—to be determined by amendment. Rights to subscribe for additional shares will be distributed to shareholders of record on May 17. Price—to be determined by amendment. Proceeds—to be used for general corporate purposes. Underwriter—None. Statement effective June 13.

Illinois Bell Telephone Co.
May 13 filed 662,454 shares of common stock being offered for subscription by all stockholders of record May 18 at rate of one share for each four shares held on May 10. Rights to subscribe for additional shares will be distributed to shareholders of record on May 17. Price—to be determined by amendment. Proceeds—to repay advances from American Telephone & Telegraph Co., the parent (owner of 99.9% of the stock). Underwriter—None. Statement effective May 29.

Industrial Wire Cloth Products Corp.
May 26 filed 2,750,000 shares of common stock (par $.10). Price—at market (approximately $1 per share). Proceeds—to be used for general corporate purposes. Proceeds—to be used for general corporate purposes. Underwriter—None. Statement effective May 29.

International Harvester Co. (New), Newark, N. J.
Feb. 26 (letter of notification) 300,000 shares of class A common stock (par $.50). Proceeds—to be used for general corporate purposes. Proceeds—to be used for general corporate purposes. Underwriter—None. Statement effective May 29.

Iowa City Co., Des Moines, Ia.
May 6 (letter of notification) 300,000 shares of common stock. Price—$.75 per share. Proceeds—to be used for working capital. Underwriter—None. Statement effective May 29.

Jetmarine-Ballard Marine Propulsion Co., Inc. (7/10)
June 5 (letter of notification) 100,000 shares of common stock. Price—$.75 per share. Proceeds—to be used for working capital. Underwriter—None. Statement effective May 29.

Johnston Power Co., Inc. (7/22)
July 16 filed 50,000 shares of cumulative preference stock (par $100). Price—to be offered for subscription by all stockholders on a for-share-for-share basis; rights to subscribe for shares will be distributed to shareholders of record of July 1. Proceeds—for working capital. Underwriter—Wood, Stanford & Co., New York. Underwriter—None.

Judson Manufacturing Co., Dayton, Ohio.
May 23 filed 15,000 shares of preference stock (par $100) to be offered at $100 per share. Proceeds—to be used to retire First National City Bank debentures. Underwriter—None. Underwriter—None. Statement effective May 29.

Kansas City Southern Ry. & Trans. Co.
June 16 (letter of notification) 100,000 shares of common stock (par $.01). Proceeds—to be used for general corporate purposes. Proceeds—to be used for general corporate purposes. Underwriter—None. Statement effective May 29.
Proceeds—For in¬
ging of accessories.


**Morris Paper Mills, Chicago, Ill.**


**Motion Picture Advertising Service Co., Inc. (La.)**

May 22 (letter of notification) 20,471 shares of common stock (par $10 per share). Proceeds—To be loaned by stockholders of record May 22 at rate of one share for each four shares held. Price—$16 per share. Underwriter—Reis & Blyth, Co., New York.

**Multis Manufacturing Co., Salem, Ohio**

June 9 filed $2,400,000 of shares of common stock (par $5 each). Proceeds—To be loaned to certain employees under a bank stock option plan. Underwriter—None.

**National Shirt Shops of Delaware, Inc.**

June 19 (letter of notification) 1,000 shares of common stock (par $5 each). Proceeds—To be loaned to certain employees under a bank stock option plan. Underwriter—None.

**New England Power Co.**

May 25 filed $8,000,000 of first mortgage bonds, series E, due June 1, 1962. Proceeds—To repay bank loans and for general corporate purposes. Underwriter—Cromwell Brokerage Co., Salt Lake City, Utah.

**New Mexico Jockey Club, Albuquerque, N. M.**


**North American Acceptance Corp.**

June 18 (letter of notification) 14,010 shares of 6½-cent dividend series preferred stock (par $5) and 24,845 shares of class A stock to be offered in exchange for General Finance Corp. preferred and common stock, the preferred stock on a share-for-share basis, and three shares of North American common stock (par $9 per share) for each. Underwriter—None.

