As We See It

Some six months after the outbreak of trouble in Korea, the President, then wrestling with a raw materials situation arising primarily out of a sudden decision of many countries (with liberal financial assistance from the United States) to superimpose vast rearmament programs upon their efforts to rebuild after World War II, appointed a Materials Policy Commission. To the Chairmanship of this Commission the President appointed William S. Paley, Chairman of CBS.

This Commission was directed to “study the broader and longer range aspects of the nation’s materials problem as distinct from the immediate defense needs.” In further elaboration of the duties and objectives of the Commission, the President went on to say that “we cannot allow shortages of materials to jeopardize our national security nor to become a bottleneck to our economic expansion. The task of the Commission, therefore, will be to make an objective inquiry into all major aspects of the problem of assuring an adequate supply of production materials for our long-range needs and to make recommendations which will assist me in formulating a comprehensive policy on such materials.”

Useful Facts

Last week a summary of the report of the Commission, and the first three volumes of the text of the report were made public. It is evident that the Commission and various cooperators in and out of Government service have made an exceptionally thorough study and analysis of many facts bearing upon these matters. They have chosen to limit their look ahead to a quarter of a century, but have made a number of estimates.

Objectives of Manufacturing Chemists’ Association

By CHARLES S. MUNSON

Chairman of Board, Air Reduction Company

Reporting on activities of the Manufacturing Chemists’ Association in past year, Mr. Munson points out it is now the spokesman for “the Number One industry in the United States.”

As transition of the Association to role as representative of chemical industry (2) the excellent Defense War; (3) launching of effective public relations, and (4) other activities in the public interest. Foresees new opportunities for chemical industry.

I know that I speak for all of the officers and directors of Manufacturing Chemists’ Association in expressing our fullest pleasure over the fine attendance this afternoon’s meeting. The full impressive turnout here today is typical of the enthusiastic support that I referred to in December of the past year—a year that I regard as the most significant year in the entire history of MCA.

At the Mid-Winter Conference in December I reported on the major steps that had been taken by MCA during the first half of the fiscal year. In view of the fact that most of the measures have continued to grow and develop during the latter half of the year, and in view of the further fact that some of you were unable to attend the Mid-Winter Conference, in my report today I will discuss briefly some of the items that have been received throughout.

But before presenting a detailed listing of the high-lighted items, I should like to extend briefly my concept of the role which MCA should play as a profession.

Continued on page 30


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EDUCATIONAL

PATTERNS IN THIS ISSUE—Candid shots taken at the Annual Outing of the New York Security Dealers Association held at Hempstead Golf Club, Hempstead, N. Y., appear on pages 23-26, inclusive.

Charles S. Munson

Union Carbide Corporation

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Again

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Continued on page 30

The Security I Like Best

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

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

GLENECK P. CATERER
Vice-President, Lionel D. Edie & Company, New York City

Federal Reserve Bank of St. Louis

The business of Foote Mineral Company started July 28, 1921 by the incorporation of the company's predecessor, Foote, Sitting & Lichtenstein, now called Foote Mineral Company, out of the Lansing, Michigan limestone plant of that name and the Union, West Virginia limestone plant of the same name, and is shown for the first time as a separate and complete business in the company's financial statements in the year 1921. The company's predecessor was organized in the year 1899 as Foote, Sitting & Lichtenstein and was one of the first companies to develop the mineral deposits in the Kings Mountain, North Carolina, area. In 1907, the company's predecessor sold its interest in the Kings Mountain deposit to the company, thus enabling the company to develop its own deposit in that area.

The company has had a special stockholders' meeting on July 28 to authorize an increase in the number of shares of the company's common stock of $250,000 from 9,000,000 to 11,500,000. Arrangements have been made to borrow $3,000,000 from a group of banks and to guarantee the loan by the company. The sale of the additional stock is expected to take place in the near future.

The company has been able to secure a substantial increase in its sales of limestone during the past year, and it is believed that this trend will continue in the future. The company's earnings for the year 1952 were $1,595,000, or $1.14 per share, compared with $1,075,000, or $0.91 per share, for the year 1951. The company's retained earnings at the end of the year 1952 were $13,600,000, compared with $11,740,000 at the end of the year 1951.

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LETTERS TO THE EDITOR:

"The United Nations—Why It Is Doomed to Fail"

Letters received anent article by William A. Robertson in which he stated that the United Nations, because of its mixed and nondescript composition, among other reasons, is incapable of achieving the objectives the UN unhesitatingly described as its crowning virtue—international cooperation in reality, its outstanding weakness, so to say. Mr. Robertson, another insurmountable impediment to success, he wrote, is "its mixed and diverse international composition," the membership that includes the United States and the United Kingdom, Asia, for example, which have nothing in common and hence can hardly be expected to agree on any matters of conflict with historical behavior.

Mr. Robertson concluded that the United States should serve its own best interest and that of the world by withdrawing from the United Nations. Acting independently, he said, the United States could achieve more for the world than any international organization could by itself.

The appearance of Mr. Robertson’s article, "The United Nations—Why It Is Doomed to Fail," has received a number of comments thereon and on the subject matter in question. Some of the comments and objections are given here; others will appear in subsequent issues.

ALEXANDER E. DUNCAN
Chairman of the Board, Commercial Credit Co.

I agree with Mr. Robertson. The United Nations should not be a party to any international organization that concerns us. Above all, it is unnecessary. Especially is this true when our country has only one vote compared with several others, as including the United Nations, and as a number of much smaller nations whose ideas and way of life are so entirely different from ours.

The League of Nations and the United Nations is a grand idea in theory but for many, many years, the debt the United States is going to be a success in practice.

WILLIAM A. CALDWELL
Editor, "Berners Evening Record,
Hartford, Conn.

Mr. Robertson’s line of reasoning—"if that’s what this is a protean country—it is really worth the trouble he is taking—"is a bit out of the question. He refuses to look at the real issues involved. (Paragraph 1.) He makes it a part of the necessity. He doesn’t need to appreciate whatever Mr. Robertson says, that the US did intervene and prevent or shut the wars. He objects that the UN is an international organization which is a little like objecting that a mosaic is made of pieces of stone. UN’s organic nature is to be included, as a tomato. He complains there are cultural diversities. Same comment. He complains it’s big and inclusive. The correct complaint would be the little and exclusive. Now and then he goes off into the glasses of knesy irregularities thus born from elderly Daniel De Leon Socialists on a soapbox in Fifth Avenue. Stories don’t like us, look what happened to Napoleon, the Kaiser, remember, what happened to Samson: who up to this time has taken no part in the conversation. I take it like he doesn’t like the UN, which is certainly well within his rights as a citizen, but it seems to me that if we understand what Mr. Robertson says, "Why UN is Doomed to Fail," he assumes a responsibility to indicate somehow where UN is doomed to fail, and he hasn’t even come close. Does it think it would be cheaper to defend the country in the world hold renewal? Does he think the United States would have attacked Korea? Does he have any concrete proposals except burying our face in our hands and crying?

H. D. BATEMAN
President, Branch Banking & Trust Company, Wilson, N. C.

I agree that I have read Mr. Robertson’s article fully and agree with every word of it. The trouble with this country of ours is that we have been trying to go right into the war which is much taller order than we dream of undertaking. We all believe in “American first.” I think that is the only way to be strong in a military way and in every way. Continued on next page.

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* * *

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Robert W. Sheblare.

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BY W. H. DACMAN, Publisher

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Fashions in Chemicals
By IRA U. COBLEIGH
Author of "Expanding Your Income"

Quite as much as motor cars, women's clothing, and houses, chemicals are changing our habits and fashions, and the field is often briskly reflected on the boileralways of finance.

When security market savants talk about oils they mean petro- leums; when they talk about old rails they mean transportation. If they talk about utilities they mean gas, electricity, telephones or water; but when they talk about chemicals they mean aspeculatortopic as a politicanswer to a question from a heckler on the street corner.

Well the savants should be forgiven. Chemicals are complicat ed, diffuse, variable, and the next time you proudly boast that you own a "good chemical stock," (which, I trust, has done well) you all sit down and list the allsmailchemicals it produces. I'll bet you will have to admit that it was supposed to be an informed in investor.

Well, let's see if together we can't throw some light on these Protoval chemicals. Say, I've been told that the big lines were heavy acids, alkalis, nitrogen, coal tar derivatives, and synthetic rubber. Is that true? Our chemical style palettes.

The "Glamorist" Issues
Another quarter century fashion note is a volume one. Chemical industrial sales for 1951 were about $5.3 billion—an up from $610 million in 1925; and while the whole sales industry is now a growth corporation, 1951 is a year, of heavy chemicals are the drugs, with the big dynamic supplied by the plastics, synthetics and pharma ceuticals. So, if we want our chemical portfolio to be turned out in the latest, most progressive (and most profitable) mode, we ought to buy not just any old chemical but those issues which in maximize the growth sections in this famously flowering industry. While the old standbys that produce the sulphur, the nitrogen, phosphates and potash are firm, current, current, current, and constantly increasing in demand and price, everything from a shiny toy to a 40 foot cruiser.

An important part of the production of these mid-century mar velous stems from the newest star on the industry horizon—the plastics. This highly publicized and well advertised material and its related chemicals is seen in every part of the industry. And the chemical portion of the market, for example, the total plant investment of about $2 billion, with another $300 million to be added by 1955.

Because of this king size capital investment, the synthetic fibers, such as rayon and nylon, make up huge growth, which might well parallel the spectacular leap of nylon consumption, from 0.6 billion pounds in 1945 to probably 250 million pounds for 1953.

The March of Plastics
The forward march of plastics is perhaps even more startling. Using, for instance, other forms—polystyrene, or dextrin—refined to form different plastics, such as—these hopes I spilled on a glass: their use and their properties, and their use to be treated as a heat, under a switch, from the general to the specific, there's an egg bearer in my house with plastic gears, and a toy pig with plastic ears. I'm writing with a plastic fountain pen, there are five squeezeable plastic bottles in the medicine cabinet; the radio has a plastic case. For the future, perhaps, we can have plastic furniture, building panels, pipes and gutters. When you need to paint, bullet resistant vests, rai tile plates to replace steel, and footwear in any color to re place porcelain or rubber tiles. A world I am dreaming that about these uses, the top chemical corporations are deploying a million in capital to make them come true.

Important Producers
The most essential raw material for these plastics to-day is ethylene, and it's derivative being produced or applied by such leaders as Dow, Du Pont, Union Carbide, and recently Jefferson Chemical, a major producer of American Cyanamid and Texas Co.; National Petroleum is the major producer of Ohio, and National Distillers and Mathison Chemical.

It is said that the story of one of these top leaders is the story of chemical industry because of its importance in the three fastest growing chemical groups—polymers (American Cyanamid dominates), solvents (Union Carbide's sales of $380 million, it ranked No. 1 in the O'Hara chemical sales and earned $80.8 million on each of its 4,100,000 common shares. This fiscal year has been split two for one (following the fashion of the Dow Chemical) which last year split two for one, while Pfizer, Mathison Chemical, and Sulphur divided three for one).

Characteristic of the progressive forward march is the recent pronouncement of Mr. C. W. Bendorf, president of Eastern Europe, that production of the new synthetic fibers will be 75% in the 1950-51 period. In 1950, total production was 145 million pounds; 1951 is expected to be 185 million pounds of non-cellulosic synth cels. With special emphasis on the acrylic fibers, in which American Cyanamid is a leader unit.

Somewhere around 25% of A.C. gross sales comes from Lederer Laboratories, one of the first research and marketing outfits in the pharmaceutical trade and esthesia; but another one like that, and ACY might well be the third stock to the market. Because it spreads the field for scientific research and development, the American Cyanamid may well belong of your chemical stock in the 50 most popular stocks held by 15% investment trusts as of 12/31/51, ACY ranked 17th.

Not nearly so large but with a brilliant group of leaders an Mathison Chemical, major producer of alcohols and chlorine, and recent entrant in petrochemicals through absorption of Mathisone Hydrocarbon Co. Complete capitalization after recent financing will be 420,000,000 common shares, 8 1/2 million dollars, 420,000,000,000 shares of 2.5% convertible preferred and 3,042,547 shares of common stock.

Net sales have really burgeoned, running from $205 million in 1940 to $450 million in 1951. This big swing is somewhat misleading, for it masks the machines internal growth factors, with five plant mergers in the period. To the right, the Mathison has added sodium methyle, agricultural chemicals, and hydro carbon products—ethylene glycol, ethyl ethylene oxide, and butane used in synthetic rubber.

Mathison is strong on research with laboratories at Niagara Falls staffed by 110 chemists and 58 we're described, and a laboratory with the last word in apparatus and equipment. Here's a powerful asset devoted to the research and development of new fields. Get the prospects of March 25, 1952 and see if you don't agree. This man stock is weft well on finances, growth, management, rewards to shareholders.

The "Green Hornet"
The brief company notes above give you an idea of what may be over but, before we quit, I have few more chemical fashion notes. Keep on the look out for the next boom in chemicals. A couple of years ago ammonia factories were so hard to find and a few years ago ammonium fertilizer was the trend on the market leaving you to wonder how many years might have saved if it had come your way sooner. And this year—chlorine. In this year of gas and deodorants, it is supposed to provide a "new and offensively speaking, it's a $10 million green h进攻 but just why the stuff makes everybody smell so sweet, when it never had that effect on cows and goats who wallow in it, escapes me. The green stuff, however, pushed up National Alkalis common (over the counter) from 10 to 18 months, and American Chlor phyl soared from 2½ to 20 in approximately the same time period. A market thrill with each chlorophyll ad.

Finally, there are discernible fashions in chemical finance. In 1946, 12 chemical companies had common stock as sole capitalization. Now there are only five. The 1951, sale of over $600 million of chemical company debentures set the new record for an issue selling at rates averaging 3½%. Most interesting is the fact that in the second preferred, this investment saves the channel of investment of Victor, Pfizer and Merck. Even though receiving 4% of earnings last year did not leave chemical treasurers enough to grow on, so for more chemical money was being offered from 4% to 6%.

For the investor in the chemical field, the market is vital. Draw a bead on the plastics, the fibers, and the wonder drugs, and whatever money you want may wind up financially for ture, and boosting a safe de position with the best fashionable promises.

With E. E. Henkle
(Special to the Financial Chronicle)
LINCROFT, N. J. — A. K. Baker has joined the staff of E. E. Henkle in the Chicago office of the Feder a1 Securities Building.

With Thomas, McKinnon
ORLANDO, Fla. — Newton R. Black has become associated with Thomas & McKinnon, 69-70 East Central Avenue.

With E. F. Peet
Pres. Burns Bros. in N. Y.

E. F. Peet Pres. of Burns Bros. in N. Y.

Edwin F. Peet was President of Burns Bros. and Den ton Inc., 37 Wall Street, New York City, dealers in Canadian securities. Mr. Peet was for many years a partner in the firm of P. B. Ash plant & Co.

A. G. Woggon Joins Raymond & Company
BOSTON — Raymond & Company, 148 State Street, have announced that Albert G. Woggon, formerly of A. G. Woggon & Co., has become a member of the organization. Mr. Woggon will have the telephone and teletype number 8570.

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Reflected in the characteristic optimism in discussing last week’s figures is a realization of the成了 the news items. The press was filled with such stories as the following: "The rate of new orders for steel is falling sharply." Even in the face of this declining output, the steel industry is still producing at a high level. However, it is not likely that the industry will be able to maintain this level for much longer. The demand for steel is diminishing, and the mills are having difficulty in finding buyers for their products.

The steel industry is only one of many industries that are experiencing declining demand. The manufacturing sector as a whole is experiencing a slowdown. This is evident in the latest data from the Bureau of Labor Statistics, which shows that industrial production has declined in recent months. The dip in production is likely to continue in the near future, as the downward trend in demand is expected to persist.

In the meantime, the steel industry is trying to adapt to the changing market conditions. Some mills are cutting back on production, while others are attempting to find new markets. Despite the challenges, the industry is not giving up hope. As one mill executive said, "We are doing the best we can with what we have."

The government is also taking steps to support the steel industry. The Department of Commerce has announced plans to provide financial assistance to steel companies in order to help them weather the current downturn.

In conclusion, the steel industry is facing a difficult period. However, as long as the government continues to support the industry, it is likely to weather the storm and emerge stronger in the long run. The future of the steel industry is uncertain, but one thing is clear: the industry is not giving up hope and is working hard to adapt to the changing market conditions.
Chemicals Fan Out Through Whole Manufacturing Field

Full extent of manifold uses of chemical products hard to trace because requirements for chemical products are diverse and complicated and hundreds of finished chemical items stem from a single ingredient.

Commenting on the chemical requirements for defense planning and industrial development, one report notes, "We are in a unique position to do the quantitative and qualitative research to establish a maximum production of fertilizers, antiaircraft, medicinal, and other vital chemicals. Every effort should be made to broaden the field of research."

"It is not difficult to understand that steel is needed for tanks and guns and trucks and battleships and for buildings and equipment. The evidence is visual. But chemicals are often lost their identity in the finished product. A plastic distributor group is not recognized as a producer of polystyrene and formaldehyde.

"For people look for refrigerants in terms of sulfur. Yet a most effective chemical used in refrigeration is ammonia, which is a product of carbon tetrachloride and hydrofluoric acid, in turn products of demand carbon disulfide and sulfuric acid, both primary sulfur derivatives.

"Metals are shaped and fabricated into myriad forms for many different end uses, but they remain recognizable and identifiable as metals. Chemicals generally are not used or recognized as such at all stages of their production. They are usually assimilated or lost at some stage in processing or they may even be discarded after they have served their purpose.

"That is why the planning of chemical requirements for defense is so complicated and the problems of chemically related ones in terms of shortage so difficult. To effect proper production of the vast variety of chemical materials, authorities must have a broad and intimate knowledge of all industrial uses and the relationship of one chemical to another. If these inter-relations aren't all grasped, the effects of a shortage on important but rather obscure products cannot be anticipated.

"The task is made doubly difficult because chemical producers are highly dependent on each other. In a sense the 'industry' is its own best customer. Pharmaceutical manufacturers for example, require hundreds of different substances, and so do the chemical producers of pharmaceuticals. Each individual to keep up with changes in ingredients in manufacturing, and yet must understand the fantastically complex interrelationships of the chemical industry itself. Because of alternative processes, shortages in one industrial area sometimes are compensated in a simple switch, but with respect to many chemicals, a shortage of one basic material can multiply and spread swiftly through the whole field. This is why induction is so complicated.

"For example, chlorine is needed to make DDT, but it is also indispensable for safe and potable water systems. It is used in many forms, not only for bleaching preparations and dozens of other uses. The total production of aluminum in 1950, are consumed annually in the United States alone, is 3.2 times as much as it was in 1910. A shortage of aluminum would therefore drastically curtail production of dozens of vital services.

Sulfur—A Key Chemical

"The importance to the total industrial chemical picture is made good only if the hundreds of industrial uses of sulfuric acid, in addition to fertilizer production, are taken into account. Aspirin, for instance, is made, but so do the steel, rubber and petroleum industries. Directly or indirectly, sulfur finds its way into the picking of steel, the repairing of aviation gasoline, the manufacture of rayon and cellulose.

"Aluminum is partially dependent on sulfur because it is made in a bath of synthetic cryolite which requires sulfuric acid. Pulp and paper, and to a lesser extent, production chemicals, all require sulfuric acid in its various forms.

"Sulfuric acid is used in almost every chemical plant, in the manufacture of dyes, pigments, and photographic processing of textiles, and in paper-making. One process involves using sulfuric acid as hydrochloric acid and ethylene. Hundreds of industrial processes depend for their operation on the manufacture of sulfuric acid.

"In the simple case of washing clothes, slowly expanding pattern can be traced with nearly any chemical. Sodium sulfite, sulfuric acid, chlorine, caustic soda, phosphorus, soda ash, ethyl alcohol, cupric chloride, sodium bisulfide, aniline, phenol, beta naphthal, phenylhydrazine, and ammonia—to mention only a few basic chemical raw materials—fan out into the nation's econo¬my and are not discernible in final consumer goods.

Aniline Illustrates the Interfacing Spread

"From aniline, one of the simplest of all chemicals, industrially hundreds of other compounds have been developed. Aniline is the starting material for dyes, herbicides, and textile dyes, and a host of intermediates. It is also the starting point in the manufacture of synthetic rubber and anti-oxidants indispensable to the production of both natural and synthetic rubber.

"The explosive tetryl is a derivative of aniline. Aniline goes into the manufacture of the whole series of sulfonamides and such substances as sulfanilamide, sulfa-pyridine, sulfa-thiazole, sulfa-guanidine, sulfa-madine, and sulfadiazine, and sulfasagazine. Phenol, which has been traced to paper and to intestinal parasites in sheep, is now synthesized from aniline.

"Derivatives of aniline may be found in the colored advertisements on billboards, in the tires and garden hoses, on the shelf of the drug store, and on the medicine chest at home. Curtail the production of aniline and the entire defense chemical and anti-infective antibiotic economy will be affected.

"In its pure state aniline obtains with anthraquinone and its derivatives, with beta-naphthol and 1-naphthol, and the varied end uses are illustrative of the dozens of other potential uses that are possible from other chemical products.

Chemical Expansion Has Special Problems

"Because many chemical processing plants are not convertible products that may be more

not easy to understand the answers to the problem. They must be understood, however, if the maximum power of the industry is to be integrated into the defense effort.

Chemicals Necessary to Other Basic Industries

"All industrial production is dependent to some extent upon chemicals. The chemical process industries, which in the broadest sense includes industries such as rubber, paint, glass and ceramics, textiles, leather, depend on the chemical processing of important natural materials such as latex, ores, wood, sand and clay, cotton, flax and silk.

"Let's see how chemicals are essential to industries most important to defense.

