EDITORIAL

As We See It

After signing the Defense Production Act amendments of 1952, President Truman early last week had a good deal to say about provisions which did not appeal to him. His chief objection was to the loss of power which he and his aides attributed to the hands of Congress. There appears to be a basic inconsistency between these views of the President and the acts of his Administration in recent months. The President's statement embodies utterly fallacious notions about "stabilizing" the price and wage situation and his argument in support of his views clearly reveals a deep reluctance to give up power.

Here are some of the cogent passages from the President's pronouncement:

"Unfortunately, however, the new law weakens our ability to hold down prices and stabilize our economy. At a time when our defense production is still expanding and necessarily contributing to inflationary pressures, the Congress has weakened price controls, has invited widespread abandonment of rent controls, and has virtually canceled selective credit controls."

"This law gives the American people only very limited protection against the dangers of inflation. If the Congress provides sufficient funds for proper administration of this weakened Act, and if we have no sudden worsening of the international crisis, and no panic buying, it may be fortunate enough to get through the next 10 months without serious damage to our economy. But this Act, nevertheless, forces us to take a serious gamble.

Continued on page 23

SEcurities NOW IN REGISTRATION — Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 22.

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OUTLOOK For Production of Atomic Electric Power

By EDWIN J. PUTZELL, JR.*

Secretary, Monsanto Chemical Company

Mr. Putzell, in revealing results of study of feasibility of producing plutonium and electric power by nuclear fissi on, recommends construction of pilot plant to test recent scientific theories. Wants legal problems surrounding ownership of reactors cleared up, and urges private industry be permitted to invest its own funds in construction and operation of full scale reactor plants for production of electric energy and plutonium. Holds private enterprise is more efficient than government operation and points out operation of nuclear reactors is in field of chemical engineering.

Recently President Truman said that an atomic reactor designed for use in a submarine has been developed at Arco, Idaho, and will be installed in a ship now building. This is an important military application of power produced from nuclear reactions.

At the same time, parallel with this development of atomic power application, another program has been taking shape in industry. Since the first atomic reactors went into operation, our ablest scientists have speculated, studied and experimented with possible applications of the heat these huge reactors generate. Most often, they have considered the possibilities of converting that heat to steam which would drive turbines to create electric power.

We, at Monsanto, are proud of the fact that among the earliest and most active participants in this field has been our own scientific group. Actual experimentation with plants for producing plutonium and electric power was begun at Oak Ridge's Clinton Lab.

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The Security I Like Best

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

(Comments in the forum are anonymous; you are to be regarded, as in all the securities discussed.)

MELVIN FELS

Analyze, F. S. Smithers & Co., New York

Members of N. Y. Stock Exchange

Standard Oil of California

My selection of the security I like best is one of the many among the numerous companies—Standard Oil Co. of California. It is one of the strongest units in the industry with large domestic reserves and foreign reserves and presents an opportunity for future growth while yielding a reasonable rate of return. Settled in 1886 and incorporated in 1941, the company is carrying on its past growth and future progress as follows:

(1) Since 1941 the company has increased its net crude oil production in the United States more than 100% due to the industry average of 60%.

(2) Sale of crude oil and products increased more than 100% in 1941 against the industry average of 71%.

(3) Exploration expenditures in 1952 will amount to $16 million, the greatest amount in the company's history and $7 million more than in 1951.

(4) The company controls 11 million acres of land.

(5) At the end of 1951, the company's acreage in the U.S. exceeded 7 million acres which is included between 1.5 million and 2 million acres in the Williston Basin.

(6) The company was among the pioneers in the petrochemical field and has a rapidly expanding and profitable business in this field of endeavor.

(7) Standard Oil of California has a young, able, aggressive and imaginative management all-inclusive from the supervisory to senior executive levels.

In 1941, 876,053 barrels of crude oil produced daily in the U.S. was the output from the state of California. Since that time, the company has developed sufficient production to become one of the major producers in the United States east of the Rockies. In 1951, daily domestic production averaged 283,500 barrels of crude and 52,900 barrels of natural gas liquids, a total of 311,400 barrels, an increase of 5% from the area east of the Rockies and 48.2% from California. In addition, production in Canada and Venezuela has increased from 2,123 barrels a day in 1941, up to 4,754 barrels in 1951. Since 1948, Standard of California's production was also greater than California's 30% share of California's crude production. In 1941, net crude oil production in California was 876,053 barrels; in 1951, it was 2,836,053 barrels, an increase of 226%, showing a 17% increase in the output of the state of California.

In 1951, the company conducted a most aggressive leasing campaign and had the largest amount of new leases under lease at the year-end in its history. Acquire gains on the new leases and acreage leasing since the beginning of the year have been substantial. In the United States, the company has more than 20,000 leases, approximately 1½% greater than the acreage held under lease at the year-end in 1949. Acreage in Canada and Venezuela has increased by approximately 6.5% over the acreage held at the beginning of 1951. Since 1948, Standard of California's production was also greater than California's 30% share of California's crude production. In 1941, net crude oil production in California was 876,053 barrels; in 1951, it was 2,836,053 barrels, an increase of 226%, showing a 17% increase in the output of the state of California.

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LETTERS TO THE EDITOR:

Additional Comment on "UN—Why It Is Doomed to Fail"

Prevision made for more letters commenting on William A. Robertson’s article in which he contended that the United Nations, because of its mixed and nondescript composition, among other reasons, is incapable of achieving the objectives, including maintenance of world peace, set forth by its establishment. Suggesting U. S. withdrawal from UN, Mr. Robertson argued that this country, acting independently, could accomplish more for the world than any such body as the UN.

In our last issue on page 3, we gave some of the letters received in connection with the article by Mr. Robertson. In this issue we print a letter from Mr. Robertson’s article to which he contended that the United Nations as now set up cannot bring about world peace. The letter postmarked from New York on May 19, 1945, which appeared on the cover page of the “Chronicle” of June 19. We are able to obtain a copy of the letter in its original undamaged form and print it below.

In his article on page 3, Mr. Robertson put forth the position for his belief that the United Nations is incapable of achieving any of its stated objectives, including the prevention of war. The very feature of the UN that was hailed as its crowning virtue—its realism, its outstanding weakness, and its basis on which insurmountable impediment to its success, he wrote, is “its mixed and nondescript composition,” the membership thus including nations of Europe, Asia, and other nations that do not know their existence.

As already noted, we have given some letters commenting on Mr. Robertson’s article in last issue. Additional communications follow, and others will appear in subsequent issues.

C. CONRAD

Iowa-Illinois Gas & Electric Co.

I agree with Mr. Robert¬
on’s general conclusion that the United Nations as now set up cannot bring about world peace. I personally feel that the Christian nations of the world should form an organization and set up standards for admission to membership under this association which would give the other nations of the world a chance to achieve a sense that the suggestions will meet with a great deal of cooperation. I am quite sure that a large segment of the population in the United States is not now disposed to recognize that world peace can probably be established only on Christian principles but I personally hold this view.

One of the greatest forces now working toward the goal of world peace is Moral Rearmament. The basic principles of this movement are Christian and where they have been adopted by groups, large or small, striking progress toward peace in those groups has been achieved.

ELMER DAVIS

American Broadcasting Company,
Washington, D.C.

I have read with interest Mr. Robertson’s remarks on the United Nations. It seems to me to amount to saying, What’s the good of living since we are going to die anyway? I do not think the UN is worth much at present, but perhaps it does have one of its virtues, since it could do nothing much to injure the interests of the United States. If the current tension between East and West blows up in a major war, we shall have to substitute something else after we have won it. In the meantime, this organization seems to me to serve some minor but useful purposes.

L. E. LEROVENCE

President, Nationwide Food Service, Inc.

There isn’t a thing that Mr. Robertson has said with which I have agreed.

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Climbing Banks

By IRA U. COBLEIGH

The current expedition of Swiss mountaineers up Mt. Everest suggested today's title; but the climbing discussed here will relate to financial altitudes—the deposits and earnings of certain eminent banking institutions.

In the past ten days you simply could not avoid hearing about the new Journal without running amid the traditional sales calls of the bankers. The balance sheets of several of the country's most potent and cash-concentrated institutions, including those of the lending banks, have been released, and to a considerable extent the bankers and depositors have been asked to come on time; deposits are already flowing in as birds to open branch offices.

Although bank stocks today are selling at high prices, the atmosphere of conservative equities, they do fulfills a charge considerable dilution for the up and down trend of the Dow Jones Industrial Averages. While banks are one of the most conservative of the so-called blue chip stocks, their share prices have been handled by able cyclical performers. They tell me that price-earnings ratios here are not the same as the Dow. Due is not high, and there are approximately 6% yields to as high as 7% on a per-share basis. The first phase, bank stocks (in their respective categories) are an indicated "buy"; and on, or over, $25 per share, these issues should be ignored. Mind you, this is not to say that there is not a good case in the country for a rise in both bank stocks and in bank deposit rates. It is merely a theory offered for your own research, acceptance or rejection. The chart of the Dow and the banking indices give it some validity, but in this case I must agree with the old drinkin' and smokin' political parties and their ability to perform in the furthest.

Another thing any random student of the market should note is that New York banks sell at a premium—some even of the Pennsylvania or West Coast financial institutions. Carrying this thought just a little further, the shares of some of the small banks in the Midwest, on the average, will have a 16 times earnings, while the Cleveland banks are not so far, and lower than that. Detroit shares average sales were at 17 times earnings, while the Cleveland banks are not so far, and lower than that. Detroit shares average sales were at 17 times earnings, while the Cleveland banks are not so far, and lower than that. The Detroit banks are not just too drastic a discount for investment. Some banks that are not too heavy a premium for investment are in the Midwest, but there are dozens boasting a 50- to 60-year record without a pause. And the best-run banks in expanding sections of America, have been able to turn in consistent results: earning power, dividends, and a good class of securities to give them credit—and vice versa.

Morg M. Bogie

Morg M. Bogie, President of Schroeder Rockefeller & Co., Inc., member of the Board of Directors of the Central American Bank of Darien, at the age of 68.

Morg M. Bogie was a native of Richmond, Missouri, and graduate of the University of Chicago. He joined Schroeder Rockefeller & Co., Inc., in 1938 and has been President of the bank for 11 years. Prior to joining Schroeder Rockefeller, he was with H. M. Bylony & Co., in San Francisco.

Morg M. Bogie

Will Reason Replace Emotion in Stock Market?

By SAM GLENN

Authors analyze nature of bull markets as revealed by past experiences, and notes "stocks do go up, but rise and decline at different periods. Cites illustrations of movements in individual stocks, and says emotionality rather than reason will move the current bull market in its final phase, will result in abandonment of expansion and a volume which will lift to a "neglected and "dawdling" issue.

The current bull market, which began in June, 1949, it now can be noted, has been described as "highly speculative," with a "captious partici¬pation, and "dawdling" and even dawdling by most others. Al¬though bull markets are "dawdling" and "orthodox," the trader or investor who use these terms is likely to pursue a similar pattern.

Review of previous lengthy bull rises, one finds in each instance a slow, crawling incipience, then a period of fairly rapid rise and advance, and finally a boiling, perhaps frenzied, orgy of both profit and price gains. Naturally a market of this type is likely to show a few of the permanent or economic conditions. Bank stocks, for instance, have continued to rise since 1875; National City, however, has risen since 1938; Bank of Montreal, since 1896; Chase National (more significant) since 1928; there are dozens boasting a 50- to 60-year record without a pause. And the best-run banks, in expanding sections of America, have been able to turn in consistent results: earning power, dividends, and a good class of securities to give them credit—and vice versa.

Morg M. Bogie

It is not quite definitely not the intention of the writer to convey the idea that all stocks are mentioned, or referred to, are at a peak. Perhaps their apathy is well war¬ranted and correctly judged. It is possible that the bull in prices of banks was not justified in the first instance. In other words, bull trends coupled with normal rationalism rather than reason ruled.

Question now is will there yet only a few groups have participated in the advance and the rise in these issues is solid and prolonged and identifiable. True the demand has been dominated by mutual funds, as a result, the investor, pension and trust funds as well as the mutual funds have not had the benefit of another buyer has also been active but prudent and wary, too.

It is not difficult to understand the attraction of the chemicals and pharmaceutical fields, and the increased interest in other natural resources. Earnings and dividends have improved and are expected to continue that in. Pro¬duction advancements in the big corporations enhance the favoritism. It is hardly to remember that many big-name well-situated issues have performed so poorly in the market, in the past even more out of the previous performances under similar conditions.

Case Histories

Specifically, there is the case of Air Reduction. In the 1936-7 bull move it reached a high of around $50, was sold at $20 per share and paid about $1.50. In the current bull market, it has increased in height of 59%, earned around $2 and paid $1.50 dividends. Currently the stock is quoted at $25, earned around $2.60 for 1951 and disbursed $1.40. Then there is the case of solid American Tel. & Tel. Sold as high as 196 and 200 in the two mentioned peak markets while earning and paying the same dividends as today, when it brings around 155 per share. American Tobacco is another example. High of 99 and 99 1/2 was registered in the former years on lesser earnings and dividends than now when it quoted around 98. These are the "A's" issues such as Chicago & Northwestern, C & O, Cora, Continental Can, General Foods, Great Western Sugar, Goodyear Tire & Rubber, International Nickel, Lig¬gett & Myers, Mack, Pepsin, Pennsylvania R., Pennsylvania R. & Tobac¬co B. Standard Brands, Timken Roller Bearing, Union Pacific Railroad, United Shoe Machine, U. S. Pipe & Foundry Company, and Woolworth, all fall in the same.

Well reasoned, more speculative stocks there are literally hundreds of examples. Many are selling at price/earnings highs.

Herman G. Mell J oins Smith, Barney & Co.

Herman G. Mell (Special to The Financial Chronicle)

CHICAGO, III. — Herman G. Mell, who was formerly associated with Smith, Barney & Co., has joined W. H. Lynch, Pierce, Fenner & Beane.
The GOPl Offers Small Prospect for Return to Fiscal Soundness

Chicago, July 9—Observation of the goings-on here seems to be a foregone conclusion, according to the Spectacu-
lar of the Convention's

A. Wilfred Hay

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Another, fiscal socialization is con-
doned—even if but hesitatingly
and UNWITTINGLY.

"Mr. Republican" Indifferent

Attitude

Skepticism over the GOPl's sound monetary policy
importantly warranted by the attitude of Senators
of the second party to the cause of his position as a lead-
ing candidate, but rather as a result of the socializer's
of his party. Asked by this correspond-
ent concerning the desirability of returning to
gold convertibility, the candidate
"Mr. Republican" manifested
indifference; an i n d i f f e r e n c e
wholly inconsistent with his ever-
ready outspokenness on so many
other issues; but wholly consistent
with his temporizing with a re-
turn to the gold standard and redbait-
ry.

In his New York press conference of
June 12, in which he hurriedly
indicated that he would be willing
to go along.

The me-too-ism exhibited here
in this question of money by Mr.
Hart is all in all an inconsistency
his voting record on other fillip
on socialization from housing to
reduction in income taxation.

If we get me-too-ism from Mr.
Hart we can expect little else from
the Eisenhowerites or the discernible
dark horse.

Other Gestures

The GOPl policymakers like-
wise are doing their duty in in-
Tabled the platform, among other
ded revolutionary and for
progressive reduction of income
above 25 percent. As
explained by Mr. Herter, the
"party of the right" feels that, in
practice, relief from the con-
sumer tax burden must be grad-
ual and will take time—par-
ticularly if the continuation of cold
war would里斯.

Also taking time to effect, if it
ever will be enacted, is the pro-
posal of postal savings and the
proposals of the present
double taxation of corporate
marketable securities, the
relative measures which will have
to be accompanied by a large
escalation of the problem of
the new Wroc.

The people will be able to
get gold only when it is prac-
ticable. Under the law there is a
federal presumption that it
would be wholly impractical to

take the step now. Their
theory is that there is a sound
basis, if not of reality, at least
hydrant, of rather than a check to,
the course of a nation's fiscal poli-
icy. The skepticism behind it
from the New Deal-Fair Deal credi-
tender, the GOPl's reputed fiscal refor-
ers are putting the cart before
the horse in making allusions to
reactionary policy as a check on
spending and interventionism.

From one reformatio
is designed into our ears, while from

Another, fiscal socialization is con-
doned—even if but hesitatingly
and UNWITTINGLY.

"Mr. Republican" Indifferent

Attitude

Skepticism over the GOPl's sound monetary policy
importantly warranted by the attitude of Senators
of the second party to the cause of his position as a lead-
ing candidate, but rather as a result of the socializer's
of his party. Asked by this correspond-
ent concerning the desirability of returning to
gold convertibility, the candidate
"Mr. Republican" manifested
indifference; an i n d i f f e r e n c e
wholly inconsistent with his ever-
ready outspokenness on so many
other issues; but wholly consistent
with his temporizing with a re-
turn to the gold standard and redbait-
ry.

In his New York press conference of
June 12, in which he hurriedly
indicated that he would be willing
to go along.

The me-too-ism exhibited here
in this question of money by Mr.
Hart is all in all an inconsistency
his voting record on other fillip
on socialization from housing to
reduction in income taxation.

If we get me-too-ism from Mr.
Hart we can expect little else from
the Eisenhowerites or the discernible
dark horse.

Other Gestures

The GOPl policymakers like-
wise are doing their duty in in-
Tabled the platform, among other
ded revolutionary and for
progressive reduction of income
above 25 percent. As
explained by Mr. Herter, the
"party of the right" feels that, in
practice, relief from the con-
sumer tax burden must be grad-
ual and will take time—par-
ticularly if the continuation of cold
war would里斯.

Also taking time to effect, if it
ever will be enacted, is the pro-
posal of postal savings and the
proposals of the present
double taxation of corporate
marketable securities, the
relative measures which will have
to be accompanied by a large
escalation of the problem of
the new Wroc.

The people will be able to
get gold only when it is prac-
ticable. Under the law there is a
federal presumption that it
would be wholly impractical to

take the step now. Their
theory is that there is a sound
basis, if not of reality, at least
hydrant, of rather than a check to,
the course of a nation's fiscal poli-
...
The Administration's Tragic Blunders at Home and Abroad

By DOUGLAS MacARTHUR
General of the U.S. Army

General MacArthur accuses the Democratic Administration of losing the war abroad and at home, and of political and military weakness. Points out as Republican Party Goals:
(1) restoration of integrity in government; (2) government economy; (3) purging government and education of disloyal and subversive elements; (4) elimination of the shadow of fear; (5) reduction of tax burden; (6) correction of social inequities; (7) protection of both worker and industry in interest of public; (8) proper control of our resources—agriculture, and (9) national rearing in way not to burden the young.

lawfully detained with nations with which we are at peace; which are dismembered and divided; and which are divided in our own country. Our country's military mission has ended, and the outcome of the war is now being left to the nation. The peace is beginning to be fought by the people, and the peace will be won or lost by the people. We have reached the point where the people must decide whether we are to have a government that is strong and free, or a government that is weak and servile. The people must decide whether we are to have a government that is just and equal, or a government that is unjust and unequal. The people must decide whether we are to have a government that is democratic and free, or a government that is despotic and servile. The people must decide whether we are to have a government that is stable and secure, or a government that is unstable and insecure. The people must decide whether we are to have a government that is sound and healthy, or a government that is sick and unhealthy.

Moral strength is necessary for the winning of the war. If we fail to maintain moral strength, we shall fail in the war. We must not be content with mere victory; we must be content with victory and moral strength. We must not be content with victory at any cost; we must be content with victory at the cost of moral strength. We must not be content with victory for the sake of victory; we must be content with victory for the sake of moral strength.

The moral strength of the people is the moral strength of the nation. If the people lose moral strength, the nation will lose moral strength. If the people are not moral, the nation will not be moral. If the people are not strong, the nation will not be strong.

The people of this nation are not by nature weak or weak-minded. They are by nature strong and strong-minded. They are by nature moral and moral-minded. They are by nature just and just-minded. They are by nature free and free-minded. They are by nature equal and equal-minded. They are by nature democratic and democratic-minded. They are by nature stable and stable-minded. They are by nature sound and sound-minded.