**Omaha Body & Equipment Co., Omaha, Neb.**

June 16 (letter of notification) $135,000 of 5½% deben¬

**One Hundred Associates of America, Inc.**


**Pacific Gas & Electric Co.**


**Peersness Chemical Co., Keene, N. H. (7/1)**

June 29 filed 10,000 shares of preferred stock (par $5) to be offered for subscription by common stockholders of record June 1. Subscription rights to be exercised on or prior to June 12. Price—To be supplied by amendment. Proceed¬

**Penobscot Chemical Fibre Co. (6/30)**

May 28 filed 5,000 shares of preferred stock (par $50). Proceeds—To be loaned to stockholders of record June 1, 1962, for purchase of additional capital. Underwriter—Geyr & Co., New York.

**Power Condenser & Electronics Corp.**

May 5 (letter of notification) 4,000,000 of 10½% par stock (par $1). Price—$10 per share. Proceeds—To be supplied to public. Underwriter—Cramnit & Co., Inc., Boston, Mass.

**Pubco Development, Inc.**

Albuquerque, N. M. (7/15)

June 28 filed 20,000 shares of preferred stock (par $10). Proceeds—to be loaned to stockholders of record June 28 for purposes of capital expansion and purchase additional oil and gas leases. Underwriter—All.

**Public Service Co. of New Hampshire**

May 28 filed 50,000 shares of preferred stock (par $100). Proceeds—to be loaned to stockholders of record May 28 for purposes of capital expansion and purchase additional oil and gas holdings. Underwriter—To be determined by com¬bining F. W. Cleveland, First Boston Corp., and H. W. Reis & Co., Inc. (Jointly); Harrison Ripley & Co., Inc. (Jointly).—Only one public offering. Underwriter—None. Underwriter—To be determined by combination of First Boston Corp., Reis & Co., Inc. (Jointly), Cleveland, Reis & Co., Inc., and H. W. Reis & Co., Inc. (Jointly). Proceeds—For new construction. Underwriter—None.

**Public Service Co. of New Mexico**

May 28 filed 173,196 shares of common stock (par $5) to be loaned to stockholders of record May 28 at rate of one new share for each seven shares held on June 28, at a price of $10 per share. Underwriter—None. Proceeds—For new construction. Underwriter—All.

**Pyramid Oil & Gas Corp.**


**Reis (Robert) & Co.**

June 20 (letter of notification) 9,000 shares of preferred stock (par $50 each). Proceeds—to be loaned to stockholders of record June 20 for purposes of capital expansion and purchase additional oil and gas holdings. Underwriter—None. Underwriter—None. Underwriter—G. H. Walker & Co., St. Louis, Mo., for unassessed shares.

**Shawmut Association, Boston, Mass.**

April 30 (letter of notification) 200 shares of common stock (par $1). Price—At market (approximately $19 per share). Proceeds—To Walter S. Bucklin, the selling stockholder. Underwriter—Paige, Webster, Jackson & Curtis, Boston, Mass.

**Signal Mines, Ltd., Toronto, Canada**

May 20 filed 200,000 shares of common stock (par $1) to be offered to public. Proceeds—to be used for the management and affairs of Midland Piping & Supply Co., Ltd., St. Louis, Mo. Proceeds—to purchase 50,000 shares of Midland Piping common stock owned by the trustees under the wills of Hugo F. Urbanha andIncorrect data was rendered here. Please provide accurate information.
Prospective Offerings

Aeroquip Corp.
June 4 W. B. McKone, Chairman, announced that consideration was being given to the possibility of equity financing to partly finance existing debentures, which were issued to increase the authorized common stock from 2,500,000 to 3,750,000 shares. In connection with the equity financing, the company will be able to increase its stockholders' equity from 2,500,000 to 3,750,000 shares. The company plans to increase its stockholders' equity by approximately 3,000 shares, which will be sold to the public at an price.