Rubber

"Essential for the special qualities required by virtually all rubber products, both natural and synthetic, chemicals have contributed substantially to the achievement of the rubber industry in extending supplies of natural rubber and in producing more and more synthetic rubber to meet accelerated defense and some needs.

"No rubber product would be possible without a rubber product or an industry such as sulfur vulcanizes rubber, giving it toughness and resistance to wear. Additives are essential for the new, softer large-scale expansion of the rubber industry.

"Should the need for another sudden large-scale expansion of the rubber industry arise, Washington might again ask:

"Why are there so many different products involved and why is so large an expansion needed? After all, in the case of metal items there are only three principal ones, and if a few more are added, like lead, tin, nickel and chrome, hones, cobalt, magnesium, manganese, the list is practically complete.

"Why were more than 100 different chemical placed under al-" "Why do expansion goals have to be more, including a good many one of a kind-case?"

"In each case Washington has asked the same questions. It is

Continued on page 14
A Review of Inflationary Forces

By THOMAS D. SEARS

Investment Counsel, Santa Barbara, Calif.

Predicting a leveling off of productive capacity and consumption trends in immediate future, West Coast investment analyst foresees no inflationary pressures. Says profits from business as a whole are not likely to rise, and in some cases, may go lower. Concludes top of boom has been attained in the civilian economy, recommends a much more sober approach toward new production.

In May, 1951, and again in August, 1951, the "Commercial and Financial Chronicle" published my detailed studies on inflationary forces. In summarizing the economic and financial situation of the material presented in those articles, my August, 1951, study closed with the following conclusions:

"That over the past year production has been running in excess of consumption even though the latter has not been at a record rate.

"That the high level of loans and inventories is preventing any such occurrence on a large scale.

"That the defense production program, which would have a relative high rate of business activity in the winter of 1951-52.

"That the great and rapid growth in consumer purchasing power will make it possible to fit the defense program into our economy without creating acute shortages or bringing about any serious change in the living costs.

"That the 1951-52 budget of Federal expenditures will be approved, covered on a cash basis and there will be no significant expansion in total money supply at that period but that any increase in defense and aid expenditures may well bring about the $60 billion annual ceiling as a possible limit for any deficit financing which might be opened up.

"That there may be potential inflationary pressures have been overemphasized.

"That there is a trend to regard the postwar inflationary trend as an exogenously persistent phenomenon.

"That among investors there is a tendency to regard the postwar inflationary trend as an endogenously persisting phenomenon.

Inventories have been following closely the trend of the business cycle. The careful appraisal of the basic trends in evidence does not support this attitude. The rapid increase in inventories in the early part of 1951, it is suggested, was due to the fact that the Federal Reserve Board, in its April 18th release, indicated that a balanced budget, the national deficit amounting to $700 million since 1945 and the supply of money in the country had been changing less than 10 per cent a year for five years. The consumption level at that time was not high enough to be reflecting a relatively normal situation. As a result, the inventory release was not significant because it was re-established.

Production

Since June 1950, the national economic activity has been running at a high rate with abnormality. In the year 1950, national defense increased by 150 per cent. National defense production has increased by 250 per cent. These increases in production have resulted in a growth in the economy. The national government's policy about the rebuilding of the economy at home has been successful. The increase in capacity was operationally.

If the foregoing reasoning holds, we may assume that the dollar value of output of new produc¬
tive potential is now over $66 billion in excess of the pre-Korean war level and, upon completion of the expansion program in 1951, the excess potential will be even higher than that.

Consumption

The answer to the question regarding the repercussions of inflationary forces and as to the extent of this excess productive potential to the size of the armament effort. The most recent data available shows that government expenditures for defense, including for the fiscal year (July 1, 1950, to June 30, 1951), was $47.2 billion in the first year of the defense program, while the defense program was at a $50 billion level. This represents an increase of the pre-Korean war level by $3 billion and it is important to note that present public and private savings have been at a $50 billion level. It is evident that the defense spending program which would add $60 billion per year. Under this program, the "surplus" of government savings which would be gone over and above ordinary government expenditures would add to the money supply. The increase in the national defense program would cause the national economy to become more competitive and the money supply would be increased.

Continued on page 3

*Personal income is current income excluding transfers from government and business for personal consumption expenditure, personal trust, or other transfers for personal consumption expenditure, and transfers from individuals to government. Figures are for the United States except as otherwise specified.

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**Kewanee Oil Company—Study—Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y.**

May Department Stores—Data in current issue of "Gleanings"—Francis J. du Pont & Co., 7 Wall Street, New York 5, N. Y. Also in the same list is a list of Special Situations with possibilities and a tabulation of the Crude Oil Reserves of 25 companies.


Mohawk Business Machines Corporation—Analysis—J. May & Company, 32 Broadway, New York 4, N. Y.

Muntz Inc.—Bulletin of B. M. Mott & Associates, 505 Fifth Avenue, New York 36, N. Y.

National Lead Company—Analysis—William Blair & Company, 1190 So. La Salle Street, Chicago 3, Ill.


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

Novo Light & Power—Memorandum—Hirsch & Company, 23 Broad Street, New York 4, N. Y. Also available is a memorandum on Puget Sound Power & Light Co.

Northern Indiana Public Service Company—Analysis—Central Pacific Company, 209 South La Salle Street, Chicago 4, Illinois.

Pabst Brewing Company—Analysis in "Business and Financial Digest"—Loewi & Co., 225 East Mason Street, Milwaukee 2, Wis. Also in the same issue is an analysis of International Celulocotton Products Company.

Pacific American Investors—Memorandum—Dempsey-Tegeler & Co., 210 West Seventh Street, New York 7, N. Y.

Packard Bell Company—Analysis—Conrad, Bruce & Co. of Los Angeles, 509 Sixth Street, Los Angeles 14, Calif.

Popel & Talbot, Inc.—Memorandum—Jackson & Company, Exchange Building, Seattle 4, Wash.


Sare & Lowell Shops—Bulletin—McCarty & Company, Vanderhill Hotel, Asheville, N. C.

Standard Oil Co.—Analysis—Kahl, Voorhis & Co., 23 Broad Street, New York 4, N. Y.

Sterling Oil of Oklahoma—Memorandum—Hunter Securities Company, 52 Broadway, New York 4, N. Y.

Sun Life Assurance Company—Memorandum—S. & W. Gabe Co., 60 Wall Street, New York 5, N. Y.

Texas Pacific Coal & Oil Co.—Memorandum—Smith, Barney, & Co., 14 Street, New York 5, N. Y. Also available is a memorandum on Wooldridge Petroleum Co., Inc.

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BOND TRADERS CLUB OF CHICAGO

The Bond Traders Club of Chicago, Inc. held their 28th annual meeting of the Chicago Country Club on June 29, 1952. Members and guests were in attendance, with the temperature almost equal to the average golf score—101. The total score was obtained in the swimming pool and the air-conditioned bar. The total score was 145. Its prize was awarded, and a delightful luncheon was served in the patio. The guests enjoyed southern fried chicken for dinner. Scores for the golf journey follow:

**Golf Events**

**Guests**

**Price**

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1st Low Gross—Mark Stuart (Cowan & Co., N. Y.) 71

Rosen Table Lighter

1st Low Net—(Peerless System) T. Spehr

*Members*

Cup & Frypot

1st Low Gross—Dave Schwartz (Schwartz & Co.) 72

Umbrella

2nd Low Gross—J. Allen (A. C. Allyn & Co.) 75

Golf Bag

1st Low Net—(Peerless System) Paul Baik (1st Boston) 76

Bomest Table Lighter

1st Low Net—(Peerless System) W. Webber (A. G. Becker) 68

Half Dozen Golf Balls

2nd Low Net—(Peerless System) D. J. Guild (A. C. Allyn) 70

*Members*

2nd Low Net—(Peerless System) D. Muller (Harris Upham) 71

Bob Strauss (Daniel Rice) 71

2nd Low Net—(Peerless System) (Peerless System) L. F. Winterhalter (1st Natl. Bank) 71

7th Low Net—(Peerless System) R. R. Reed (American Bank) 71

9th Low Net—(Peerless System) Erzberger (Smith Barrish) 71

9th Low Net—(Peerless System) R. Werncke (Paul H. Davis) 72

10th Low Net—(Peerless System) O. Strong (1st Natl. Bank) 72

10th Low Net—(Peerless System) R. B. Mott & Associates, 505 Fifth Avenue, New York 36, N. Y.

1st Low Net—(Peerless System) W. Webber (A. G. Becker) 68

Half Dozen Golf Balls

3rd Low Net—(Peerless System) J. D. Guild (A. C. Allyn) 70

(presenting the Boire Cup)

3rd Low Net—(Peerless System) D. Muller (Harris Upham) 71

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6th Low Net—(Peerless System) L. F. Winterhalter (1st Natl. Bank) 71

7th Low Net—(Peerless System) R. R. Reed (American Bank) 71

8th Low Net—(Peerless System) Erzberger (Smith Barrish) 71

9th Low Net—(Peerless System) R. Werncke (Paul H. Davis) 72

10th Low Net—(Peerless System) O. Strong (1st Natl. Bank) 72

1st Low Net—(Peerless System) W. Webber (A. G. Becker) 68

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The Commercial and Financial Chronicle • Thursday, July 3, 1953
Government Threats to Chemical Diversification

By ROBERT S. ARIES & RUDOLPH M. CZENE
Consulting Engineers and Economists
of R. S. Aries & Associates

Engineering consultants discuss motives for diversification by business concern and the impact of government toward the trend. Cite cases in which anti-trust laws were effective against diversification, and lists as principal motives: (1) stability of earnings; (2) better profits; (3) use of waste and by-products; (4) better access to raw materials; (5) utilization of excess capacity; (6) utilization of research facilities; (7) extension of a line; (8) creation of unrelated demand; (9) governmental emergencies. Gives illustrations applicable to chemical industry.

Within the past decade, a growing distrust and even suspicion apparently correct as completely erroneous government circles over the trend of American business firms to diversify. In hearings before the Judiciary Subcommittee of the House of Representatives and in reports by the Federal Trade Commission, the trend toward diversification has repeatedly been emphasized. Such dangers can be real and to some extent do exist. However, the general tone and attitude of the discussion of this subject has been far from critical, in fact, it has been largely concerned with the motives and aims of American business firms.

Up to this point, little attention has been given by the business society to the impending threat of a future anti-trust action resulting directly from the policy of our anti-trust laws and government officials. It seems that business has become interested only when new legislative and administrative restrictions threaten to become effective. The ancient adage about an ounce of prevention, however, should apply equally to the enactment of government intervention in business affairs.

The situation at the moment seems to be that direct conflict in the attitudes, neither of them either completely correct or completely erroneous. On one hand, the Government is basing its contention against diversification on the idea that big business, per se, is bad, that diversification leads to economic concentration and ultimately to incapacity of the business either by the Government or by industrial means. The main arguments seem to take two directions: (1) that diversification leads toward failure and facilitates the pressure and in the process of diversification the losses in the under-cost line through profits from other parts of the business. (2) Anti-Trust Laws Effective Against Diversification

Current anti-trust laws can be effective against failures as exemplified by the International Harvester Company's failures nearly 30 years ago. Consequently, the main argument has fallen into the fear of diversification obtaining selling below cost to eliminate the small producer. Such contention may have some validity, of course, but the general point out very clearly the basic arguments of the government's position, a position which maintains that diversification appears to have real business basis but is a simple device to gain power. Therefore, on one hand, the Commission claims business is in a muddle of conjecture, but states with certainty and little qualification the urge to gain power. Neither statement, however, is backed up or disproven with solid facts. The prime example of diversification cited, the American Home Products Co., Inc., which was recently acquiring competitors, companies engaged in a similar line of activity, and d firms in eminently fine lines. No cases are cited where American Home Products conducted in any of the possible market places in which constitute the dire end results of diversification, Diversification through acquisitions is merely cited in its various ramifications, denouncing therewith the "drive to greater economic power." On the other side of the balance sheet, management has been singularly ineffective in countering the mounting suspicion of company diversification. While concentrating on furthering the progress of their own companies, the business community has not dedicated itself to the public interest. "All too often," the underlying motives in diversification are considered company secrets. In the face of government threats, business is largely relied upon warnings against government interference in business. When to this weak defense and lack of offenses are added the obvious cases of diversification which were inefficient and even inconvenient, public and government objections are inevitable.

MEANING OF DIVERSIFICATION

What exactly do we mean by diversification? In the report on the Merger Laws (1948), the FTC defines diversification in a somewhat curious way. Merger is defined as diversifying our own company. In this way, the FTC argues that diversification is no threat to competition, because there is no evidence of control and that its abuse is the aim of diversification.

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The Commercial and Financial Chronicle

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The Commercial and Financial Chronicle

Volume 176 Number 5130...
The Tariff Situation
As Affecting Chemicals

By AMBROSE R. CHANTLER*
President, Synthetic Organic Chemical
Manufacturers Association

Mr. Chantler reviews recent tariff developments as affecting the chemical industry, and points out tendencies toward lower valorem rates on competing imported chemicals. Defends American Selling Price basis for levying of ad valorem rates, and says for specific action to prevent its abolition. Foresees extremely active competition in chemicals from foreign sources.

I should like to comment on two international developments in the field of tariffs that were of particular interest to the industry during the past year.

As you know the Torquay conference, which concluded in the spring of 1931, resulted in a series of agreements with other nations in which substantial tariff reductions were made. In an agreement with Germany, that became effective Oct. 1, 1931, duties on most chemical intermediates were cut from 40% ad valorem and 7 1/2¢ a pound specific duty to 25¢ ad valorem and 3 1/2¢ a pound. On some special products the duty became 20% ad valorem with 5¢ a pound specific duty. These reductions are not limited to Germany but apply to other countries as well, with exception of the iron-curtain nations.

On June 23, 1931, the Tariff Commission points out the extensive over-all reduction in ad valorem rates that has occurred from the time of the inception of the Trade Agreements program in the early thirties through the hearings on the Torquay conference. Using as a base the 1940 dutiable imports falling within the Chemical, Oils and Paints schedule of the Tariff Act of 1930, the analysis shows the average ad valorem rate on these items to have declined from 22.4% to 19.8%.

As the result of the 1930 act, imports in this schedule, the rates on 95.7% of the dutiable items have been reduced at one time or another during the Trade Agreement program.

There are, of course, thousands of organic intermediates. The long-range effect of the reductions at Torquay could be extremely serious especially if the balance of the industry is upset by a rise in cost of key intermediates. The industry has good reason to be concerned with the effect of those reductions.

The second development of interest concerned the Customs Simplification Bill which was introduced in the House of Representatives ostensibly for the purpose of simplifying customs procedures. In fact the bill went far beyond its stated purpose and provided for a major revision in the basis on which ad valorem duties are computed. Of special importance is the inclusion of the American Selling Price as the basis for ad valorem rates on cost-tar intermediates and many finished chemicals when these are competitive with American products. This would have taken away a major prop of the organic industry and left it open to serious undercutting from abroad.

Hearings were held before the Ways and Means Committee of the House of Representatives in August 1931 and the Manufacturing Chemists Association joined in presentation. Specifically the industry was concerned with Section 2 of the bill dealing with injury in dumping and countervailing duties; Section 13, dealing with valuation of imports; Section 14, eliminating American Selling Price; and Section 20 dealing with confections. The Associations were not opposed in any way to those sections of the bill dealing with methods of simplifying appraisal of imports.

In addition to the Association presentation, representatives from eight members of Congress operated a cross-section or various types of production in the industry and included large as well as small manufacturers.

In the bill as finally approved by the House of Representatives, Section 14 (the American Selling Price section) was left out—an important victory for the chemical industry and industry and industry interests.

On April 22, 1932 the Senate Finance Committee called hearings on the Bill as passed by the House. Since the American Selling Price provision of the original House Bill had constituted by far the most serious threat to the industry, it was the position of the two Associations that a full scale appearance before the Senate Finance Committee should be made only if government or other witnesses tried to reintroduce the provision to the Senate Committee. As this was not done, the Associations filed only a brief statement.

The Senate Finance Committee has not yet acted on the Bill and it is my present opinion that they will probably let the matter drop for the time being. But if the Senate should pass the Bill and if it becomes law, it seems likely that importers would have a strong case for getting their tariffs reduced on the ground that there would be a large volume of American competitive products available. This would certainly tend to make it more difficult to keep any American tariff high enough to be effective in protecting any of our industries.

In a way it is amazing that the propaganda that Taft can't write. Neither in November has taken such a hold in the face of the insignificant fact that his political philosophy, his leadership in domestic action, has prevailed to an increasing extent since the early '40s and under Truman we come to prevail almost completely.

He has come to be the unquestioned leader of the Liberal coalition of conservative Republicans and Southern Democrats which holds control of Congress. Congress is supposed to be representative of the country as a whole and I am quite sure that it is far more so today than in Taft's day when its conductors would like very much to take over the legislative initiative. Under the circumstances, you would think there would be no question about the most available man and the Presidency, certainly there should not be the remotest that his opponents spread.

In some sort of a newspaper popularity contest I have no doubt that Taft would get more votes in the South than Taft. But if the South were a fair battleground you would find that men like the Southern Democrats who are of the intellectual, leadership, too, not one based on the power of political machine. The Southern machine is an American political machine that is not the only one. It has been a machine that has operated up here, I venture to say, that Speaker Sam Rayburn.

They are the propaganda polls, for example, that Eisenhower would get in the South than Taft or even is not. Yet Taft has been the leader in Congress of probably more than half a billion dollars worth of public works—under the circumstances, you would think there would be no question about the most available man and the Presidency, certainly there should not be the remotest that his opponents spread.

The South is not in this category, of course, so it makes not the slightest difference whether Taft or the General would get most votes in the South or one or two. Yet Taft has been the leader in Congress of probably more than half a billion dollars worth of public works—under the circumstances, you would think there would be no question about the most available man and the Presidency, certainly there should not be the remotest that his opponents spread.

In these terms of...
What's Ahead for Business?

By HARRY A. BULLIS

Chairman of the Board, Goldman, Sachs & Co.

Prominent industrialist, in commenting on changed economic conditions due to let-up of excessive consumer spending, acknowledged a "; better approach to marketing consumer goods which will aid permit expansion of output of consumer goods; (3) the cutting of inflation; (4) rapidly increasing purchasing power and expanding credit and profligate tax reduction; (5) more exports; and (6) technological developments that create new products. Advocates more economic education.

"... If I were a chalk talk artist, my remarks today would cost a lot easier. You see, I would like to draw upon a series of quick pictures that together may serve to answer the question: What is ahead for business?..."

That is a $64 question, if the answer is yes, no, or uncertain. For two reasons, I will not answer it, and perhaps somewhat at variance with the line we can find a few clues. You will find, in these pictures which I am about to develop, a similarity peculiar to a clock owned by someone in my acquaintance. When the hands of the clock pointed to seven, the clock struck six, and that is what you knew it was just half past five.

The San Francisco Area

One of my [pictures] is of our nation today is your own grand San Francisco area. It is big, famous, and beloved, but in a big that will refer to me as a national center, we think in Minnesotan terms. We have, from friends and relatives in California, are so out that it grows right and attractive in the national setting.

Those of us who have watched the growth of prosperous, savory, and industrial development. We observed, how, during the 1940's, California was the pioneer in producing】【ing industrial states. We saw your plant capacity zoom upward and your employment figures mult
doubled. We have been thrilled to read about millions of hardy pioneers who set the stage for the great progress you have made—but I want to compliment you on your present-day pioneers. Among other things you have built, you have driven a wealth of new highways in California, and now you have greatly increased the accessibility and the convenience of your state and city. We have a great state move into the front rank among the states. You must produce with the greatest variety of products. There is no question that new highways and roads have contributed greatly to the expansion of your market."

Business Conditions

Now, let's take a quick look at business conditions, and find out why some businesses have been so pessimistic about business.

We have seen that the course of business has changed in the last year. A year ago, businesses were buying goods because of anticipated future sales. Today they are not spending so freely. Goods are plentiful, so there is no question of being buying because of anticipated future sales. People get greater satisfaction in buying close to hand, and they know that consumers have reduced their spending, that is, about $2 billion. At the same time, income has increased by almost a like amount. The rate of saving is tapering forward. Savings rose to 5% in 1951, as spending fell by 6% in 1952.

These are the events which seem to have stopped inflation and in its tracks, supported by the accord between the Treasury and Federal Reserve. For your part, we have seen that the prices in restaurants and hotels have gone down, we can understand why consumer banks and businessmen and taxi drivers have been pessimistic. They see a general lack of the will to buy.

But as yet there isn't much of a slump in our economy, although conditions are no more favorable than in many countries, such as England, India, Argentina, Japan, Bolivia, Japan, and Australia. There is an obvious for whatever slowing down there has been in the United States, and it can be measured. For the first time in the history of Korea, businessmen were following the consumers upward in both buying. Then, a lot the consumer leader of a parade that right on marching down, the avenue even though the parade had turned a corner three blocks back, business was caught out. Total inventories had been boosted by $15 billion Korea. This advance in inventories was a little behind the consumer's buying spurt. That situation needed correcting.

One thing we do have in Minnesotan. This reminds me of the argument between the Minnesotan and the Californian boasted of his mountain range not far away a wonder echo in the valleys. "When you shout your name toward the cliffs, they echo back. That's where, loud and clear," he said.