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California Municipal Financing: Its Problems and Prospects

BY ALAN K. BROWNE

Vice-President, Bank of America N.T. & S.A.

Predicting large volumes of municipal financing in California in coming years, West Coast bankers ask: Are the facilities of many local units adequately developed to meet the demand? And if not, what are the steps to be taken to improve them?

Last week the Municipal Forum of New York held its 1932 Conference in Atlantic City and was entitled, “Financing the $100 Billion Backlog of Federal Aid for Municipal Improvement.”

This financing backlog covered the estimated cost of public improvements to be undertaken by cities and towns or acquired over a period of the next ten years. It was not reported that all types of municipal financing—comfort, education, and recreation, as well as structures for business and industry—were included. However, it was indicated that California’s share of this public investment would be substantial.

We do not have to point out to you the impact of California’s increased population and the resulting need for new and improved public buildings, schools, bridges, highways, water and sanitary facilities—toward which we have been building and will continue to build. The need for these facilities is recognized by the present and will continue to exist for the future. The fact is, however, difficult to break down such figures into any geographical pattern with an accuracy of better than a general magnitude. However, we can be assured that California’s share of this public investment will be substantial.

The two problems which are discussed in this issue are: (1) the current and expected increase in the municipal financing of public enterprises, and the public facilities required for business and industry, and (2) the methods and formulas by which the public and private sector will cooperate in the financing of these diversifying local needs.

We cannot consider in this connection the many institutional problems which have been discussed in the current economic conditions and the financial hazards now prevailing. We do not mean to imply that these problems are unimportant. On the contrary, we feel that the public officials and bankers must learn how to work together in the fast-changing world of today.

While it is true that the financial problems of the munici-
pal finance of California are new, there are certain problems which will continue to be as acute as in any other area. We cannot, in this short space, consider these problems in detail. However, we would like to call your attention to a few of the more important financial problems which are facing us today.

First, the municipal financing of public enterprises raises the question of whether the public enterprise is a proper function of the city government. There is no question that the public enterprise is an important function. However, we cannot overlook the fact that the public enterprise is a business and should be conducted as such. There are many questions which must be considered before a public enterprise can be conducted on a sound basis.

The second problem which we would like to consider is the method of financing the public enterprise. There are several methods which can be used to finance the public enterprise. The most common method is the issuance of bonds. However, there are other methods which can be used to finance the public enterprise. The method of financing which is used will depend on the specific circumstances of each case.

The third problem which we would like to consider is the method of administration of the public enterprise. There are several methods which can be used to administer the public enterprise. The most common method is the appointment of a full-time administrator. However, there are other methods which can be used to administer the public enterprise. The method of administration which is used will depend on the specific circumstances of each case.

In conclusion, we would like to emphasize the importance of the municipal financing of public enterprises. We cannot overlook the fact that the public enterprise is a business and should be conducted as such. There are many questions which must be considered before a public enterprise can be conducted on a sound basis. We must also consider the method of financing the public enterprise. There are several methods which can be used to finance the public enterprise. The method of financing which is used will depend on the specific circumstances of each case. Finally, we must consider the method of administration of the public enterprise. There are several methods which can be used to administer the public enterprise. The method of administration which is used will depend on the specific circumstances of each case.

We hope that this article has been helpful in providing you with some information on the municipal financing of public enterprises. We would be happy to provide you with more information on this important subject.

Yours sincerely,

Alan K. Browne

[**An address by Mr. Browne at the First Annual Conference, California Group, Investment Bankers Association of America, Santa Monica, Calif., June 18, 1932.**]
BOND CLUB OF DENVER

The Bond Club of Denver has set Aug. 21 and 22 as the dates for its 50th anniversary. On Thursday, the 21st from 4:30 to 6:30 p.m., there will be a Calcutta Buffet in the Mural Room of the Stanley Hotel (this is the first time the year’s end at the Banquet) and all out-of-towners with 30 or over are urged to arrive in Denver by noon, Thursday, Aug. 21. On Friday, Aug. 22, the golfing will take place at 11:00 a.m. at the Park Hill Country Club, and the usual activities will take place during the day, including a white tie and white dinner at 7:00 p.m.

We are anticipating a large turnout for this year’s party, and Dan Brooker, James W. Campbell, John A. Hogle, and Colorado National Bank, may be contacted for hotel reservations.

*Federal Budget Results of Fiscal Year 1952*

Secretary Snyder estimates receipts at $62,129 million and expenditures at $66,145 million, leaving deficit of slightly over $4 billion, compared with a budget surplus of $5 3/4 billion for the previous year.

Secretary of the Treasury Snyder released on July 1, the budget results for the fiscal year 1952 ended on that date. Budget estimates of the government amounted to $62,129,000,000 as compared with $48,143,000,000 in the previous year. Expenditures of the government amounted to $66,145,000,000 as compared with $44,033,000,000 in the fiscal year 1951.

*COMING EVENTS*

**INVESTMENT FUND**

July 22, 1952 (Des Moines, Iowa)
Iowa Investment Bankers Association Annual Field Day at the Wakonda Club (with headquarters at the Savery Hotel).

Aug. 22, 1952 (Denver, Colo.)
Bond Club of Denver at the Rocky Mountain Group of IBA Summer Field Day at the Park Hill Country Club.

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Annual meeting of the Knollwood Country Club.

Sept. 26, 1952 (Philadelphia, Pa.)

**American Enka**

**Berkshire Fine Spinning**

**Betany Mills Inc.**

**Dan River Mills -**

**Recently Active Textile Stocks**

**Primary**

Telextron Inc. 4% Pfd. 61

**Verney Corp.**

**ROSTER, SINGER & CO.**

**Member of 7 Security Dealers Associations**

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**Lackawanna Railroad of New Jersey First Mortgage A of 1953**

23 Bower St., New York 4, N. Y.

**Minneapolis Honeywell Regulator Company - Analysis**

William E. Blahnik, 121 South La Salle Street, Chicago 3, Ill.

**Outboard, Marine and Manufacturing Company - Report**

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**Reese MacDowell Mines Limited - Bulletin**


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Lerner, 160 Post Office Square, Boston 9, Mass.

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Postwar Inflationary Trends

BY MILLER H. POSTUS

Vice-President and Director of Research
The Federal Reserve Bank of St. Louis

New York City

Author traces development of the long- and short-term inflationary trends, concluding that they are probably in an inflationary phase as the result of an overexpansion of credit

With the objective of clarification, it seems historically feasible to make three general observations on the activity and the results of the activities and to reflect the value of money in relation to goods and commodities. For Americans this relates to the buying power of the dollar at any given time.

I

The Long-Term Secular Trend

The modern commercial world shows an inflationary trend over the last 500 years.

Before the days of modern banking, inflation, the gradual reduction in the value of money units in relation to goods and commodities, as affected by government-slip of gold and silver coin.

The impulse largely came from wars and their expenditures—and sporadic peacetime governmental extravagances, the spending of more money than could be readily taxed out of the people.

Long-term changes in the price level were also influenced by new acquisitions of gold in the world—such as resulted from the conquests of Cortes and Pizarro in Mexico and Peru, 1520-1530, the discoveries of gold in California, Australia, South Africa, Alaska, and Canada during the 19th Century and up to date.

The largest increment of new gold, however, was that resulting from the Roosevelt devaluation of the dollar in 1934. This action made gold immensely profitable and available all over the world, until the outbreak of World War II in 1939.

The long-term secular trend underlies all intermediate phases and there is every reason to believe it will continue.

In the United States this secular trend would seem to have a tremendous inflationary potential.

The Roosevelt devaluation scarcely had time for much effect, before the great inflationary forces of World War II, and at present we face the gradual working out of the separate inflationary moves in peace and war over the period 1934-1952.

The enormous postwar foreign lending in the United States is considered as a part of the necessary postwar deflation. It continues up to date.

The time element as to the results of these important moves affects the value of the dollar in uncertain terms, and this becomes even worse if it continues to work out, for example, we face the great secular inflationary factors of World War I might be expected to be repeated.

II

The Short-Term Trend

The phase of the economic cycle refers to trends operating over months, or a few years, and may be at variance temporarily with either one or both of the long secular trend or the war cycle.

It is usually manufactured or directed by the operation of modern central banks in their effort to control the price level and business activity over short periods of time.

The Fed's policies have depended upon the Federal Reserve Board and the Federal Reserve Bank for making decisions.

The trend has been the best trained observers.

With the inflationary cycle, the reduction in the value of money—of rubber, sugar, automobiles, textiles, etc., and no matter how great the basic inflationary potential, the enormous production facilities stimulated by the activity of a war economy and the postwar rebuilding phase, is bringing goods on the market on the par with the governments in manufacturing fresh money supply.

Historically, this phase gradually develops into the second postwar liquidating period—1925 in England after the Napoleonic War Bonn, 1875 after the Civil War in the United States, and 1935 after World War I.

III

The Great War Cycle

Judging from the Napoleonic Wars, the American Civil War, World War I, and up to date following World War II, there is rather definite pattern of the flow of economic forces—connected with modern war.

The pattern seems as follows:

1. The cycle seems to have a life of about two years prior to the war—during the immediate period, the frightful battles have been fought and an upturn a year after the end of the war, in the winning countries.

2. Then comes a peak in prices and an appreciable period of depression for three years, followed by a long postwar boom. The entire post war cycle seems to cover about 10 years.

3. Over the entire war period the inevitable inflation affected the prices, the general price off the cost of living, and the spending of money, faster than civil goods and commodities can be produced, seems to flow from one country to another, characteristically commodities, wages, real estate, stocks and bonds.

4. At present, May, 1952, and based on the time element, we seem to be in the last phase of the postwar boom. This period, about seven years long, is characterized by gradually declining commodity prices and real estate values, and stability in wages, and inflation beginning to spread into the securities markets. As in the past, people are saving more money, many of these savings have been filled, and the cost of living is due for a major decline.

5. About this time after a war, the world seems to begin to lose some of the war tension. The balance of power dissipated by a great war is in the process of erosion and the nations adjust themselves to more normal grooves. The usual international turmoil immediately following a great war is subsiding slowly. Under such conditions, the enormous military expenditure is shrinking in scale, and the important item of taxes can be reduced.

6. This is a time of slowly deteriorating economy—following the dynastic inflation. Historically, it is a time of great contract and relief, following the long period of war uncertainty, although it may have been seven or eight years of international peace.

7. Countries are spending less money. Goods and commodities for their inflation being produced in greater quantities.

The world is getting back to normal peace time production of rubber, sugar, automobiles, textiles, etc., and no matter how great the basic inflationary potential, the enormous production facilities stimulated by the activity of a war economy, and the postwar rebuilding phase, is bringing goods on the market the par with the governments in manufacturing fresh money supply.

It does not change permanently either the long secular trend nor the short-term trend. The forces are much deeper imbedded in the economic tempo indicated by the signs of depression or relief, either one of which would have been more dangerous if allowed to gather too much momentum.

The sequence of events leading up to May, 1932 seem to be as follows:

1. From 1915 to 1921 the Federal Reserve Board began a series of moves to contract credit, probably to curtail the rising spiral of commodity prices following the early stages of the Korean War, and arising out of the suppression by many people that it was the beginning of World War III. The Board continued its efforts apparently until about August, 1951.

2. In the meantime, raw commodity prices turned down from June, 1951 and the soft goods markets became charged with goods. The commodity price chart continued an accelerated downward trend until late March, 1952. The bond and stock markets also turned downward in their historical sequence.

3. About the last of March, 1952 the Federal Reserve Board changed tactics, probably for the main

Continued on page 39

$1,660,000
Illinois Terminal Railroad Equipment Trust, Series E
3% Serial Equipment Trust Certificates (Philadelphia Plan)

To mature $1,000 semi-annually January 1, 1953 to July 1, 1962, inclusive

To be guaranteed unconditionally as to payment of par value and dividends by endorsement by Illinois Terminal Railroad Company.

Priced to yield 2.20% to 3.50%, according to maturity

Issuance and sale of the Certificates are subject to authorization by the Interstate Commerce Commission.

HALSEY, STUART & CO. INC.
R. W. PRESSPRICH & CO. THE ILLINOIS COMPANY
FREEMAN & COMPANY MCHASTEVER HUTCHINSON & CO.

July 7, 1952

This announcement is not an offer to sell or a solicitation of an offer to buy these securities. Arrangements having been made for the sale of these securities have been made only in certain states in reliance on any exemption from registration of such securities in such states. This advertisement appears as a matter of record only.

$14,258,650

Houston Lighting & Power Company
34% Convertible Debentures due June 30, 1967

Of the $14,258,650 principal amount offered to holders of Common Stock of the Company, $3,139,300 principal amount was purchased by holders of Common Stock in accordance with the Subscription Rights issued to such holders of Common Stock. The Underwriters have agreed to purchase from the Company and have arranged to sell the $27,300 principal amount which was not subscribed for through the exercise of Subscription Rights.

HALSEY, STUART & CO. INC. UNDERWOOD, NEUHAUS & CO.

July 10, 1952
Canada Restored to Normal

COMPETITIVE BANKING

By L. G. GILLETTE

Vice-President and General Manager The Bank of Toronto

Retiring President, Canadian Bankers' Association

Addressing Canadian bankers, Mr. Gillette reveals success of efforts to curb inflation, and banks of edge restrictions as restorers to normal competitive banking in Canada. Notes expansion of banking in Ontario in flow of fresh capital into Canadian enterprises. Says, because there has been no increase in interest rates in Canada, banks are now able to effect lower rates of interest and continuing fair return to shareholders. Concludes Canada's resources are almost unlimited, and future progress is assured of work, theft, investment and enterprise.

From a banking point of view, perhaps the most significant event of the past year has been the pro-

CREDIT RESTRICTIONS REMOVED

One of the government first removed credit restrictions, which was fol-

ed by an announcement from the Bank of Canada that it felt the re-entry of banks into the market was a considerable step toward the goal of a normal competitive banking system. In particular, the banks agreed to discontinue discounting, reduced their call and demand loan rates, and stopped making call loans.

For a period, loans continued to fall, and the government had already made, but they levelled off in the second half of the year and the target figure was reached and maintained.

Bank Holdups

There has been a good deal of publicity attached to the problem concerning the number of bank holdups which occurred actually there were fewer in 1951 than in 1949. In the previous year, banks were not taking part in the holdup at the branches of the Bank of Montreal and were refused for most of them have been re-

CREDIT RESTRICTIONS REMOVED

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I Ample in Canada, a credit system that suited to the extent that restric-

tions on banking credit, for it goes without saying that

was agreed in all that we are concerned with the market

of a new competitive banking system, we welcome the

improved conditions of banking.

Expansion of Banking Capital

I have referred to the physical expansion of banking in Canada. In 1941, $41,739,783 were paid to 29,199 employees and at the end of last year they had $71,184,000, an increase of 61.3%. In that same 10-year period, salaries and wages paid to bank employees increased from $4,179,783 to $117,141,000, an increase of 2,645.7%. This increase is largely due to the fact that the banks have been and are continuing to increase their capital and reserves, which have been increased from $292,000,000 in 1941 to $832,000,000 in 1951.

In making the decision, the Board of Directors of the Bank of Canada, have agreed to the annual dividend of $41,739,783.

I should add that since Jan. 1, 1948, we have been paid in rewards to citizens who, by action or information, have been contrib-

uted to the appreciation of bank robberies, to police forces in recognition of outstanding courage or exceptional detective abilities of their members, and in rewards to citizens of our police forces and officers of the bank, in recognition of courage and service.

In the past year, the amount paid in rewards has been $144,296.

No Increase in Interest Rates

There has been no increase in interest rates this year, and to this fact it is due that many other countries, have had a general increase in banking interest rates. This is true, but in the face of steady and increasing price levels, we have not been able to do as much as we would like.

Some of the causes of the decline in interest rates are due to the uncertainty of the future, and the fact that a great many people are not content with the returns they are receiving on their capital. This is especially true of the small investor, who is forced to put his money into fixed interest investments, and who is not always satisfied with the returns he is receiving.

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There has been no increase in interest rates this year, and to this fact it is due that many other countries, have had a general increase in banking interest rates. This is true, but in the face of steady and increasing price levels, we have not been able to do as much as we would like.

Some of the causes of the decline in interest rates are due to the uncertainty of the future, and the fact that a great many people are not content with the returns they are receiving on their capital. This is especially true of the small investor, who is forced to put his money into fixed interest investments, and who is not always satisfied with the returns he is receiving.

In making the decision, the Board of Directors of the Bank of Canada, have agreed to the annual dividend of $41,739,783.

In the past year, the amount paid in rewards has been $144,296.
Steel: Forward to Shortages

By ELIOT JANEWAY
Economic Consultant

Mr. Janeway maintains burden of inventories has been overestimated, and recent rate of inventory liquidation underestimated as well. Incapacity of automotive and other consumer durable goods industries' shutdowns this summer before supplies can be replenished.

A casual and costly attitude toward steel has been facilitated in turn by the nature of the steel industry. Steel is coming out of our ears, and every industry, no matter how far away from the shop floor, has on hand more steel than it needs. Mr. Janeway, as an economist, has been telling us for some months, and we have been using our CMP tickets. This writer has repeated the story now in any sense "planned it this way," it is becoming apparent that the steel dispute could not be settled until a price increase could be permitted; and a steel price increase could not be imposed until the burdensome inventories of sheet and strip and wire and other temporarily "soft" products had been worked off—which is to say, the long strike which this writer has expected has all along been inevitable.

The strike is now revealing that industries of "soft" items were not as high or as well balanced as believed at the peak of the "Defense Depression." It is also revealing that the people who have been putting greatest emphasis upon the burden of inventories have underestimated the imbalance of finished steel inventories but the recent rate of steel inventory liquidation.

Indication of the sharp and short-sighted excesses resulting from the impact of waves of sentiment upon buying and movements of inventories, representative steel consumers up and down the industry sat tight during the buyers' strike on the eve of the shutdown when steel at one time was going so pain-

fully clear, they should have been busily preparing to balance their inventories.

1952's sales slump, and the parallel panic in psychology, caused temporary but widespread blindness to the fact, which is fundamental, that any "inventory re-con" by definition liquidates inventory. What always wants to be added to this axiom is the corollary that inventory tends to be unbalanced as fast as it is liquidated—unless it is replaced and supplemented.

The explosive meaning of this phenomenon is usually hidden by the revival of buying after moderate inventory liquidation; but when inventory is liquidated below, an inventory is liquidated. When inventory is liquidated, and steel is shut down, as is happening now, a forced shutdown of production prevents even an ordinary buying of what is needed to balance inventory (except by segmented cold-rolled and bar products), the result is a renewed selling that is the "cure" making now. Too late we are awakening to the reality that inventories of finished steel are not balanced and over-liquidated on the eve of a return of consumer consumption (accompanied as a recovery phenomenon is) by a shutdown of production.

Consequently, the liquidation forced by the strike has already insured a strong buying wave in all steel products as soon as pro-

duction resumes at the highest rate that will permit the high degree of activity. This, in turn, will bring the next wave of demand even if protected against a return of demand when the next round of inventory liquidation is launched by drastic and effective "re-con". This is not the time to be shortsighted.

Steel supplies will support many production programs—rated of the American Steel and Wire Company—will assure liberal selling at the levels projected before the strike.

Adequately, to raise this twin question after 1952's false alarm over shortages will be to raise the cry of "Wolf, Wolf." Shrewd and sober heads in the steel industry, recognizing that the risk and the cost of the next round of steel shortages will be magnified by continuing and dogmatic conviction that 1952's false alarm argued against a repeat in 1953.

Reference to my "Harvard Business Review" article—"Balancing Our Metal Requirements" (November 1951)—will emphasize the danger implicit in the question—whether the steel industry will be able to meet the forthcoming wave of demand. It was the thesis of this article that the steel industry is vulnerable to emergency shortages because of imbalance between its melt and its rolling ca-

pacity. Thus, while most steel consumers have had no doubt from where their steel was coming, the steel industry has not yet assured itself from where its raw materials are coming. Indeed, the steel industry has been forced out, highly advertised steel capacity expansion program has aggravated rather than remedied the imbalance by virtue of adding to the steel industry's need of materials.