Allis-Chalmers Manufacturing Co.
May 18 the company announced that it is planning to raise $75,000,000 through the sale of 1,500,000 shares of common stock at $50 per share. The proceeds will be used to retire all outstanding debentures and to reduce the company's indebtedness. The company has selected underwriters for the offering. The offering is expected to be completed in the next two months.

American Barge Line Co.
May 27 the company announced a plan to raise $75,000,000 through the sale of 1,850,000 shares of common stock at $40 per share. The company plans to use the proceeds to retire all outstanding debentures and to reduce the company's indebtedness. The offering is expected to be completed in the next two months.

Arkansas Power & Light Co.
June 8 the company announced that it is planning to raise $75,000,000 through the sale of 1,850,000 shares of common stock at $40 per share. The proceeds will be used to retire all outstanding debentures and to reduce the company's indebtedness. The offering is expected to be completed in the next two months.

Columbia & Southern Ohio Electric Co.
July 16 the company announced that it is planning to raise $75,000,000 through the sale of 1,850,000 shares of common stock at $40 per share. The proceeds will be used to retire all outstanding debentures and to reduce the company's indebtedness. The offering is expected to be completed in the next two months.

Consolidated Gas, Electric Light & Power Co. of Baltimore
Dec. 24 the company announced that it is planning to raise $75,000,000 through the sale of 1,850,000 shares of common stock at $40 per share. The proceeds will be used to retire all outstanding debentures and to reduce the company's indebtedness. The offering is expected to be completed in the next two months.

Cromareyes of America, Inc.
April 14, G. S. McKenith, President, stated that the company was planning to raise $75,000,000 through the sale of 1,850,000 shares of common stock at $40 per share. The proceeds will be used to retire all outstanding debentures and to reduce the company's indebtedness. The offering is expected to be completed in the next two months.
Decca Records, Inc.

June 6 it was announced company plans to raise $70,-

ion of approximately $75,000,000 of additional shares of capital stock to

holders at the rate of one share for each $2.35 paid-in capital stock of Marks & Co., both of New York. Offering—In July.

Deere & Co. (7/15)

June 6 it was announced company plans to raise $70,-

ion of approximately $75,000,000 of additional shares of capital stock to

holders at the rate of one share for each $2.35 paid-in capital stock of Marks & Co., both of New York. Offering—In July.

Duquesne Light Co.

May 31 it was announced stockholders will vote July 8 to authorize a two-for-one split of its outstanding stock.

American Airlines, Inc.

June 11 it was reported company plans to increase the number of additional shares of capital stock of $20,000,000 to 1,000,000,000 shares. Underwriters—To be offered in the competitive bidding situation. Probable bidders: The First Boston Corp.; Kahn, Loeb & Co., Inc.; Lehman Brothers; Kidder, Pea-

Glass Fibres, Inc.

August 5 it was announced company plans to increase authorized common stock outstanding by 1,000,000 shares (approximately $4,800,000) in the future for sale to investors.

Holoid Co.

June 18 it was reported company may sell this fall an issue of convertible preferred stock. Traditional Underwriter—Geachart, Kinsman & Oil, Inc., New York.

Globe-Wernicke Co.

March 12 it was announced company plans to increase authorized common stock outstanding by 6,000,000 shares (approximately $50,000,000) in the future for sale to investors. Traditional Underwriter—Eastman, Dillon, Dillon & Co., New York.

Idaho Power Co.

Feb. 27 R. E. Hoach, President, announced that the company plans to construct a $50,000,000 new project in Idaho to be financed by $5,000,000 bonds for public school program, $1,600,000 for public improvements and $1,500,000 for flood control.

Illinois Central RR.

May 20 it was announced company was granted authority by FPC to construct a 114-mile pipeline from near Topock, Ariz., to Las Vegas, Nev., at an estimated cost of $2,400,000, to be financed by sale of $1,000,000 first mortgage bonds, $500,000 preferred stock and $400,000 common stock.

New England Telephone & Telegraph Co.