In the meantime, the nation's heartland has kept right on rising, although at a slower pace. It is rising right now. Operating figures of the railroads are excellent. This year the defense program operated at a $4 billion boost in the Federal government's total output for national security. We should note, as that as the railroads, rising are the consumers' incomes. Even purchases of consumer's goods rose 12% in the first two quarters of 1952. But the rate of buying of many kinds of durable goods is down. The textile sales have been in a bad way, due to rapid reduction of inventories by retailers—now 500,000 of them. Steel, semidurables, such as television sets, radios, and household appliances went through a similar experience. According to the Department of Commerce in its May Survey of Current Business, residential con

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

500,000 Shares
Blockson Chemical Company
Common Stock

Price $29.00 Per Share

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Smith Barney & Co.
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June 27, 1953.
The Immediate Business Outlook

By DOUGLAS H. BELLOMARE*  
Chairman, Economics Department, Boston University  
Director and Economist, American Institute of Finance

Contends current picture of apparent economic stability is misleading. From Bellomare's point of view, various industries are not recovering to the same degree. Some appear to be making a new start, while others are still suffering from the depression of 1920-21. The overall situation of industry is not as good as it appears. The diversification into new fields and the addition of new products is important, but it does not indicate a general recovery of the economy. The cyclical phase of the business cycle is not over.

For the last 15 months our economy, as measured by the index of over-all production, has enjoyed a period of relative stability following the inflationary period initiated by the Korean incident. A closer analysis, however, indicates that the picture of apparent stability is somewhat misleading. There has actually been a considerable diversity of trend among different sections of the economy. The production of textiles suffered a very serious decline in the demand for their products in 1931 and 1932, while producers of consumer goods have enjoyed boom conditions, and many other conflicting trends could be cited.

With the outbreak of war in Korea, consumers rushed out to buy goods and build up their own inventories before the hoarders had a chance to get in on the rush. The entrance of the Chinese Reds into the war set off a renewed surge of consumer inventory building. Suddenly, however, as consumers discovered that they had accumulated a considerable stock of goods, and they were even a bit embarrassed to observe that in spite of their valiant efforts to deplete retail stores, supplies continued in relative abundance, and refrigerators and household goods could then find few takers.

As a result of the very considerable forward buying by consumers, the market for new consumer goods discovered in 1932 that sales made in 1930 and 1931 had been at the expense of business. In 1930 and 1931 consumers increased very considerably their inventories of both soft goods and hard goods. However, while the consumer may have accumulated six months to two years supply of nylon stockings or shoes, or sugar, he had purchased 15 to 20 years supply of usable life of refrigerators or washing-machines, and 25 to 50 years supply of usable life of many of his residences. The soft goods section of the economy is never the major factor in the business cycle because consumers do not, for very long periods, go to extremes in their purchases of such goods. However, in the case of refrigerator and washing-machines, the hoarders, or the fears of war, consumer purchasing may anticipate non-existing demands for a number of years into the future. It is a natural characteristic of the consumer that when once a particular prosperity is established, he will suffer to the very extent to which business has been borrowed from the future.

The major props to the postwar boom have been, consumer buying of durable goods, the construction of plants and equipment by businessmen, and, in the last 12 months, the increasing expenditures for defense.

Little Change in Next Half Year

The trend of over-all business activity as a whole should not change very much in the last six months of 1953, as compared to the first six months of this year, although demand for automobiles cannot be as evident as heretofore. However, the real question which must be asked is whether or not this period will mark the end of a long boom, and usher in a de-

*An address by Prof. Bellomare at the Annual Meeting, Boston Chapter, American Statistical Association, Boston, June 25, 1952.

clining business trend in 1953 and 1954, or whether it will simply mark the shift in emphasis to a new type of boom supported more and more by the prop of defense spending.

It is the opinion of this econ-

omist that, if the boom is to continue, the props that have been supporting the boom must be continuned, and that the prop of defense spending alone (barring all-out war) cannot prevent a serious decline in business, particularly in business profits.

Prop to the Boom

As far as the first prop of the boom is concerned, consumption of durable goods, the economic planners already see the handwriting on the wall, and have rushed to eliminate all restrictions on credit so that consumers not now in debt can be high-pres-

selling their future income on the basis of nothing down and three years to pay. It is being demonstrated, however, that even the most lax terms of all are not yet adequate to close the top-heavy inventories of consumer durables now on hand. It appears extremely doubtful if over the next couple of years the trend of increased plant capacity, and materials, and manpower available for production consumer durable goods can actually be utilized in spite of the case that the high rate of savings probably is not going to continue.

As far as the second prop of the boom is concerned, investment in private plant and equipment, these expenditures are unquestionably reaching a cyclical peak. It is estimated that industry will spend in the neighborhood of $24 billion in the fourth quarter of 1953, the largest amount since 1929. We will discover at some future time that the current boom is the result of the completed building of plant and equipment capacity capable of producing all the consumer goods that we produced in the peak demand year 1950, plus additional new plant capacity to meet all the demands of de-

fense, short of all-out war. As far as the third prop is concerned, de-

fense spending, this alone must be a temporary measure to prevent the contraction of the boom.

Military Outlays Over-Estimated

This economist has consistently maintained that the military in its estimates will always greatly oversize its demands for ma-

terials and manpower and funds. Incidentally, the few figures that have been leaked out, or perhaps can be discussed here, indicate how far off from practical reality these demands may be. The one major demand made on us by the United Nations for the next two years (short of all-out war) is that we have 500,000 men in as fantastic figures which have been bungled about. One factor alone could not be neglected. Short of all-

out war, the military will ask for larger appropriations. This hesitates to spend these appropriations for large quantities of mili-

tary equipment, which are already obsolete in terms of new equip-

ment. For example, the X-51 supersonic plane which has already been tested. The so-called stretching of the defense program is as is generally supposed, a civilian inspired adjustment. It is quite likely that it will have to go back to the peak de-

mand of the Defense Department.

It is hard to believe that the tail is going to be able to wag the dog, and that defense expendi-

tures are going to be able to lock out the major producers. The dog now has rest on the production of consumer durable goods, in-

dustries, the demands on the supply of plants and equipment. Now that the United Nations has more or less joined all the major factors in this consumption we and the new world situation is a cold analysis of the real facts of defense demand does not warrant any panic. The dog is going to have to wag the defense spending can wag the dog in the same way, and the situation is not so bad as we are accustomed. Of course, if one believes that year-after-year defense spending is going to be necessary, the productive capacity at anywhere near its present level is going to be uneconomical. This will have to be excused for an unbridled op-

prospective. And if the United Nations discovers that the temporary recession in the consumer spending is coming to a close. If so, and if, when and defense expenditures actually begin to show a decline only accentuate a gen-

eral cyclical decline that will already be very much in evidence.

Progress in New Synthetic Fibers

C. W. Ben digo, of American Cyanamid Co., estimates production of the new non-natural fiber, to be a three-fold increase. Says installed production capacity now approximates 400 million pounds annually.

Speaking at the 50th Anniversary Meeting of the American Society for Testing Materials in New York City on June 28, C. W. Ben digo, of American Cyanamid Co., said that the new fiber called acrylic, and already familiar as Rayon, is now in a three-fold increase. Says installed production capacity now approximates 400 million pounds annually.

He insisted that there must be full coordination in the development of this new fiber content can be misleading and is bound to be increasingly for the years to come. He estimated that the significance of fiber content can be expressed in thousands of different products that are applied to textiles. There is no question, he said, that the development of the acrylic fiber industry is towards emphasis on particular properties of the fibers and not as a wholesale skins and de-

flections and de-fiberation on carbon market.

The present price relationship between the various synthetic fi-

C. W. Ben digo claimed. Today the acrylic fibers, Orion and Acrilan, are the highest priced with nylon and Dacron somewhat lower. In the near future it can be expected that acrylic staple will be priced in the middle range, and eventually that the price of acrylic staple will be second only to cel-

ulose staples.

Mr. Ben digo pointed out that the acrylic fibers are reported abroad parallel those in the United States, that the increased rate in 1935 will be three times greater than the production of acrylic fiber. There are 29 foreign companies producing acrylic fibers, 27 producing glass fibers, 9 producing polyv-

y real world and for producing products in the field of sunshine, 68 and 1 by 68 and 1 by acrylic and polyester, 1 for acrylic and polyester, 1 by foreign companies producing pro-

le Staple.

For the future in the United States, Ben digo said that the production of rayon for industrial fabrics, increases in apparel, for polyester and acrylic fibers, for glass fibers for industrial uses, is going to be one of the chief financial in the field of manufacturing.

The year 1952 came down in textile history as the acrylic fiber year. This year the large Orion staple plant started, the Acran plant began opera-

It was anounced, Industrial Rayon's new fiber, a fiber somewhat mill evaluation, and at least two other types of acrylic fiber are being produced privately. In addition, the parti-

acrylic fiber dyes was slated for considerable expansion. Up until this time, the production of acrylic fiber in the staple form for filling was in large, but the situation for acrylics, he said, is in staple.
At the regular meeting of the Board of Directors of The National City Bank of New York, held on July 1, Saxon C. Barnes, Manager.

WILLIAM K. DENTON, President of The Manufacturers’ Bank of New York, has been elected to the Advisory Board of Chemical Bank & Trust Company’s new eastern branch at Madison Avenue and 34th Street, New York. He was announced on July 26 by N. Dudley Banks, President of the National City Bank, Chairman. Mr. Denton is a director of the New York State Commerce Chamber of Commerce, Savings Banks Trust Co., U. S. Fire Insurance Co. and Treasurer and director of Real Estate Board of N. Y. Inc.

SAXON C. BARNES

Eben W. Pyne

James F. Jaffray, Eben W. Pyne and John C. Slagle, formerly Assistant Vice-Presidents, were ap¬pointed Vice-Presidents. Mr. Barnes is assigning the Fifth Avenue Branch, and Messrs. Jaffray, Pyne and Slagle will continue with their duties in various districts of the Bank’s Domestic Division. Hollister B. Cox, P. Henry Mueller and Walter B. Winston, formerly Assistant Cashiers, were appointed Assistant Vice-Presidents. Also at this meeting, Eben W. Pyne was appointed Assistant Cashier and James F. Lanigan was appointed a Branch Manager.

Following a meeting on June 26 of the board of directors, Lawrence C. Marshall, President of the Bank of the Manhattan Com¬pany of New York announced the promotions of James G. Brunt, Thomas J. Jones and Arthur F. Stumpf to Assistant Cashiers. Mr. Brunt will remain in charge of the bank’s Daytime Office. Both Mr. Jones and Mr. Stumpf are at the bank’s Main Office at 40 Wall Street.

BANK OF THE MANHATTAN COMPANY

June 26, 1927

Total resources: 1,341,257,803 $1,340,315,372
Deposits: 1,329,709,796 1,340,315,372
Cash and due from banks: 638,745,505 638,745,505
Net bank balances: 202,638,110 252,396,760
Net capital: 14,170,449 17,067,089

Roland H. Oxley, Vice-President of Bankers Trust Company of New York and London (England) office, did so June 26 in London. Mr. Oxley had been with Banlers Trust Company since 1927 and had served con¬tinuously with the London office. In 1933 he was made Assistant Manager of that office and was made Manager in 1943. He was elected Vice-President of the bank in 1955, continuing also as Man¬ager. He was born in England on December 29, 1904, and had been engaged in banking career with the Bank of British West Africa, Ltd., and served four years during the First World War with the British Army.

At the regular meeting of the Board of Directors of The National City Bank of New York, held on July 1, Saxon C. Barnes, Manager.

NATIONAL CITY BANK OF NEW YORK

June 26, 1927

Total resources: 1,973,055,607 $1,972,155,971
Deposits: 1,972,155,971 1,972,155,971
Cash and due from banks: 877,505,282 1,972,155,971
Net bank balances: 81,020,615 81,020,615

Francis S. Barron, President of Excessor Savings Bank of New York, has been named manager of the bank’s new office by two new officers, Arthur B. New¬man and George F. Sheppard, Assistant Secretaries. Mr. Newman was Bank Manager.

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Big Government: A Threat To Liberty and Progress

By WHEELER McMillen
Editor "Farm Journal" and "Pathfinder"

Contrasting chemical industry's contribution to man's welfare through agriculture and industry against governments' restrictive and unprogressive practices of government, McMillen warns if this trend continues, it can destroy the concept of American liberty and progress. Points out usefulness of government depends on man in his most evil and dangerous state—the estate of government.

Limit of Government

In the drift of decades, it has become tremendously important that we recognize what it means for us to have government. The usefulness of government depends upon limitations of its power, or it will threaten progress, procure liberties, and take not only man's life, but torture his body in the process. It has done these things at Utopia in past. In the United States we have been fortunate. Our government has not yet committed all these evils, but it has committed a very few.

In the last 20 years government has increased the regulation of the钱V social Security system, launched TVA, regulated and subsidized and taken over more and greater powers than those which it inherited from the armory, from concentrated business a half century ago. Two wars, international involvements, and Federal debt of $250,000,000,000 must also be charged to government.

Achievements of Chemical Industry

In the same 20 years, the American chemical industry has created new jobs, given us remarkable synthetic drugs for the relief of human suffering, developed new sources of industrial fuel, oil, and lubrication, perfected synthetic rubber and new man-made fibers, opened new fields of agriculture, provided millions of pounds of modern, effective, and economic solutions of increased living, the balance of constructive achievement is far on the side of liberty.

What is the matter with government? What is the cause of our great danger? The human being is the creature we are all very much interested in, and he is the victim of government. It may or may not be a good thing to have government; but the moment it exists, it begins to interfere with the freedom of the individual.

Remember, the right to do wrong is a menace to the right to do right. In the solution of modern problems, government has come to be an almost universal evil. This is the end of the road and the beginning of the destruction of our freedom. The sooner this is recognized, the better. It is the only way to get rid of the influence of government.

We have come to believe in government, and we have forgotten that it is the offspring of sin. It is the offspring of the sin of Adam. It has come to be the offspring of the sin of the world. It is the offspring of all the sins of the world. It is the offspring of all the sins of men. It is the offspring of all the sins of the government.

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"Although most metallie copper is obtained from the ore concentrates, considerable quantities are extracted by chemical means, generally involving sulfurie acid.

"Final refining of metal to be used in electrolytic equipment is accompanied by an electrophoretic process, whereby the impurities and electrons are dissolved in a chemical solution. Pure copper is plated on the cathode.

"Magnesium

This newest of the light metals was produced before World War II, but only to the extent of a few thousand tons a year. Demand from the aircraft industry and the successful solution difficulties expanded the tonnage of magnesium. The country's "magnesium" plants to 300,000 tons per year. Demand from sea water by chemical processes, magnesium was turned at the war peak at the rate of 250,000 tons a year.

"The principal process for making magnesium involves the electrolysis of fused magnesium chloride, a large part of which is derived from sea water. Magnesium hydroxide is precipitated from ocean brine by the use of lime, and the hydroxide is converted to chloride by hydrochloric acid. This necessitates large chloride plants, since the hydrochloric acid is made by reaction of chlorine with methane or natural gas.

"Aluminum

This important raw material is liberated from its naturally-occurring oxide in a bath of molten fluorines (synthetic cryolite) by electric current. It is refined by a somewhat similar method. Yearly production prior to 1940 in the United States averaged around 100,000 tons. During the war this figure was increased tenfold. Chemical processes permitting the use of lower-grade bauxite were developed. Production in 1944 was 440,000 tons with production during 1951 was estimated at more than 1,000,000 tons.

"Petroleum

"Large quantities of chemicals are used in the operations which produce petroleum, as the principal industry in the country.

"The industry uses an estimated $250 million worth of chemical materials annually in preparing drilling mud alone.

"Thousands of tons of caustic soda are consumed yearly in the refining of petroleum, for removing waxy impurities, and other purposes.

"Hydrochloric acid is used in wells to increase the flow of oil. Phenol helps in the refining of lubricating oils and its use in the manufacture of lube-oil additives. Alkylammoniums remove sulfur from natural gas. Tetroethyl lead is used to impart anti-knock properties to gasoline.

"The petroleum industry produces approximately two billion barrels of crude oil annually. An estimated 90 million tons of this volume might be left in the ground, without chemicals.

"Pulp and Paper

"Paper, as essential to the military as ammunition, could not be made without chemicals. Most paper starts with wood pulp. Chemicals supply pulping agents which assure a good yield of relatively long fibers from hardwoods and mixed woods, make stronger paper. Chemicals also aid in pulp bleaching, a thin sheet of paper. By controlling pulp in pulp mills, the present paper shortage comes from becoming spotty. Synthetic fibers outperform felt on papermaking machines.

"Moisture resistance is important in some paper, such as that used for paper cups and tubular containers. For all applications, check and ledger papers. Synthetic-resin size check absorption, increase resistance to ink, water, and grease, some paper, like towels and tissue, must be very absorbent. Here, a chemical causes paper to "drink up" water rapidly. "Blueprint and other reproduction papers, required by the Armed Forces as well as throughout the nation's business, take on a deeper color and reproduce more clearly and legibly when printed with a chemical print. Coating lacquers used by the paper industry produce such effects as high gloss, or the appearance and feel of leather.

"Urea and melamine formaldehyde resins impart wet strength to paper used for military maps, paper cartons, bags and towing.

"The chemical industry turns out scores of products which help to improve and simplify papermaking processes. They range from the vast quantities of caustic soda used in pulp-processing to chlorine for bleaching, from melamine and phenolic resins for paper laminations to coatings for heat-sealing applications in plasticizers for paper specialties. In paper processing and production, chemicals are used as preservatives for pulp stock, mill water and coating compounds; for grease-proofing and surface-sizing, as a heat transfer medium and for odor-marking.

"Transportation

"Perhaps the quickest and surest way to cripple the defense program of a nation is to smash its transportation. Automobiles, trucks, buses, highway trailers and railroad trains carry men and material to and from the battle fronts. Take away from the vast quantities of caustic soda used in pulp-processing to chlorine for bleaching, from melamine and phenolic resins for paper laminations to coatings for heat-sealing applications in plasticizers for paper specialties. In paper processing and production, chemicals are used as preservatives for pulp stock, mill water and coating compounds; for grease-proofing and surface-sizing, as a heat transfer medium and for odor-marking.

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""Somehow, you have to get it out of the water and into the concrete. Without this, there would be no roads, no buildings, no houses. We have been able to get it and to use it, and now we have to transport it."

"The chemical industry supplies a great deal of transportation, both the raw materials and the products. Nothing can be transported without the use of chemicals."

"Although it is not produced before World War II, the production of Formaldehyde by chemical industry has reached an all-time high.

"Output of Nitroparaffins continues at capacity at Peoria, Illinois, with the development of new uses and new markets for these versatile chemicals.

"Still further expansion is taking place at CSC's Agnew Plant in California. Here the program calls for more than doubling the production of Formaldehyde by the end of 1952."

"Of course, petrochemistry is just a part of the picture at Commercial Solvents. CSC is still a leader in the field of fermentation and a major source of supply for such products as Butanol and derivatives, Ethyl Alcohol and derivatives, Acetone, and bulk Riboflavin crystals."

"Add to this CSC's activities in the pharmaceutical, agricultural chemical, animal nutrition, automotive and potable spirits fields. Together all these product divisions establish the sound, broad base for the company's development in the future.

"Chemical curbing in the production of rubber saves automobile manufacturers millions of dollars every year. Tires, tubes, mats, wiper blades, engine mounts, pedal pads are improved with chemical rubber accelerators and antioxidants. Modern lubricants of all kinds are given desired characteristics by chemical additives."

"Plastics put safety into safety glass. Acrylic plastics are used for shutter- and breakage-resistant glazing. Instrument panels and fittings are molded from plastics. Thermoplastics are used for speedometer dials, horn buttons, escutcheons and direction lights. Chemicals add overall safety to aircraft, contribute flame resistance to hydraulic fluids and interior upholstery, provide protective coatings for wings and fuselage."
**Chemicals—Their Vital Contribution to Defense**

Background Memorandum issued by Manufacturing Chemists' Association, Inc., points to rapidly expanding chemical industry as a national asset.

*Note: This article contains the original text of a chemical industry trade publication.*

**The Manufacturing Chemists' Association, Inc., which recently held its 8th Annual Convention at White Sulphur Springs, Va., has furnished its members and the public with an elaborate Background Memorandum of the immediate and potential contributions of the chemical industry in the defense program. Besides outlining results and achievements of this rapidly expanding industry, the memorandum furnishes data on its direct defense functions, particularly in health improvement, in military material improvements, and in synthetic production of basic materials to create better weapons and equipment. A portion of the memorandum follows:**

Chemicals and allied products comprise 6 to 7% of the value volume of United States manufacturing production. The proportion, while impressive, reflects an industry's high importance of chemicals to the Armed Forces. It is this industry's responsibility to provide defense mobilization and to the citizenry.

The cost of chemicals in an article or in its processing may be small or almost nothing, but variably the chemicals make the article.

We invite You to Find Out About

**The FINANCIAL AND TECHNICAL SERVICES IN THE Chemical and Process Industries of R. S. ARIEs & ASSOC.ES**

We offer a complete consulting service designed to meet your needs for unbiased financial analyses by an experienced and integrated staff of economic and chemical engineers and accountants. These services are used privately or for public prospectuses and investors literature.

We can prepare for you—

* A complete evaluation of the financial, managerial, and technical development of a company, its present status in the industry, and future potential. Included are appraisals of the company's plants and properties, and a thorough examination of a company's present operations.

* A complete study of future possibilities for expansion and diversification.

Aries combines the "know-how" of company finance and chemical engineering into a single service that can assist the management and home office of the chemical company. We shall be pleased to discuss these and other matters without obligation.

**R. S. ARIEs & ASSOC.ES**

**CONSELUING ENGINEERS**

**ECONOMISTS**

**SPECIALISTS IN CHEMICAL PROCESS INDUSTRIES**

400 Madison Avenue, New York 17, N. Y.

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**New York "Times" during World War II (June 15, 1943):**

"One major lesson—indeed, the major lesson—of the present war is that, yet so far, it has been overlooked by the American people, that is, America must be armed and restocked, emphasized and re-organized, so that Americans will win the war and not the war win Americans." The war against Germany was seen as a war against a well-organized military, while the war against Japan was seen as a war against an American economic system. This article discusses the role of chemists in the war effort, highlighting the crucial contribution of the chemical industry to the war effort.