Disruption Between Ore Fields and Furnaces

Specifically, the strike is forcing most severe liquidation burdened by finished steel inventories. In the commercial area, more than the exhaustion of in-

ventory in the military area. In-

deed, notwithstanding the com-

bined civilian-military buying of the strike, ending the strike's most significant disruption of steel supply has not come between the finishing mills and the fabricators—commercial or mili-

tary—but rather between the ore fields and the furnaces. For the strike is interrupting the accum-

ulation of iron ore inventories at what should be the peak of the shipping season if steel is to be produced during the winter months when iron ore is flowing during the months of warm weather. It is not, which raises a large question as to how many iron and steel furnaces a summer strike will shut down for lack of raw materials when the Great Lakes are again ice-bound.

True, scrap supplies are available as easy as they were tight—such shuffling back and forth extreme to another is a normal characteristic. Of America's "Dislocation Economy;" six months ago, scrap could not be bought and today it can be sold. But the normal warm weather accumulation of scrap is not counted for. For much longer, we will learn to our cost that no lack of scrap—however large can constitute for the threatening iron ore shortage. In any case, come winter, we will need all the scrap now reaccumulating the more volatile spirits among us.

The weather, of course, will be

continued.
Successful Personnel Relations

A Challenge and Opportunity for American Business Leaders

By RICHARD P. ETTINGER
President, Prentice-Hall, Inc.

Publisher asserts if business can provide for worker directly what he or she needs in order to live the life he or she wants, and thereby help the worker to lean on extravagantly run Welfare State, production will be increased and everyone benefited. Declares now is time for business to act, to offset politicians' promises.

I am delighted to have the opportunity of speaking on this subject so close to my heart, I want to talk with you about what the American worker wants and how the American enterprise system can enable him to get it.

Let us consider what the American worker wants.

There have been many surveys on this subject, and most of them agree that the American worker wants:

1. The right to work continuously on wages that sustain him and his family to live reasonably well—to have security in his job—enjoy peace of mind.

2. The opportunity to advance along a stimulating social, industrial, and organizational system.

3. The dignity of being treated as a human being, and the feeling of belonging, of participating in the success, or at least, of not being considered as a number on a time clock.

4. The opportunity to accumulate something beyond immediate needs, to provide for other workers to help him secure safety against sickness or accident or economic depressions.

How to Meet Workers' Objectives

Unless he can get what he wants from his job or his business, the worker will not return to the state. Indeed, he has already done this. This is evident in the severe inflation, and the industries in the New Deal and Fair Deal programs that are run by the Welfare State.

An address by Mr. Ettinger before business honor Society Beta Gamma Sigma, New York City, May 19, 1952.

The FIFTH THIRD UNION TRUST CO.
CINCINNATI, OHIO

Statement as of June 30, 1932

Cash and Due from Banks $87,971,502.88
United States Bonds 102,261,600.00
State and Other Bonds and Securities 29,011,257.76
Commercial Paper 5,647,020.76
Customer's Liability under Acceptances 2,420,600.00
Incorporated Bank Notes and Traveler's Payable 1,400,000.00
Other Resources 40,215,147.34

Total $255,089,888.88

*Cash in cash for excess reserves 105,000.00
Life Insurance 8,000,000.00

Unpaid Dividends

Total Capital Funds $255,089,888.88

Reserve for contingencies, lapses and taxes 4,000,000.00

Liability under Acceptances

Deposit 19,000.00

**Commercial, Bank and Savings 255,455,661.90

Other Liabilities 35,749.84

**Commercial, Bank and Savings

Total $255,089,888.88

*In addition to the loans and mortgages as shown we had unused lines of credit totaling $2,500,000.00.

**Includes $1,818,629.97 of Trust Mortgage on deposits in the Banking Department under the provisions of the Banking Law of the State of Ohio, is a Preferred Claim against the Assets of the Bank.

The Commercial and Financial Chronicle • Thursday, July 10, 1932

By RICHARD P. ETTINGER

Political

Politicians are constantly trying to do for workers what this country has done for business. They are trying to draw a larger and larger part of the national income into a central reservoir and then channeling its distribution for political ends. In the process of this process, the record of American business in creating wealth, increasing employment, developing the world entities to encourage and develop the enterprise in working out plans that will enable the business to grow and develop, and that the worker properly wants it.

Experience shows that a great opportunity as well as a real obligation is provided to business, if only it will understand and disburse the worker from following the false base of giving these things for "nothing" from a paternalistic government—for that can lead only to the loss of freedom, and eventually to abject slavery.

So our problem is to give the worker an incentive to produce to get what he needs, and what he wants. Then, the Federal Reserve System makes it available. The fundamental idea is that the worker, whether an employer or employee, produces in excess of what they consume, who can provide what the country needs, or others the security and welfare benefits they want.

"Production is pretty much what the worker wants to use. The worker must be able to see greater production before it is realized. If the worker is convinced that production means greater achievement, that the worker is secure, that he will have security, advancement and dignity—will produce. If he thinks greater production will not bring him such things, he will produce only so long as he will be afraid of being left out of it."

American business has set living standards far beyond those ever seen on the face of the earth. The United States has been responsible in the past 20 years, has shown the rest of the world how it can use the abundance of its natural resources and the labor of its people. It is the challenge of showing the way out of the trend toward socialism and the Welfare State, a way out that will enable the worker to get more than the minimum he needs, and enable the wasteful government agencies.

The truth of this is demonstrated by the fact that the corporations that have been successful have done this in a way and have done the most in this field have been successful. You probably are all familiar with the outstanding success of leaders of the great businesses, like Procter and Gamble, Sears, Roebuck and Company, J.C. Penney, Jostyn, and Horney—to mention only a few. And our own company, starting with nothing except an idea and a will to work and to apply these principles, has become one of the largest and most successful publishers, as well as the largest reference book publishers, and one of the most important services and agencies engaged in the American business.
failed to live up to their obligations to see that the worker has had the opportunity to work continuously at good wages, and to accumulate something beyond his immediate needs; and business generally has also neglected its obligation and opportunity to provide the worker with the incentive to make this possible. So politicians have stepped in with promises of a "Welfare" State, and a benevolent government. And in that guise, politicians have even gone to the extreme of seizing private property, told business what they can sell and to whom, what prices to charge, what to pay in wages, and when to hire and fire. These politicians have a lust for more and more power; they want to control everything and substitute a controlled and inefficient officialdom for the free enterprise that has made America great.

That is not true democracy. It is the road to socialism and something worse. In a true democracy the state is a necessary and limited evil, not a benevolent dictator. Security, progress, and happiness in a democracy come from the efforts of the individual, working for his own, his family's, and his neighbor's good. This can be accomplished by using methods such as I have outlined.

Now is the time for business to act—to provide the benefits the politicians are promising to offer, and will continue to promise. With bold, enlightened action, business can recapture the position of leadership in the economic social welfare field it has almost lost by default. This is the challenge for business to accept—because it is profitable to do so, and because it is a way to preserve the American way of life that has given America the world's highest living standards and has preserved the freedom and dignity of the individual.

With Schirmer, Atherton

PORTLAND, Ore.—Jack C. Meusdelder is now with Blyth & Co., Inc., Pacific Building.

Dyer, Felton, Hughes With Clayton Secs.

BOSTON, Mass.—Chester W. Dyer, Robert C. A. F. Hughes and Francis J. Hughes have become associated with Clayton Securities Corporation, 22 Devenshire Street, members of the Midwest Stock Exchange. All were formerly associated with J. Arthur Warner & Co., Inc.

Cyrus Lawrence Will Admit J. C. Jenks

Cyrus J. Lawrence & Sons, 115 Broadway, New York City, members of the New York Stock Exchange, on Aug. 1, will admit Jerome C. Jenks to partnership. Mr. Jenks is Manager of the firm's Investment Research Department.

Smith, Barney Adds

HARTFORD, Conn.—Henry G. S. Smith has been added to the staff of Smith, Barney & Co., Hartford-Aetna Building.

IRVING TRUST COMPANY
NEW YORK

STATEMENT OF CONDITION JUNE 30, 1952

ASSETS

Cash and Due from Banks ...................................... $ 418,754,843
U. S. Government Securities .................................. 382,368,675
U. S. Government Insured F.H.A. Mortgages ........ 15,790,458
Other Securities ........................................... 30,063,565
Stock in Federal Reserve Bank ................................. 3,150,000
Loans and Discounts ...................................... 575,134,810
First Mortgages on Real Estate ............................. 880,558
Banking Houses ........................................... 15,072,342
Customers' Liability for Acceptances Outstanding .... 15,143,133
Other Assets ............................................. 4,162,095
$1,460,520,479

LIABILITIES

Capital Stock .................................................. $ 50,000,000
Surplus ..................................................... 55,000,000
Undivided Profits ........................................ 15,630,929
Total Capital Accounts ..................................... 120,630,929
Deposits ................................................... 1,312,738,905
Reserve for Taxes and Other Expenses ............. 6,506,379
Dividend Payable July 1, 1952 .............................. 1,250,000
Acceptances: Less Amount in Portfolio .......... 15,568,987
Other Liabilities ......................................... 3,825,279
$1,460,520,479

United States Government Securities are stated at amortized cost.
Of these, $90,508,161 are pledged to secure deposits of public moneys and for other purposes required by law.

DIRECTORS

WILLIAM W. ENSTROM Chairman of the Board
[ Position Name]
RICHARD H. WEST President
HARRY E. WARD Honorary Chairman
HENRY F. BRISTOL Chairman of the Board, Board-Morse Company
JOHN F. BROWER, JR.
C. H. A. Audshead & Co.
WILLIAM K. DICK New York, N. Y.
PHILIP F. GRAY
Senior Vice President
L. J. HARVEY, JR. President
The Flaxkake Company
HAROLD A. HAYCOX Vice President
Ots Research & Co., Inc.
DAVID L. LUKA, JR. President, West Virginia Pulm and Paper Company
HERMAN A. MATHES Senior Vice President
ROY W. MOORE President
Canada Dry Ginger Ale, Inc.
MICHAEL A. MORRISSEY
Honorary Chairman
The American News Company
PETER S. PAINE President
New York & Pennsylvania Co.
LOBY A. PETERSSEN President, Ohio Electric Company
J. WHITNEY PETERSON President
United States Tobacco Company
JACOB L. REISS President
Rois Manufacturing Corporation
FLETCHER W. ROCKWELL
Groovarex, Corp.
WILLIAM J. WARDALL New York, N. Y.
FRANCIS L. WHITMASH
President
Franklin B. Lagri & Company
Youth's 1952 Opportunities

By ROGER B. BABSON

Mr. Babson gives advice to young people just starting on their career. Two-thirds of all college graduates live in cities and communities and do not prefer large towns. Advises against being too busy about the special business or industry one should enter.

During the past month nearly every college graduate who has finished school or college and gone out into the cold world to

S ome of the brightest young people are taking jobs

taken jobs in the cities home. The bright lights give it

looking hard time finding work. They have looked and

want to be with some big
corporation and have seen ad-

that the large ones have their troubles as well as the small ones. Besides, one does not need quite as much with a large company. Un-

fortunately, a number of them is learning that college does not mean "graduated" and has a "diploma."

Young people should also think of the "future." When selecting a job or place to settle, look beyond the cities. Among the large cities cited by the govern-

ment as especially vulnerable should be avoided. Indeed, the principle of success is to build upon a small foundation. These foundations for,

are, in your own locality. Themselves, and other people have asked me, "What chance have you? What should I do?" I immediately reply, "You have as much chance to make friends as anywhere else, and make the best capital you can have." I have 170 people here in my Sta-

tistical Organization and we are employ 

more all the time. When looking up the references of applicants for jobs, I always want to know how many "contacts" they have and the character of these contacts. I believe an equal, the one with the most contacts, in the United States. These foundations for,

You are in your own locality. Themselves, and other people have asked me, "What chance have you? What should I do?" I immediately reply, "You have as much chance to make friends as anywhere else, and make the best capital you can have." I have 170 people here in my Sta-

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private, competitive enterprises,

and wealth strength as a nation and as a people, the foundation of oppressive and arti-

are not sufficient to support

in the United States. There are only the small powers


tives of the future. I have no

In my opinion, the demand of the 20th century is for an

The Administration's Tragic Blunders at Home and Abroad

Continued from page 6

The Administration's Tragic Blunders at Home and Abroad

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In this march away from our traditional American way of life and foreign philosophy, we may
which formerly characterized our relations abroad.

In our preoccupation with Euro
popular theme has been our fear from our concern those great people, there is a tendency on our part, who historically have sought not our wise, good, and great. We must recall that we are not the only people to tread the path of friendship and understanding. Our "good neighbor" policy with respect to the peoples of the Western Hemisphere has been, and is still, a great strength. It has helped us to be understood and to be liked in all parts of the world. It has increased our prestige and our influence. It has strengthened the bonds of friendship and cooperation that we have established with our neighbors.

We must not allow our fear of the unknown to prevent us from seeing the light. We must not allow our desire for security to prevent us from taking risks. We must not allow our fear of the future to prevent us from looking to the past. We must not allow our fear of competition to prevent us from cooperating.

The world is a complex and dangerous place. But it is also a wonderful and beautiful place. We must learn to live in it. We must learn to use it. We must learn to love it. We must learn to respect it.

For this is a practical purpose, not a visionary one. For the destructive force of modern war has now in the Western Hemisphere, and we are too fearful to contemplate by even a potential one. We must be ready to meet it, and we must be ready to fight it. We must be ready to defend our ideals and our way of life.

What Our Foreign Policy Should Be

This then must be the direction of our foreign policy. We must, upon restoration of our military strength and spiritual balance, continue to push our ideal toward peace and tranquility, toward the triumph of the most citious: deep-rooted, not superfi
cial. Our ideal must be eventually the abolition of war. Such is the longing hour of all the masses of mankind of whatever race or tribe. Indeed, so well is this understood that even the despot, in order to assure a following, clucks the threat of a war.

We must fully understand that, once we commit ourselves to the defense of others, the issue of war or peace is no longer in our exclu
dent, how we become another pawn in the game of international politics—a dangerous game—in which the present Administration has demonstrated no peculiar adeptness. It has failed and plagued peace while moving toward war. Indeed, none can deny what history has clearly records—that the Democratic party has well earned the double Continued on page 18

**STATEMENT OF CONDITION, JUNE 30, 1952**

**RESOURCES**

- Cash on Hand and Due from Other Banks: $369,844,952.16
- United States Government Securities: 760,347,756.30
- Other Securities: 110,127,311.42
- Loans: 794,001,204.65
- Real Estate Mortgages: 60,182,176.61
- Accrued Income and Other Resources: 354,183,381.26
- Branch Buildings and Loanable Improvements: 7,614,189.69
- Custodial Trusts and Advances: 3,249,858.01
- Letters of Credit: 3,415,636.51

**LIABILITIES**

- Deposits: Commercial, Bank and Savings: $1,342,041,600.85
- United States Government: 131,468,895.92
- Other Public Deposits: 26,667,809.48
- Accrued Expenses and Other Liabilities: 9,509,849.95
- Dividend Payable August 1, 1952: 790,000.00
- Acceptances and Letters of Credit: 3,415,636.51
- Capital Funds: Common Stock ($10.00 Par Value): 15,000,000.00
- Par Value: 45,000,000.00
- Undivided Profits: 10,066,061.64
- Total: 70,066,061.64
- Total: 1,538,577,281.35

**BOARD OF DIRECTORS**

- HENRY E. RODMAN
- ROBERT J. BOWMAN
- PRENTICE M. BROWN
- CHARLES T. FISHER
- CHARLES T. FISHER, JR.
- JOHN B. FORD, JR.
- R. E. HUTCHINSON
- BEN R. MARSH
- WALTER S. MALUCAS
- W. DEAN ROBINSON
- SHARLENE S. SHAPERO
- JOHN B. FORD, JR.
- NATE K. SHELBO
- GEORGE A. STAPLES
- DONALD F. VALLEY
- JAMES R. WEBB, JR.
- W. D. WILLIAMS
- C. B. WILSON
- BEN E. YOUNG

**NATIONAL BANK OF DETROIT**

31 BANKING OFFICES
Main Office—Woodward at Cadillac Square—Detroit 32, Michigan
Member Federal Deposit Insurance Corporation

United States Government Securities carried at $737,326,830.15 in the foregoing statements are pledged to secure public deposits, including deposited $277,352,436.16 of the Trustee-State of Michigan, and for other purposes required by law.
Money Market Fundamentals

By ROBERT VAN CLEAVE
Assistant Vice-President, C. F. Childs & Co., Inc.

Deprolfing lack of understanding of operation of our monetary system, Mr. Cleeve shows that the existence of \$4.2 billion of new Treasury bonds provides means whereby banks may expand money supply by some multiple of that amount. Highs banks as group can only expand earning assets and their offering deposit liabilities as multiple of their excess reserves, and not because of their subscription to new security issues.

Among persons who do not study regularly and continuously the technical responsibilities of factors affecting the money market there is an unavoidable tendency to become somewhat halt on the subject. We are inclined to think of this from the viewpoint of an individual bank only; to lose sight of the fact that deposits are liabilities and not assets, and hence cannot be spent or invested by banks without creating balances with the money supply of the ration; and to believe that the acquisition of government securities by banks in addition provides them with the ability to buy other securities or to make additional loans to the extent of some multiple of the newly expanded government portfolio. These ideas sometimes lead to the conclusion that the appearance of a new issue in the market itself necessarily means that outstanding issues are bound to go up in price.

The present period, involving as it does a heavy tax payment to the Treasury, a refinancing of short-term certificates, and the flotation of a large new bond issue, thus appears an appropriate time to review briefly and simply some of the fundamentals.

In what follows we shall deal only with commercial banks as a group. We define money supply to mean demand deposits, including the Treasury balances and public deposits outside the banks, and these, of course, are interchangeable. It does not include bank reserve balances, because these are bank assets whereas deposits are liabilities. Thus, aggregate short-term liabilities and balances are deposit liabilities of the Federal Reserve Banks. First, we present a series of six typical transactions, which easily can be visualized as entries on a consolidated balance sheet.

(a) We assume first that the banks have plenty of excess reserves and assets, and their offering deposit liabilities as multiple of their excess reserves, and not because of their subscription to new security issues.

(b) We shall briefly consider the effects of these six transactions with the Federal Reserve Banks, and the Federal Reserve Banks with the Treasury, and these results are summarized in summaries 3 and 4 which, we shall assume on the basis of the facts stated, are true, but this amount is more by offset by indebtedness to the Reserve Banks.

(c) It is necessary to have some idea of the degree of price elasticity of different goods and services, and of the probable effect of price changes on the demand for them.

(d) Only as is shown in Summary 3 the banks wind up with a series of transactions with more free excess reserves than they had when they started. This is the case in which the Reserve Banks supplied through purchases of securities by the Federal Reserve Banks has been increased beyond what is necessary.

(e) It is necessary to have some idea of the degree of price elasticity of different goods and services, and of the probable effect of price changes on the demand for them.

(f) The Federal Reserve Banks make new reserve balances available in the manner of securities against 22 in the first two cases. In Summary 2 this larger holding is offset in part by an indebtedness to the Federal Reserve Banks of 16. They are in position to reduce this figure by the amount of excess reserves, which Treasury has to Reserve Banks 4. They are thus not able to buy more securities or to make additional loans going still further into debt.

Summary 3 shows that the banks have added to their government securities by also buying securities for themselves. This is the independence of the banks. It is only to be emphasized that the 6 of excess reserves as a base for maximum further expansion of deposit in banks could advance 30 or 40 per cent more to their portfolios. If they bought the securities from the Treasury, they would no longer have any more excess reserves, viz., 96. If, on the other hand, they were able to sell this amount into the market, the excess reserves would be reduced by 96, and the banks could not further increase their holdings of securities or loans.

Thus, we arrive at some conclusions.

1. It is necessary to expand their earning assets and their offsetting deposit liabilities only as a multiple of their excess reserves, and not in relation to or because of their subscription to new security issues.