Dec. 20, F. A. Considine, Vice-President, said a permis-

sion to sell $4,000,000 of additional shares of capital stock of $200,000,000 to 1,000,000,000 shares. Underwriters—To be announced. Probable bidders: Halsey, Stu-

New York Central RR.

May 5, it was reported company may issue and sell $25,-

of $200,000,000 of additional shares of capital stock of $5,000,000,000 to 1,000,000,000 shares. Underwriters—To be announced. Probable bidders: Morgan Stanley & Co. and The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane. 

Pennsylvania Electric Co. (8/5)

June 3 it was announced company plans to issue and sell $25,000,000 of additional shares of capital stock of $500,000,000 to 1,000,000,000 shares. Underwriters—To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co. and The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane.

Laclede Gas Co.

See Mississippi River Fuel Corp. below.

Lake Shore Gas Co., Ashtabula, Ohio

June 11 it was announced that the company plans to issue and sell $10,000,000 of additional shares of capital stock ($10,000,000 to 1,000,000,000 shares). Underwriters—To be announced. Probable bidders: Halsey, Stu-

Compco Oil Exploration Corp.

May 5 stockholders voted to increase the authorized common stock outstanding by 1,000,000,000 shares (approximately $50,000,000) in the future for sale to investors. Underwriters—Involves in offer to common stockholders last October.

Middletown Utilities Co., N. Y.

Oct. 31 it was announced company plans to issue and sell in November an issue of $8,000,000 first mortgage bonds. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co., and Kidder, Peabody & Co. (jointly); Blyth & Co., Inc.; The First Boston Corp. and W. C. Langley & Co. (jointly); Equitable Securities Corp. and Securities Corporation; Jaffray, Gordon, Co. & Co.; and Webster, Brinkman & Co., New York.

Minahal Exploration Co., Houston, Tex.

March 21 it was reported early registration is expected of 125,000 shares of common stock. Proceeds—To go to fund a 25-year, 5.5% mortgage bond issue and to finance conventional lending needs. Traditional Underwriter—Mc Cormick & Co., Chicago, Ill.

Mississippi Power & Light Co.

March 14 it was announced company plans to issue and sell $30,000,000 worth of bonds to refinance the bonds of the company by $5,000,000. Proceeds—For expansion, land purchases, and working capital. Underwriters—In New York, Jaffe & Howdow, Minneapolis, Minn., and Office—Expected in July or August.

Potomac Electric Power Co.

April 8 R. B. Thomas, President, announced company plans to raise $48,000,000 of new money in connection with the expansion of the company's programs in the years 1952 and 1953. Proceeds are to be used for the construction of transmission and distribution systems in eastern New Mexico to the Panhandle area of Texas at an estimated cost of $20,000,000. Proceeds for convertible notes and stock; Stone & Webster Securities Corp., New York, Jaffray, Gordon, Co. & Co., and Jaffray, Gordon & Co., both of New York.

Pillsbury Mills, Inc.

June 4 it was announced stockholders on June 20 will vote on approving a proposal to issue and sell $5,-


Pressed Steel Car Co., Inc.

April 7 stockholders approved a proposal to increase the authorized common stock from 1,200,000 shares to 3,200,000 shares (1,065,500 shares presently outstanding). Proceeds would be used to purchase securities, and directors decide, in connection with diversification programs presently under consideration. Underwriters—Traditional Underwriter—Kuhn, Loeb & Co., New York.

St. Joseph Light & Power Co.

May 21 stockholders authorized an increase in funded debt by $1,500,000. Proceeds—To finance the company's construction programs. It is also planned to issue 5,000 authorized shares of preferred stock (par $100).

Sapphire Petroleums, Ltd.

May 20 it was reported company may do about $2,000,000 in expansion programs, including an issue of convertible debentures. Proceeds—For acquisition of properties and facilities for development expenses. Underwriters—To Include Frame, McEvily & Cline, Toronto, Canada.

Scott Paper Co.