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**Overseas Brokerage**

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Branch—Buch, Branch

*The Commercial and Financial Chronicle—Thursday, July 5, 1943*
Most dramatic development, of course, is the atomic weapons, but among these leader, the propellant, and TNT, the disruptive, has long been the military explosives. Ammonium nitrate mixed with trinitrotoluene is an important shell charge, much used for armor-piercing explosives. An important war drug is cordite, a mixture of RDX, used in World War II as a constituent of demolition, artillery shell, and bazooka charges. Torpex (a mixture of RDX, TNT, and aluminum) is the original effective underwater explosive.

Of a dozen other explosives, and a great many other chemicals and combinations are used for depth bombs, aerial bombs, incendiaries, trench mortars, rockets, rocket propellants, and fuses. All demand products of the chemical industry in large quantities. One consequence of its explosives, even in wartime, were their purposes—road building, mining, land-clearing—than were buried against the enemy.

Yet production of explosives accounts for only a small percentage of the direct defense items which the industry supplies. During World War II, a ranking American chemical concern, operating a number of government plants, turned out the largest quantity of munitions ever manufactured by one company. Yet this volume amounted to less than 25% of the company's total wartime production in both its own plants and plants which operated for the government. The remainder was made up of hundreds of different chemical products for military or essential civilian uses. The thousands of commercial products of the chemical industry have a wide variety of defense functions. It has been estimated that 200 different chemicals are required to outfit an infantry platoon, 1,500 individual chemicals to launch a battleship.

Nylon yarn and staple go into military apparel, parachute cord for planes. Nylon molding powder is used as a tough jacketing on Signal Corps field wire. Tetrafluoroethylene resin insulates wire to high temperatures. Polyethylene molding powder is used for the primary insulation on field wire. Trichloroethylene degreases metals.

Melamine resins turn up in Army dinnerware, map papers, automobile shells, textbooks, containers. Textile resins improve military jackets, shirts, sleeping bag liners. Glass fiber insulates aircraft, tanks, ships, motor and generator windings. It also strengthens laminated plastics in aircraft construction.

Acrylic plastics are extensively used in aircraft cockpits, sighted domes, gun turrets; cast in prisms for tank periscopes; in sheet form for radar plotting boards and glazing in prefabricated military buildings.

The chemical industry supplies coke, dynamic, nitroglycerine, nitrating acid and pharmaceuticals, varnishes and finishes for helmets, tank, caskets and shells. Polyester resins are incorporated in glass-reinforced plastics, which have as many as 60 uses in the F-86 jet plane. Army engineers use plastics for pentcoats, footbridges, pipelines, and pre-fabricated buildings. Navy uses them for landing boats and other aircraft.

An incomplete survey revealed 86 different chemical products found in planes and rockets of a B-29 Superfortress. One chemical company counted 225 different military uses which excite its plastics.

Synthesites Replace Conventional Materials.

Production of the older processing chemicals continues unabated, but new basic raw materials which the industry has developed are making amazing progress. Procurement problems of the Korean War have focused attention on this revolution within the chemical industry.

In World War I, the United States Army was equipped largely with wool, cotton, rubber, leather, natural nitrates, the common metals and other natural materials. In World War II, deprived of natural rubber and seriously short of copper, nickel and other strategic metals, we went over to synthetic rubber and eased the metal shortages by improving recovery from low-grade ores by chemical techniques, and by jumpstarting production and perfecting processes for chemically-produced aluminum and magnesium. Plastics took over many of the jobs of leather, rubber, and natural fibers, replaced metals in some cases.

As an example of increasing independence of foreign supplies, if war should cut off imported tin, the chemical industry has already in use a synthetic organic tanning agent, based on phenol, that could fill the gap with complete satisfactory results.

Synthetic fibers, already used for the pilings of silk for such items as women's hosiery, continue to find many new uses. First-rate felt cloth, ropes and parachutes from man-made fibers give superior performance.

Tin, a critical metal in World War II, is being replaced in some cases by plastics and other synthetics. Jet aircraft are fueled with a synthetic chemical mixture that bears little resemblance to conventional fuels.

Vinyl resins have made possible plastic cocoon which protect vital parts of the "moth-ball" fleet, tanks, planes, guns. Foundry resins, made from phenol, promise to bring new efficiency to an old art—simplifying machining and saving man-hours. Parts molded from plastics are replacing laboriously machined parts in many kinds of war materials. Proximity fuse heads, for example, were made from brass in World War II and required 38 man-hours each. Now they are molded of polystyrene, completed in about 1/4 hours.

In many cases synthetic chemicals can be tailor-made to obtain specific characteristics. Synthesis is still in its infancy. It will continue to grow in its ability to take virtually inexhaustible, cheap raw materials and turn them into what man most desires.

Curtis Elected V.P.
Of A. G. Becker Co.

CHICAGO, III.—Arthur W. Curtis has been elected a Vice-President of A. G. Becker & Co. Incorporated, 120 South La Salle Street, the firm announced. Mr. Curtis has been with the firm for many years.

All chemical and a yard wide...

Modern fabrics take their cue from chemistry... viscose and acetate rayon, nylon and now the new synthetic fibers, all were first grown in the laboratory. Today the American Textile Industry looks to chemistry for new and improved fibers, fabrics and finishing methods and to chemical manufacturers for greater quantities of chemical textiles.

Closely associated with the textile industry for 60 years, Mathieson now supplies more basic chemicals than ever before. Today, Mathieson is the only manufacturer that can furnish all the following: caustic soda, soda ash, liquid chlorine, ammonia, hypochlorite products, sodium chloride, bicarbonate of soda, nitrate of soda, sulphuric acid, ethylene-oxide, diethylene glycol and triethylene glycol.

Currently, with market conditions uncertain, a dependable source of supply is important. If your production requires any of these chemicals, you may be able to buy to better advantage by consulting with us now. Mathieson Chemical Corporation, Baltimore 3, Maryland.
Railroad Securities

Atchison, Topeka & Santa Fe

The rail market continues to give a very good account of itself, bolstered by a probable May report that has been appearing in the press. The earnings released for one of the three major railroads have shown an increase in earnings, which is expected to continue for the remainder of the year. The prospects for the railroad business are bright, and analysts feel that the industry is in for a period of prosperity.

In discussing these business aims, the merged firms acquired by the railroad companies will have to be considered. The new firms are expected to work together to achieve the best results.

The railroad companies have invested heavily in new equipment, which will boost the earnings of the companies involved.

Motives Underlying Diversification

Motives Underlying Diversification

It obviously is impossible to discuss every motive underlying diversification, but the most important ones (or rather those most obvious to the independent observer) can be discussed readily.

Stability in the face of changing economic conditions, both short and long range, is probably the most important consideration of diversification. One of the best examples of this kind of diversification can be found in the early history of the Food Machinery and Chemical Corp. In 1914 the Bean Sprout Pump Company, one of the best known producers of sprout machines in the world, merged with Anderson-Barngrove, fabricators of sugar and starch milling machinery. Within a short period of time, the company, operating under the name of Santa Fe Food Machinery, had become the most prominent manufacturer of equipment for the production of sugar and starch.

The other important factor in diversification is the ability of the company to control the selling price of its product. The company has been able to maintain a high selling price for its product, which has been a great aid in the company's success.

The railroad companies have diversified their operations in various ways. They have entered into the manufacture of aircraft, the production of automobiles, and the construction of highways. The companies have also invested heavily in new equipment, which has boosted the earnings of the companies involved.

The railroad companies have been financed out of earnings. Equipment debt is nominal and limited to less than 10 percent of the total debt, all callable issues have been repaid. The companies have a large reserve of million of non-callable 4½% second mortgage bonds, and these do not mature until 1965. At the same time, a particularly strong financial position has been built up.

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Another excellent example of diversification is the production of metal products. The company has diversified its operations in various ways. It has entered into the manufacture of aircraft, the production of automobiles, and the construction of highways. The company has also invested heavily in new equipment, which has boosted the earnings of the companies involved.

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the potential production scheduled for captive use. From bank
ings and adapting to fertilizer and chemical covers unrelated move
ment by Grace.

Another important consideration in diversification is the most ef
ficient utilization of sales and distribution staff and organizations.
R. W. Grace and Co., which imports gunnys and nitrate fertilizer
from Latin America, formed Naco Fertilizer to market the products
domestically. To use their organization to better advantage, the
company entered the dry mixing fertilizer business, later expanding
into the manufacture of sulfuric acid and superphosphate fertilizer.
Present company plans include a 250,000 tons capacity fertilizer
plant with the major portion of this production allocated for captive
use. From banking and adapting to fertilizer and chemical covers unrelated move
ment by Grace.

New emergencies and government requests have often put a
receptor process company into new, diversified lines of activity.
The whole dry-estate industry was literally forced upon heavy chemi
cal producers by the first war. At the beginning of that war duPont
was still mainly an explosive manufacturer. After the war, the
important dustproof operations were well on their way. This de
velopment was utilized by establishing the Research Chemical
Division, a captive manufacturer of petroleum refiners entered chemical
production during the last war. Other chemical firms became in
volved in atomic energy. Right

With the entrance of the chemical industry into nuclear energy has
also come a new type of competition. The two firms most directly
concerned are Allied Chemical, as well as the Chas. Pfizer Co., are destined
to be producers of isotonic acid because of the fortuitous discovery
of the new TB drug which can be made from raw materials they control.

But there are many items of “value” that do not appear in the balance sheet.

...there are, for example, the skills, talents and cumulative experience of an
organization of 50,000 people working together as a unit;

...there is the specialized knowledge of more than 1800 members of Cyan
amid's research and production staffs who hold a degree in one or more
branches of science—chemistry, physics, biology, medicine, biochemistry
and other fields;

...and there are the creative imagina
tions that sought and developed new
drugs like the sulfas and aureomycin;

...the investment in raw materials and supplies vital to efficient production
and service;

...the operating plants and equipment at 38 locations in this country and abroad;

...the investment in research and development facilities upon which future
growth and progress largely depend;

...and it includes the Company's investments in associated companies dedi
fined to further chemical processes, new products and related develop
ments in fields of kindred interests.

Unfortunately, in most cases, the public is left unaware of the real motives behind diver
sification. Isn't it time that busi
nessmen correct this situation?

Iowa Inv. Bankers Annual Field Day

DEIS MOINES, Iowa—The Iowa Investment Bankers Association will have their annual Field Day,
July 22, 1952, at the Wakonda Club, Des Moines, Iowa. The head
quarters will be Savery Hotel.

Activities for the day consist of breakfast in the morning at the
Savery Hotel, lunch and dinner in the afternoon at the Wakonda Club, golf, tennis and various other activities.

AMERICAN CYANAMID COMPANY

30 ROCKFELLER PLAZA, NEW YORK 20, N. Y.
Automobile Accidents

BY ROGER W. RASBON

Commenting on economic loss due to automobile accidents, Mr. Ranson states that for more and better roads as well as more police protection for highway traffic. Suggests using persons on relief as highway monitors.

The death of a friend has brought to my attention this week the economic loss to the country and the personal loss to relatives from needless automobile accidents. First, let me admit that these accidents are not new and have not increased proportionately with the number of motor vehicles, although the mileage operated. The student at the Massachusetts Institute of Technology, there were 18,000 accidents in the United States! When I was married, the number had increased to 8,000 automobiles, one of which I owned. Today there are 20,000,000,000 miles of road, and about 9 million trucks in operation. Truly this is a miraculous industry.

I must, however, state that most of the roads used today were laid out before automobiles were even dreamed of. The improvements in these roads have been kept pace with the number of automobiles, and it is greatly responsible for most accidents. We, however, are now entering a new road-building industry of tremendous proportions. Great toll-roads, and super highways, costing nearly $1 million per mile, are being built. These new roads offer employment opportunities or business profits should study super-highways, under-grounded parking, outdoor theaters and allied developments.

Statistics on Accidents

It is estimated that there were about 40,000 persons killed by automobiles last year, and many times this number injured. Over one-third of these deaths result from road collisions; and about one-third from non-accident accidents, such as running off the road. About 10,000 needless deaths were the result of hitting carelessness.

These new super-highways and improvements in existing roads may well reduce road accidents, as well as save time, gasoline and maintenance. (The only group to suffer is investors in railroad stocks, which so many people are now rushing to buy due to temporary high defense activity. The little is now being done, however, to reduce the death toll. Ninety per cent of these are in cities and towns and could be eliminated. This column may be the next pedestrian to go.

Obey Existing Police Rules

Every up-to-date community has traffic lights and traffic officers, but people do not take the measures supplied the necessary training and self-denial. This little is being done, however, to reduce the death toll. Ninety per cent of these are in cities and towns and could be eliminated. This column may be the next pedestrian to go.

A New Source of Traffic Officers

One serious problem today is finding work that the aged can do. While automobiles are increasing in number, the highways are increasing in length, and the Peters are increasing in pensions, social security, relief, and old-age assistance. Unfortunately, the latter and the politicians are fighting over whether names should be made available to the public. Relief and old-age assistance are greatly increasing each year; in many cities the cost is second only to accident. The large percentage of the tax dollar now goes to old-age assistance.

Now here is my suggestion: Let us organize the able-bodied persons and women who are now on relief as "Safety Monitors" in uniform. These individuals can work only a few hours a day; but contribute their time without pay. They should be stationed at different locations to prevent people from crossing the road at marked places. The very presence of these "Safety Monitors" would tremendously reduce the death and accident toll. By taking the minutes of the roads that observe the traffic rules, fines would be found to materially reduce the cost of relief. I suggest that you look into this situation and hope that serious thought will be given to it by local officials.

John C. Lee Joins Goodbody & Co.

Goodbody & Co., 115 Broadway, New York City, announces that John C. Lee, 41 years of age, on July 1 as manager of its cotton department. In July 15, 1920, John C. Lee joined the cotton business for 29 years and has been associated as second term as President of the New York Cotton Exchange. S. T. Macdonald, president, has been cotton business for 45 years, first as a cotton broker and before joining the firm, and since 1922 as a partner of Goodbody & Co. and will continue in the same line of business, as well as in the general commodity business.

George R. Wood, president of the New York Stock Exchange, New York Cotton Exchange, and other principal security and commodity exchanges. The firm has been actively engaged in the securities business since 1921 and in the commodity business since 1893. It has 26 offices. Marcus Goodbody, senior partner, has been actively engaged in the business for more than 50 years.

Ward Named Chairman of Manufacturing Chemists' Ass'n

WHITE SULPHUR SPRINGS, W. Va.—William H. Ward, Vice-President of the Goodbody & Co., Inc., was elected chairman of the Board of the Manufacturing Chemists' Association, Inc., at Associated Chemists' Annual Convention, held at Associated Chemists' Annual Convention, New York, June 28. W. M. Laughlin, Vice-President of Union Carbide & Carbon Corp., was re-elected treasurer. M. F. Cramer, Jr., continues as secretary.


Electronics Input Valued at $5 Billion

Glen McDaniel, President of the Radio-Television Manufacturers Association, predicts still further progress, but warns against over-estimating the importance of electronics.

In his annual report as President of the Radio-Television Manufacturers Association, delivered at its 28th Annual Convention in Chicago on June 26, Mr. McDaniel expressed an optimistic view of the outlook for the radio, television, and other segments of the electronics industry. Speaking on this topic, Mr. McDaniel stated:

"Since the outbreak of war in our industry, like many others in the United States, has undergone a series of relate abrupt changes. The immediate reaction, of course, was a boom period inspired by the desire of consumers, dealers and manufacturers. This period has made for rather severe decline in sales in the first half of 1921. Late spring, following the modificiation of Regulation W, business again began to improve although it reached none of the boom proportions of the year before. During the past year sales of radio and TV sets have been relatively good except in connection with the post-Korean buying spree. Production, inventories and sales have been in balance on the whole. The industry is now in such an excellent position to increase its output and sales steadily as new markets open and present markets expand when the issuance of TV station construction permits is resumed by the Federal Communications Commission."

"The industry has every reason to be optimistic about the immediate, let alone the future, it should not expect any sudden upsurge in set sales. Instead, a slow increase should be expected in 1922 and for several years thereafter."

"In the military field, the industry's record during the past year is even more dramatic. A few statistics will show that we have much to be proud of in the industry's retooling for the nation's rearmament. Government officials advise us that production of electronics and communications components to date is eight times what it was in the three months following the outbreak of the Korean conflict. It is more than that; it was a year ago. Moreover, we can expect electronics to contribute to production rise to well over 50 per cent in the years of the '30s, after which we will get level off."

"The going rate of electronics and communications for the military is now $25 billion on Civilian net production, plus the manufacture of replacement parts and accessories in both the military and civilian and brings the overall industry net to $45 billion. This is indeed a record of gigantic production which exceed the peak world production during the World War I. It is indica of the time for every man to call for upon for all-out production for the Armed Forces."

G. H. Pfau Joins Milwaukee Company

MILWAUKEE, Wis.—Joseph T. Johnson, President of The Midwest Petroleum Company, has announced that R. Harold Pfau joined the company in the capacity of a Corporations Consultant on Jan. 1. Mr. Pfau entered the investment field in 1926, serving as a partner of the Second Ward Securities Company, the securities affiliate of the Wisconsin Savings Bank. After that bank was merged with the First Wisconsin National Bank, he was a Vice-President of the First Wisconsin Bank and later was a partner of R. W. Baird & Co., Inc. Mr. Pfau left Milwaukee in the late 1929 and has been in the West since that time.

In joining The Milwaukee Company, Mr. Pfau succeeds a number of former associates of the Second Ward Securities Company who are now officers of The Milwaukee Company.

With Eisele & King

(Special to The Commercial Chronicle) ST. PETERSBURG, Fla.—Robert T. Bowman and Thomas Stoddard Rountree, Sr., have joined the Eisele & King, Libaire, Stoute & Co., 7217 Gulf Boulevard, Gulf Beaches. Mr. Bowman was previously with A. M. Kidder & Co.

Chemical Bank

& TRUST COMPANY

FOUNDED 1824

165 Broadway, New York

CONDENSED STATEMENT OF CONDITION

At the close of business June 30, 1922

ASSETS

Cash and Due from Banks $2,732,990.00
U. S. Government Bonds $71,505,654.75
State, Municipal and Public Securities $13,864,666.16
Other Bonds and Investments $2,254,048.81
Loans and Discounts $210,722,189.39
Banking Houses Owned $145,823,702.02
Commercial Liabilities on Acceptances $25,464,096.49
Accrued Interest and Accoutnts Receivable $5,754,075.68
Other Assets $3,936,513.94
Total Assets $8,673,104,338.48

LIABILITIES

Capital Stock $2,750,000.00
Unused Capital Reserve $6,000,000.00
Unpaid Profit $22,570,032.04
Reserve for Contingencies $6,697,542.15
Reserves for Taxes, Expenses, etc. $2,093,692.14
Dividends Payable July 1, 1922 $1,270,000.00
Acceptance Overdrawing (Net) $23,709,669.75
Other Liabilities $3,183,011.05
Deposits $2,570,553,022.47
Total Liabilities $7,157,312,348.72

Securities carried at $145,685,231.85 the foregoing statement are deposited to secure public funds and for other purposes required by law.

Charter Member New York Clearing House Association Member Federal Reserve System Member Federal Deposit Insurance Corporation.
Experience is making it increasingly clear that labor monopoly is as inimical to free enterprise as any other kind of monopoly. Again after sixty-two years the nation is facing the necessity of choosing between regulated monopoly and free competition. In the Sherman act the vote was cast for free competition.

From the GUARANTY SURVEY

Guaranty Trust Company of New York

Condensed Statement of Condition, June 30, 1932

RESOURCES

Cash on Hand, in Federal Reserve Bank, and Due from Banks and Bankers........................................ $ 714,650,111.81
U. S. Government Obligations........................................... 755,514,385.82
Loans and Bills Purchased.................................................. 1,397,599,413.36
Public Securities............................................................... 65,584,367.14
Stock of Federal Reserve Bank........................................... 9,000,000.00
Other Securities and Obligations........................................ 67,341,914.49
Credits Granted on Acceptances.......................................... 13,002,738.17
Accrued Interest and Accruals............................................ 15,173,080.56
Receivable................................................................. 13,541,156.04
Bank Premises............................................................... 8,371,447.20
Total Resources............................................................ 3,059,578,614.59

LIABILITIES

Capital................................................................. $100,000,000.00
Surplus Fund............................................................. 200,000,000.00
Undivided Profits....................................................... 82,184,218.20
Total Capital Funds..................................................... 382,184,218.20
Deposits................................................................. 2,624,548,347.54
Foreign Funds Borrowed................................................ 525,000.00
Acceptances.............................................................. 15,568,396.17
Less: Own Acceptances Held for Investment......................... 1,892,695.75
Total Liabilities........................................................ 3,059,578,614.59

Assets carried at $27,270,456.76 in the above statement are pledged for fidelity powers, to secure public moneys as required by law, and for other purposes.

Member Federal Deposit Insurance Corporation
Down trend in Orders and Output Continues

Business Survey Committee of the National Association of Purchasing Agents, reported by Robert C. Swanton, indicates there has been no pick-up in manufacturing orders and production despite relaxing of credit controls.

According to a comprehensive opinion of over 500 Purchasing Agents who comprise the NAPA Business Survey Committee, whose Chairman is Robert C. Swanton, Director of Purchases for the competitors Repeating Arms Co., Diurnon Company of Ohio and Inland Steel Co., Inc., New Haven, Conn., the first half of 1952 ended with purchasing executives reporting a further slide off in industrial orders and production, and a pessimistic view of the immediate future.