2. If the Federal Reserve Banks make new reserve balances available in the manner of securities against 22 in the first two cases. In Summary 2 this holding is offset in part by an indebtedness to the Federal Reserve Banks of 16. They are in position to reduce this figure by the amount of excess reserves, which Treasury has to Reserve Banks 4. They are thus not able to buy more securities or to make additional loans going still further into debt.

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4. Only as is shown in Summary 3 the banks wind up with a series of transactions with more free excess reserves than they had when they started. This is the case in which the Reserve Banks supplied through purchases of securities by the Federal Reserve Banks has been increased beyond what is necessary.

The Administration's Tragic Blunders at Home and Abroad

by advances from the Federal Reserve Banks in the same amount. Instead of a decrease of \(6.4\) in excess reserves there is an increase of \(9.6\).

A third assumption is possible, and it is that banks may buy new issues of Treasury bonds for cash or for new loans. If at the same time they sell securities to the Federal Reserve Banks. Summary 3 shows the net effect upon the banks of the same set of transactions in this case:

**SUMMARY 3**

<table>
<thead>
<tr>
<th>Excess Reserves, Banks Reserve to Reserve Banks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Required</strong></td>
</tr>
<tr>
<td>------------</td>
</tr>
<tr>
<td>(a) 6</td>
</tr>
<tr>
<td>(b) 0</td>
</tr>
<tr>
<td>(c) 2</td>
</tr>
<tr>
<td>(d) 2</td>
</tr>
<tr>
<td>(e) 2</td>
</tr>
<tr>
<td>(f) 6</td>
</tr>
<tr>
<td>+6.4</td>
</tr>
</tbody>
</table>

Here, although the banks have bought originally the same amount of excess reserves as before, 22, they have had to sell 16 during the process, and do not wind up with only 6. Neither have the results of the sixth transaction are the same in all three summaries. Also, summaries 2 and 3 are similar examples, in that in both cases the banks wind up with 9.6 of excess reserves.

There is this important difference, however. In Summary 3 they have bought new loans as securities against 22 in the first two cases. In Summary 2 this larger holding is offset in part by an indebtedness to the Federal Reserve Banks of 16. They are in position to reduce this figure by the amount of excess reserves, which Treasury has to Reserve Banks 4. They are thus not able to buy more securities or to make additional loans going still further into debt.

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Youth In Nation's Greatest Resource

By far our nation's greatest re-

source is our youth. In twenty
two bitter campaigns, I have witnessed its magnificence in the most try-
ing experience of all—that of the Korean War. As an American of the '40s, I have not had the advantage of those who fought and returned; nor do I have the will and the adequate courage, and a patriotism which some of you have today. Yet, as it now approaches the re-

ference, I am confronted with a situation made almost desperately by the loss of the stepped-up production required by our own military burden, and the disease of power as to betray the youth of America.

Despite stresses and strains, the fundamental character of the Ameri-
can of the 1950s is not changed. I offers hope that under the inspira-
tion of a strong, moral leadership, we will be able to meet the great hurk back, insidious efforts to sow the seeds of disharmony, and hatred calculated not only to stir up racial or political strife, but also to wound the spirit of purpose, a mutuality of faith and a common prayer—God bless America!

It is this spiritual unity which our nation may bring to the final crusade to rechart the nation's course toward peace and security. I am sure that our country is ready and eager to meet the conditions, as the humanitarian aspirations of mankind, its Constitutional right and the moral necessity for human happiness. It demands a purifica-
tion of the spirit of God, and a reaffirmation of its will and function to the American party's challenge to leadership.

At the close of the Constitutional Convention, Mr. Cleeve remarked to Benjamin Franklin that he thought the temper of the as-

arms finally evolved was a great and noble charter of liberty upon which we could build a free, noble, and uni-

tally, and quite eager. "Yes, God bless America and for we can make it work."

We have made it work in the past, we will make it work again—to help us God.

Jouns Adams-Fastnow

LOS ANGELES, Calif.—Michael C. Nicoll has been associated with Adams-Fastnow, Inc., 215 West 7th Street, members of the Los Angeles Professional Association. Mr. Nicoll was formerly with Standard Investment Company of California, and Fewel & Co.
The British Battle of Wages

By PAUL EINZIG

Dr. Einzig, in considering wage increases in Britain and the failure of the government to persuade the Trades Union Council to exercise restraint, foresees likelihood of rise in British cost of living, and unfavorable prospects for sterling exchange and increased exports.

LONDON, Eng.—The next few months will be of decisive importance from the point of view of the prospects of sterling. During the last few months there has been an increase of wages in spite of the stoppage in wholesale prices of raw materials and in retail prices of certain lines of manufacture. The government and the employers are trying to persuade the trade unions to exercise restraint in their wage claims. If in some instances, they are not satisfied, the resulting increase in the cost of production and transport will accentuate the upward movement of the inflationary vicious circle.

In an attempt to persuade the Trades Union Council to use its influence in favor of wage restraint, the Chancellor of the Exchequer, Mr. Butskell, was careful to convince the representatives of both that the trend of prices was about to change, and that there was a recession in sight, and that the absence of any large scale wage increase, the cost of living would decrease. If the argument presented last year, that a general wage increase was necessary to permit the cost of living to decline before the wage demands are likely to result in strikes. If in the meantime those months were not to be regarded with the thought that the cost of living had turned the trade unions might conceivably allow themselves to be persuaded to moderate their claims. Otherwise, the outlook for British industry and sterling would be far from encouraging.

Bankers Offer Staley Mfg. Co. 3 1/4% Debs.

Public offering of $12,000,000 of Staley Manufacturing Co. 3 1/4% debentures due July 1, 1937, was made on July 8 by an underwriting group headed jointly by Smith, Barney & Co. and The First Boston Corp. The debentures are priced at 100 5/8 and accrued interest.

Of the net proceeds from the offering, $2,600,000 will be used to retire all outstanding 3% debentures due May 1, 1939. The balance of the proceeds will be used to restore the general funds of the company and will be available for general corporate purposes. The company’s capital expenditures for plant facilities have totaled $8,600,000 since Jan. 1, 1946, and funds for such expenditures were obtained from earnings and depreciation and through employment of working capital.

A mandatory sinking fund is provided for the debentures under which 74% of the issue will be retired prior to maturity. For general redemption purposes the debentures are redeemable at prices decreasing from 101% to 106% of par. For the sinking fund the debentures are redeemable at prices ranging from 101% to 104%, depending upon the date of redemption.

The company is the second largest producer of corn oil in the United States, and is also engaged in the business of processing soybeans and selling soybean products, refining vegetable oils, and business from offices at 50 Court Street.

Gordon Graves Admits Liberty of Indecency

Gordon Graves & Co., 30 Broad Street, New York City, investment bankers, have admitted Mr. F. S. Perry as a general partner.

Mr. Perry formerly was with the Chase National Bank of New York, specialized in consultation work dealing with the financial problems of industrial concerns where the stock was closely held.

In Securities Business

BROOKLYN, N. Y.—Barnet Z. Reade, president of the firm of Reade & Co., Inc., has purchased the New York firm of E. DeSoto, Inc., which includes a 24% interest in the New York Steel & Coke Co.

Undivided Proofs 61,072,723

Discounted Debentures

Amount

Cash Deposited Against Bonds Borrowed

$2,115,724,243.07

LIABILITIES

Cash paid from cash paid from

Net worth

Other liabilities

Other liabilities

$2,115,724,243.07

$2,115,724,243.07

$2,115,724,243.07

$2,115,724,243.07
Harry Spring Elected
President of the United of the

The government market seems to be assuming a more sober attitude, because of the excitement engendered by the new Treasury fluctuation appears to be showing. To be sure, the bond due 1938 is still the leading issue in the market, but the other obligations have been competing for some attention recently. Perhaps they may acquire the new bond, appear to be coming back into their own again. Purchases of Treasury obligations for income purposes are expected to be rising; it is possible that certain issues are getting, whereas others are being acquired for short-term money-

It is believed in certain quarters that the government market, which has been definitely stimulated by the recent offering of the new 2%s and the 3%s, and activity quite likely to continue on the favorable side. Con-

Halsey, Stuart Group Offers Equi ol Tr. Clifs.

group of investment bankers headed by Halsey, Stuart & Co. Inc., including R. W. Press-

AUBREY

Federal Reserve Bank of St. Louis

St.

Halsey, Stuart Group

equipped with its

which has been

New 2% s Still Market Leader

Volume and activity continue to be constructive in the government market with the interest in Treasury obligations as a whole fanning out a bit. This is in spite of the fact that the 2% s of its control and the lowering of direct government economic controls under the new Defense Production Act. This situation appears to be no great fear that there will be a return of the running and rolling of federal government bonds is still in the

Commercial banks, despite their reliance in many instances to buy them in the early days of trading in the new 2% s, continue to add to holdings of this obligation. It is being realized that more and more by many of these institutions that this is a very desirable obligation. The coupon rate is satisfactory and so is the maturity, and the fact that it has a definite maturity date adds to its attractiveness. There has been an advance in quotations above the original offering price of 100, the yield is still attractive and quotations could increase further, so that it may well be realized that this will be the highest yielding Treasury since

While there is no denying that the new 2% s are still in the same class as the 3% s, and in regard to the mobility of the funds, it is at least a fair amount of the total that will be available for sale has already been allocated. This will be a favorable influence upon the future market action of the issue.

Inflation Fears Seen Dulled

Despite the policy of the monetary authorities in relaxing some of its pressure, and the tendency towards inventory liquidation, the banking community has not yet been able to clear up this situation. Nonetheless, the communicable disease is still in the market, and the fact that the yield has been a definite maturity date adds to its attractiveness. There has been an advance in quotations above the original offering price of 100, the yield is still attractive and quotations could increase further, so that it may well be realized that this will be the highest yielding Treasury since

Broader Market Developing

Even though private pension funds, trust accounts, savings banks and other institutional investors were in for and obtained a goodly share of the new 2% s, and nearly all of these have been retained, there has been evidence recently that these same non-bank investors have been giving attention to other Treasury obligations for income purposes. There are reports that the two leading issues of government bonds are not yet in favor as far as these buyers are concerned, with indications that purchases will be

With B. C. Christopher

With Trust Co. of Ga.

Continued from page 11

Steel: Forward to Shortages

Steel: Forward to Shortages

Joins Davies Staff

With Clayton Securities

In San Francisco, California—Paul Ucker has been added to the staff of Davies Securities Corp., 1212 Market Street, members of the New York Bankers Association. He was formerly with J. San Francisco Exchange Bank-

With B. C. Christopher

With Trust Co. of Ga.

In Atlanta, Ga.—Arthur F. Watts is now connected with B. C. Christopher & Co. of Kansas City.

In an address at Northwestern University, Chicago, on June 23 before the Advanced Market Banking Seminar, sponsored by the Chicago Board of Trade, the President of America and the School of Commerce, said that the government market is expanding,

Louis J. Rub, Asst. Vice-President, East River Savings Bank, New York City, says need of increased earnings should not lead as to assuming investment risks inconsistent with safety principle,

Savings Banks Investment Policies

Louis J. Rub, Asst. Vice-President, East River Savings Bank, New York City, says need of increased earnings should not lead as to assuming investment risks inconsistent with safety principle.

With 42.6% mortgage investments consisting of FHA and VA mortgage commitments, he considers the holdings of U. S. Government obligations to be a safety measure and some savings banks may find it advantageous to carry out the programs of their holdings of such U.S. obligations to higher yielding investments.

Mr. Rub said that there was evidence of a wider use of existing mortgage lending powers by savings banks and of greater interest in conventional mortgages. The extension of nationwide mortgage lending powers to conventional mortgages was advocated, which would enable savings banks to overcome the association of new high interest levels and an area in which they operate.

Mr. Rub estimated the amount of mortgage lending by savings banks to increase from $10 billion to the primary mortgage investment policy, to be

The 3% Treasury has been

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Continued from page 11

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The distance to death

Rayburn: Who knows how much interest is to be found in the far-off turn that their peregrinations may take them before the inherent risks in transportation bring their journeys to a too sudden stop.

By automobile, bus, air, or rail are your chances best?

Travel statistics of the past five years indicate that you can go six times as far by rail as you can by air before being mathematically certain of meeting death.

Rail transportation is eight times safer than auto and taxi in terms of death, and seventeen times safer in terms of Injury. The Chesapeake and Ohio Railway Company, for example, has not suffered a passenger fatality in the last thirty-seven years.

Paradoxically, bus travel is slightly safer than rail travel. Statistics do not tell us why bus travel per passenger mile is eleven times as safe as travel by auto and taxi. We can be sure that among the reasons are: the bus has fewer drunken drivers than the auto, and when collision between them occurs it is more likely to be fatal to the occupants of the auto; when collision occurs between the bus and the truck they are more on equal terms.

Even two and one-tenth fatalities per 100 million passenger miles, as was the experience of auto and taxis, does not cause one to stop and listen unless it is expressed in more earthly figures.

What interests the taxi driver is how many lifetimes he could spend in his daily activity before being killed or injured. Assuming a forty-year working life a hundred miles a day, two hundred and fifty days a year, the taxi driver could expect to go fifty lifetime miles without being killed, but only two-thirds of a lifetime without being injured.

Cecil Abbott V.P. of King Merritt Co.

LOS ANGELES, Calif. — Cecil E. Abbott has become associated with King Merritt & Company, Inc., specialists in mutual fund shares, as a vice-president, the firm has announced. He will make his headquarters in Los Angeles, Chamber of Commerce Building, and will be in charge of sales in the Southern California and the Southwestern Territory. Mr. Abbott was associated with Investors Syndicate of Minnesota as a district sales for many years. Since leaving Investors Syndicate he has headed his own company in the distribution of mutual fund shares.

Merrill Lynch Adds

PALM SPRINGS, Fla. — David C. Gereit is now connected with Merrill Lynch, Pierce, Fenner & Beane, Bassett Building.

Cecil E. Abbott is the son of Benjamin F. Abbott, one of the largest mutual fund companies in the country. He was educated at the University of California and was engaged in the brokerage business for many years. He has been associated with Investors Syndicate of Minnesota as a district sales for many years.

When it comes to the distance to death we find that it is twenty-five hundred miles around the earth by air and fifteen thousand miles around the earth by rail. (And there are some commercial travelers who feel that they must be approaching these figures!)

The airplane pilot, counting only nine hundred and fifty hours for each year, may have twenty years at two hundred and fifty miles per hour can expect to spend his thirteen working lifetimes before meeting death. There is the consolation of knowing, however, that there is very little prospect of his being merely merely.

The railroad conductor, looking forward to a fifty-year working life one hundred and fifty miles per day, three hundred days per year, can reasonably expect to go one hundred and sixty-five lifetimes without death, but only five lifetimes without injury.

We office workers and non-commercial travelers may have a less glamorous existence than the airplane pilot, but before judging ourselves to be subject to a certain death by the statistics of the lifetime safety of death should be considered. We would like to know how much one can spend if one is in the same situation. We would like to know how much time can be spent if one is in the same situation. We would like to know how much time can be spent if one is in the same situation.

This is a column which appears in the July issue of Railway Progress Magazine, written by Robert L. Young, Chairman of the Federation of Railway Progress, and is reproduced here as a public service.

Chesapeake and Ohio Railway

Terminal Tower, Cleveland, 1, Ohio
Japanese Investment Opportunities Improved
By New Law, Woman Reports Financier

"I Understand!"

"I understand that a good many of the steel companies are ready to settle with the union on all issues.

"I understand that these companies are being prevented from settling because pressure is being put on them by other steel companies.

"This appears to me to be a conspiracy against the public interest and not a labor dispute. In my opinion, it does not call for discussion of the strike and the emergency provisions of the Taft-Hartley Act.

"It calls for honest collective bargaining between the individual companies and the union. Also, those companies now in agreement with the union could consummate the agreements and begin producing steel for the welfare of this country."—President Harry S. Truman.

This seems to us to be, in many respects, a most remiss opportunity for the President of the United States to make.

He is cavalierly giving voice to serious charges which have been made on the steel enterprises on an "I understand" basis—grossly apparently emanating from the union involved in the dispute!

And note well the fact that it is one union but some steel companies. Money seems to be quite proper on one side but anathema on the other.

Securities Salesman's Corner

By JOHN DUTTON

The Brookings Institution report on 25.8 per cent of the number of people in this country who have any money to invest has been completed. Certain observations in the report will be of interest to those engaged in selling securities.

6,400,000 Stockholders

Out of a total population of around 150,000,000 people, of which 50,000,000 are adults, the reported estimate of 6,400,000 stockholders is a very impressive group. The average number of potential customers for more. Better still, they could be the retail investor in search of a business for those selling securities.

Dividends

Dividends, which are usually paid annually, may be remitted in dollars at the past, within three months of declaration.

Miss Allen was introduced at a press luncheon last week by Murray Lavin, General Manager of Allen & Company, who announced that the Allen firm had increased its holdings in Japanese securities to 83 separate companies. Prior to Miss Allen's departure from New York in May, Allen & Company had stockholdings in 30 Japanese corporations. The firm's Japanese holdings, Mr. Lavin said, "run well into six figures," and they are divided among various industries as follows:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking and Insurance</td>
<td>1.4%</td>
</tr>
<tr>
<td>Railway and Transportation</td>
<td>6.3%</td>
</tr>
<tr>
<td>Electric and Gas</td>
<td>0.4%</td>
</tr>
<tr>
<td>Mining and Oil</td>
<td>1.0%</td>
</tr>
<tr>
<td>Shipbuilding and Machinery</td>
<td>14.7%</td>
</tr>
<tr>
<td>Chemicals and Associated Lines</td>
<td>25.8%</td>
</tr>
<tr>
<td>Lumber, Paper, Printing and Ceramics</td>
<td>6.6%</td>
</tr>
<tr>
<td>Food, Drugs, and Furniture</td>
<td>4.0%</td>
</tr>
<tr>
<td>Metal, Iron and Steel Manufacturing</td>
<td>13.6%</td>
</tr>
<tr>
<td>Textiles</td>
<td>11.3%</td>
</tr>
<tr>
<td>Foodstuffs</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

In commenting upon the general economic outlook in Japan, Miss Allen said, "The Japanese are working hard to increase the production of goods. They speak highly of General MacArthur's policies. They are strong on the side of free enterprise and are firmly opposed to any form of socialist government ownership. Large-scale expansion appears to be assured for most phases of the Japanese economy, particularly for such basic industries as the steel, chemicals and shipbuilding and textiles."

Miss Allen is believed to be the first American woman financier to visit the Far East with respect to American investments. She continues her next trip to Southern Europe and the Mediterranean in August in behalf of the Allen firm.
Each day started. You're the back isn't selves a thing. Just seriously.

From the 285 action outcome has persisted of resonation. The firm has been particularly active in distributing the securities of all and natural gas companies.

In addition to its underwriting and brokerage activities, White, Weld & Co. also maintains special departments for handling commodity trading, foreign exchange, tax-exempt bonds, unlisted securities and investment advisory service.

Hasbrouck Co. Formed

ASHVILLE, N. C. — Dean S. Hasbrouck has formed Hasbrouck & Co. with offices at 17½ Church Street to engage in the securities business. Mr. Hasbrouck was formerly with French & Crawford, Inc., in Atlanta and prior thereto with the Charlotte office of Thomson & McKinnon.

West Penn Electric's residential business has shown steady growth in recent years even when industrial activity was varying greatly. Despite competition from natural gas in a large part of our service area, the rate of growth of residential revenues has exceeded the rate of growth of electric sales to residential customers for the entire country, which in general is less industrial in character.

Throughout our territory of 29,000 square miles—in Pennsylvania, West Virginia, Maryland, Ohio and Virginia—the folks at home are enjoying more and more of the modern comforts which electricity makes possible. They like to live and work in West Penn Electric territory. With no big cities, it offers the advantages of friendly, small-town living. Management as well as employees—industries and individuals—enjoy this kind of business climate. We have plenty of power to serve them all.

If you would like to receive West Penn Electric's regularly published reports and other information, we'll be glad to place your name on our mailing list. Write the Company at its office, 50 Broad Street, New York 4, N. Y.

Some of our best customers are People!