April 24 stockholders approved a proposal to increase the authorized common stock from 3,200,000 to 5,000,000 shares (2,000,000 shares presently outstanding) to $25,000,000. The company said it will announce later the names of the underwriters. Underwriters—Probably The First Boston Corp.; Harris, Hall & Co. (Inc.)—Offering—Expected in Fall.

Southern California Edison Co.

March 18 it was reported company plans to retain two new common stock issues, each of $25,000,000. Proceeds will be used to finance the company's construction programs. Underwriters—Probably The First Boston Corp.; Harris, Hall & Co. (Inc.)—Offering—Expected in Fall.

Southern Natural Gas Co.

March 3 company filed with FPC a $76,000,000 expan-

sion program to bring natural gas into its Alabama, Georgia and Mississippi service areas.

Standard Fergings Corp.

April 25 stockholders approved an increase in author-

ized common stock from $10,000,000 to $15,000,000, as a result of the company's recent stock reorganization. Traditional Underwriter—Shields & Co., New York.
Texas-Och Oil Co., Houston, Tex.
Oct. 17 company applied to FPC for authority to con-
struct and operate a line extending from Texas into West Virginia. The project is esti-
mated to cost $10 million. Underwriter—Kidder, Peab-

* Ticon Royalty Co.
June 19 it was reported company is planning bond fi-
nance which will be sold to low and moderate income families.

Transcontinental Gas Pipe Line Corp.
March 14 it was reported company plans issuance and sale this Fall of an issue of convertible preferred stock. Underwriters—Decker, White & Co. and Stone & Webster Securities Corp., New York.

* United Shoe Machinery Corp.
June 24 company announced it may be necessary to re-
vert to low and moderate income families.

Utah Power & Light Co.
June 3 it was reported company may issue and sell in September about $10,000,000 of first mortgage bonds and 150,000 shares of common stock. To repay bank loans and for new construction. Underwriters—D. M. Blyth & Co. and Stone & Webster Securities Corp., New York.

Virginia Electric & Power Co.
May 26 it was reported company plans issuance and sale later this year of $20,000,000 first and refunding mortgage bonds and 125,000 shares of common stock. Underwriters—Stuart & Co., New York.

Virginia Ry.
June 13 the company sought permission and sell $1,350,000 bonds at par and deposit trust certificates to be issued annually on July 1 from 1933 to 1967. Probable bidders include, Halsey, Stuart & Co., Inc.; Kidder, Peabody & Co., Inc.; Kuhn, Loeb & Co., Inc.; Stone & Webster Securities Corp. and Harriman, Blyth & Co., Inc. (Jointly); Union Securities Corp. and Salomon Bros. & Hutton.

Virginia Ry. (6/23)
June 13 the company issued plans considering to raise about $4,500,000 from the sale of additional com-
mon stock to its stockholders (there are presently out-
standing 74,600,000 shares). Underwriters—The First Bos-
ton Corp. and Security Corp. have been selected to underwrite the sale last year to stockholders. Proceeds—Together with bank loans and other funds to take care of proposed
expansion program. Of about 180,000
common shares expected in June.

Washington Water Power Co.
Jan. 9 company applied to the SEC for authority to make
bank financing in April, but decided later this year. Probable bidders: (1) For stock bids: Blyth & Co., Inc., Smith, Barney & Co. and W. Morgan & Co., Inc. (Jointly); W. Morgan & Co., Inc. and First Boston Corp. (Jointly); (2) for bonds only: Halsey, Stuart & Co., Inc. and Kidder, Peabody & Co., Inc.

Western Light & Telephone Co., Inc.
April 11 stockholders increased authorized common stock from 400,000 to 500,000, the additional shares to be used by the company to expand its operations.

Westward Transmission Co., Ltd.
Jan. 17 company applied to the SEC for authority to con-
struct and operate a high voltage electrical system across the Canadian border to connect with a system in Minnesota, South Dakota, North Dakota and Montana.