Relaxing of credit controls has not caused a reach-back that is reflected in a pickup of manufacturing orders and production, Swanton said. The market still lacks the buying power that will turn bullish large in this picture, it is also taking time for the new inducements and jobs, a condition which will accelerate with additional day that the government is to report more and more initial manufacturing operations are curtailed or discontinued. The steel shortage will be most serious in what in July by plant vacation, which is more general this Summer and for longer periods. Even with such an assumption of steel production, the depression of shortages may carry well into the third quarter.

Price trends, the committee report, are still, with some evidence that is leveling off. Raw material inventories are again sharply lower. Suppliers are having to balance stocks of companion materials with the available steel. Employment, both in numbers and hours, is down. Much taken and other strikes apparently are in the offing, Buying policy is of shorter range, and not very selective.

Industrial buyers seem to see little chance of a pickup in the third quarter. Their consensus is that conditions in the last half of the year will depend upon settlement of wage and price controversies, and the public's reaction to any increase in prices resulting from them.

Commodity Prices

Industrial material prices continued to sag in June, with a slight improvement in the last 10 days. Many more items are selling below ceiling prices and competition is the evident a sharper turn than during the past few weeks. With the 12-week period cover closing all production operations for vacations, running from three weeks to June in weeks, it is expected that price reductions in the steel industry may increase to more surplus and distress stocks.

Another deep cut in unwrought purchased material inventories is reported in June. The steel strike is the cause of the severity of the reduction this month, as steel supplies dwindle and management requires line with the output of other materials to keep stocks in balance. With order boards showing the heaviest decline since last August, prices generally weak and uncertain production schedules due to labor controversies, inventories are expected to be lower in July.

Employment

Another drop in industrial payroll rolls shows in the June reports, where there is a decline of the past three months. Steel shortages are a new cause, which will be accentuated as we move into July. The steel pinch became noticeable late in June, and early settlement of the strike cannot reverse the effect on general employment immediately.

Threats of other strikes in basic material industries are numerous.

Buying Policy

The extremely cautious policy on forward commitments continued in June, ‘97 running 90 days and under, with the trend to 30-60-day coverage. With indications of declining orders, prices, and inventory levels, employment continued with an epidemic of labor problems. Strikes in the steel industry and still Summer seems to be confirmed, and industrial buyers are proceeding accordingly.

Fremont Robson With F. B. Ashplant Co.

Fremont W. Robson has become associated with F. B. Ashplant & Co., 2 Wall Street, New York City. Mr. Robson was formerly with E. Annes & Co., Inc., specializing in bond trading.

Our Reporter on Governments

BY JOHN T. CHIPPENDALE, JR.

The newly floated 2% of 1958 have had a very favorable effect upon the market. This new issue's demand and the public's acceptance of the 1957 issue have been increased sharply by the new offering, and as a result, traders believe that the 1957 bond has more or less been removed from the market. While it is true that the 1958 issue has caused some pressure on the 1957 bond, it is not so much because they are in competition, but because some investors especially are interested in the 1957 bond for yield. The 1958 bond is not as high yielding as the 1957 bond, and the 1957 bond's demand is not as good. However, the new issue has caused some pressure on the 1957 bond, but it is not so much because they are in competition, but because some investors especially are interested in the 1957 bond for yield.

Heavy Buying by Deposit Banks

Thus, the center of the stage is still occupied by the 3% due 6/1/58, with no indication that this bond will surrender its position of importance for a while yet. Volume and activity continue to be sizable because there are quite a few of these bonds that will eventually find permanent homes. As already noted, commercial banks are still very much interested in this obligation despite the fact that a large amount of the outstanding bonds have already been purchased by these institutions. Just how many of the 3% have already been purchased by the deposit banks is purely a matter of guesswork. However, estimates are being based here and there, with many, of the opinion that the total is somewhere in the neighborhood of $1,000,000,000. This would mean, according to these same money market followers, that at least another $1,000,000,000 will still have to be purchased by the deposit banks.

Issue in Heavy Demand

To be sure, the initial rush to buy the new bond created an uncomfortable feeling for many commercial bank investment officers, especially those who had frozen over this past week, as they were expecting to buy. It was hoped in not a few instances that the urge to purchase a 2% bond could be handled in the manner of an investment bond, after holding them for only a few days. In not a few cases this was expected to be done, but these eliminations went on in such an orderly fashion that in no case did it appear by any extent these transactions.

Probable that the reason a new bond issue in the way in which the speculative buyers disposed of their bonds was the big demand which was there to take them, although some of the small banks had acquired a 2% stock. Also, many non-bank buyers that had subscribed to the new issue and had held the bond for a full year, had not been able to get the 2% straight but had no problem, whereas others had aranged bank channel to purchase them through the commercial banks, according to reports, were not averse to extending credit to commercial banks which hold this bond. It has some compensating features as far as they are concerned.

The decision by many non-bank buyers of the new 2% to hold the new bond, rather than take a quick profit at these securities will be out of the market for at least six months in order to get the 1957 bond of a higher grade. There has been noticed a sizable increase in the secondary market and this is a normal market procedure. It is differences of opinion that make a good trading market, and allows buyers and sellers to get what they want on their securities. A good market appears to be in the making for the new bond.

The dealers, according to reports, have really sizable positions in the new 2% and are not inclined to let them decline very much yet. The deposit banks on the Pacific coast are busy here and there, and have been giving the rest of the country stiff competition in the acquisition of the new 2%.

New Chippendale

The Halsey Stuart Group Offers Utility Bonds

Halsey, Stuart & Co. Inc., headed a group which offered on June 27 $5,000,000 of 5% bonds due June 1, 1962, the first mortgage bonds, series E, 3½%, due June 1, 1962, at 100% and accrued interest, a new record for a single transaction. This amount won the award of the issue June 25 by the competitive bidding 100%2/3%.

The bonds are redeemable at regular redemption prices ranging from 103.88% at par and at special redemption price, if called, of 100.38% at par. Proceeds from the sale of the series E bonds, estimated to be $5,000,000, will be applied to the payment of note payable to banks, which were reduced in June, 1957, by $5,000,000, or the proceeds of the sale of shares of common stock. After the application of the proceeds to the bonds, the issue, notes payable to banks will be reduced to $5,000,500.

During the five-year period following the 1947 construction expenditures of the public utilities, the group amounted to $32,700,000. The total interest charges for the period 1952 will be about $11,000,000.

New England Power Co. is engaged in the generation, transmission, and distribution of electricity for light, heat, power resale at wholesale and at the retail level. An important part of the company's business is the sale of electric energy for public utilities.
New York Security Dealers Association


John Connell, Amott, Baker & Co., Incorporated; Stan Roggenburg, Roggenburg & Co. (Stan celebrated his birthday at the outing June 27); Harold B. Smith, Pershing & Co.


Holds Annual Summer Outing

T. Reid Rushin, R. M. Herzer & Co.; Hans E. Kuehner, Joyce, Kuehner & Co.

Don W. Steel, Steele and Company; John F. Germain, Stanley Peets & Co., Inc.

Irving L. Feltman, Mitchell & Company; Robert E. Eble, Mitchell & Company

Arthur J. Burian, Daniel F. Rice & Company; H. E. Greenfield, Greenfield & Co., Inc.

Andy Blank, Walston, Hoffman & Goodwin; Robert M. Topol, Greene and Company

Mal S. Wise, M. S. Wise & Co., Awarding Prizes

John Butler, George L. Collins and Bill Bastian, all of Geyer & Co. Incorporated

Friday, June 27, 1952
At Hempstead Golf Club

Arnold R. Hanson and S. W. Hansen, Hansen & Hansen

George J. Koch, Lesser Bros.; Gordon H. Stokes, guest; Edwin R. Koch, guest

Edward J. Enright, Executive Secretary, New York Security Dealers Association

Walter Brill, Geyer & Co. Incorporated; Jack Havens, accordionist

Thomas P. Farley, President of Hempstead Golf Club; John Miller, Amott, Baker & Co., Incorporated

John S. Reitenbaugh, Goodbody & Co.

Frederic J. Rabe, F. J. Rabe & Co.

Charles H. Dowd, Hudson & Co., Inc., Chairman of the Outing Committee
Wider Stock Ownership Key to Free Economy

Robert F. Shealer, partner of Hirsch & Co., members of the New York Stock Exchange, in explaining a New York Stock Exchange film, tells Staten Island Rotary Club, when all people have a direct stake in our industries, they will fight to preserve the system. stock ownership made the picture was made and expressed the view that a broad general distribution of corporation stock ownership among all classes of the population would be a supporting factor in our economic system.

"Although this film does express the viewpoint of the Stock Exchange, any apprehension one may have that it is expensive at the expense of labor is erroneous," the speaker stated. "Rather," he said, "labor is given a deserves for the great contribution to the development of our nation. And so the Exchange has tried to get across to all kinds of people realistically, entertaining, and to public service certain basic facts about industry and ownership as practiced under our American Capitalism.

Continued from page 2

The Security I Like Best

Ben S. LICHTENSTEIN
Partner, B.S. Lichtenstein & Company, New York City

Perkins Machine & Gear Co.

It has seemed to me that the prime factor in any company's success is management, and from personal experience and knowing Machine & Gear Co. is particularly fortunate in this respect. Many of the factors which enter into the success of any company's stock are, of course, the volume of precision gears. The business was established in 1902, and has been in the hands of the same management since that time. The company has expanded at an average rate of 2 to 3 per cent per annum, and the earnings have been very good. In 1914, the company's earnings were $3,000,000, and in 1925, they were over $5,000,000. The company has paid a dividend of 5 per cent on the earnings every year since 1902. The company has also paid a miscellaneous dividend of $100,000. The company has a large plant and has a very good location.

Further interest in the future of this company lies in the increasing number of side-line businesses being manufactured. Chief among these is the Perkins Spring Coiling Machine capable of producing practically any type and size of spring for experimental work, etc. Other items include a small metal bending machine, the "Vita" mortar gun, and mechanisms for automation, picture windows, and some subcontracting for automobile repai

The value of this stock is based on its earnings and its future prospects. The company has a good management, and the earnings have been very good. The stock is a good buy for the investor, and it is a good investment for the long run.

Book value is a debatable measure of the worth of any stock, but in this case it is supported by earnings. During World War II, the government expanded the company's plant several times at a total cost of about $30,000,000. This extra capacity was acquired by the company in the postwar period, yet all fixed assets were carried at only $270,113 at the end of 1935. Despite this extremely conservative valuation of plant and equipment, the book value of the common stock is in excess of $30 per share, in contrast to the market sales around $20 a share.

I like Perkins Machine & Gear Company common because it offers an almost unlimited expansion potential and currently has a solid source of defense business practically guaranteeing a high level of earnings for at least three years to come. These earnings lead me to believe that the 50c per share just declared payable Aug. 1, 1932 is a conservative dividend and should be continued and the stock on the basis of assets, earnings and particularly management is attractive at present levels.

Gyurs Polley Now With Terry & Co. in N. Y. C.

Gyurs H. Polley, formerly with Cuffin, Betts & Company of Philadelphia as co-manager of the trading department, is now associated with Terry & Company, 44 Wall Street, New York City.

FURTHER INTEREST IN THE FUTURE OF THIS COMPANY LIES IN THE INCREASING NUMBER OF SIDE-LINE BUSINESSES BEING MANUFACTURED. CHIEF AMONG THESE IS THE PERKINS SPRING COILING MACHINE CAPABLE OF PRODUCING PRACTICALLY ANY TYPE AND SIZE OF SPRING FOR EXPERIMENTAL WORK, ETC. OTHER ITEMS INCLUDE A SMALL METAL BENDING MACHINE, THE "VITA" MORTAR GUN, AND MECHANISMS FOR AUTOMATION, PICTURE WINDOWS, AND SOME SUBCONTRACTING FOR AUTOMOBILE REPAIR MACHINES. All OF THESE ITEMS HAVE LARGE POTENTIAL MARKETS AND THE COMPANY LOOKS TO EXPAND THE INITIAL SOURCE OF BUSINESS FOR THE FUTURE. IT IS THE MANAGEMENT'S JOB TO EXPAND THIS PORTION OF THE BUSINESS THROUGH THE ADDITION OF OTHER EXCLUSIVE PRODUCTS.

THE NATIONAL CITY BANK OF NEW YORK

Head Office 55 Wall Street, New York
67 Branches in Greater New York
156 Branches Overseas

Statement of Condition as of June 30, 1932

ASSETS

CASH AND DUE FROM BANKS, $1,51,091,933
U. S. GOVERNMENT OBLIGATIONS, 1,477,302,355
OBLIGATIONS OF OTHER FEDERAL AGENCIES, 31,322,804
STATE AND MUNICIPAL SECURITIES, 53,359,009
SUSPICIOUS ACCOUNTS, 99,984,848
LOANS AND DISCOUNTS, 2,180,102,927
REAL ESTATE AND SECURITIES, 19,773,050
CUMULATIVE FOR LIABILITIES
ACCEPTANCES, 17,428,469
STOCK IN FEDERAL RESERVE BANK, 9,000,000
OWNERSHIP OF INTERNATIONAL BANKING CORPORATION, 7,000,000
BANK PREMIUMS, 29,628,893
BANK Liabilities, 3,825,192
DUE FROM FOREIGN BANKS, 14,000,000
CAPITAL, 4,700,000
SURPLUS, 166,000,000
UNDIVIDED PROFITS, 6,479,912

CITY BANK FARMERS TRUST COMPANY

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

Statement of Condition as of June 30, 1932

ASSETS

CASH AND DUE FROM BANKS, $4,608,489
U. S. GOVERNMENT OBLIGATIONS, 8,526,095
OBLIGATIONS OF OTHER FEDERAL AGENCIES, 2,417,782
STATE AND MUNICIPAL SECURITIES, 17,720,880
OTHER SECURITIES, 2,497,086
LOANS, 4,116,018
REAL ESTATE AND SECURITIES, 1,000,000
STOCK IN FEDERAL RESERVE BANK, 400,000
BANK PREMIUMS, 2,704,675
UNDIVIDED PROFITS, 11,249,099
TOTAL, 6,107,681,536

LIABILITIES

DEPOSITS, $1,124,414,393
RESERVES, 4,700,500
CARTE, 5,000,000
CAPITAL, 10,000,000
SURPLUS, 10,000,000
TOTAL, $11,267,672,590

The THE NATIONAL City Bank of New York was organized in 1887, and is now the oldest National Bank in the United States. The Bank is a member of the Federal Reserve System and possesses a Federal Reserve Bank, and a New York Stock Exchange. The Bank is the largest in the United States, with assets of over $11,000,000,000. The Bank has 156 branches in the United States, and 67 branches in Greater New York. The Bank is also a member of the Federal Reserve System, and possesses a Federal Reserve Bank.

The CITY BANK FARMERS TRUST COMPANY was organized in 1852, and is now the oldest National Bank in the United States. The Bank is a member of the Federal Reserve System and possesses a Federal Reserve Bank, and a New York Stock Exchange. The Bank is the largest in the United States, with assets of over $11,000,000,000. The Bank has 156 branches in the United States, and 67 branches in Greater New York. The Bank is also a member of the Federal Reserve System, and possesses a Federal Reserve Bank.
Investigation by Brookings Institution, instigated by New York Stock Exchange, reveals that most persons buy stocks to make a profit; men outnumber women as stockholders; one of sixteen adult owns in at least one issue; and holders are scattered across the nation.

Study was recently completed for the New York Stock Exchange. Data were compiled by the New York Stock Exchange and the Federal Reserve Bank of New York. The study included a sample of approximately 1,000,000 individual stockholders, representing about 300,000 families. The sample was selected from the records of the National Securities Clearing Corporation, the largest clearing agency for securities transactions in the United States.

The study, which was prepared at the invitation of the New York Stock Exchange, is a comprehensive analysis of the ownership of private property and business by the population of the United States. The report, "Ownership of Shares in Industry," was published this week by the Brookings Institution.

The differences between the number of shareholding and the number of shares results from two factors. First, a substantial number of shareholdings are in the names of fiduciaries including trustees and guardians, and private companies, insurance companies, and other corporations. Second, many persons own shares in more than one company.

The study shows that the average age of a person who owns shares is 49 years. The average age of a person who owns shares in 59 years or more is about 59 years of age and in 60-69 years is about 55 years. In addition, the proportion of shares held by individuals over 60 years of age is relatively constant, at about 27% of all shares. The proportion of shares held by individuals is about 18% in each age group. The proportion of shares held by individuals over 60 years of age is about 15%.

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What's Ahead for Business?

taken the form of a cooperative endeavor with grade school teachers and school administrators, to discourage the smoking habit! We have proved that youngsters, too, in the sixth grades can understand and appreciate such basic economic concepts as supply and demand and the importance of investment, the fostering of the supply-and-demand miracle of industry and labor, and the necessity of teaching a brand of Americanism that is not selfish propaganda for one economic system.

It is the story of America, of achievement and progress, and under the economic climate which our founding fathers said was our providence as their Creator.

The meaning thing about this program is that educators like it! We believe it has tremendous possibilities. If all industry did this kind of work in cooperation with education, the coming generation will understand the real meaning of freedom.

What Price Control?

The title for my next article is purposefully ambiguous. I call it, "What price control?"

You can say it any way you like. Call it "WHAT, price controls?" or express your doubts of price controls?

The answer to the both is the same. Direct controls do not control prices. They are merely a time-clock mechanism which promotes normal economic adjustment. I opposed wage and price controls at the time they were proposed, because I felt they would strait-jacket the economy. The luxury of direct price controls has added many thousands of dollars to the cost of living, and millions of dollars to the cost of business. I believe the government has kept the government printing presses busy rolling out regulations in bulk and the fine age apple type used in World War II was dug up to print the walls to print the new regulations.

Of course these direct controls are a phonie, and in some cases the hounds allegedly chasing the fox. Now, in the absence of a different definition, the fox is chasing the hounds. The control masters are working long hours to keep the price schedules downward, to catch up with the illegal behavior of supply and demand. How stupid can we be.

On the other hand, the indirect and general controls adopted in the war emergency have accomplished their purpose. We raised taxes and controlled credits, and these controls were effective. It is now time to revise these devices. The excess profits tax, particularly, should be repealed. It is time that we removed this penalty on achievement, and wiped out the resulting premium on profligacy and waste. Now, with two-thirds of all funds for growth and better living coming from the earnings which the excess profits tax now monopolizes, in the period of short and with the hounds allegedly chasing the fox. Now, in the absence of a different definition, the fox is chasing the hounds. The control masters are working long hours to keep the price schedules downward, to catch up with the illegal behavior of supply and demand. How stupid can we be.

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Continued from first page

Objectives of Manufacturing
Chemists' Association

For the great and dynamic industry we represent.

Chemical Industry—"Number One" Industry in U. S.

It is my firm belief that the chemical industry is the Number One industry of the United States. We are Number One both in dollar volume and in importance to the country. We are the basic industry on which all other basic industries depend. Without chemicals, there cannot be a ton of steel, or a gallon of petroleum, or a pound of aluminum—nor can there be an adequate supply of food, clothing, or housing, for the American people and for the people of the other nations throughout the world whose economies are interdependent with our own.

Since our industry does possess this enormous importance, I do not think that we should hide our light under a bushel. I am glad to be able to report that, under the outstanding leadership of George Merck and his associates on the Public Relations Policy and Advisory Committees, a very substantial start towards telling our story has been made during the past year.

But there is a corollary consideration that I wish to mention in this connection, and it is this: While I feel that we should not hide our light under a bushel, I also feel that we should not sprain our wrists by patting ourselves on the back. In short, I think that we should pursue a middle course between the bucketful of public ignorance of our industry, and the Charybdis of too much self-praise that we become a bright and shining target for those who would put the shackles of socialism and nationalism on American industry. We have only to look at the recent experience of the steel industry—and the recent petrol¬leum strike may be in part an illustration of the same thing—to realize that too much prominence for a single industry may not be too good a thing, either for the industry or for the country.

I am fully aware of the viewpoint of some of our members who feel that MCA has been proceeding too far and too fast during the past year; I am also aware that some of our members feel we are not going nearly fast enough. What your officers and directors have accomplished by way of what I believe we have succeeded in achieving is a constructive road between the extremes—the attainment of a sound and substantial rate of progress, and the laying of solid foundations on which the future officers and directors of MCA can build with complete confidence.

MCA—Spokesman for Chemical Industry

Turning now to the specific events of the past year, the first thing that I would mention, and the item of greatest importance, is business. Our industry was struck by a serious business depression that hurt us as well in the past—the Air Pollution Abatement Tax was imposed for the first time in history on the industry. We believe—or whether we should shift gear and seek the Co¬ operation on special or product com¬ mittees—of which the Plastics Committee is an example. The current year was a year of resolution, of a new and more articulate external role as the spokesman for the chemical in¬ dustry.

As a second item, it is hardly necessary for me to point out that the mobilization program and the controls flowing out of this program were a major factor in the life of our industry during the past year. In order that the chem¬ ical industry might meet mobilization problems with foresight rather than hindsight, MCA estab¬ lished during the past year a Federal Mobilization Committee, under the able chairmanship of Bill Rand¬ berg, the only committee of MCA that has ever operated on a non-member basis.

With the easing of the critical sit¬ uation towards the end of the fin¬ cal year, the mobilization program began facing us; but it is true to say that MCA’s representatives and his associates are continuing to keep the mobilization picture up to date, and although this is not a very happy one to bring to you, it is important enough to take in there.

A Public Relations Program

Fourth, we have launched a public relations program in public affairs as an integral part of the transition I have already mentioned. George Merck and I have been Chairman of the Public Relations Policy Committee for the last two years. It was a principal sparkplug in this pro¬ gram. He has been only assisted by the Advisory Committee on Public Relations Policy and Advisory Committee on Public Relations in White House conferences and similar gatherings, to which I and Mr. Merck have generously given a substantial amount of time and effort. I hope you will not lose sight of the fact that what I have been telling you is in a very real sense a building program, a very much as it has been in the past.