West, Weld Opens Minneapolis Branch

MINNEAPOLIS, Minn.—White, Weld & Co., members of the New York Stock Exchange and other principal security and commodity exchanges throughout the country, announce the opening of a Minneapolis branch office. The new office is located in the Rand Tower and will be under the direction of William M. Carter, manager.

The office has been prominently identified with the financing of many leading corporations. In recent years the firm has been particularly active in distributing the securities of all and natural gas companies.

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Robert G. Goelet has been elected to the board of directors of the Central Trust & Company, a New York bank. Goelet is a name partner in the firm of Goelet, Colombo & Company, a New York law firm. He has been a director of the bank for 14 years.

The bank has been in existence since 1881 and has had a long association with the W. H. Vieleman management family. Vieleman is currently the chairman of the board.

The bank's assets are currently valued at $500 million, with deposits amounting to $400 million. It has a capitalization of $100 million, and its earnings for the year were $3 million. The bank's stock is currently trading at $50 per share on the New York Stock Exchange.

The bank is located at 123 Wall Street, New York City, and can be contacted at 212-383-5000. Its website is www.centraltrust.com.
As We See It

ble with inflation, and all of us should recognize that fact."

Let it be carefully noted at the very outset that what the

Federal Reserve has been doing throughout—maybe

and his Administration have been revealing for months

past that they had grown uneasy about most of the con-

trols which had been placed in force since the outbreak in

Korea. The President himself released local governments

from restraint under the so-called voluntary credit rest-

raint program. He could scarcely have had much objec-

tion to the suspension of several types of so-called

selected credit controls which had been seized by the

Fed-

eral Reserve. A good many price and other controls over

commodities have likewise gone by the board since the

first of the year. It is incredible that the President did not

approve these steps.

So general has been this movement away from restric-

tions and restraints in recent months that virtually all

observers have long ago reached the conclusion that the

Administration had begun to fear a recession in an election

year a good deal more than inflation. In point of fact, if

the Administration has suffered any change of heart or

mind in this matter, even yet there is little or no evidence

of it. But any government once it gets power in its hands

very rarely surrenders it voluntarily. So we hear once

again the old, old, familiar cry asserting the need to give

government power to reinstate controls when, as and if

it deems it wise to do so at some time in the future—as if

Congress were likely to go into permanent adjournment or
cease to exist.

"Inflation" Squeezed by Fiat

But apart from all this, it is disheartening to be re-
minded of the continued strength of the notion (at least in

the President's mind) that "inflation," by which is evi-
dently meant merely higher prices, is a disease amenable

to cure or prevention by all-hail fiat—and an army of

snipers. It is strange that the President, and many others

in public life for that matter, find it so difficult to abandon

the notion that "inflation destroys" is some sort of cure for

underlying ills. It is gratifying in a sense that Congress

has refused to grant the President the powers he has so

frequently and so emphatically demanded in this case, but

he would be naive who supposed that this refusal neces-
sarily indicated much loss by Congress of faith in fiat.

The President is a little pathetic in his complaints

about the way Congress has dealt with his Wage Stabi-

lization Board. Mr. Truman is a stubborn man, of course,

and he is not likely to give up the idea that the Wage Stabi-

lization Board was eternally right in granting to his

friends and supporters all that he could well have hoped

to obtain in the steel case. But in this instance at least

the outrageous partisanship of the Executive branch has

evidently impressed members of Congress—and doubt

has the fact that the rank and file of the public
could scarcely fail to see and understand what was going

on. The President has not been an admirable figure in

his dealing with the unions, now or at any other time, but

It seems to us that he rather out-HERODED Herod in this

steel case. He certainly is not in a good position to defend

his Wage Stabilization Board or anything similar to it.

What About the Treasury?

But is the Administration really afraid of inflation in

the months ahead? Does it really wish to do what it
can to avoid such a development? If so, its Secretary of

the Treasury gives little evidence of it. After an abor-
tive effort to sell an issue of long-term non-marketable

bonds—a venture doomed to failure from the very out-

set—his car demanding is not controlling through.

And judged by surface appearances, he made quite a success

of the venture. But he would be naive indeed who sup-

posed that this is the be-all and end-all of this affair.

Whatever may be said in Washington about "tailoring" its

offer-
ing to the market, the fact is that this issue was "tailored"

for the banks and for no one else. It may be, of course,

that the

wealthy are simply not interested in buying these

bonds (sometimes with the aid of bank loans) will continue
to hold them, but the odds are that the specialists are right

in saying that these professional free riders will at one
time or another pass on their purchases to the banks—at a

nice profit to themselves, so they hope. Is this a bona fide

anti-inflation policy? To ask the question is, of course,
to answer it.

The truth is, we suspect, that the President, like all

the rest of the Administration at this stage of the game,
is "playing politics." He will take such steps as he thinks

best to "prime the pump" or in other ways to head off a

depression. At the same time he will scream to high

heaven about loss of power and various other actions of

Congress—and be in a position to get out from under

should "inflation" rather unexpectedly come.

And there are serious matters. They ought to have

Statesmanlike attention, not be made the football of poli-

tics or made to serve the ambitions of power-hungry pub-

lic office holders. This, it seems to us, should be a most

serious issue as these before the great

rank and file of the people.

---

A "CLOUDBURST!

In this water tunnel proved the effectiveness of Chrysler Corporation's advanced methods of sealing

against moisture, dust and drafts. Here complete DeSoto bodies pass high-pressure water jets that douse them from every angle. This is typical of the thoroughness with which all Chrysler Corporation cars are built.

A CAR'S BODY TELLS A LOT ABOUT

A CAR'S REAL WORTH TO YOU

Chrysler Corporation engineers and builders: Plymouth, Dodge, De Soto, Chrysler Cars & Dodge Trucks

Chrysler Marine & Industrial Engines • Dodge Precision Metal Products • Meyer Parts & Accessories

Airplane Heating, Air Conditioning, Refrigeration • Sprayed Coating Products

Engineers' Eyes Are Everywhere. Out of their laboratories and production lines go Chrysler Corporation engineers, to follow through each step in body construction. Here an engineer studies the double weld at the back of a Dodge body, one of the many things that mean safer and quieter cars, with windows that work easily, doors and panels that stay solid and free from rattles.

The New C-200. New advanced body design are created by Chrysler engineers from carefully planned applications of entirely new concepts of style and construction, fabrics and fittings, perfor-

mance and safety. The Chrysler C-200 is the prototype of a

dramatic new convertible.
California Municipal Financing
Its Problems and Prospects

count files. Too often a dealer sells a customer something that is not right which further obli-
gation to continue keeping his own books. The absence of adequate statistical data. For those accounts that are large, a meaningful breakdown of up-to-date statistical data, this lack of responsibility on the part of the individual customer, particularly in customer relations, psychologically if any substantial credit check should arise.

Advertising: Dealer advertising costs may be spread down into several categories such as new issues, inventory offerings, strictly institutional, or the type pointing to the individual customer. As for the last category, its exemption. At best most are of the "tomato type" being merely a matter of record not al-
ways understood by the non-professional investor. We mention the "Daily Bond Buyer" who conducts a good deal of business with municipal bonds. For some, the adoption of the historic advertising pattern. Unfortunately very few dealers are involved in this type of advertising or participate in this contest. As a matter of fact, in the last issue of the Financial

Surely there is an investment field for tax exemptions that can be brought to the attention of the non-professional investor or given to advertising. The value of the over-the-counter market is not as well known as it could be. Dealers are prone to accept the exaltation of the broker-dealer and institutional accounts regardless of regard to the new issues situation, there can be de-
veloped through proper education. It is important not to overlook the fact that with the westward move-
manship and the new individual customers who are municipal bond buyers are now living among us brokers, dealers, and out-of-state dealers and banks. As a matter of fact, we cannot locate and develop these untapped new sources of business!

This suggestion is not limited to California, it is valid for many communities living in California. As dealers, we cannot let the new people in the communities in which we do not have offices.

Uniform practice among dealers in California stands or falls upon our willingness to work together as a group. In view of the fact that the state of California is quite large, it is necessary that we face the ability of a geographic section of the market to absorb such financing.

Applying some of the suggestions contained in this letter for California cus-
tomers can also be helpful in developing out-of-state business. It is necessary that we, in our own interest and that of the entire industry, act together to broaden markets and develop a wider acceptance of our goods.

Dealer Relations: It is essential that we, as an Association, maintain our

onor their dealings with us. The personal support of the individual customer requires continual contact with the dealer, if the customer is to have a feeling of security. Dealer relations are not limited to a particular market or a particular city. Residential and local accounts can and should play a very important role in California.

Dealer problems are not limited to a particular market or a par-
ticular area. We are faced with other problems such as the cost of local usages and customs play that is so much a part of the "West Coast." California dealers can be found in many markets, and in the past period, dealer business has been predominantly retail in nature. Secondary market trading has been increasing. As a result, the flexibility of our dealer problems can be related to underwriting.

One of the major problems in underwriting in the municipal bond market is the disparity between the current purchase rates of municipal bonds and the market value rates. This is due to the fact that the underwriting of municipal bonds is usually done on an "after" the market basis. The price of the bond is determined by the market at the time of sale, and it may be further complicated by the fact that the price of the bond may be subject to fluctuation due to interest rate changes and other factors. Therefore, the underwriter must be able to evaluate the market value of the bond and determine whether it is worth investing in it. This is a crucial factor in the underwriting process and can significantly affect the outcome.
Bank and Insurance Stocks

This Week — Bank Stocks

Earnings reports of New York City banks for the first six months of the year are the lowest for most institutions higher than in the similar period of 1951.

Operating earnings published so far, or the indicated earnings, are about $60,000,000 in total. This is considerably lower than the operating profits of several banks for the first six months of 1951. Although there is considerable variation among the reports of the different banks with some showing a moderate decline in operating profits, the general trend was towards an increase in operating profits.

Of the interesting features brought out in a comparison of the quarterly operating results, is the trend of earnings of the New York City banks to be leveling off. In other words, quite a number of reports showed that the trend of earnings in the first quarter of the year, although still considerably lower than the similar quarter last year, in other instances the gain over the earlier period was small.

Whether or not those indications truly represent a leveling off of the upward trend of bank earnings which has existed so far this year, it may be too early to determine.

It may be that provision for taxes, transfers to reserves or similar charges, unduly affected operating results and that earnings in subsequent quarters will make a more favorable showing. However, taxes, for the first half of the year will be with us, with an unusual amount of interest to determine the possible trend.

The earnings reports of the 17 principal New York City banks for the first two quarters and for the first half of the current year are compared with those of the like period of 1951. In most cases the net operating earnings are shown, exclusive of security profits and losses. Where such earnings have not been published or are not available on a comparable basis, the indicated earnings have been computed by the changes in the undivided profits and the dividends paid.

<table>
<thead>
<tr>
<th>First Quarter</th>
<th>Second Quarter</th>
<th>Six Months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bankers Trust</td>
<td>0.94 0.56</td>
<td>1.40 0.56</td>
</tr>
<tr>
<td>Bank of Manhattan</td>
<td>0.51 0.56</td>
<td>0.53 1.07 1.96</td>
</tr>
<tr>
<td>Chase National</td>
<td>0.92 0.70</td>
<td>1.61 1.61 1.61</td>
</tr>
<tr>
<td>Guaranty Trust</td>
<td>0.92 1.19</td>
<td>1.61 1.61 1.61</td>
</tr>
<tr>
<td><em>Empire Trust</em></td>
<td>2.40 2.89</td>
<td>5.24 5.24 5.24</td>
</tr>
<tr>
<td>Guaranty Trust</td>
<td>5.18 4.49</td>
<td>9.69 9.69 9.69</td>
</tr>
<tr>
<td><em>Empire Trust</em></td>
<td>0.10 0.40</td>
<td>0.80 0.80 0.80</td>
</tr>
<tr>
<td>Manufacturers Trust</td>
<td>1.12 1.39</td>
<td>2.40 2.40 2.40</td>
</tr>
<tr>
<td><em>Hannover Bank</em></td>
<td>1.40 1.40</td>
<td>2.80 2.80 2.80</td>
</tr>
<tr>
<td>New York Trust</td>
<td>2.10 2.10</td>
<td>4.60 4.60 4.60</td>
</tr>
<tr>
<td>Manufacturers Trust</td>
<td>0.80 0.80</td>
<td>1.20 1.20 1.20</td>
</tr>
</tbody>
</table>

*Indicated earnings.*

The fundamental factors contributing to the increase in earnings for the first half of the current year were the increase in loan volume, the increased net interest paid on deposits, and the lower provisions for taxes. Total loan volume averaged higher in the first half of 1951 than a year ago, and the banks benefited from the increased rate for loans which have occurred since that time, enabling them to earn a better return on a larger volume of funds in the loan portfolio.

The substantial gain in gross income resulting from these factors enabled the different institutions to keep ahead of the rising trend of expenses. Thus, even though income from securities and other activities showed little variation, there was still an improvement in pre-tax earnings.

Banks from the banks showing a corresponding gain in net income, but most institutions were, nevertheless, able to report an increase in final operating earnings. Of the 17 banks, 1 showed an improvement in operating or indicated earnings for the first six months of 1952, as compared with 1951.

Barber & Kane Open

CHICAGO, Ill.—Willie R. Barber and John F. Kane are engaged in the securities business at 17 N. Wabash Ave., according to the firm name of Barber & Kane.

Long Island Secs. Corp.

Hempstead, N. Y.—Long Island Securities Corp., which has been formed with offices at 250 Fulton St., New York City, is engaged in the securities business. Principals are Croydon Hill, Alexander, Edward S. Levy, Selig Drenner, and William Levy.

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a ready reception from our fa- vored customers. What happens when this money has gone, no ready market or credit reports are available. and if the banks are supposed to meet certain stat- utory investment standards can easily cause a panic by careless or imprudent action on their part. We sug- gested that a more thorough un- derstanding of the origin of the requests of this nature will result in less criticism of some of your undertakings.

Participation in Civic Affairs

Most of us are local taxpayers it is well to acknowledge, and we can make use publicly available facilities which are paid for out of taxes we con-tribute. The local field of municipal finance, yet hardly a subject of de-bate in local government, it is im- portant that we may find ourselves concerned in or with subsequent legis- lation improperly identified with the particular interest questions so we know enough of local govern-ment and municipal affairs to say the crying need for expert advice. When we do our part to partici- pate in civic affairs, either in an elective or an appointive ca- pacity, we would be not only doing a public service, but the direct official public officials along the path to material improvement and at the same time we would have a better understanding of the workings of local problems. We, our public officials are frequently the only ones thoroughly to examine the personal approach to local government. Co-operate with your city council the community and ourselves in many ways.

Interest in Legislative Matters

Municipal bonds come into be- ing through processes of law and the understanding of the proper steps can be done to alter or change law and govern- ment. Municipal bonds we sell or buy, that is represented by the sound at the time of sale. How- ever, ultimately they may be im- portant to the legislative process permitting actions authorized by us or to our actions. What is our responsibility in such instances? Can we profit from the ignorant of local government? Is there any implied responsibility to our constituents?

Municipal bond dealers should be more than interested in the legislation of which their bond is in the local or state level. Through in- dividual deals or through the proper steps can be taken to pre- vent any situation, which could have lasting effect on municipal cred- its. Such action or interest on the part of us, who are the differ- ence but part of our democratic process. In addition, If we are designated as experts in our field, our comments and suggestions should be included in the reports of ac- cording experts. Therefore, lack of knowledge of the laws which affect the banks is not an excuse for failing to inform the public of the effects it our business and taking any necessary actions.

Participation in Dealer and Pro- fessional Groups

Because of the nature of the business which we conduct, there are relatively few dealers or professional organizations representing the public institutions. There are some groups concerned with the professional aspects of the business promotion lines. How- ever, through the Investment Bankers Association and the groups and national committees, the dealers have worked to bring the municipal bond dealers to partici- pate in the improvement of their problems of our business. Other groups, such as the Municipal Bond Dealers Association, have had a common meeting ground for the presentation of a presentation of facts of interest to the pro- fession, No organization, no matter how well founded, can be successful without the active participation on the part of members. It is our fear that many dealers render lip service to the professional and dealer organizations to which we belong. In other words, membership does not result in an awareness of the problems of our business or a desire to work to do much about them. We believe our professional standing and have not the time to Kitsch of experts should we not examine our indi- vidual responsibilities to the advantage of our dealer and pro- fessional groups?

Relations with Public Officials

We must recognize, however, that the result from lack of understanding or taking no understanding in dealing with public officials, is that before we should make every reasonable effort to connect with public officials and bring to them an un- derstanding of the municipal bond business so that not only do we sell our bonds, but we help them solve their financial problems. Without much detail, I would like to conclude with the following.

Debt Limitation: The laws of our state under which municipal bond issues must be to a great extent, particularly as they pertain to debt limitation. However, the state laws require for public service results in a serious lack of understanding of our communities, as they are limited in their thinking to that extent. As dealers we cannot overlook this situation and must be prepared to understand the cause of the problems and be prepared to understand our understanding in keeping with sound municipal fi- nancial policies, we have a solution to such condition.

Public Sale: We are most for- tunate to operate under competitive public sale laws. We are under no obligation to bid the borrower under existing market conditions. Whenever we seek to sell, either change the legislation providing for public sale, or, in the other hand, actions which would not at all intents elim- inate the public sale option, we should strongly oppose such actions as being contrary to the public interest.

Notices of Sale: We should en- courage uniformity in notices of sale. Any law which would guar- antee competitive bidding is desirable. Municipal bond officials should be informed of the need for accurate statistical and financial data in the service of their political subdivisions. This may be obtained by the use of a public sale or, in the other hand, to bids which would go to the lowest bidder, the public officials would have to pay the highest bidder.

Bankers Trust: There is much misunderstanding as to the role of a municipal bond attorney. It is the bank attorneys that can render proper legal advice coupled with the record of accompanying the municipal bond business. Dealers should continue to point this out to public officials.

Legislation: Often legislation is sponsored to solve a par- ticular problem and may create many unforeseen problems. It is timely to suggest that legislation be presented to a possible delay. Once again, it is an obligation of all of us to be in service of their professional ca- pacity.

Interest Costs: There are many ways to achieve lower in- terest costs in the bond market, but each of these factors must be determined in this discussion without directly relating them to the end result. At all times we should work to improve our presentation by demonstrating to them how interest costs on debt.

Conclusions

We have presented a variety of subjects this afternoon, but it is not difficult to arrive at general conclusions as follows:

(a) California's public improve- ment bond issue and its effect on the public. In 1951, a public improvement bond issue was placed by the state for the purpose of improving public welfare services. The issue was popular and was supported by a large public welfare campaign. The public raised $10,000,000 for the campaign and the issue was supported by a large number of citizens.

(b) California's public improve- ment bond issue is likely to have a substantial effect on next year's bond market. In 1951, a large public improvement bond issue was placed. The issue was popular and was supported by a large public welfare campaign. The public raised $10,000,000 for the campaign and the issue was supported by a large number of citizens.

(c) California's public improve- ment bond issue and its effect on the public. In 1951, a public improvement bond issue was placed by the state for the purpose of improving public welfare services. The issue was popular and was supported by a large public welfare campaign. The public raised $10,000,000 for the campaign and the issue was supported by a large number of citizens.
Mutual Funds

By ROBERT R. RICH

Mutual Funds Notes

WALTER L. MORGAN reports that he has found little current investment interest in American common stocks compared to European ones, and that the reason is that American mutual funds either in Holland or other European countries, and for this reason Wellington will defer offers to list its shares on the Amsterdam or other European markets.

The Wellington Fund President recently returned from Europe where he investigated the market for American investment companies and at the same time appraised economic conditions for the possible effect on the American securities market.

Mr. Morgan did not rule out the possibility of the Wellington Fund shares on European exchanges. He did, however, warn that foreign exchange conditions may prevent the Fund from listing its shares in any other country.

We are pleased to announce that CECIL E. ABBETT has become a Vice President of the company with offices in Los Angeles.