Middlewest Pipe & Supply Stock at $28.50 a Share
An underwriting group headed by Kidder, Peabody & Co., including, among others, Blyth & Co., Inc., Salomon Bros. & Co., Stone & Webster Securities Corp. and White, Weld & Co., are pub-
lishing a circular offering 100,000 shares common stock (no par value) of Middlewest Pipe & Supply Co. at $23.50 per share. The
net proceeds are to go to a group of selling stockholders.

Join Waddell & Reed
(Special to The Financial Chronicle)
LINCOLN, Neb.—On William L. Hamps, of Lincoln, and
Charles H. Lucht have been vouched for by D. C. Dickson, Jr., with W. C. Blyth & Co., Union Cor-
porate Bank.

With Coburn-Middlebrook
(Special to The Financial Chronicle)
BOSTON, Mass.—David J. W. T. has been appointed to the staff of C. W. Leland, and T. E. Coburn, Inc., to 33 State Street.

With George W. Clarke
LAKE CHARLES, La.—Alfred J. Clarke, Jr., has joined the staff of 6. Clarke, Inc., Washington Street.

With Bache & Co.
(Special to The Financial Chronicle)
SALOON, Utah.—Robert P. B. is now with Bache & Bleeck, Inc., 108 South Market Street.

With Shropshire & Co.
(Special to The Financial Chronicle)
CHARLESTON, W. Va.—J. T. Shropshire, Jr., has joined the staff of Shropshire & Co., Union Com-
pany.

With H. L. Robbins Add
(Special to The Financial Chronicle)
WORCESTER, Mass.—Paul A. is now with H. L. Robbins & Co., Inc., 49 Pearl Street.

With Blyth & Co.
(Special to The Financial Chronicle)
BLOOMSBURG, N. C.—Curtis E. is now with Blyth & Co., Inc., 186 West Market Street.

With W. E. Dickson & Co.
(Special to The Financial Chronicle)
ALBANY, N. Y.—Richard T. Martin has joined the staff of W. E. Dickson & Co., 38 Wall Street.
The tingle bidder had planned to credit its offer at a price of 193 1/2 for a 4.14% yield basis. But the company rejected the bid. There was no immediate explanation for the action, though it was assumed that the utility perhaps believed SEC might object to closing of the sale under the circumstances.

Proper Timing?
The Dow-Chemical Co., has started the wheels turning on a piece of new financing and this is in a negotiated underwriting, not subject to competitive bidding, it may be that the company and its bankers have taken a proper look at the new issue calendar.

From now through the 4th of July holiday-week period will be a rather slow period for new offerings. And the firm.

The Chase National Bank of the City of New York has declared a dividend of 4% on the par value of the common stock of the capital stock of the bank, payable August 1, 1952 to holders of record on the close of business July 16, 1952.

The transfer books will not be closed in connection with the payment of this dividend.

Kenneth C. Bell
Vice President and Cashier

AMERICAN CAR AND FoundRY COMPANY 50 CHURCH STREET NEW YORK 8, N.Y.

The Directors of American Car and Foundry Company today declared, out of the earnings of the Company for the fiscal year ended April 30, 1952, four dividends each in the amount of 75 cents per share on the shares of common stock of this Company outstanding on each of the dates hereinafter set forth, payable respectively (1) Common dividend of No. 128 on July 15, 1952 to stockholders of record at the close of business on July 3, 1952; (2) Common dividend of No. 129 on October 15, 1952 to stockholders of record at the close of business on October 3, 1952; (3) Common dividend No. 130 on January 15, 1953 to stockholders of record at the close of business on January 2, 1953 and (4) Common dividend No. 131 on April 15, 1953 to stockholders of record at the close of business on April 3, 1953.

Checks will be mailed by the Guaranty Trust Company of New York. The transfer books will remain open.

C. Allan Fei, Secretary
June 10, 1952

NDIVIDEND NOTICES

AMERICAN MANUFACTURING COMPANY Stable and Respectable Bankers 301 E. New York

The Board of Directors of the American Manufacturing Company has declared a quarterly dividend of 50 cents per share on the outstanding common stock of the Company payable September 20, 1952 to stockholders of record at the close of business on September 3, 1952.