Fifth, and closely related to our public relations program, we have registered under the Long-Term Malaria Act—and I believe that our language and their language under the lobbying act for the first time in history, of which the American Bar Association and the American Medical Association have long been the leading spokespersons.

Sixth, we have streamlined our operations by centralizing all of the staff work of MCA in Wash¬ ington, D.C., to avoid the stigma of being a government agency in Washington, D.C., and to avoid the stigma of being a government agency in Washington. We have also been able to reduce the staff to a workable size and to increase our productivity and efficiency.

Seventh, and closely interwoven with many of the items I have already mentioned, is the many new and improved services that have been offered to our members. We have expanded our services to include all of the areas that we mentioned in our first report last December, and I believe that our services this year will be even more valuable to our members than they were last year.

The Commercial and Financial Chronicle . . . Thursday, July 3, 1953
The Impact of Credit Restriction in Britain

By PAUL EINZIG

Dr. Einziger reviews recent British policy of credit restrictions designed to halt inflation trend. Concludes, though figures show only slight contraction in bank loans in first half of year, the nature and effects of an anticipated increase in rates and price stability. Blames Labor Party Government for creating too much money by easy credit.

LONDON, Eng. — The British Bankers Association has just published a quarterly report on the connection between the effect of the government's new monetary policy on the volume of bank advances during the first six months following its adoption. The object of that monetary policy was to achieve deflation and thereby to arrest the rising trend of prices at the same time as releasing workers and materials needed for rearmament. To that end the Bank rate was raised from 2% to 2½% in January and to 4½% in March. The Treasury brought pressure to bear on the banks to induce them to curtail their advances. From every side we hear complaints about the "credit squeeze". Business firms and private individuals alike have been pressed by the banks to reduce their overdrafts. New would-be borrowers finds it increasingly difficult to obtain the credits they require even if they can offer adequate security.

In the circumstances the results of the so-called "credit squeeze," as shown by the figures published by the British Bankers Association, must be regarded as distinctly disappointing. Between November 1951 and May 1952, the total of bank advances declined by a mere £13 million. As the total outstanding at mid-May was £2,003,8 million the decline represented a little over one-fifth cent. An analysis of the various categories of advances shows that advances to industry actually increased during the period by £28 million. This was offset by a decline of loans to retail trade, financial institutions and private individuals. The increase of credits to industry can largely be accounted for by growing rearmament requirements. It seems on the face of it that the net result of six months' deflationary policy was little more than offsetting the inflationary effect of a credit expansion secured in connection with rearmament.

The picture is somewhat less disquieting if we split the period of six months into two periods of three months each. Up to the middle of February bank advances continued to increase, as it was bound to be, before a little later a new policy produced its effect. Between the middle of February and the end of May, advances to industry fell by £32 million. Admittedly this was largely the result of the consolidation of the short-term indebtedness of the British Electricity Authority through the issue of a public loan, part of the proceeds of which were used for the repayment of bank advances. Allowing for this, the results of the "credit squeeze" during the second quarter of the Conservative regime, though better than during the first quarter, cannot be regarded as impressive.

In order to be able to do justice to Mr. Butler's policy, however, it is necessary to compare the figures for 1952 with the corresponding figures for 1951. During the 12 months ending mid-May, 1952, there was an increase of total bank advances by £221 million. This was more than 10% of the total. It was attributable to the effect of the rise in prices since the beginning of the Korean conflict. Had it not been for the deflationary measures taken since November, 1951, this rise would have continued, for the adjustment of the volume of bank advances to the higher requirements due to higher prices is far from complete. It is one of the objects of the official monetary policy to prevent the completion of the adjustment. The fact that in the quarter ended May 1952, there was an actual small reduction in the total shows that, in a negative sense perhaps, its success has already been achieved. It has succeeded in checking credit inflation even if it has not succeeded in bringing about deflationary policy to any noteworthy extent.

Had the policy of credit restrictions been adopted at the beginning of 1951 when the government of the day decided in favor of a rearmament program of £4,700 million, the monetary position would have incomparably sounder today. The increase in bank advances by over £200 million could have been prevented. This would have effectively check the rise in prices during 1951 and, what is even more important, it would have corrected the prevailing abnormal state of over-full employment. Labor and material could have been made available for the rearmament program without having to give up wages and prices in order to secure them in comparable fashion.

It may well be asked why Mr. Butler's predecessor at the Exchequer, Mr. Bevin, who is also a sound man, did not resort to credit restrictions at a time when he was embarking on large-scale rearmament. The answer lies in the prevailing misconception about the true nature of inflation as "too much money chasing too few goods." Between 1945 and 1951 as the inevitable consequence of the higher cost of imported materials, due even though not entirely to too much money; in fact, if anything, there was too little, owing to the rapid increase in monetary requirements due to higher prices. He concluded therefore that there was no monetary inflation.

In reality the credit expansion witnessed during 1951 constituted monetary inflation. It was not the cause but the effect of the rise in prices that took place largely through non-monetary causes. It is true the origin of this rise was non-monetary. It was fed, however, by the absence of a resistance to the rise in the volume of credit that followed it. The late government's inability to understand inflation is well illustrated by the following testimony of a credit squeeze must be regarded as constituting an inflationary monetary policy in the passive sense of the term.

Blockson Chemical Co., Sth. Publicly Offered

Goldman, Sachs & Co. headed a nationwide group of 147 underwriters who on June 27 offered to the public 10,000,000 shares of common stock of Blockson Chemical Co. at a price of $29 per share.

The offering represents the first public issue of any securities of the company. The shares are being sold by certain stockholders of the company who will continue to hold after the offering approximately two-thirds of the capital stock of the company.

The company is an outgrowth of a business established in 1929. The business has grown rapidly in recent years and today is one of the leading producers of sodium phosphates in the United States. In the last 10 years net sales have increased from $2,809,188 to $20,019,379, due in large measure to growth in the physical volume of the company's sales. For 1951 net income before income taxes was $8,184,146 and after taxes was $2,874,146. The company's products are used in a variety of industries, including the soap and detergent industry, as important components of synthetic detergents and soaps, and as household and industrial cleaners and detergents; for boiler water treatment; in the oil industry as a viscosity reducer of muds to facilitate drilling of oil wells; as disinfectants, fungicides and bactericides; as laundry cleaning agents; for fluoridation of water; and as conditioning agents for fertilizers. The greatest growth in the company's business has occurred in sodium tripolyphosphate which has been brought about by the increased use of household detergents in the United States. The company's stock is being sold in blocks of 100,000 shares to large institutions or to a group of larger institutions, and the undersold shares are being sold through the company's underwriters.

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

STATEMENT OF CONDITION, JUNE 30, 1952

RESOURCES

Cash and Due from Banks ........................................... $1,477,139,773.97
U. S. Government Obligations .................................... 1,232,757,393.74
State and Municipal Securities ................................ 310,548,450.00
Other Securities ....................................................... 331,571,914.82
Mortgages ............................................................... 62,485,411.74
Loans ................................................................. 2,969,479,098.41
Accrued Interest Receivable..................................... 11,955,791.57
Customers' Acceptance Liability ............................... 36,732,690.06
Banking Houses ....................................................... 29,608,306.55
Other Assets ......................................................... 7,866,843.98
Total Resources ....................................................... $5,697,653,276.84

LIABILITIES

Deposits ............................................................... $5,236,752,681.97
Foreign Funds Borrowed ........................................... 7,431,239.00
Dividend Payable August 1, 1952 .................................. 2,960,000.00
Reserves—Taxes and Expenses .................................. 30,564,411.63
Other Liabilities ..................................................... 15,402,123.67
Acceptances Outstanding ......................................... 41,053,062.08
Less: In Portfolio ................................................... 3,944,470.80
Total Liabilities ...................................................... $5,697,653,276.84

United States Government and other securities carried at $576,754,165.00 were pledged to secure public and trust deposits and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation

The Chase National Bank

Date: 1952-06-30

Note: This image was not generated by OCR, but is a scanned document.
Movies Reeling Again

remark, as did Louis XV nearly 300 years earlier, "After, if the 'déluge.'"

The Deluge

But the deluge followed in the form of a sickening series of blows that would have stunned a less than resilient optimism. The invasion of the radio networks by simultaneous waves of interference and nationalism resulted in a blocking of foreign funds and a strict limitation upon the number of American films that could be imported into countries that had been amending their Hollywood's last customers. It has been estimated that the gross business that reasonably might have been anticipated from foreign showings dwindled off to 20 cents per dollar. A second blow was delivered from such an unlikely source as the U. S. Supreme Court. A Sherman Anti-Trust Act decision last December of the Department to direct the showing of the facilities of Paramount, RKO, Loew's, Warner Brothers and Twentieth Century-Fox to the production facilities. Paramount and RKO have combined with Loew's to split into Paramount Pictures and United Artists, as of Jan. 1, 1950. Loew's established two new companies a year later. These diversities involved in these distributions, it appears that Paramount may have amalgamated. The worst of these and may show healthier future earnings. The other companies are in the process of rotating into separate units, and the renegotiations should be completed within the next two years. The net result is a large number of reorganizations profits and expenses of reorganization, as well as a considerable time may be needed to absorb these extraordinary changes.

Although the challenge of television was first faced by the movie executives in 1946, it was reported then that in those days the Society of Motion Picture Engineers wanted the industry to reorganize the Department of Justice to cover the fixation of prices. The result was that only Paramount, which is operating through Loew's, has any substantial interest in television operation. Meanwhile, 14,000,000 television sets are in use throughout the United States, keeping their owners and untold numbers of telespectators in its grip from theaters.

Yet good is continuing to produce pictures at a rate that does not permit even a single film to be falling off in demand for its product. It is carrying its biggest inventory, of incomplete and completed films in many years. Twentieth Century-Fox, for example, released 33 feature films in 1951, plans to release the same number this year and will produce 26 in 1952. This contrasts with only 18 pictures released by the same company in 1947, a good year. It must be asked other than the motion picture industry as a whole be able to make decisions that will bring about a decrease of 63 to its present price of $1,000.

As a general rule, the earnings of most movie companies hit bottom during 1947, according to the reports of the companies have been shown in succeeding years. The low 1949 earnings may be accounted for by the decrease in foreign business and by the failure to cut costs in line with lowered grosses. It is noteworthy, that the sales of the stocks have remained almost constant during 1949-1950 and 1951. In a situation like the present one, where an entire industry, past statistics mean little. The year is going on, whether by every intelligent investor are of the companies, and which of the others will fall by the wayside. The "Big Four" of the movie industry, Loew's, Paramount, Twentieth Century-Fox and Warners, are holding on to their rank solidly, against television, and are making profits, able to converting an ordinary live-television set into color.

Paramount, however, has moved to keep in step with television. In addition to its television station, it is 12 per cent. in the Allian B. Du Mont Laboratories, Inc. It also own a 50 per cent interest in Chromatic Television Laboratories which has patented and has developed a method of converting an ordinary black-and-white television set to color. Proctor and Gamble, Inc., and Universal Telemeter Corporation, featuring "Ma and Pa Kettle," whose adventures go on as interminable as the fairytale of Little Orphant Annie of the comic strips, were television's biggest hits, pictures, costing about $500,000, are almost equally in demand and trade and ordinarily can be delivered upon orders within 50,000. Since most pictures are produced at a cost of about $500,000, the cost. Universal's profits on Ma and Pa Kettle can quickly be estimated. Universal's stock of films, put "Harvey," and dropped a bomb on the box office, leaves Warner that the Kettles might have safeguarded.

It may be interesting to recall that in 1950, Universal's stock of The skies when Don Siegel made "Wilson." If this story is just reported, I'd never see another picture with Betty Grable in it. Grable was far from being a success, even during the last, lusky years, but Mr. Zanuck has been tempted to try again.

The recent series of articles in the "Red Book of Panama," prints in beautiful detail the art-profit controversy. According to the story, the "Red Book" is to be shown to be enthusiastic about the production of motion pictures, but the production was opposed by Louis B. Mayer. After much trial and appeal, in an attempt to sell it to public confidence, only those who have failed and reached a low point when it is being done, that have is a picture on a double screen on a bill with an Edister Williams vehicle. In the end it was conclusively shown by Nicholas Schenck, the real MGM boss, that it was a box office failure, but had all the same was recognized in order to, let him learn by experience. "I don't think he (Schenck) will ever understand that that again," is said to have been Schenck's opinion.

Can Movies and Television Coexist?

Although movie people speak with some confidence of being able to produce, for television, the great difficulty in the use of the same type of color, cost of feature films. Probably it will be the color type of acceptable feature film can be made is about $400,000. With presentation and distribution in type of the same, it is doubtful if an advertising budget supporting, as well.

This does not mean the future is entirely dark. Within the next few years, it is contemplated that

LEADING MOTION PICTURE COMPANIES

<table>
<thead>
<tr>
<th>Year</th>
<th>Columbia</th>
<th>Loew's</th>
<th>Paramount</th>
<th>Republic</th>
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<tbody>
<tr>
<td>1946</td>
<td>$20.00</td>
<td>$30.00</td>
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<tr>
<td>1947</td>
<td>$25.00</td>
<td>$37.00</td>
<td>$45.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>1948</td>
<td>$30.00</td>
<td>$40.00</td>
<td>$50.00</td>
<td>$60.00</td>
</tr>
<tr>
<td>1949</td>
<td>$35.00</td>
<td>$45.00</td>
<td>$60.00</td>
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</tr>
<tr>
<td>1950</td>
<td>$40.00</td>
<td>$50.00</td>
<td>$70.00</td>
<td>$80.00</td>
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</table>

Dividends:

- 1946: $0.50
- 1947: $0.50
- 1948: $0.50
- 1949: $0.50
- 1950: $0.50

Points vs. Art

The controversy between art and profitiveness has been the subject of some discussion during the last year. The few art and prestige pictures that have been turned out by the theaters, instead of being received at the box office, have not been able to compete with the pictures created by the studios. For example, the 1950 profit recovery staged by the Universal Telemeter Corporation was attributable in great part to the introduction of pictorial and TV station marked.
The 108 television stations will increase to 312 today, and 500 by the end of the year. This is the first new audience in the history of television, and there are fewer in this class of stations than the one in the future. Can anyone envision the impact of such television on youth within the next few years? When the wartime audience starts to return to commercial television, it is doubtful that such a segment of the public will return to the network television set rather than going to a downtown movie. A movie audience of varying proportions can easily develop in the 1960s.

Hollywood's Greatest Ace-In-Hole

Perhaps Hollywood's greatest ace-in-hole is the wealth of feature pictures that has been available to the public. The usual industry practice has been to hold back the best films for the cost of a picture over the period of the year. Many of the hit pictures of former years are still available in books of the picture companies at the value of $1 each. If and when these pictures are sold to the TV stations, the earnings from simply dusting off old film cans and renting or selling them could be tremendous. These companies Rangling a finger. Certain industry difficulties now stand in the way of sales of old pictures to television, plus the reluctance of the film companies to give their competitors a boost. And, anyway, why sell your product to a limited number of TV stations when the outlets soon will increase 20-fold.

The Fate of the Theatres

There are presently about 22,000 motion picture theatres in operation in the United States (including 3,000 drive-ins). Estimates have been made that anywhere from 5,000 to 10,000 of these will close their doors permanently over the coming years, with the main casualties being the small independent cinemas. A point of absorption of pictures, this is not then the kind of picture that may sound at first blush. It has been estimated that the average picture has produced per cent of the industry's revenues, and the closing of 5,000 to 10,000 theatres will affect overall grosses by 10 per cent or more.

The Future for the Producers

A number of producers are likely to go out of business, with many of the bigger ones folding even now. It is probable, too, that the MM's and secondary producers will produce fewer features, but these may be assured of bigger audiences in case of controversy. The statement of Barney Balaban, President of Allied Artists, that on his company will produce no marginal pictures, but will concentrate on sure ones, seems long overdue, and one wonders why it has taken Hollywood so long to react to what seems an inevitable decision.

The cost of the current squbable settlements, Hollywood may come down to producing several titles in each of the several profitable types of entertainment:

<table>
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<tr>
<th></th>
<th>Capital (1,975,236 Shares of $20 Par Value)</th>
<th>Surplus</th>
<th>Undivided Profits</th>
<th>Reserve for Taxes, Expenses, etc.</th>
<th>Acceptances Outstanding</th>
<th>Less Held in Portfolio</th>
<th>Deposits</th>
<th>Holders of 5,000,113 &amp; U. S. Deposits</th>
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LIABILITIES

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<th>Cash in Vault and Due from Banks</th>
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<th>State, Municipal and Public Securities</th>
<th>Federal Reserve Bank Stock</th>
<th>Other Securities</th>
<th>Loans and Discounts</th>
<th>Real Estate Mortgages</th>
<th>Customers' Liability on Acceptances</th>
<th>48 Banking Houses</th>
<th>Accrued Income Reserve</th>
<th>Other Assets</th>
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<td>31,438,593.37</td>
<td>1,120,000.00</td>
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<td>333,747,317.77</td>
<td>1,790,629.09</td>
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<td>1,120,000.00</td>
<td>1,726,499.05</td>
<td>144,425,073.68</td>
<td>333,747,317.77</td>
<td>1,790,629.09</td>
<td>7,598,905.60</td>
<td>2,033,413.00</td>
<td>98,904.14</td>
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MISCELLANEOUS

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<tr>
<th></th>
<th>U. S. Securities pledged to secure deposits and for other purposes as required by law</th>
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<td></td>
<td>$41,115,225.54</td>
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BOARD OF DIRECTORS

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>JOHN H. PHILPS</td>
<td>President</td>
<td>1111 Broadway, New York, N. Y.</td>
</tr>
<tr>
<td>EDMUN D. TROSBIDGE</td>
<td>Vice-president</td>
<td>1111 Broadway, New York, N. Y.</td>
</tr>
<tr>
<td>BRENDA M. DERER</td>
<td>Treasurer</td>
<td>1111 Broadway, New York, N. Y.</td>
</tr>
<tr>
<td>BRADLEY &amp; STRANGE</td>
<td></td>
<td>1111 Broadway, New York, N. Y.</td>
</tr>
<tr>
<td>W. G. CROOKS</td>
<td>Vice-Pres. &amp; Gen. Mgr.</td>
<td>1111 Broadway, New York, N. Y.</td>
</tr>
<tr>
<td>J. B. F. GRIFFIN</td>
<td>Vice-Pres. &amp; Secretary</td>
<td>1111 Broadway, New York, N. Y.</td>
</tr>
<tr>
<td>HENRY A. PATTEN</td>
<td></td>
<td>1111 Broadway, New York, N. Y.</td>
</tr>
<tr>
<td>RALPH PETERS, JR</td>
<td></td>
<td>1111 Broadway, New York, N. Y.</td>
</tr>
</tbody>
</table>

The Com Exchange Safe Deposit Company operates vaults in 500 cities in the United States. Member Federal Deposit Insurance Corporation.
Mutual Funds

By ROBERT R. RICH

Investment Companies Leave New York as Tax Proves Last Straw

Two of the nation's largest and best-known investment company syndicates, with over one-third of a billion dollars in assets, have moved their headquarters from Wall Street as New York City's increased taxes on financial businesses proved a last straw, and while other investment company leaders swore they would be gone by Christmas if they were not granted immediate tax relief.

The investment company groups, which both moved to the low tax area of New Jersey, were escaping New York State's high taxes, and New York City's record-breaking taxes which were again doubled within the last several days.

New York City, acting upon permissive State legislation which amended Article 2B of the General City Law, recently raised its gross receipts tax on financial businesses from two-fifths of one percent to four-fifths of one percent—a greater rate of early 1946 and 400% greater than taxes now paid by ordinary businesses in New York City.

One of the investment company groups to leave, the gilt-edged Hugh W. Long & Company, said that on the basis of 1951 dividend and capital gain income, their New York State and city taxes amounted to $180,000 compared with total taxes of only $27,000 in New Jersey.

Hugh W. Long, who heads the open-end investment company cluster of Fundamental Investors, Manhattan Bond Fund and Diversified Funds, with assets of $235 million, in commenting to "The Chronicle" on his company's move to Elizabeth, N. J., said, "In moving the headquarters of Hugh W. Long & Company from Wall Street to Elizabeth, N. J., we had only one motive in mind—our responsibility to our shareholders throughout the 48 States. When—at the cost of very little, if any, inconvenience to our company operations and no decrease in the efficiency of service to our nation-wide network of investment dealers, we find we can save in city and state taxes substantially over $100,000 a year. It is not only our choice to move but it is also our duty."

"Although we recognize the problem New York City now has in raising revenue, accounting for its various municipal departments, we believe everyone will recognize our responsibility in conserving our shareholders' income in every way we possibly can.

"Our open-end investment company, U. S. & Foreign Securities, and its affiliate, U. S. & International Securities, with assets of $125 million, left New York about 10 days ago for Morristown, New Jersey, where they now occupy the old buildings. C. Douglas Dillon, President of U. S. & Foreign Securities, said that, with the tax disparity between New Jersey and New York as one substantial reason, the company had planned to leave New York as early as last winter. "However," he said, "you can quote me when I say that if we had not planned last December to leave Wall Street, we most certainly would plan to leave now as a result of New York City's increased taxes. As it is, we are breathing even easier."

"Under the supervision of its Secretary-Treasurer, T. F. Chalker, Hugh W. Long & Co. completed its moving operation to Elizabeth, N. J., in the three days last week and the company now occupies two former mansions. In one, at Westminister and Parker, Diversified Funds, Manhattan Bond Fund and Hugh W. Long & Co. are headquartered. In the other, at 21 Parker Road, Fundamental Investors Management Management Fund and Investors Management Company are located. In New York, the former group was at 48 Wall Street and the latter at 63 Wall Street."