The Commercial and Financial Chronicle . . . Thursday, July 10, 1952
The Security I Like Best

CONTINUED FROM PAGE 2

HARE'S LTD., New York securities dealers, announces the appoin-
tment of Hubert Nixson Harris as General Manager. Mr. "Hare is Vice-President and di-
rector of Harris & Co., Ltd., and Institutional Shares, Ltd., which he holds since 1945. Prior to that he returned from service as a
pilot in the Naval Air Force. Mr. Harris has been a trustee of the School of Princeton University.

Children Director

Andrew L. Leech

Andrew L. Childs, Vice-President

of A. W. Benckert & Co., Inc., New York investment securities firm, has been placed in charge

of the wholesale department of the Detroit & Mackinac Railway Co., here.

Mr. Childs has been associated with the company, since 1935.

Hart Smith Co. to

Admit Offruga

Hart Smith & Co., 13 Broadway, New York, will announce that its

members of the New York Cur-

gram, have added Miss Jesse R. Ofringa to partnerships.

Jains Camp & C0.

(See the Financial Chronicle)

PORTLAND, Ore.—Grant Pyatt has become associated with Camp & C0., U. S. National Bank Bldg.

Mr. Pyatt was previously with J. Henry Helser & Co.

With Foster & Marshall

(WELLINGTON, V. N.—Harry B. Simon has formed a new firm of dealers with offices at 2 East 42nd Street, New York City.

In the securities business.

Two With John Kinnard

(See the Financial Chronicle)

MINNEAPOLIS, Minn.—Fred-
erick D. Blanche and Charles W.

Johnson have become affiliated with John Kinnard & Co., 71 Baker Arcade.

Jains Schweiuchardt

(See the Financial Chronicle)

ENIIVE ORLEANS, La.—George J. Bourg is now with Schwei-

chardt & Co., Hibernia Building.

Elliott Bradley Openes

SPRINGFIELD, III.—Elliott

Bradley has formed Elliott Brad-

ley & Co. with offices at 410 East Adams Street to engage in the

securities business.

John L. Hall Opens

John L. Hall is engaging in a securities business from offices at 51 East 42nd Street, New York City.

monetary, holdings of common stock were

said to have increased about 4.6.

New common stock acquisitions during the period included 3,300 shares of Washington & Light Co., 2,000 shares each of May De-

partment Stores Co., Louisville & Nashville Railway Co., Louisville Gas & Electric Co., and Armstrong Cork Co. Holdings of Standard Oil Co. (Ohio) were eliminated from the portfolio.

NE] NET ASSETS of Natural Re-

sources Fund at the end of June

were $4,706,000. Frank L. Val-

enta, President, announced. This

represents an increase of $15 over

the $2,560,366 at the close of the

last fiscal year, Nov. 30, 1951, and a gain of $10,225 over the $60,066 in May

1951. Shareholders residing in 38 states now total 2,348.

The Fund has invested in the securities of 53 companies operat-

ing in more than 12 different natural resource industries in the

United States and Canada.

"The Natural Resources Fund has invested more than 37% of its

funds in the shares of American and Canadian natural re-

source companies," Mr. Valenta pointed out. "An advanced first

reason the management has evi-

duced such confidence in the oil and natural gas industry.

"These reasons," he said, "are: first, the rapid expansion in the

consumption of natural gas, a product which only a decade ago

was utilized to a limited value; second, the important position

the oil and gas companies have achieved in the newly de-

veloping petro-

chemical division of the chemical

industry; third, a notable group of large

Canadian companies, afford-

ing substantial participation in the rapidly expanding petro-

chemical industry; fourth, the sharp in-

creases in the market value of oil products and the belief that

science develops new uses; fifth, the realization that 1952 earnings per share, on our table, may amount to $1.87 a share after taxes. Undistributed equity in the earnings of these companies amounted to $1.55 a share before taxes. Although the earnings of foreign investments are important, they actually amounted only 21.5% of the reported earnings in 1951. Currently, dividends are being paid on 79% of the $8.60 share quarterly plus an extra of $0.10, indicating a dividend payout rate against $2.60 paid last year.

The financial position is strong.

HARRY L. ZEEMAN, JR.

Mark Co., & Marks, New York City

ITALIAN POWER 6% Cumulative

The security I like best is the Italian Realization Trust, 6% Cumulative Trust Certificates, List on the New York Exchange, Curb & Com-

mercial Exchange. These certificates, which are fully collateralized, have been announced. The sinking fund mechanism, the

proceeds from which are to be invested in Italian Power Co., Ltd., are guaranteed by the Italian Government, and were

proposed to be deposited with the Bank of New York. The Trust Certificates will be met. Obvi-

ously the position of the Liquidat-

ing Trust Certificates can be no worse than that of the underly-

ing bonds. While there is no market for the Italian Power Public Utility Credit Corporation bonds held by the Italian Power Public Utility Credit Corporation, the Italian dollar bonds listed on the New York Stock Exchange for which, the Italian Public Utility Credit Corporation Trust, which, 1971, is virt-

ually identical to the Italian bonds. Examination of these shows that the liquidation of the Italian bonds command in the light current interest status of Italian credit.

Briefly, under the terms of the plan, $11,380,000.50 in Liquidation Trust Certificates were issued to be retired by July, 1967, in se-

curely arranged on a schedule of pro-

rata capital repayments, bearing interest at the rate of 6% on the unamortized principal. Funds for this purpose are to be derived from dividends on the $17,629,000 in bonds issued by the Italian Power Credit Corporation. These bonds are guaranteed by the Italian Government, and which were

proposed to be deposited with the Bank of New York. The Trust Certificates will be met. Obvi-

ously the position of the Liquidat-

ing Trust Certificates can be no worse than that of the underly-

ing bonds. While there is no market for the particular issue of Italian Power Public Utility Credit Corporation bonds held by the Italian Power Public Utility Credit Corporation, the Italian dollar bonds listed on the New York Stock Exchange for which, the Italian Public Utility Credit Corporation Trust, which, 1971, is virt-

ually identical to the Italian bonds. Examination of these shows that the liquidation of the Italian bonds command in the light current interest status of Italian credit.
Outlook for Production of Atomic Electric Power

A substantial portion of the nation's electric generating capacity will be produced by atomic power within the next ten years according to a study for the Atomic Energy Commission by the Massachusetts Institute of Technology. This report, made by the MIT team, has been one of the most significant developments in the field of atomic energy since the first successful nuclear reactor was built in 1942.

The MIT study estimates that the nation's electric power requirements in 1955 will be about 10 billion kilowatt-hours. By 1965, the requirements are expected to reach nearly 20 billion kilowatt-hours. To meet this demand, the study suggests that about 20 atomic power plants will be needed by 1955, with an additional 10 plants required by 1965.

The MIT team concluded that the cost of atomic power will be competitive with other forms of energy, provided that the plants are built in large enough quantities to take advantage of economies of scale. The study also noted that the development of atomic power would have a significant impact on the nation's economy, by reducing reliance on imported oil and gas, and by providing a clean, abundant source of energy.

The MIT team's report was the culmination of several years of research and development in the field of atomic energy. The team, which included some of the leading experts in the field, worked closely with the AEC and other government agencies to ensure that the results of their study were as accurate and reliable as possible.

The MIT study had a significant impact on the development of atomic power in the United States. The report helped to convince many skeptics of the potential of atomic power, and it paved the way for the development of the nation's first commercial atomic power plant, built by Commonwealth Edison in 1954.

In the years since, the development of atomic power has continued apace, with new plants being built every year. The first commercial atomic power plant to come online was the Shippingport plant, built by the Public Service Electric and Gas Company of New Jersey, in 1957. Since then, dozens of atomic power plants have been built in the United States, and the nation's electric generating capacity has grown dramatically.

The development of atomic power has been a source of much debate and controversy, with some people concerned about the safety and environmental impact of atomic power plants. Despite these concerns, the development of atomic power continues to be a priority for many in the energy industry, as the nation seeks to meet its growing demand for electric power.
operations where the government-owned reactor program could hope to develop the pilot plant design of a plutonium-power reactor. At the same time it would, at its own expense and development, be required to maintain a competitive nuclear-electric power as a tool of international diplomacy and as a weapon this nation can use in the opposition to the aggression of the world's dictators. The plutonium-electric power program which will be so useful in our own national security will be even more helpful in developing the resources and materials necessary in the event of a national well-being. Let me mention a few other things: First, just as we have the same potential that lies in the production and utilization of atomic energy, so also in our chemical manufacturing industry.

The World Wide Need of Cheap Electric Power

In studying the feasibility of the industrial development of atomic power, we have been more interested in the project not merely because we believe that the cost of producing electricity from atomic power will be lower than that from any other source, but because we believe that the industrial development of atomic power will be one of the greatest economic blessings the world has ever known. There is little doubt that the utilization of atomic power for manufacturing purposes should result in the expansion and the improvement of the industrial life of the world. However, there are many areas where atomic energy can and should be used for manufacturing purposes. In order to make atomic power a reality, there should be a modification of the present policy which forbids the private investment in any invention or discovery which will result in the construction of a substance of fissile material or in the utilization of such a substance.

While it is understandable that such a rule be adopted during a national emergency, it would have been obtained at government expense during a period of approaching possibility of major international programs in the field of atomic power, it is in order. For example, to protect the interests of the Government and the morale of the other countries in the world, we must continue to remain free of cooperation by other nations. Under such conditions it is a matter of foreign policy to develop the resources and in the manufacture of electric power, and at the same time, to maintain a competitive electricity industry.

The Probable Future of Atomic Power

In preparing world control of atomic energy before the United Nations Atomic Energy Assembly, Dr. Baruch asked for a committee of distinguished scientists, not for an inspection of all nations and their work in this field. He pointed out that under the conditions that exist, it is not desirable to have any nation or individual nation possessing a monopoly. It is desirable to have a reasonably assured market for its products at fair prices during the period of development. It is desirable to have a reliable investor to obtain a return on his investment for his services in the commercial operations where there may be many tens or hundreds of possible sources of supply. That means the industrial potentialities of atomic energy must not be measured by the cost of production alone. To make atomic energy an effective means of production, the amount of capital invested, the methods of production, and the number of people employed must be considered.

The Problem of Obtaining Capital

In concluding our presentation of the problems to be overcome in the sphere of legislative or engineering matters, one of them is determining the scope of the present Atomic Energy Act against private ownership of facilities. Another thing is to determine the placement of the reactors and the production of a plutonium-power reactor and the government at stated prices.

In proposing world control of atomic energy before the United Nations Atomic Energy Assembly, Dr. Baruch asked for a committee of distinguished scientists, not for an inspection of all nations and their work in this field. He pointed out that under the conditions that exist, it is not desirable to have any nation or individual nation possessing a monopoly. It is desirable to have a reasonably assured market for its products at fair prices during the period of development. It is desirable to have a reliable investor to obtain a return on his investment for his services in the commercial operations where there may be many tens or hundreds of possible sources of supply. That means the industrial potentialities of atomic energy must not be measured by the cost of production alone. To make atomic energy an effective means of production, the amount of capital invested, the methods of production, and the number of people employed must be considered.

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Continued from first page

Freedom: The One Dominant Issue

Do you not believe the words have been distorted and their spirit vitiated?

The genius of our Founding Fathers which preserved this Republic and which has carried it through all the crises of its history was the concept of the limited Federal government. One of their strong prohibitions against giving power to three men by restriction of Presidential power.

We are now, after 20 years have seen constant attrition of those constitutional limitations, on the eve of an apocalyptic decision. I do not need recall to you the rubber-stamp Congress, the packed Supreme Court, war without approval of Congress and a score of administrative committees without comment of the Senate.

And now comes, after 170 years a new discovery in Presidential power. That power has been shrunken by a simple majority of one, and the 26th Amendment has given one man to the Presidency. We are now in the hands of a man whose power is now without restriction.

But there can be no doubt that the representatives of the people in Congress have not yet shown themselves capable of wielding this power. They have not yet shown themselves as effective in resistance to it as the people in 1801 were in 1791.

They rush headlong into their plan of the millennium and send us into the maelstrom of the thirties, and we have nothing to stop them.

If you want to see pure Fascism mixed with give-away programs, you could take a look at the New Deal. If you want to see pure Socialism mixed with give-away programs, you could take a look at socialized medicine and socialized electrical power.

Man was created somewhat more than five thousand years ago. The Creator gave the right to plan the world, to dare your own adventure, to earn his own reward so long as he does no harm to his neighbor.

Either we shall have a society based upon the genius and the creative energy of free men or we shall have a dictatorial society.

In the system of our Washington Administration, the Kremlin now rules over 800 million people. They are now under the domination of the top 300 divisions, 300 tanks, and 20,000 war planes.

American and British navies have been reduced by the same amount.

Our need today is a cold and objective analysis of what we have got to both abroad and within ourselves. We have been very fortunate in our Truman-Acheson foreign and military policies dealing with the Axis and with the Communists.

Time tonight only permits me to point out that we are still being deprived of our three major frontiers. That is, Korea, Western Europe and the Panama Canal and there is no indication of some constructive alternatives.

Korea and Continental Europe

The situation in Korea was born at the Yalta Conference, and it is evident that there is no support of an-called "agirarian liberalism"

We joined with more than two-thirds of non-Communist members of the United Nations in support of this Communist aggression. But the others chose to allow the military forces sent there and taking 90% of the losses, to be the victors.

Gen. MacArthur said that in his view the potential victory was in the beginning precarious, but he went on to say that in the end it proved to be a potent factor in victory. Instead of victory, the Administration substituted appeasement for victory. We have heard no clamor from the Army or the Navy to spend, such as was the fate of the Fort Derussy affair.

We have been told that we must have a six times greater economy than the Communists have. If the Army and the Navy have been so backward in obtaining the two times greater economy than the Communists have, why do we say that we need a six times greater economy than the Communists have?

In Korea, Western Europe and the Panama Canal there is no indication of some constructive alternatives.

Military Policy

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In Korea, Western Europe and the Panama Canal there is no indication of some constructive alternatives.
The States of Trade and Industry

Car Loadings Advance Due to Heavier Grain and Coal Shipments

The weekly total represented a decrease of 172,443 cars, or 21.0% below the corresponding week a year ago, and a decrease of 13.5% for the 13-week period.

The week's total was estimated to be uncharged for 4% higher than a year earlier.

Electric Output Recedes Due to Independence Day Holiday

The week's total was 375,852,000 kw., or 6.2% above the total for the week of July 5, 1952, as estimated by the Edison Electric Institute.

The current total was 864,058,000 kw., below the preceding week's 874,754,000 kw., and 5.6% below the preceding week's 909,422,000 kw.

The auto industry was affected by the Independence Day holiday.

United States Auto Output Curtailed by Steel Shortages and Independence Day Closing

The United States auto industry was affected by the Independence Day holiday.

Canadian output last week was placed at 4,444 cars and 2,656 trucks. In the preceding week 5,498 cars and 2,581 trucks were built.

Business Failures Show Sizable Declines

The current week's industrial failures declined to 131 in the week ended July 6, as compared with 135 in the preceding week, and 125 in the preceding week's comparable week of 1959.

Wholesale Price Index Makes Sharp Advance in Latest Weekly Figures

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

Wholesale Commodity Price Index in Latest Week Drops to Lowest Level Since Mid-October 1950

The government's efforts have disrupted production, but they have delayed completion of the current construction projects.

As the strike went on it intensified the shortage of steel bars and steel products for getting to be taken up.

The week's total was estimated to be uncharged for 4% higher than a year earlier.

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### Indications of Current Business Activity

#### AMERICAN IRON AND STEEL INSTITUTE:
- Total production (tons). Month of April.
- Domestic steel output (tons).
- Natural gasoline output (bbls).

#### COTTON AND LINTERS—DEPT. OF COMMERCE:
- Production of cotton (bales), Year 1949.
- Consumption of cotton (bales), Year 1949.
- Stocks of cotton (bales), Year 1949.
- Stocks of cotton (bales) for export.

#### COTTON SPANNING (DEPT. OF COMMERCE):
- Spinning spindles in use for May 1949.
- Active spinning spindles (000’s), Month May 1949.
- Active spinning spindles (000’s) as of May 1949.

#### COTTON SPANNING (INSTITUTE):
- Active spinning spindles as of May 1949.

#### DEPARTMENT STORE SALES (FEDERAL RESERVE):
- Sales of department stores, Month of May 1949.
- Review of store sales, Month of May 1949.

#### DEPARTMENT STORE SALES—INDEX FOR COMMODITY:
- Indicated sales of department stores, Month of May 1949.
- Review of sales, Month of May 1949.

#### ELECTRICAL INDUSTRY:
- Production of electric light and power, Month of May 1949.
- Production of electric light and power, Week ending June 1949.

#### LABOR—(1947-49 AVERAGE)
- Numbers employed in manufacturing, Month of May 1949.
- Average hourly earnings, Month of May 1949.

#### LABOR—CONSTRUCTION—ENGINEERS’ RECORD:
- Numbers employed in construction, Month of May 1949.

#### LABOR—INDUSTRIAL—INDUSTRIAL INDEX:
- Numbers employed in manufacturing, Month of May 1949.

#### NON-FARM BUSINESS ACTIVITY:
- Corporate sales, Month of May 1949.

#### REAL ESTATE FINANCING IN NONFARM AREAS:
- Real estate financing in nonfarm areas, Month of May 1949.

#### WAREHOUSE PRICES, NEW SERIES—U. S. DEPT. OF COMMERCE:
- Warehouse prices, Month of May 1949.

- Indicators of current business activity as of May 1949.

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### AMERICAN PETROLEUM INSTITUTE—Month of April:
- Total crude production (bbls).
- Refineries’ crude oil output (bbls).
- Natural gas output (bbls).
- Production of refined products (bbls).

### CASH DIVIDENDS—PUBLICLY REPORTED
- Dividends declared by U. S. companies, Month May 1949.
- Dividends declared by foreign companies, Month May 1949.

### DEPARTMENT STORE SALES (FEDERAL RESERVE):
- Sales of department stores, Month of May 1949.

### METAL PRICES—E. J. B. QUOTATIONS:
- Metal prices, Month of May 1949.

### MOODY’S WEIGHTED AVERAGE YIELD
- Moody’s weighted average yields, Month of May 1949.

### MOTOR VEHICLE FACTORY SALES TO INSTITUTIONS:
- Motor vehicle sales to institutions, Month of May 1949.

### PORTLAND CEMENT (BUREAU OF MINES):
- Portland cement production, Month of May 1949.

### REAL ESTATE FINANCING IN NONFARM AREAS:
- Real estate financing in nonfarm areas, Month of May 1949.

### WAREHOUSE PRICES, NEW SERIES—U. S. DEPT. OF COMMERCE:
- Warehouse prices, Month of May 1949.

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

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The Commercial and Financial Chronicle... Thursday, July 10, 1949

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<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Details</th>
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<tbody>
<tr>
<td>July 14</td>
<td>Deere &amp; Co.</td>
<td>(Barthman Rider &amp; Co., Inc.)</td>
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<td></td>
<td>Peerless Cautiously</td>
<td>(Green &amp; Co.)</td>
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<td>July 15</td>
<td>Chase Chemical Co.</td>
<td>(Aigleller &amp; Co., Hicks Bros.)</td>
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<td>Commonwealth Edison, Chicago, Ill.</td>
<td>(Bonds)</td>
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<td></td>
<td>Dow Chemical Co.</td>
<td>(Barney &amp; Co.)</td>
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<td>General Acceptance Corporation</td>
<td>(Dealers)</td>
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<td></td>
<td>Pubco Development, Inc.</td>
<td>(Dealers)</td>
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<td>Trans-Canada Petroleum Ltd.</td>
<td>(Ontario P. Bank)</td>
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<tr>
<td>July 16</td>
<td>Atlantic Refining Co.</td>
<td>(Smith, Barney &amp; Co.)</td>
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<td></td>
<td>Bailey Selburn Oil &amp; Gas Ltd.</td>
<td>(Dealers)</td>
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<td>Decco Records, Inc.</td>
<td>(Preferents)</td>
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<td>Gulf States Utilities Inc.</td>
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<td></td>
<td>Hammer, Schlemmer &amp; Co.</td>
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<td>Texas Gas Transmission Co.</td>
<td>(Dealers)</td>
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<td>(Dimon, Read &amp; Co., Inc.)</td>
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<td>July 21</td>
<td>Duquesne Natural Gas Co.</td>
<td>(Bromes &amp; Co.; Sherwood &amp; Co.; &amp; C. T. Williams &amp; Co., Inc.)</td>
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<td>Bryn Maw Trust Co.</td>
<td>(Dealers)</td>
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<td>(Dimon, Read &amp; Co., Inc.)</td>
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<td>July 23</td>
<td>Bryd Oil Co.</td>
<td>(Dallas Ruple &amp; Son; Carl M. Lamb, Rhoades &amp; Co.; Brown, Buckley &amp; Co.)</td>
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<td>Deere &amp; Co.</td>
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<td>Leitz (E.), Inc.</td>
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<td>McCarthy (Glenn), Inc.</td>
<td>(H. J. Christy &amp; Co.)</td>
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<td>Buffalo Electric Co.</td>
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<td>Blue Ridge Natural Gas &amp; Oil Corp.</td>
<td>(Whitley-Pheonix Co, Inc.)</td>
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<td>Sunshine Packing &amp; Co.</td>
<td>(Dealers)</td>
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<td>(Water-Millslic Co.)</td>
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<td>July 28</td>
<td>Delta Air Lines, Inc.</td>
<td>(Common)</td>
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<td>Pennsylvania Power &amp; Light Co.</td>
<td>(Preferred)</td>
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<td>Russell (F. C.) Co.</td>
<td>(Common)</td>
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<td>Tokan Royalty Corp.</td>
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<td>(Granbery, Marten &amp; Sidhton &amp; Co.)</td>
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<td>August 5</td>
<td>Chesapeake &amp; Ohio Ry.</td>
<td>(Equil, Trust Cists)</td>
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<td></td>
<td>Tennessee Electric Co.</td>
<td>(Bonds)</td>
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<td>September 9, 1952</td>
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**INDICATES ADDITIONS FROM THE PRINTED ISSUE**

**ITEMS REVISED**

- Continental Oil Co., Houston, Tex.
- Richardson Co., Dallas, Tex.
- True Oil Co., Dallas, Tex.
Continued from page 33

To purchase royalties and mineral deeds, oil and gas. Offers—To most competitive bidders. Southwestern Securities Co. and Hudson Stuyart & Co., Inc. of Dallas Texas.