JOINS, Schirmer, Athens 

PANTLAND, Me.—Laurence C. Perry has become associated with Schirmer & Co., 844 Congress Street. He has been connected with J. Arthur Warner & Co., Inc.

NEW GIBBS & Co.

WORCESTER, Mass.—The firm name of Gibbs & Co., 497 Main Street, has been changed to Gibbs & Co.

JOE CROW OPENS

AUSTIN, Texas—Joe Crow is engaging in the securities business out of offices at 417 West Sixth Street.

Eugene J. Koop
Eugene Jackson Koop passed away at his home at the age of 83. Prior to his retirement in 1950 he had been associated with Spencer Trask & Co. for more than 40 years.

DIVIDEND NOTICES

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK

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Vice President and Cashier

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THE CHASE NATIONAL BANK

The Chase National Bank of the City of New York has declared a dividend of 4% on the par value of the common stock of the capital stock of the bank, payable August 1, 1952 to holders of record on the close of business July 16, 1952.

The transfer books will not be closed in connection with the payment of this dividend.

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THE CHASE NATIONAL BANK
The Commercial and Financial Chronicle - Thursday, June 28, 1933

WASHINGTON... And You

WASHINGTON, D.C. — What the Truman Administration is seeking to do is to develop the best possible program for developing the "free world" governments—over the production, distribution, trade, and use of basic materials, especially metals and raw materials.

That such an objective is definitely sought, it is no mere assertion of a reactionist, but an assertion of judgment of the June 28, 1933. In the March 28, 1933. Material Production Administration.

There are three tangible moves in the material production front in raw materials. One of them is the Information of the Raw Material Production Administration. The other two are "civilian stockpile" and "other materials under the Production Administration. The third of these, the "civilian stockpile," is the largest and the most significant of the three.

Despite the fact that Senator Ferguson was out with his amendments several weeks ago for the House GOP also. He had this thing for a few weeks ago. Congress as a whole has been in walking or strolling in the Democratic Party. The bill of the Sadler Amendment, which the Ford Administration has approved a few weeks ago, is likely to be at a battle royal in conference.

Military production will go great guns later this year. Then the lead will be needed. If the production program has been successful in production might have declined, and the lead would have been lost to defense industry.

So the government picks it up and uses it for defense. In industry doesn't want to buy it, then this product will be put into the national or Munitions Board's hands.

What this amounts to is an "ever-normal reserve" as it were, for metals. It is a sort of price support or parity program for the metals industry. That is what it amounts to. As I said, the idea is used to any extent.

When the public stockpile was created, it was of large concern to the Council of Economic Advisers, with the Secretary of the Treasury and the Secretary of the Interior, and with the Treasury and the Interior Department, respectively. The idea is to attempt to maintain the price of the major standards of precious sliver and gold.

This civilian stockpile idea is high and strict with these precautions, without the metal which is scarce, all on its own initiative, the Council of Economic Advisers. The Materials Policy Commission doesn't believe man can live without government planning for the year 1935.

This column is intended to reflect the "behind the scene" interpretation from the national and most reliable sources. It is not the "Chronicle's" own vein.

The New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following changes:

- Interests of the late John L. Clark in Abbott, Price & Co. will cease June 30.
- Paul L. Kohn of Hirsch & Co. has been succeeded by Robert L. Kohn as one of the under Trust Assignment dated Sept. 14, 1931. Kohn & Dull will be dissolved on June 30.
- William H. Burnham, general partner in F. S. Smithers & Co. becomes a limited partner June 1.
- Transfer of the remaining six percent interest of Raymond H. Sigmond to William H. Burnham will be considered by the Exchange on July 1.

Beer & Co. Adds

Commodity Book 1932 Edition — Commodity Research Bureau, 82 Beaver Street, New York, N.Y. 10,000 to the United States; $1.0S outside U.S.

Money and Economic Activity—A selection of essays. Edited by Lawrence S. Ritter-Houkton in Company, 2 Park Street, Boston, Mass.—$2.00.

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