Eugene J. Habas, Vice-President of Manhattan Bond Fund, said there was no alteration work of any importance to be done on either building except for the necessary refurbishing and painting. The remodeling, accounting and officials of the company, he said, are on the first floor, the officers are on the second and the sales department is located on the third floor. The company reported the unseasonably mild business this week, which was handled without confusion.

Mutual Fund Notes

REAL "ECONOMIC PEACE" with free Asiatic nations could help produce an unprecedented era of progress not only for the Pacific Coast but also the entire nation, East R. Crabb, Chairman and President of Investors Diversified Services, said in Los Angeles Tuesday.

"The investment company executive, whose companies currently have more than $80,000,000 in California real estate and mortgage investments alone; stressed that West Coast financial and business leaders "should be consulted fully in plans for the rebuilding of our two economic relationships and trade with a peaceful Orient."

"We feel our postwar economic planning mostly to chance or to government both in Europe and Asia during World War II," Crabb pointed out. "The result has been an almost continuous state of uncertainty on this side of the Iron Curtain and chaos and Communist plunder behind it."

As the nearest U. S. economic neighbors of the Orient, he emphasized, the people of the Pacific Coast are entitled to a larger part in determining the course of the country's future trade relationships with Asia after a military peace is established and some degree of national conservative stability has been achieved in Korea and other trouble spots."

"In economic leadership, productivity and diversification of industry, California can certainly be dramatized to the rest of the world as a unique example of what the American system can accomplish," he said.

"If the California farm produces cash income of more than $15,000 per year, highest per farm marketing revenue in the country. Total California agricultural marketing revenue is nearly 6% of the nation's total farm marketing income."

OPEN-END REPORTS TOTAL NET assets of Bullock Fund, Ltd. on May 31, 1952 were $15,638,379, a new high for the end of any fiscal period in the company's history, according to the semi-annual report just issued. Assets were equal to $233.2 a share on $77,581 shares outstanding and compared with total net assets of $12,451,642 equal to $231.1 a share on 53,806 outstanding shares six months earlier. Included in total net assets was unrealized appreciation of $2,199,669 compared with $2,247,779 on Nov. 30, 1951.

Holdings of common stocks on May 31, 1952 amounted to $4.68% of net assets as compared with 8.23% on Nov. 30 last. Hugh Bullock, President, points out in the report that investment changes during the past six months have consisted principally of reductions in the more cyclical stock groups, such as agricultural machinery, automotive accessories, building supplies, coal, industrial machinery, railroad equipment and steel; and increases in those natural resources possessing a higher degree of stability, such as the chemicals, natural gas, paper containers, glass and utilities.

TOTAL NET assets of The George Putnam Fund of Boston, showed an increase during the past quarter to a new high of over $37,000,000, and the net asset value per share rose from 130.35 to 133.75.

George Putnam, Chairman of the Trustees, reported that the Fund, increased its investment in common stocks slightly during the

Announcing the removal of our offices

from 48 WALL STREET, NEW YORK 5, N. Y.

9 to Westminster at Parker

Elizabeth 3, New Jersey

Diversified Funds, Inc.

MANHATTAN BOND FUND, INC.

HUGH W. LONG AND COMPANY

CORPORATED

June 30, 1952

Telephone: Elizabeth 4-1770

Announcing the removal of our offices

from 63 WALL STREET, NEW YORK 3, N. Y.

to 51 Parker Road

Elizabeth 3, New Jersey

FUNDAMENTAL INVESTORS, INC.

INVESTORS MANAGEMENT FUND, INC.

INVESTORS MANAGEMENT COMPANY

June 30, 1952

Telephone: Elizabeth 4-1122
The fully Administered Fund was placed to enable the company’s shareholders to have a stock fund with a stated amount of $56,338,000, a price of $56,338,000, and one-half in the assets of the company covering the stock fund.

The report states that the company has a new fund for the purpose of providing shareholders with the opportunity to purchase additional shares at the current investment price.

The given data is related to the performance of the fund, including the monthly dividends and the number of shares available for purchase.

The company emphasizes the importance of considering the performance and the potential returns on investment before making any decisions.

Selected American shares in the United States are currently available for purchase. Interested investors are encouraged to contact the company for more information.

*PROGRESS & VEGH, INC., a wholly owned subsidiary of the company, is in the process of acquiring certain assets and liabilities of the company.*

*Mr. Gray has been associated with the company since 1945 and has been a member of the Board of Directors.*

The company is committed to maintaining the highest standards of excellence and integrity in all its operations.
Continued from page 7

A Review of Inflationary Forces

The inflationary forces, according to Mr. Gillett, are high net taxes and cutbacks in productive capital expenditures, which reduce the capital efficiency of economic activity. The reduction in capital efficiency, in turn, raises the cost of production and leads to higher prices. This cycle of events is fueled by the accumulation of savings and the reduced availability of capital for investment.

For the year 1951, the net profit of $3,000,000 higher than in 1950, for instance, was a reduction in the real value of earnings, as the cost of living rose. The net profit of the company reported in 1951 was $3,000,000 higher than in 1950, but when adjusted for inflation, the real value of earnings was lower. This is because the cost of living, which includes wages, rent, and other expenses, rose faster than the nominal (unadjusted) profit.

Mr. Gillett stressed the importance of adjusting for inflation when studying the financial performance of companies, because the nominal profit does not reflect the real value of earnings. Adjusting for inflation helps to reveal the true economic performance of a company, as well as the rate of return on capital.

In conclusion, Mr. Gillett emphasized the need for businesses to adjust for inflation when analyzing their financial performance. By doing so, they can better understand the real value of their earnings and the rate of return on capital, which is crucial for making informed decisions about investment and growth.
Bank and Insurance Stocks

By H. E. Johnson

This Week—Insurance Stocks

The First Boston Corp., a well-known New York City, one of the large investment banking houses, recently published a pamphlet entitled "An Aid to Understanding Financial Reports." It is an amusing and brief guide to "understanding insurance stocks," a revised edition of an earlier report published in 1948 under the same title.

There was a considerable demand for the first edition which required three printings. In view of the continued interest in the subject, the First Boston Corp. has brought out a new pamphlet. For those who have not read the last four years, the 1948 edition was revised and brought up to date.

Because of the character of the insurance industry, there exist many misleading or confusing factors in the price quotations that affect the apparent value and investment aspects of the business. This is true even among some of the people who are regularly engaged in other phases of the securities business.

As The First Boston Corp. pamphlet points out, this confusion arises from the underwriting phase of the business. The other principal activity of insurance companies, namely the investment of funds, is generally understood and requires little explanation.

For this reason the report of The First Boston Corp. is devoted primarily to an explanation of the financial and accounting aspects of the underwriting phase of the business. Certainly this part of the business is one where intelligent understanding of insurance operations is to be obtained.

Much of the difficulty in this connection arises from the accounting changes which occur with variations in premium volume and the resulting adjustments in the unearned premium reserve. The First Boston pamphlet explains these changes and in the interest of clarity we quote from that report.

"Since 1948, in connection with insurance written by the fire and casualty companies are not taken into earned income at the time the insurance is written, but are required by the insurance laws of the various states to be set up originally as a liability termed 'Unearned Premium Reserve.' These premiums are subsequently taken into earned premium income as they are earned over the term of the policy. Contract. No deductions from the amount of premiums set up in the Unearned Premium Reserve are permitted for the commissions paid to agents for this business, the state taxes on such premiums or for any other expenses incurred when policies are issued, although separate allowances may be made for the payment of agents and to the issuing companies. The net earned income of fire and casualty companies for a given year, adjustment must be made for the equity which arises from the practice of preparing expenses incurred in obtaining new business.

From this point the pamphlet goes on to explain the statutory underwriting results and the meaning and method of computing "Adjusted Underwriting Results." Part of our readers, however, may be interested in a discussion of other terms such as underwriting ratios, liability loss reserves, investment income, net operating earnings and liquidation values. In addition, illustrations are given of the methods used in calculating these various items in the annual reports of 1951 premium writers of this class. The pamphlet serves its purpose well, which is to aid in understanding the financial reports of fire and casualty insurance companies. It is recommended reading for all investors interested in insurance stocks.
Back in the middle of May, in discussing the steel situation, I said I thought the steels were a buy despite the unfavored public opinion they were being subjected to. I won't belabor the point except to refer you to the article in the New York Times of Big Steel at that time and its prices today.

I'm quite aware that while I looked favorably on the heavy industry stocks, I was pessimistic on the greater portion of the market. Two weeks ago, so I changed my opinion. The change was due to the market itself, rather than to any external reasons. For some unexplained reason, markets move in cycles of ten—ten to twenty weeks—ten to twenty months (if projected sufficiently I suppose it could even happen in a shorter time). In the ten-week and ten-month period came together at the same time. I suppose all this sounds rather cabalistic or at least some form of crystal gazing.

I can explain it this way: Markets or individual stocks indicate a move. For some reason the move doesn't occur. Neither does the reaction. They just stand still, backing and filling, usually within a five-point range. When that happens it frequently indicates a delayed move and it is a mistake to think that the ten-week unit habit comes into play.

Before you start accepting this explanation, you must let me hasten to assure you there's no such thing. Basic trading rules are much more fundamental than that. What I've mentioned is something I picked up over many years as a kind of habit some markets have. But it can't be followed blindly. In fact I know little about what the market can be followed blindly.

In any event the ten-week and ten-month periods coincided the past few weeks followed almost immediately. The question now is how far will they go. My answer is that the industrial averages are already well within the range of their intermediate highs, and the latter to be about 280 (they're now round 279).

But the recent move is probably well developed to stop at any such level. Take two points either way and I don't think you'll be wrong.
many weaker nations to seek security by alliance with the only other power strong enough to be a check on Russian military might.

But the "three nations" have no monopoly of the destructive forces of modern science. The Communist parties of Russia, Germany, and Japan, for instance, are already in full swing against the peace of mankind.

The only solution to the problem, therefore, is through an inclusive world organization. Federalism in form and limited in power world needs today. There are problems to solve, yes! But there are world-questions—our as well as other countries—and as God has given us our strength, so he will give us the wisdom to solve them if we approach them in a Spirit he would approve.

The State of Trade and Industry

While the steel supply picture is growing blacker there are signs a break in the steel strike was nearer. The union retreated in some of its demands for a union shop, and a poll by "The Journal," a newspaper owned and controlled by steelworkers, among steelworkers in the Alhiquips, Pa., area, showed that 83.3% of the ballots were in favor of accepting the steel industry's offer and returning to work.

Some steel company officials were expressing the opinion the steel strike would be back to work within 10 days.

One steel company which signed a new contract with an independent union estimated that steelmaking costs will go up to $80 a ton. The company expects to absorb part of the increase and license for permission to raise prices to cover the rest, this trade journal said.

As the strike wore on, two-thirds of the chances to order the major industrial belts of the United States were in the hands of one company, according to the company's report.

Within the last three months the fourth quarter committee for carryover, two-thirds of the chances for getting on the books for four-quarter delivery were in the hands of one company.

Nearer cessation of scrap usage among the steelworkers' strikeknowingly the prices of steelmaking grades of scrap last week. Dealers generally agreed to lower their prices, but there were few takers. Before the strike, steel mills were becoming more dependent on scrap for their raw material, and since scrap has been closed, scrap has piled up in dealers' yards, concluded "Steel." The American Iron and Steel Institute announced that approximately 200 companies competing for scrap consumption capacity for the entire industry will be at 13% of capacity for the next 3 weeks. Of the 3 weeks, 38,000 tons of inspots and steel for castings. In the week starting June 23, the rate was 11.8% of capacity (revised) and output totaled 256,000 tons.

A month ago output stood at 33.7% or 880,000 tons.

Car Loadings Rise On Increased Grain and Grain Products Traffic

Loadings of revenue freight for the week ended June 21, 1952, which were affected by the steel strike, totaled 643,600 cars, an increase of 82,700 cars or 14.5% above the comparable period last year. The increase of 12,817 or 2.0% above the preceding week, due in the main to increases in the import and export trade in the end products. The week's total represented a decrease of 169,003 cars, or 22.7% below the comparable week of 1951. The week's total was a decrease of 169,111 cars, or 20.5% below the comparable period in 1950.

Electric Output Continues to Advance Due to

Warm Weather

The amount of electric energy delivered by the electric light and power industry for the week ended June 28, 1952, was estimated at 2,317,017,000 kwh, according to the Edison Electric Institute. The current total was 63,759,000 kwh. above that of the preceding week, an increase of 249,017,000 kwh, or 6.1% above the total output for the week ended June 28, 1951. The current total was 249,017,000 kwh, an increase of 12,817 kwh, or 2.0% above the preceding week. The week's total represented a decrease of 169,003 cars, or 22.7% below the comparable week of 1951. The week's total was a decrease of 169,111 cars, or 20.5% below the comparable period in 1950.

Changes in Volume Spurred By Increased Heat of the Sun

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Commercial Successes Move Moderately Higher

Commercial and industrial failures rose moderately to 162 in the week ending June 21, 1952, according to an analysis by Bradstreet, Inc., reported. While casualties remained below the 1951 164 and 166 period of last year, they were heavier than the total of 156 in 1950. Unfortunately the 1950 failure of 189 reports were down from the 254 reported in that year.

Wholesale Food Price Index Drop To Lowest Level

A further mild decline in the Dun & Bradstreet wholesale food price index this week brought the June 34 figure to $6.38. From $6.61 a week earlier. The current index is the lowest in six weeks, and compares with $7.02 on the corresponding date a year ago.

The index represents the sum total of the price per pound of 51 foods in general use and its chief function is to show the general level of food prices in the market.

Wholesale Commodity Price Index Touched Lowest Level Since Late October 1952

The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., continued downward the past week to reach a new low of 109.44 in the week ending June 21, 1952. The index closed at 109.35 on June 24, as compared with 109.14 a week earlier.

Grain markets were unsettled during the week with prices generally seeking lower levels. Wheat was irregular with prices easier, or at least unchanced, on the Chicago, Kansas City and St. Louis, or southwestern terminals.

In the week, the principal markets last week totaled approximately 13,859,000 bushels, almost double the volume of the previous week.

The outlook for Winter wheat remained excellent but some deterioration was reported in Spring wheat due to continued dry weather. Corn was depressed further by a carryover which was influenced by favorable crop prospects, increased marketing of old corn and carryover, and decreased use of C.C.C. stocks. Export business in corn remained light. Oats declined with the quota on Canadian oats at Chicago and other like ports. Rye showed a good carryover.

The current report on all grain and soybean futures on the Chicago Board of Trade last week offered little help to the marketing situation. In many cases, prices moved up, to 2700,000 a week previous, and 23,000,000 in the same week 1951.

Cotton advanced steady most of the week but declined rather sharply at the close. Weakness at the finish was due mostly to long liquidation and stop-loss selling. Early strength was influnced by increased activity and higher prices in the goods market and reports of weevil infestation in parts of the belt. Sales of the staple for the week were 410,000 bales, against 249,000,000 a week previous and 270,000,000 a week ago. The Bureau of the Census report on cotton May was below expectations, totaling 687,000 bales for the four-week trade week, compared with 822,000 bales in the corresponding period last year.

Trade Volume Spurted as Heat Wave Hits Country

The recent rise in retail trade was checked somewhat in the period ending June 21, 1952, the Federal Reserve Bank's statement showing a continuing heat moved into many parts of the nation. While the demand for narrow goods increased, the summer market found some seasonal goods.

With the help of reduced-price promotions and late shopping hours, retail merchants were able to better the sales figures of a year ago.

Retail dollar volume in the week was estimated to be from 1% below to 3% above the level of a year earlier. Regional estimates varied from the 1951 levels by the following: New England — 3 to 2; New York — 3 to 1; Midwest — 2 to 3; Northwest — 4; South 10 to 4; Pacific Coast 1 to 3.

The volume of clothing in many wholesale markets was virtually unchanged in the week and was evidenced by a rise of 2% above the high level of a year ago, but about 10% below the all-time record. The volume of sales was due to some extent to a sparcare suppliers to increase their inventories. Wholesale commodity prices were unchanged.

Department store sales on a countrywide basis, as taken from the Federal Reserve Board's Index for the week ended June 21, 1952, rose 6% above like period of a year ago. For the period from 1 to June 21, 1952, department store sales registered a decrease of 2% below like period of the preceding year.

Retail trade in New York last week showed a decline of 5% below the level of the like week a year ago, due largely to the extreme heat.
The following statistical tabulations cover production and other figures for the latest week or month available. Data shown in first column are either for the week or month ended on that date, or, in cases of quotations, as of that date:

### AMERICAN IRON AND STEEL INSTITUTE:

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<th>Item</th>
<th>Latest Week</th>
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### BANKERS’ DOLLAR ACCEPTANCES OUT-STANDING—FEDERAL RESERVE BANK OF NEW YORK:

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<td>Total outstanding</td>
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### BOND MARKET:

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### BUILDING PERMIT VALUATION—DEN & BROADSTREET, INC.:

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### CONSUMER PREMIUMS OF COMMODITIES:

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### FABRIC SELLERS’ MARKET INDEX—FABRIC SELLERS’ MARKET INDEX:

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Securities Now in Registration

NEW ISSUE CALENDAR

July 5, 1952

McCarthy (Glenn J.)—Common

(R. Y. Chichester & Co.)

July 6, 1952

Canada General Life & General Re. Equip. Trs. Cfs. (Bache & Co., Inc.)

Devin-Leduc Oils, Ltd. (Bonds)

Georgia Power Co. Bonds (Bonds)

Pyramid Oil & Gas Corp. Bonds (Smith, Barney, & Co.)

South Jersey Gas Co. Bonds (Bonds)

Staley (A. E.)—Mortgage Bearing Debentures (Smith, Barney, & Co. & The First Boston Corp.)

July 9, 1952

Chicago, Rock Island & Gulf R. Co., Ltd. (Bonds)

Pearless Casualty Co.—Common

Pittsburgh & Lake Erie R. Co.—Equity Tr. Cfs. (Bonds)

Texas Gas Transmission Corp. (Bonds, Rand, & Co., Inc.)

July 10, 1952

Blue Ridge Natural Gas & Oil Corp.—Common

Huntington National Bank of Columbus—Common

(Prime, Weiler, & Jackson & Curtiss)

July 14, 1952

Deere & Co.—Common

(Harriman & Bigley & Co., Inc.)

July 15, 1952

Belleville Oil & Gas Co., Ltd. —Common

(Bernholtz & Co. and Melton, Young, Weir, Inc.)

Chemical Co.—Common

(Aspinwall & Co. & Vicker Bros.)

Commonwealth Edison Co., Chicago—Bonds

(Depers & Co.)

Dow Chemical Co.—Debentures

(Davis & Co., Inc.)

General Acceptance Corp.—Debentures

(Palmer, Weiler, & Jackson & Curtiss)

Pulco Development Corp.—Bonds

(Aiken & Co.)

Sundt Refining Co.—Debs. & Common

(Bauman, Dilks & Co.)

Trans-Canada Petroleum Ltd.—Common

(George F. Brear)

July 16, 1952

Atlantic Refining Co.—Common

July 22, 1952

Bryn Mawr Trust Co.—Common

Deca Records, Inc.—Common

(Graham & Co. & Lawrence M. Marks & Co.)

July 23, 1952

Byrd Oil Co. (Bonds)

Hammerich, Schleifer & Co.—Common

(3:00 p.m.)

Byrd Oil Co.—Common

(Bonds)

Deere & Co.—Debentures

(Harriman & Bigley & Co., Inc.)

July 29, 1952

Pennsylvania Power & Light Co.—Common

(August 5, 1952)

Pennsylvania Electric Co.—Bonds

(Bonds)

September 9, 1952

Arkansas Power & Light Co.—Bonds

(Bonds to be issued)

Bond Fund of Boston, Inc

Byrd Oil Co., Dallas, Texas (7/22-23)

Byrd Oil Co., Dallas, Texas (7/22-23)

Byrd Oil Co., Dallas, Texas (7/22-23)

Byrd Oil Co., Dallas, Texas (7/22-23)

Byrd Oil Co., Dallas, Texas (7/22-23)

Canada General Fund, Inc. (7/8)

Cardiff Fluorite Mines, Ltd., Toronto, Canada

Chicago, St. Paul & Pacific R. Co.—Common stock

Chase Chemical Co. (7/15)

Christiansen Mining Corp., Illinois

Citizens Credit Corp., New York, N. Y.

Atlantic Refining Co. (7/6)

Vicksburg, Miss., Atlas Oil Co., Inc.

Pitman, N. J.

Colorado Fuel & Iron Corp.

Commonwealth Edison Co., Chicago, Ill.

Community TV Systems, Inc., Del.

First Boston Corp.

First Boston Corp.

First Boston Corp.

First Boston Corp.

First Boston Corp.

First Boston Corp.

First Boston Corp.
Continued from page 41

Consolidated Industries, Inc. Martin, Ark.
May 23 filed 500,000 shares of common stock.
Price—$1 per share. Proceeds—For construc-
tion, equipment, and general Corporate.
Office—174 North Main Street, Lake City, Iowa.
Underwriter—None.

Consolidated Steel Co. of Houston, Tex.
May 14 filed $28,000,000 of interests in The Thrill Plan for Public Utilities, to be paid in shares of capital stock (par $5) purchasable under terms of the plan.
Underwriter—None.

Consolidated Steel & Wire Co., Dallas, Tex.
March 18 (letter of notification) 120,000 shares of common stock, par 50. To be paid in shares of capital stock (par $5) upon receipt of execution.
To purchase property and railroad equipment and drilling purposes. Underwriter—None.

Flathead Petroleum Co., Monroe, Wash.
March 21 filed 600,000 shares of common stock (par $10). Proceeds—For working capital. Underwriter—None.