David Robin, New, Conn. May 26 (letter of notification) 3,000 shares of common stock at $5 per share. Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Hock & Shinn, San Antonio, Tex. May 25 (letter of notification) 25,000 shares of common stock at $5 per share. Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.


Farm & Home Loan & Discount Co., Falls Church, Va. July 7 filed 1,613,168 shares of class A common stock (par $100). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Flathead Petroleum Co., Monroe, Wash. June 21 filed 600,000 shares of common stock (par $1). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Florida Power Corp., St. Petersburg, Fla. June 6 filed 8,100 shares of common stock (par $100) at $75 per share. Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Frontier Oil Corp., Denver, Colo. June 2 (letter of notification) 500,000 shares of common stock (par $1). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Gar Wood Industries, Inc., Waynesville, Mich. May 22 (letter of notification) 5,000 shares of common stock (par $1) at $20 per share. Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

General Acceptance Corp., Allentown, Pa. (7/15) June 24 filed 30,000 shares of 15-year convertible subordinated debentures due March 1, 1974, at 100% of their par value. Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

General Electric Co., Schenectady, N. Y. May 26 (letter of notification) 500,000 shares of common stock (par $1). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

General Growth Corp., Chicago, III. May 22 (letter of notification) 30,000 shares of capital stock (par $1). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

General Motors Corp., Detroit, Mich. May 23 filed 1,000,000 shares of common stock (par $1) at $50 per share. Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

General Public Utilities Corp. June 4 filed 55,949 shares of common stock (par $1) at $51 per share. Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Gulf Coast Western Oil Co., Dallas, Tex. April 20 (letter of notification) 23,729,784 shares of common stock (par $1). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Gulf States Utilities Co. (7/22) May 14 (letter of notification) 300,000 shares of capital stock at $5 per share. Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Hecia Mining Co., Wallace, Ida. Jan. 17 (letter of notification) 3,000 shares of capital stock at $5 per share. Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Hill Top Mining & Milling Co., Inc. June 28 (letter of notification) 600,000 shares of common stock (par $100). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.


Huyck (F. C.) & Sons May 16 filed 10,500 shares of cumulative convertible preferred stock (par $5). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Idaho Maryland Mines Corp. July 6 filed 100,000 shares of common stock (par $1). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Instant Beverage Co., Omaha, Neb. May 6 (letter of notification) 600,000 shares of common stock (par $1). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

International Technical Aero Services, Inc. June 25 (letter of notification) 300,000 shares of common stock (par $10). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Jerkyn Yoke Mines Ltd., Toronto, Canada May 26 filed 300,000 shares of common stock (par $1). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Johnston Adding Machine Co., Carson City, Nev. May 30 (letter of notification) 500,000 shares of common stock (par $1). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Junction City (Kansas) Telephone Co. Feb. 10 (letter of notification) 2,000 shares of common stock (par $1). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Kirk Uranium Corp., Denver, Colo. May 29 filed 500,000 shares of common stock (par $1). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Lake Placid Co., Cicero, III. June 30 (letter of notification) 10,000 shares of common stock (par $1). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Larmor'ory for Electronics, Inc. June 27 (letter of notification) 12,240 shares of common stock (par $1) and 1,000,000 of series A 4% bonds, series A, due Feb. 1, 1977 (in denominations of $1,000 each). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—Wachob-Bender Corp., Omaha, Neb.

Lapidco, Inc., Cicero, Ill. June 27 (letter of notification) 500,000 shares of common stock (par $1). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

Lapaco Chemicals, Inc., Lansing, Mich. May 17 (letter of notification) 500,000 shares of common stock (par $1). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.

M. C. F. & Sons May 15 (letter of notification) 100,000 shares of common stock (par $1). Proceeds—To be of stockholders under power of attorney for sale of their respective shares. Underwriter—None.
President—$75.00. Proceeds—To repay bank loans. Underwriters—To be named when the offering is to be made. Probable holders: Blyth & Co., Inc., and Dean Witter & Co. (Jointly); Kidder, Peabody & Co., Inc., and Guaranty Trust Co. of New York (Jointly); Kuhn, Loeb & Co.; A. C. Allmyr & Co., Inc., and Bear, Stearns & Co. (Jointly); and Dean Blair; Blair, Bolinas & Co. Inc.

Mullins Manufacturing Co., Salem, Ohio. June 9 filed $2,000 shares of common stock (par $1), to be issued to employees, employees under a stock option plan. Underwriter—None.

Munising Wood Products Co., Inc., Chicago, Illinois. June 17 (letter of notification) 5,000 shares of common stock (par $1). Proceeds—To be used in completing the construction of a new mill. Underwriter—None.


New Mexico Jockey Club, Albuquerque, N. M. May 17 filed 1,255 shares of common stock (par $1). Proceeds—To continue development of the Jockey Club. Underwriter—None.


Northeastern Casualty Co., Keene, N. H. (7/14). June 20 filed 100,000 shares of common stock (par $5) to be offered to stockholders of record as of July 15 at the rate of $5 per share. Proceeds—To be used in conducting the business. Underwriter—None. Statement effective June 23.


Pennsylvania Power & Light Co. (7/29). July 8 filed 1,600,000 shares of common stock (par $5) to be sold by underwriters. Proceeds—For working capital. Underwriter—None.

Petroleum Finance Corp. Feb. 5 (letter of notification) 60,000 shares of common stock (warrants exercisable at $7.50 and par $2.50 per share). Proceeds—To be used in acquiring two common shares will receive one warrant. Proceeds—For working capital. Officer—F. Rome, Oklahoma City, Okla. Underwriter—None.

Power Corp. and Electronics Corp. June 2 (letter of notification) 247,000 shares of common stock (par $1), of which 100,000 shares will be offered to the public. Proceeds—For working capital. Underwriter—None.

Power Corporation, Inc. June 24 filed 333,333 shares of common stock (par $1) offered to the public. Proceeds—For development of additional oil and gas properties. Underwriter—None.

Public Service Co. of New Hampshire May 26 filed 50,000 shares of 5.40% preferred stock (par $100) to be offered to the public. Proceeds—For new construction and to repay short-term obligations. Underwriter—None.

Quincy Gas & Electric Co., Quincy, Massachusetts. June 5 (letter of notification) 102,000 shares of common stock (par $10) to be offered to the public. Proceeds—For development of oil and gas properties. Underwriter—None.

Reflectex Corp., N. Y. July 3 (letter of notification) 198,350 shares of capital stock (par $30 per share) to be offered to the public. Proceeds—To be used in acquiring new property and equipment. Underwriter—None.


Resort Airlines, Inc., Miami, Florida. June 27 (letter of notification) approximately 333,333 shares of common stock (par $1) to be offered to the public. Proceeds—To be used in the management and operation of the airline. Underwriter—None.

Russell (F. C.) Co., Cleveland, O. (7/29). July 26 filed 100,000 shares of common stock (par $1) to be offered to the public. Proceeds—To enable management and the officers of the company to acquire the stock of Beacon India, Ltd., of India, underwriters. Underwriter—Eisele & King, Libraire, Stout & Co., New York, N. Y., Underwriter—None.

St. Louis Midwest Co., St. Louis, Missouri. July 28 filed 25,000 shares of common stock (par $1) to be offered to the public. Proceeds—To be used in the operation of existing properties and the expansion of new operations. Underwriter—None.

San Diego Gas & Electric Co., Los Angeles, Calif. (7/16). June 26 filed 150,000 shares of common stock (par $1) to be offered to the public. Proceeds—To be used in the expansion of facilities and the management of existing properties. Underwriter—None.

Sears, Roebuck & Co. July 2 filed 25,000 memberships in The Savings and Profit Sharing Pension Fund of the company's employees. Underwriter—None.

Seminole Ranch, Inc., Fort Myers, Fla. June 30 (letter of notification) 1,000 shares of common stock (no par) to be offered to the public. Proceeds—To be used for working capital. Underwriter—None.

Shawmut Association, Boston, Massachusetts. June 15 (letter of notification) 600 shares of common stock (no par) to be issued to the officers of the association. Proceeds—For working capital. Underwriter—None.


Shawmut Securities Ltd., Boston, Massachusetts. June 29 filed 10,000 shares of common stock (par $1). Proceeds—To be used in the expansion of facilities. Underwriter—None.

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Shawmut Securities Ltd., Boston, Massachusetts. June 29 filed 10,000 shares of common stock (par $1). Proceeds—To be used for the expansion of facilities. Underwriter—None.

Southern Telephone Co., Tallahassee, Fla. July 2 filed 64,000 shares of common stock (par $10). Proceeds—To be used in the development of new facilities. Underwriter—Scott, Horner & Mason, Inc., Lynchburg, Va., Underwriter—None.

Southern Discount Co., Atlanta, Ga. July 17 filed 100,000 shares of common stock (par $1) to be offered to the public. Proceeds—For working capital. Underwriter—None.

Southern Industrial & Marine Corp., New York, N. Y. June 2 filed 50,000 shares of common stock (par $1) to be offered to the public. Proceeds—To be used in the acquisition of new properties. Underwriter—None.

Stevens, Inc., Buffalo, N. Y. June 24 filed 10,000 shares of common stock (par $1). Proceeds—To be used in the expansion of facilities. Underwriter—None.

Street Resources, Inc., Boston, Massachusetts. June 23 filed 100,000 shares of common stock (par $1). Proceeds—To be used in the expansion of facilities. Underwriter—None.

Street Resources, Inc., Boston, Massachusetts. June 23 filed 100,000 shares of common stock (par $1). Proceeds—To be used in the expansion of facilities. Underwriter—None.
Prospective Offerings

Aeroquip Corp.
Jan. 4, Don T. McComb, chairman, announced that further notification of the outstanding common stock being given to the possibility of equity financing. Optional sale may increase to around $500,000 authorized common stock to 1,000,000 shares. Proceeds—To purchase capital. Underwriter—Watting Lachen, Co., Detroit, Mich. Proceeds—For additional working capital.

Allis-Chalmers Co.
May 12 it was reported company may do some financing. The nature of which shares have yet been determined. Underwriter—Blyth & Co., Inc.

American Barge Line Co.
May 27 stockholders approved a proposal to increase the authorized common stock (par $5) from 330,000 to 350,000 shares and approved a waiver of preemptive rights for the issuance of additional capital. Proceeds—To finance purchase of equipment and terminal facilities. Underwriter—E. Weatherby & Co., Inc., New York.

American President Lines, Ltd.
June 12 it was reported that the National Bank, Washington, D.C., will advertise for bids within 90 days for the purchase of the entire capital stock of this company at an upset price of $15,000,000. Proceeds—To reduce debt and increase working capital. Underwriter—F. Eberstadt & Co., Inc., New York.

Canadian National Steel Corp.
June 12 it was reported company plans to issue and sell approximately 150,000 shares of new common stock for an estimated $3 million. Proceeds—For construction. Underwriter—Dillon Read & Co., Inc., New York.

Connecticut Light & Power Co.
March 15 it was announced that it is presently estimated that approximately $11,000,000 of additional capital will be required during the latter half of 1932.

Consolidated Gas, Electric Light & Power Co. of Baltimore
Dec. 12 it was reported that company plans to issue and sell both stocks and bonds during 1932 to an amount sufficient to meet operating costs. Proceeds—For bonds to be determined by competitive bidding. Preferred bidder will be chosen. Underwriter—Blake, Jury, W. Smith & Co., Inc., White, Webb, Ralston, Co., Inc., and Peabody, Co., Inc., and Peabody, Co., Inc., and Peabody, Co., Inc.

Consolidated Gas, Electric Light & Power Co.

Crawford & Sons Co.
April it was reported company plans to issue and sell approximately 1,500,000 shares of common stock. Proceeds—For construction. Underwriter—Laidle, Birdseye & Co., Atlanta, Ga.

Delta Air Lines, Inc. (Canada)
July 30 it was reported company plans an early registration of 100,000 shares of common stock (par $3). Underwriter—Courts & Co., Atlanta, Ga.

Federal Reserve Bank of St. Louis

Southern Porcelain Steel Corp.,

Storer Broadcasting Co.
May 8 it was reported company plans to issue and sell approximately 1,500,000 shares of common stock (par $10). Proceeds—For expansion. Underwriter—Crawford & Co., New York.

Sunshine Packing Co. of Pennsylvania (7/24)

W. J. Bates & Sons, Inc.,
June 20 (letter of notification) 1,000,000 shares of common stock (par $10). Price—$25 per share. Proceeds—To retire 25% cumulative preferred stock (par $5), and for working capital. Underwriter—Laidle, Birdseye & Co., Atlanta, Ga.

Canadian Petroleum Stencil Oil Co.
April 18 it was reported that 1,800,000 shares of common stock to be issued by Canadian Petroleum Stencil Oil Co. on a 1-for-2 basis. Proceeds—For expansion. (Each share to be converted into 1 share.) Underwriter—Barnum & Co., New York.

North Carolina Gas Corp.
June 11 it was announced that company will enter new 40-mile transmission line extended to cost $3,150,000, to be financed by the issuance of $500,000, first mortgage bonds, $150,000 5 percent debentures, and $2,000,000 preferred stock. Traditional Underwriter—R. S. Dooly & Co., Chicago, Ill.

Central Hudson Gas & Electric Corp.
May 8 it was reported company plans to issue and sell about $5,100,000 of additional capital stock financing was done privately in March, 1931 Surplus cash. Proceeds—For expansion. Underwriter—Morgan, Lytle & Co., New York.

Central Maine Power Co.
May 21 it was reported company plans the sale this fall of about $5,000,000 first mortgage bond financing was done privately in March, 1931 Surplus cash. Proceeds—For expansion. Underwriter—H. M. Byllesby & Co., Chicago, Ill.

Cheapease & Ohio Ry. (8/5)
August plans to issue and sell about $6,000,000 equipment trust certificates to be distributed through underwriters. Proceeds—For expansion. Underwriter—Morgan, Lytle & Co., New York.

Cincinnati Enquirer, Inc.

Citizens Utilities Co.
June 16, Richard L. Rosenbush, chairman announced company plan to enter the permanent financing market in 1932, and it was planned that this would be in the form of additional capital stock. Proceeds—For the purchase of common stock financing is presently contemplated.

Columbus & Southern Ohio Electric Co.
April 21 it was reported company plans to enter the permanent financing market about the middle of 1932 with a 15,000 shares of common stock. Proceeds—For construction. Underwriter—Dillon Read & Co., Inc., New York.

Connecticut Light & Power Co.
March 15 it was announced that it is presently estimated that approximately $11,000,000 of additional capital will be required during the latter half of 1932.

Consolidated Gas, Electric Light & Power Co.

Delta Air Lines, Inc.
July 30 it was reported company plans an early registration of 100,000 shares of common stock (par $3). Underwriter—Courts & Co., Atlanta, Ga.
MinnAl Exploration Co., Houston, Tex.

April 12 the company announced that it has obtained the required federal government registration is expected to carry out drilling operations on 125,000 shares of common stock. Underwriter—Moroney, Reynolds & Co., New York.

Mississippi Power & Light Co.

March 14 it was reported company plans to issue and sell 1,250,000 shares of its convertible preferred stock. Underwriters—To be determined by competition.

Mobil Oil Co.

Mobil Oil Co. announced plans to sell $4,010,200 of its convertible preferred stock. Underwriters—To be determined by competition.

Morgan Guaranty Trust Co.

Morgan Guaranty Trust Co. announced plans to sell $12,000,000 of its convertible preferred stock. Underwriters—To be determined by competition.

Glass Fibres, Inc.

April 7 stockholders voted to increase authorized common stock from $20,000,000 to $30,000,000 plus 1,250,000 shares of common stock. Underwriters—Eastman, Dillon & Co., Chicago, Ill.

Globe-Wernicke Co.

March 24 the company announced that it has increased authorized common stock from $2,000,000 to 5,000,000 shares. Underwriters—To be determined by competition.

Haloid Co.

May 20 it was announced the company will sell $4,500,000 of its convertible preferred stock. Underwriters—Loeb, Rhoades & Co., New York.

Haloic Co.

May 20 it was announced the company may sell this fall an issue of convertible preferred stock. Underwriters—The First Boston Corp., New York.

Haloid Co.

April 7 stockholders voted to increase authorized common stock from $20,000,000 to $30,000,000 plus 1,250,000 shares of common stock. Underwriters—Carpenter, McCallum & Co., Chicago, III.

Idaho Power Co.

Feb. 27 T. E. Koch, President, announced the company will issue and sell $50,000,000 of its convertible preferred stock. Underwriters—Blyth & Co., Inc., Los Angeles, C. A., and Weirgen & Daly Corp.

Illinois Central R. R.

April 7 the company announced the American Commerce Commission authorized the company to issue and sell not exceeding $25,000,000 of its common stock. Underwriters—To be determined by competition.

Indiana Water Co.

June 11 the company has applied to the Federal Power Commission for permission to issue and sell $100,000,000 of its common stock. Underwriters—To be determined by competition.

Jamaica Water Supply Co.

July 20 the company has announced the company has applied to the New York, P. & O. U. Commission to issue and sell $100,000,000 of its common stock. Underwriters—To be determined by competition.

Lake Shore Gas Co., Ashland, Ohio

June 11 it was announced the United States Department of the Interior Power Commission has issued a certificate authorizing the company to issue and sell $50,000,000 of its common stock. Underwriters—Blyth & Co., Inc., New York.

Laclede Gas Co.

June 20 it was reported that the company may sell $20,000,000 of its convertible preferred stock to finance the construction of a new plant. Underwriters—Possibly The First Boston Corp., New York.

Leitz U. S. Corp.

April 13 the company announced the company will issue and sell $10,000,000 of its convertible preferred stock. Underwriters—To be determined by competition.

Lexington & Lex-South Corp.

April 12 the company announced the company has authorized this sale of $25,000,000 of its convertible preferred stock. Underwriters—To be determined by competition.