Florida Power Corp., St. Petersburg, Fla.
June 6 filed 130,000 shares of common stock (par $25). Proceeds—For expansion of the existing facilities.
Underwriter—Florida Power Corp., St. Petersburg, Fla.

Front Range Uranium, Inc., Denver, Colo.
June 2 (letter of notification) 50,000 shares of common stock (par $1) to be offered in exchange for United Stove Co. common stock (par $1). Proceeds—For working capital. Underwriter—Vickers Brothers, New York.

May 23 (letter of notification) 25,000 shares of common stock (par $1) to be offered in exchange for General Business Co., common stock of record (par $1). Proceeds—For working capital. Underwriter—None.

Georgia Power Corp. (7/8) June 6 filed 200,000,000 shares of common stock (par $1.) Price—At market (on the Chicago Board of Trade). Proceeds—To selling stockholder (Gwendolyn MacBayle Bechtel, executrix of the last will and testament of Errol Bechtel, deceased). Office—San Francisco, Calif. Underwriter—None.


Inland Oil Co. (Nev.), Newark, N. J.
Feb. 28 (letter of notification) 550,709 shares of capital stock (par $10). Proceeds—For new issues of capital stock and for working capital. Underwriter—None.

International Technical Aero Services, Inc.

Jenkerson Cedar Co., Inc., Brookfield, Wis.
March 24 (letter of notification) 1,000,000 shares of common stock (par $1). Proceeds—For exploration work. Office—405 Interstate Trust Building, Denver, Colo. Underwriter—Gardner & Co., White Plains, N. Y.

March 18 (letter of notification) 200,000 convertible notes (each note convertible into 1 par class B stock) to be offered for subscription by existing stockholders. Proceeds—For working capital and investment. Office—1000 Glenview Ave., Lansing, 2, Mich. Underwriter—None.

Leidy Prospecting Co., Reno, Nev.
May 29 filed $20,480,000 of convertible preferred stock (par $51), of which 190,480 shares are to be offered for subscription by existing stockholders. Proceeds—For working capital and investment. Each share held, and 40,000 shares are to be issued at 80 per cent of par value of stock each $10. Underwriter—None.
Price—$2.75 per share. Business—Manufacture of televi-
sion accessories. Underwriter—None.

Loren C. C. Chemical Co., Newhall, Calif.
June 24 (letter of notification) 100,000 shares of common stock (par $5). Proceeds—For working capital. Underwriter—None.

Magnesium Corp.
June 9 (letter of notification) 100,000 shares of common stock (par $5). Proceeds—For working capital. Underwriter—None.


June 23 (letter of notification) 25,000 shares of common stock (par $10), and 85,000 of debentures due July 1, 1957, at premium of 121/2% (letter of notification). Office—105 First St., Cambridge. Underwriter—None.

Flatead Petroleum Co., Monroeville, Wash.
March 21 filed 600,000 shares of common stock (par $10). Proceeds—For working capital. Underwriter—None.

Florida Power Corp., St. Petersburg, Fla.
June 6 filed 130,000 shares of common stock (par $25). Proceeds—For expansion of the existing facilities.


June 22 (letter of notification) 1,000,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—None, New York.

General Credit Banks, Inc. (formerly Industrial Banchaers Corp.) St. Louis, Mo.
May 26 filed 110,000 shares of common stock (par $1). Proceeds—For working capital.

General Utilities Corp. June 4 filed 313,349 shares of common stock (par $5). Proceeds—To existing stockholders of record July 1 on the basis of one new share for each 2.5 shares held on record February 1st. Underwriter—None.

General Utilities Corp.
June 4 filed 313,349 shares of common stock (par $5). Proceeds—To existing stockholders of record July 1 on the basis of one new share for each 2.5 shares held on record February 1st. Underwriter—None.

General Utilities Corp. (7/8) June 6 filed 200,000,000 shares of first mortgage 4?6% bonds, series A, due Feb. 1, 1977 (in denominations of $1,000 each). Proceeds—To retire bank loans. Underwriter—None.

Georgi Oil Co., Inc., Dallas, Texas.
March 24 (letter of notification) 2,100,000 shares of common stock (par $1). Proceeds—For working capital. Office—217 Club Country Avenue, Dallas, Texas. Underwriter—Weber-Miller & Co., Dallas, Texas.

Goldman, Sachs & Co., New York, N. Y.
June 6 filed 200,000,000 shares of common stock (par $1). Proceeds—For working capital. Office—217 Club Country Avenue, Dallas, Texas. Underwriter—Weber-Miller & Co., Dallas, Texas.

Goldman, Sachs & Co., New York, N. Y.
June 6 filed 200,000,000 shares of common stock (par $1). Proceeds—For working capital. Office—217 Club Country Avenue, Dallas, Texas. Underwriter—Weber-Miller & Co., Dallas, Texas.

Jerk Peanut Mills Ltd., Toronto, Canada
March 20 filed 200,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—Northland Securities Co., Ltd., Toronto, Canada.

Johnston Adding Machine Co., Carson City, Nev.
May 5 (letter of notification) 30,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—None.

Kirk Uranium Corp., Denver, Colo.
March 24 (letter of notification) 1,000,000 shares of common stock (par $1). Proceeds—For exploration work. Office—405 Interstate Trust Building, Denver, Colo. Underwriter—Gardner & Co., White Plains, N. Y.

March 18 (letter of notification) 200,000 convertible notes (each note convertible into 1 par class B stock) to be offered for subscription by present stockholders. Proceeds—For working capital and investment. Office—1000 Glenview Ave., Lansing, 2, Mich. Underwriter—None.

March 18 (letter of notification) 200,000 convertible notes (each note convertible into 1 par class B stock) to be offered for subscription by present stockholders. Proceeds—For working capital and investment. Office—1000 Glenview Ave., Lansing, 2, Mich. Underwriter—None.

March 18 (letter of notification) 200,000 convertible notes (each note convertible into 1 par class B stock) to be offered for subscription by present stockholders. Proceeds—For working capital and investment. Office—1000 Glenview Ave., Lansing, 2, Mich. Underwriter—None.

March 18 (letter of notification) 200,000 convertible notes (each note convertible into 1 par class B stock) to be offered for subscription by present stockholders. Proceeds—For working capital and investment. Office—1000 Glenview Ave., Lansing, 2, Mich. Underwriter—None.
New Mexico Jockey Club, Albuquerque, N. M. March 17 filed 1,526 shares of common stock (par $1,000). Proceeds — For working capital. Underwriter — None, but Dr. Frank T. Burns, Jr., has agreed to purchase at certain times not to exceed 40,000 shares and sell the securities to the public.” Statement effective April 5 through lapse of time. Amendment necessary.

Northwest Can & Foil Co., Inc., St. Louis, Mo. June 18 filed 1,000 shares of common stock (par $1), to be sold to the public. Proceeds — For construction purposes. Underwriter — None, but Dr. Frank T. Burns, Jr., has agreed to purchase at certain times not to exceed 40,000 shares and sell the securities to the public.” Statement effective April 5 through lapse of time. Amendment necessary.

Seaboard Finance Corp., Los Angeles, Calif. (7/16) June 13 filed 1,000 shares of preferred stock (par $50). Proceeds — To purchase interests in the company’s outstanding common stock of which 25,000 shares are unissued and for unsecured borrowings. Underwriter — None, but Dr. Frank T. Burns, Jr., has agreed to purchase at certain times not to exceed 40,000 shares and sell the securities to the public.” Statement effective April 5 through lapse of time. Amendment necessary.

Seaboard Associates, Boston, Mass. April 30 filed 50 shares of common stock (par $100). Proceeds — To retire current indebtedness. Underwriter — None, but Dr. Frank T. Burns, Jr., has agreed to purchase at certain times not to exceed 40,000 shares and sell the securities to the public.” Statement effective April 5 through lapse of time. Amendment necessary.

Signal Mines, Ltd., Toronto, Canada May 17 filed 1,000,000 shares of common stock of which 500,000 shares are for account of the company and 500,000 shares are for account of F. T. Hilt, Pau, Ohio. Proceeds — For exploration and development of production and working capital. Underwriter — Nor'eastern Securities Ltd.

South Jersey Gas Co., N. J. June 6 filed 135,230 shares of common stock (par $5). Proceeds — To The United Corp., the selling stockholder. Underwriter — None. Probable bidders: Kidder, Peabody & Co. and Allen & Co. (7/8); Kuhn, Loeb & Co., Inc. (7/8); Babcock & Wilcox (jointly); Lynch, Pierce, Fenner & Beane and Wills of Mexico, Inc. (7/12); First Boston Corp. (jointly); and Ina C. Urbauer & Co., Inc. (7/22). Bids — To be received by The United Corp. on or before June 19 at 9:30 and 10:30 A.M. at 70 East 45th Street, New York, N. Y. Statement effective May 17.

Southern Co., Wilmington, Del. July 15 filed 50 shares of common stock (par $5) being offered by certain stockholders of the company at the office of the company at the rate of one share for each $5 paid in capital, on or before July 18. Proceeds — To increase investments in submarine cable and undersea construction. Underwriter — Lehman Brothers, who were awarded in an open bidding at the office of the company.

Southern Development Corp., St. Louis, Mo. June 17 filed 612,000 shares, $10.625 preferred stock (par $100), to be issued to the public. Proceeds — For expansion. Underwriter — Walker & Company, Pau, Ohio.

Staley, A. E. Manufacturing Co., Inc. (7/8) June 11 filed 6,000 shares of capital stock (par $10). Proceeds — For expansion. Underwriter — None.

Storer Broadcasting Co., Inc. (7/12) June 6 filed 2,000,000 shares, $1 par common stock, to be used in connection with the public offering of the company’s outstanding common stock. Proceeds — For general corporate purposes. Underwriter — None.

Sundt Refining Co., Inc. (7/15) June 23 filed 7,000,000 shares of 10% debentures due July 1, 1977. Price — $20 per $100 debenture. Proceeds — To retire 3% debentures due 1959 and for general corporate purposes. Underwriter — None.

Texas Drilling Co., Houston, Tex. June 24 (letter of notification) 999,000 shares of common stock, par $1, to be issued to the public. Proceeds — For repayment of the balance of the lease and development costs necessary to repossess the lease and for general corporate purposes. Underwriter — None.

Texas Transmission Corp. (7/9) June 19 filed 550,000 shares of common stock (par $5). Proceeds — To be supplied by amendment. Underwriter — None.

Tigard Co., Inc., St. Louis, Mo. Price — To be supplied by amendment. Proceeds — To purchase 55,000 shares of Mutual Fire Insurance Co., Mo. Price — At market. Proceeds — To purchase interests in the company’s outstanding common stock of which 25,000 shares are unissued and for unsecured borrowings. Underwriter — None, but Dr. Frank T. Burns, Jr., has agreed to purchase at certain times not to exceed 40,000 shares and sell the securities to the public.” Statement effective April 5 through lapse of time. Amendment necessary.

Tigard Co., Inc., St. Louis, Mo. Price — To be supplied by amendment. Proceeds — To purchase 55,000 shares of Mutual Fire Insurance Co., Mo. Price — At market. Proceeds — To purchase interests in the company’s outstanding common stock of which 25,000 shares are unissued and for unsecured borrowings. Underwriter — None, but Dr. Frank T. Burns, Jr., has agreed to purchase at certain times not to exceed 40,000 shares and sell the securities to the public.” Statement effective April 5 through lapse of time. Amendment necessary.
Continued from page 43

Texas General Production Co. June 12 (letter of notification) 2,000 shares common stock (par $50), $100 par, 1,000 shares preferred stock (par $50), $100 par. Price—To be determined. Includes 9,000 additional shares of common and 1,000 additional shares of preferred stock. Underwriters—R. F. Bower & Co., Houston, Tex.

Underwriter—To be determined by management. The new issues will be offered for sale to the public.


Federal Reserve Bank of St. Louis


Southern Natural Gas Co.  March 3 company filled with FPC a $70,000,000 expansion program for its Alabama, Georgia and Mississippi service areas.

Standard Forgings Corp.  April 11 company reported an increase in authorized common stock from 266,000 shares to 350,000 shares.

Texas-Oklahoma Gas Co., Houston, Tex.  Oct. 17 company announced to FPC for authority to construct an additional gas pipe line from Texas into West Virginia. The project is estimated to cost $35,000,000. Underwriters—Kidd, Peabody & Co., New York.

Tokin Royalty Corp.  May 14 company reported that early registration was expected to a new issue of $1,500,000 dutchesses, with warrants for common stock. To retire bank loans and for other general corporate purposes. Underwriters—Smith, Barney, Peabody & Co.; and Stone & Salmonson Bros. & Hutzel.

United Shoe Machinery Corp.  June 24 company announced it may be necessary to raise additional capital, due to the large public float in the near future in such amounts as may be necessary from time to time to finance its working capital needs.

Utah Power & Light Co.  June 23 company may issue and sell in September about $18,000,000 of first mortgage bonds to finance construction of the Kilgore plant. To repay bank loans and for new construction.


Washington Water Power Co.  Jan. 9 company applied to the SEC for authority to make public a $8,000,000 bond issue to finance contemporarily, in part, the company's construction programs. Financially, the company is expected to have a $8,000,000 expansion program. Underwriters—Dillon, Read & Co. Inc. (1) for bonds only; Halsey, Smith, Barney & Co. (2).

Westcoast Transmission Co., Ltd.  June 14 the Canadian Board of Transport Commissioners announced that it would be necessary to raise $50,000,000 for a new gas pipeline. Underwriters—Dillon, Read & Co. Inc. (1) for bonds only; Halsey, Smith, Barney & Co. (2).
As we see it

As if the politicians could do better! Many more broadly similar attitudes or conclusions could easily be cited. Subsidies to this and that are included in the therapy the Commission seems to have in mind, which are all too likely to have definite and determinable effects upon the operation of the private economy, and which involve also a determination by the Federal Reserve as to the probability of economic ends to be sought as well as the means by which they are to be reached.

And so it is our hope that the student of these large volumes will not fail to be on guard against, inad¬sious socialist suggestions and proposals with which the facts are again and again and again interlaced.

Continued from page 5

MOSCOW AND OUR ELECTIONS

—The New Red Herring—

Continued from page 13

News About Banks

And Bankers

0,000,000 with a comparatively small increase in capital of the Old Bailey. The capital of the New Bailey will be of $100,000 of new stock.

The capital of the Northwestern National Bank in Philadelphia is increased as of June 18 from $100,000 to $100,000 of new stock.


The directors of the Millikin National Bank of Deer¬er, Ill., announced with regret that J. A. McGau¬ghy is resigning as Trust Officer.

Effective July 1 the Utah First National Bank of Salt Lake City, announced the resignation of the President of the Federal Reserve Bank of Salt Lake City.

Powell Resigns From

Federal Reserve System

Will Assume Presidency of

Federal Reserve Bank of Minneapolis

Oliver S. Powell announced on June 30 that he has resigned his position as President of the Board of Governors of the Federal Reserve System. He is to be succeeded by the appointment of a Commissioner of the Federal Reserve Bank of Minneapolis.

President Truman accepted Mr. Powell's resignation and announced a letter which he submitted to Mr. Powell's letter for his leadership in combating inflation.

Mr. Powell was appointed to the Federal Reserve Board to succeed Mr. Arthur, who resigned late last month.

In a letter to Mr. Powell, Mr. Truman stated June 26, Mr. Powell announced that the Minneapolis Re¬serve Bank officers were anxious that he take office as President.

"Having served for 20 years as the retiring chairman of that bank, I have a natural strong de¬sire to serve in that capacity," Mr. Powell told the President.

Mr. Powell, while serving on the Federal Reserve Board last year, was a member of the Committee on Voluntary Credit Restraint. In that capacity, he was active in co¬ordinating the efforts of banks throughout the nation and screens credit risks and loan ounts to the Federal Reserve Board for the policy to curb inflation.

Edward Mathews Adda

(Special to THE FINANCIAL CHRONICLE)

Plastic Upholstery in Wider Use

Plastics Coatings and Film Association reports 10% increase in use of plastic upholstery for furniture in 1952, and estimates 15% of chairs are now covered with plastic materials.

A 10% increase in use of plastic upholstery for furniture in 1952 as compared with 1951 was predicted by the Plastics Coatings and Film Association at the opening of a poll of member companies. Of those reporting, 20% estimated gains in business volume, 25% judged that 1952 would equal 1951, and 20% predicted a decline from last year’s volume.

There was general agreement that plastic furniture upholstery sales would be up in the second half of the present year, and the half.

Of Association members reporting, 80%, predicted gains ranging from 5 to 30%. The remaining companies felt that business volume would remain the same.

The expectation for increased sales of plastic upholstery in the last six months of 1952, in part on the favorable reaction to plastics on the part of customers and manufacturers, and in part because of the new materials and constructions introduced at the recent Furniture Market in Chicago. It was felt that sales would be in the anticipated rise in furniture sales and also would increase its share of the total upholstery market.

Extension of the use of plastic upholstery, particularly in living room furniture, has been attributed in large part to the greater styling that plastics has given these materials in the past year. This trend has been well established.

It is estimated by the Association that 1,580 out of every 10 are upholstered in plastic materials. If these dinettes were included in the count, the estimates are that the percentage of plastic upholstered pieces would run as high as 35%.

With Paul C. Rudolph (Special to The Commercial and Financial Chronicle)

SANDIEGO, Calif.—Charles A. La Franchi, Jr., with Paul C. Rudolph & Company, Bank of America

John C. Legg 3rd


DIVIDEND NOTICES

A quarterly dividend of 35c per share on the Capital stock of the company, payable July 15, 1952, to stockholders of record at the close of business on June 30, 1952.

The UNITED GAS IMPROVEMENT CO., Philadelphia, Pa.

JOHN MORRELL & CO.

DIVIDEND NO. 40.

A dividend of Twenty five (25) cents per share on the Capital stock of the company, payable August 1, 1952, to stockholders of record at the close of business on July 20, 1952.

The transfer books will not be closed. Dividend stock, and ordinary certificates will be mailed to holders of record at the close of business on July 20, 1952.

A. G. W. STRAUS, Treasurer.

REYNOLDS METALS COMPANY

A dividend of ten (10%) on the preferred stock of the company, has been declared payable August 1, 1952, to stockholders of record at the close of business on July 15, 1952. Scrip certificates will be issued for receipt of dividends.

The transfer books will not be closed. Dividend stock, and ordinary certificates will be mailed to holders of record at the close of business on July 15, 1952.

A. G. W. STRAUS, Treasurer.

VANADYM CORPORATION OF AMERICA

420 Lexington Avenue, New York 17

DIVIDEND NOTICE

On June 26, 1952, a dividend of 35c per share on the outstanding capital stock of the Corporation, payable August 15, 1952, to stockholders of record at the close of business on July 15, 1952. Dividend Book will not be closed.

A. G. W. STRAUS, Treasurer.

Materials Handling Equipment

LOCKS-BUILDERS HARDWARE

YALE & TOWNE

256th Dividend Since 1874.

On June 26, 1952, dividend No. 256 of 35c per share on the outstanding Capital stock of the Corporation was declared payable August 15, 1952, to stockholders of record at the close of business on Sept. 10, 1952.

Executive Vice-President and Secretary.

THE YALE & TOWNE MFG. CO.
BUSINESS BUZZ

WASHING... And You

WASHINGTON, D. C.—What is Harry Truman shooting at any- way? A professional political analyst has kicked in the teeth the attempt of Chairman Frank McKinley of the Democrats—sometimes called the New Deal—of an effort to work out a compromise on civil rights. Harry Truman is trying to give states control over the tide-rolling political winds of Texas, as well as those of California, Louisiana, and Missouri.

The veto of the immigration bill which has been signed into law for the purpose in the middle of the winding road of the Congress, is not only the Southern states but the Democratic city. The same states have been Parts of the Democratic Congress.

Mr. Truman's seclusion of the steel industry to attempt to put across the steel bill, is ex- tremely difficult for most of the Congress. His attempt is not dealing with or he would be fit for the President in the Senate. Mr. Truman can say that Mr. Truman's record of legislative achievement has been for the steel and non-social, almost his "Fair Deal" repertoire of all education, economic and health insurance, and so on, has been a failure, of course, failed.

By his steel he preserves the Presi- dent's record, but he is not likely to be very popular at all. He has failed in the Presidential campaign of 1940, has been shot in the Presidential campaign of 1940, he has been shot in the Presidential campaign of 1940, and in 1940, he has been shot in the Presidential campaign of 1940.

The first thing it has done is to reconstruct his campaign plan of 1940. The second thing it has done is to reconstruct his campaign plan of 1940. He has been shot in the Presidential campaign of 1940. He has been shot in the Presidential campaign of 1940. He has been shot in the Presidential campaign of 1940. His defense, however, without giving him a firm commitment, he would have a third-party ticket. Then the man against whom they were reviving, Mr. Truman, seems to be attacked. In Sena, Senator Russell made it clear he would take another walk even in the 1940 civil rights party, which was adopted this year by Democrats.

With this the States Rights were in a complete state of frustra- tion and rejection, with no known enemy and no trusty can- didate. They have, however, come to fear that either Truman will run or, judging by his actions, Truman would back a straight ticket. So the wires between the capitals of the old Confederacy have been burn- ing with long distance calls. Gov. Hugh L. White of Mississippi tipped the word the other day before the state Democratic convention, that the Southern conservative would be again contemplating a third party, and that he was backed by the Governors of South Carolina, Georgia, Louisiana and Texas.

The last thing it will do will be to give back to the Southern states the strength of 1940. Southern Dixiecrats will stick with Russell through the Democratic convention in Chicago. If they revolt it will be by separate action later. They will stick with Russell be- cause they are, as it were, stuck with him. Whether later they will find a new standard bearer, re- mains to be seen. Should Russell take a Fair Deal Vice Presidential nomination, spirits below the Mason-Dixon line would be unpleasantly depressed.

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