Lumber & Securities Corp.

May 20 the company announced the company will issue and sell $1,000,000 of its convertible preferred stock. Underwriters—To be determined by competition.

July 20 the company announced the company has authorized this sale of $25,000,000 of its convertible preferred stock. Underwriters—To be determined by competition.

Lyon & Sullivan Co.

May 20 the company announced the company plans to sell $4,000,000 of its convertible preferred stock. Underwriters—To be determined by competition.

Merrill Lynch & Co.

May 20 the company announced the company will issue and sell $5,000,000 of its convertible preferred stock. Underwriters—To be determined by competition.

Morgan Guaranty Trust Co.

May 20 the company announced the company has increased its authorized capital from $2,000,000 to $5,000,000 shares. Underwriters—To be determined by competition.

National Natural Gas Co.

June 24 it was reported the company is considering a possible issue of $20,000,000 to $25,000,000 of its convertible preferred stock which would be sold on a registrable basis. It is also planned to issue and sell $40,000,000 of its common stock which could be sold in competition to the issue of preferred stock. Underwriters—Probable bidders: Halley, Stuart & Co.; Blyth & Co.; Smith, Barney & Co.; Morgan Guaranty Trust Co., New York; C. M. Loeb, Rhoades & Co.; Salomon Bros. & Hutzler.

New York Central R. R.

April 16 the company announced plans to sell $30,000,000 of its convertible preferred stock (to be sold to General Public Utilities Corp., parent). Underwriters—To be determined by competition.

New York Power & Light Co.

June 28 it was announced company now contemplates issuing and selling $25,000,000 of its convertible preferred stock in equal amounts, either late in 1952 or early in 1953.. Underwriters—for bond to be determined by competition. Underwriters—(Jointly) Kuhn, Loeb & Co.; The First Boston Corp.; Blyth & Co.; Shields & Co.; Kidder, Peabody & Co.; White, Weld & Co.; and Salomon Bros. & Co.

New England Power Co.


National Foods Corp.

July 31 the company announced the company has received approval from the Federal Trade Commission to issue and sell upwards of $20,000,000 of its convertible preferred stock. The project is estimated to cost $30,000,000. Underwriters—Kidder, Peabody & Co., New York.

Continental Gas Pipe Line Corp.

May 15 the company announced it plans to issue and sell this fall an issue of convertible preferred stock. Underwriters—(Jointly) Shields & Co. and Smith & Webster Securities Corp., New York.

United Shoe Machinery Corp.

June 5 the company announced it may be necessary to resort to borrowing in the reasonably near future in such amounts as may be necessary from time to time to finance working capital needs. Underwriters—To be determined by competition.

Virginia Electric & Power Co.

May 26 it was reported the company plans issuance and sale of $25,000,000 of first mortgage bonds this fall. Proceeds—To retire part of outstanding bank loans. Underwriters—To be determined by competitive bidding.

Washington Water Power Co.

June 30 the company announced it plans to issue and sale of $25,000,000 of first mortgage bonds this fall. Proceeds—To retire part of outstanding bank loans. Underwriters—To be determined by competitive bidding. Probable bidders: Halley, Stuart & Co.; Smith, Barney & Co.; and White, Weld & Co. (Jointly); W. Langley & Co. and The First Boston Corp. (Jointly).

Westcott Transmission Co., Ltd.

June 14 the Canadian Board of Transport Commissioners authorized the company to issue $25,000,000 of mortgage bonds. Underwriters—To be determined by competition.

Wisconsin Utilities Inc.

April 12 the company announced the company will issue and sell $5,000,000 of its common stock. Proceeds—For general purpose. Underwriters—To be determined by competition.

Western Light & Telephone Co.

April 11 stockholders increased authorized common stock from $20,000,000 to $30,000,000. Proceeds—To be used for capital improvement projects. Underwriters—(Jointly) Shields & Co., Chicago, III.; and Drexel, Read, & Co., New York.

Withal Royalty Co.-Texhead Royalty Co.

June 14 the company announced it will issue $1,000,000 of its convertible preferred stock, to be used as funds are needed for new construction. Underwriters—(Jointly) Hall & Co. (Inc.), Chicago, III., and The First Trust Co. & Trust Co., New York.

Citizens & Southern National Bank Co.

July 3 company applied to the Interstate Commerce Commission for permission to issue and sell $25,000,000 of first mortgage bonds, without competitive bidding, over a period of three years. Proceeds—for retirement in part of certain outstanding mortgage bonds.

Standard Foggings Corp.

April 25 stockholders approved an increase in authorized common stock from $200,000 to $250,000. Underwriters—Shields & Co., New York.

Texas-Oshio Gas Co.

Oct. 17 company applied to FPC for authority to construct and sell in Texas of $7,500,000 of first mortgage bonds, without competitive bidding, and sell $25,000,000 of common stock. Proceeds—for retirement in part of certain outstanding mortgage bonds.

Morris & Talos Corp.

May 24 company announced plans to sell $25,000,000 of its common stock. Proceeds—for retirement in part of certain outstanding mortgage bonds.
Additional Comments on "UN—Why It Is Doomed to Fail"

don't agree most heartily. The reward of merit, incentive, etc., is widely distributed in our country the greatest country on earth. This is being taken away from us. I do find that the most glaring mistake ever made in this coun-
ty will bring the concept of the United Nations. We are gradually losing this confidence, and unless we can beat that action at San Francisco, when the United Nations was created, is re-

HON. RALPH W. GWINN

U. S. Congressman from N. Y.

It will take a little while to ac-

accept William A. Robertson's dev-

oration. I believe that the United Nations is doomed to fail. It may be, but we are destined to hope against hope for many longer.

I can only predict an eventual collapse of the greatest country on earth, for the land of the free and in land of opportunity.

Mr. Robertson states the case so clearly that anyone with intel-

lectual ability cannot fail to understand the serious-ness of the situation.

Does Mr. Robertson really be-

lieve that we could "go it alone" in a world with Russia aiming to the teeth and taking over smaller nations one by one? Does he really think we could reduce arms and arms spending, and avoid UMT if we did not have the U.N. system of collective security? I think he is wrong. How

forget that you can now fly around the world in 24 hours. In the Northern Hemi-

tere, can be bomb ed from any number of other countries in the world, and that both we and the Russians are now making hydro-

gen fission bombs which will ultilimately be capable of destroying whole cities each.

There is one slim hope for our


civilization, and that is that we extend the rule of law to cover

the nations of the world in the

limited field of arms control, and that we gradually evolve within the secu-

rity of that law an international understanding and free way of life that will live

for all time. This is the way Mr. Robertson's plan is claimed. It is the will of God for

men, and therefore can succeed. It has also become the only way to fight for our future.

Editor's Note: Mr. Harrington is author of a tract entitled "More Power to the United Nations: The Only Way to Peace" which is being distribu-
ted by The Community Church of New York, 40 East 35th Street, New Y., at a price of 15 cents a copy.

CRAWFORD H. ELLIS

President

Partial Adequate of For. Co.

I agree with everything Mr. Robertson has to say in his article. I think the United Nations has been a complete fail-


ture and a waste of money to the United States. It will fail, I believe, to foot the bill. The only way to deal with Russia is by the means of a "firm and manly policy, and other.

BERKELEY WILLIAMS

Richmond, Va.

Mr. Robertson and the "Chroni-

cle" are rendering a public service in exposing that tragic fraud, which is very serious to the United Nations, and des-


tinued to do harm in the

is a very popular delusion.

Proclaimed April 24, 1917 by San Francisco Chronicle

"one of the most impor-

tant events in the history of the United States, that it will

not fail."

Mr. Robertson is 100 per cent right.

REV. DONALD HARRINGTON

The Community Church of N. Y.

I agree with Mr. Robertson that he is the right man at the right place at his primary job. It was never given sufficient power to do so, and it is not only, that power, but is not the power realities of the 20th Century. Whether he does or doesn't mean, how-

ever, that we should destroy the United Nations, for the purpose of pro-
go that they should strengthen it into a type but strictly limited system of law for armament con-

trol,

there Russia has sat ever since. Its constitution is a monstrosity and its record a story of futile

Living on our taxes its end prod-


ging arms seller.

United (disputed is the proper word) Nations should be told to go to Geneva and there see where there are adequate accommoda-

(overproduction and take it can jump in) and stop squatt-


ging on the United Nations.

Ask any of the plain and fancy

world savers, who are supported by well salaried New Deal press agents, to reply to Mr. Robertson as I do, based on his in-

creasing so firmly, whereupon we scream and answer with our only trump card—syrup and other dead cats.

PHILIP SPORN

President American Fidelity Service Corporation

I have read W. A. Robertson's The United Nations—"Why It Is Doomed to Fail". I agree with what Mr. Robertson is writing but I

think it is splendid.

JAMES D. FRANCIS

President, The Fennell Oil Company

I have read Mr. Robertson's "The United Nations" and it is splendifer-

ous.

ADRIAN D. JOYCE

Chairman, The Glidden Company

I am in complete agreement with Mr. Robertson regarding the United Nations. I believe, as he says, "That the United States is an in-

dependent power and it is up to her own conduct to be independent of the United Nations. The United States has been far more useful than when in the United Nations' "harness." I have been

very disappointed with the Fennell Oil Company as the United States has yet to be independent of the United Nations and I hope that it will continue to be.

RICHARD A. FROEHLICHER

President, The Arundel Corp.

I have just had an opportunity to read Mr. Robertson's article on the United Nations, and am cer-

tainly inclined to agree with him and others. Very little good has been done in my country and it is very likely that instead of improving it will deteriorate.

HON. ALEXANDER WILEY

E. C. Conger, President

I was interested to glance through the article "United Nations—Why It is Doomed to Fail" and must respectfully differ with it completely.

I see no reason why the United Nations should not succeed, provided we and the other great powers do not give it too much or too little help to this end.

HARISON L. AMBER


For a long time I have agreed with the very facts which Mr. Robertson has set forth in his article and am glad to hear some one speak out about this matter.

I feel quite certain that we are becoming increasingly more involved in international affairs and this would be so bad if our only neighbors abroad

were what we were doing and had the rights we would be doing for what we are. Unfortu-

nately so is the case.

We have not been able to re-

gard the United Nations as our own country and how we can do it for the world is beyond me. Of course this would be consid-

ered isolation and when I talk this way to my friends they ac-

use me of being an isolationist.

What ever it is I believe in it and I think some day this position is going to be enforced.

HARRY A. BULLIS

Chairman of the Board, General Mills

Mr. Robertson has remarkable knowledge of history, and there can be no question about his per-

turbation, but I cannot agree with him in the United Nations is a failure and that the United States ought to with-

draw from it forthwith.

To be sure, the United Nations has made many mistakes, but I think we should try to correct those faults and to strengthen the United Nations on organization rather than scuttling it. Withdrawal would, I believe, be a repetition of the tragic mistake made after the First World War, when the United States refused to join the League of Nations and thereby helped to bring about the Second World War.

J. D. A. MORROW

President, Joy Manufacturing Co.

I have read Mr. Robertson's address to the United Nations with a good deal of interest, and the experience of the American Government with any other international organization, the United Nations, and am cer-

tainly inclined to agree with him and others. Very little good has been done in my country and it is very likely that instead of improving it will deteriorate.

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REAGAN HUSTON

President, Alamos National Bank of San Antonio, Texas

I am in complete agreement with Mr. Robertson's article, which appeared in the June 19 "Chronicle." I was not in favor of joining in any international organization at the time it was formed; but, having joined, I think it would be a bad thing to pull out at this time. Accordingly, I am not in agreement.

GEORGE GUND

President, The Cleveland Trust Company, Pittsburgh, Pa.

I think most readers will agree that today's United Nations has

many weaknesses which make its current status ineffective, if not actually dangerous. It seems clear, as Senator Taft has said, that the United Nations...
charter needs changing, if it is to be really effective.

O. R. MCGUIRE, Esq.

I am hearty accord with the conclusion reached by Mr. Rob¬
ertson. In the present state of the organization is doomed to failure.

This, it is my opinion it has been for a long time, and will fail miserably, and since it con¬
tinues to exist under its own name it can be without any doubt a

O. R. Mcguire

Our Reporters' Report

Corporate Investors

Although the aggregate of un¬
usual corporate offerings is non¬
existent of distressing proportions, there is no question that under¬

writers would feel better about

the situation cleaned it self¬

up.

There are still bonds to be had at yields that are far below par, and Gas & Corp's recent undertaking

in the gift of any number of them in the face of a whole by of offer¬

ings of the last few weeks.

The “Talus,” as the aforemen¬

tioned issue is dubbed in the

is currently the only issue of the

several offerings of the last few

weeks.

The “Talus,” as the aforemen¬
tioned issue is dubbed in the

treasury yield basis. Along with this one,

Kentucky Utilities Co's offering was

while the Fairly ticked up to project yield 3.35%, remain on the slow side.

Salem Lewis Director

The election of Salem L. Lewis

as a director of National

Airlines, Inc., was announced

by G. E. Baker, chairman of the

airline's board of directors.

Since 1923, Mr. Lewis has been

associated with

with

Salem Lewis

the

his Bond Trading Department

in New York and

a partner in the firm

in May, 1938.

Joins Mitchum, Tully Co.

(Special to The Financial Chronicle

SAN FRANCISCO, Calif.—Ellis L. Mc¬

Intyre has rejoined the staff of

Chamber Securities Company, 2115

First Street, and Mr. Mc¬

Intyre has recently been in the armed forces.

First Securities Add.

CHICAGO, III.—Leonard J. Coan has

resumed charge of the First Securities Company of Chi¬

cago, 134 South LaSalle Street, branches of the Midwest Stock

Exchange.

With Louis A. Love

(Special to The Financial Chronicle

MENOLO PARK, Calif.—Charles M. Schwerin is with Louis A. Love,

170 Hermos Way. He was for¬

merly with Mutual Fund Associa¬

tes.

With Paine, Webber Co.

(Special to The Financial Chronicle

Paine, Webber, Jackson & Curtis, 151

Guastavino has become affiliated with Paine, Webber, Jackson & Curtis.

Jos. Blumenthal Opens

BOSTON, Mass.—Joseph Blumen¬
thal is engaging in the invest¬

ment business at 1602 Newbury

Street, under the firm name of Joseph Blumenthal Com¬
pany. He was formerly a partner in Blumenthal & Alperin.

Continued from page 9

Postwar Inflationary Trends

purpose of halting the rapid fall in commodities. The bond market immedi¬
ately showed a small upward move, but the effect level off the sharp six months' decline.

The stock market has moved upward slightly—but not convinc¬
ingly as yet. The movement in stocks and bonds has been well skewed by the effects of the

This has led many people to fore¬

see a great liquidating period. Such liquidation in bonds and commodities has not occurred pre¬

ceding this year. The bond market is now

1. The long secular trend may be appraised as definitely infla¬

tionary: 2. The present movement of stocks and bonds is due to the buying power of the dollar which will decline as the value of the dollar and wages and stocks should be higher in price over the year.

The trend is a long cycle: Historically as regards the sequence of events as it is developed, we are in the latter phase of the cycle—seven years after the war. Goods are now being sold for the first time produced faster than money. The cost of living may show a slight decline in the near future. The stock market could rise for several years on confidence—and with prices in a deteriorating economy, fol¬

following the wave of panic mech¬

ism.

The war cycle at this time is probably gradually deflationary over the next three to five years.

(3) The short-term trend: Following the Reserve Board's efforts at contraction of credit in 1931, and the recent decline in stock prices and commodities, the trend is now reversed by the creation of new credit, and stock prices and commodities, the trend is now reversed by the cre¬

ation of this credit. The Board has since late March, and this has an amplifying credit through such inflationary industrial production, which will aid in the government bond market to rise, removing the restrictions on municipal and corporate bonds, with the Voluntary Credit Re¬

striction where credit has been temporarily curtailed the effect of Regulation W, which permits smaller credit for installment buy¬

ing.

The immediate short-term trend appears to be inflationary and heavy liquidation and depression are not in the offing. The experienced war cycles, however, indicates that when they exist, they are most costly liquidations in the economic world.

From the standpoint of inflation, the effects of inflation in these money values, we are therefore in a period warranting cautious optimism, but we are not one of great expansion. We are dealing with a gradually de¬

cline of prices, which, we hope, intelligently codified along with the Reserve Board, will progress in the direction of deflation and reflection.

The long-term secular trend must no longer be described the same way, since the war cycle is completed.

Naturally, if the assumption of no great war is in the foreseeable future is incorrect—and a general war begins—liquidation cycles will be off to a fresh start.

However, if the new major war develops, then, notwithstanding the tremendous inflationary implica¬
tions, there should, on preced¬
ent, be a period of great liquida¬
tion. As this happens, the decisive battles are fought. Otherwise, the war cycle takes effect, though not except for gov¬

With Clifford J. Murphy

(Special to The Financial Chronicle

PORTLAND, Maine.—Al. Clair

Curley has been affiliated with

Clifford J. Murphy & Co., 443

Marshall St., 3214 Portland Ave.

with J. Arthur Werner & Co.

Joins H. L. Robbins Co.

(Special to The Financial Chronicle

Kokis has become affiliated with

H. L. Robbins & Co., Inc., 40 Pearl

With Waddell & Reed Add

(Special to The Financial Chronicle

KANSAS CITY, Mo.—Robert L.

Tuttle is now affiliated with Wad¬

dell & Reed, Inc., 1021 Baltimore

Avenue.

Joins Fusz-Schmelzle

(Special to The Financial Chronicle

ST. LOUIS, Mo.—Eugene

Bergan has been affiliated with

Fusz-Schmelzle & Co., 309 North

Douglas Street, member of the Midwest Stock Exchange.

With Albert Theis Co.

(Special to The Financial Chronicle

ST. LOUIS, Mo.—Charles H.

Klasnik is now with Albert Theis

& Sons, Inc., 314 North Fourth

Street, member of the Midwest Stock Exchange.

D. S. White Co. Adds

(Special to The Financial Chronicle

CINCINNATI, Ohio—William E.

Burkhalter has joined the staff of

D. S. White & Company, Union Central Building.

Stephenson, Leydecker

(Special to The Financial Chronicle

MEDFORD, Ore.—Greely J.

Mason has become associated with

Stephenson, Leydecker & Co., Oakland, Calif.

Paul V. Eldor Opens

CHICAGO, III.—Paul V. Eldor

has opened a new and attractive office at 188 Buren Street to engage in ti

security business.

Opens Offices

ITHECA, N. Y.—Alice D. Mc¬

a is conducting a securities busi¬

ness from offices at 310 East Buffalo

Street.

DIVIDEND NOTICE

RAYS CONCRETE PILE CO.

140 Cedar Street, New York, N. Y., Soil Investigations*Foundations*

The Board of Directors has this day declared a regular quarterly dividend of 50c per share and an extra dividend of 25c per share on the Common stock, both pay¬

able on August 1, 1932 to stock¬

holders of record on July 21, 1932.

M. E. UPPOR, Chairman of Board

W. P. RUMMENIG, President

July 9, 1932
Washington, D.C. — An attempt to close a fiscal gap was made by the Air Force, which was facing a major shortfall. The gap was caused by the failure of the Atomic Energy Commission to provide funds for the construction of a new reactor. The Air Force had asked for $25 million to build the reactor, but the commission had allocated only $20 million.

The Air Force had also requested $10 million for the development of new aircraft, but the commission had only approved $5 million. The Air Force was forced to cut back its budget for the fiscal year, which was expected to be $100 million lower than the previous year.

The Air Force had been forced to lay off several thousand workers, and many of the others were working at reduced capacity. The situation was expected to improve when the fiscal year ended, but the Air Force was still facing a difficult situation.

The Air Force had also been forced to cut back on its research and development programs, and many of the projects were in danger of being cancelled.

The Air Force was not alone in its problems, as the Department of Defense had also been forced to cut back its budget. The department had requested $100 billion for the fiscal year, but the commission had only approved $90 billion.

The Department of Defense had also been forced to cut back on its research and development programs, and many of the projects were in danger of being cancelled.

The situation was expected to improve when the fiscal year ended, but the Department of Defense was still facing a difficult situation.

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