As We See It

Last week we expressed the opinion that many of the political maneuvers and some others were overworking the term "captivization." We are still of the same view, and hence ourselves refrain from falling into the same habit. We must confess, however, that in certain other phrases and in certain other connections the phrase would not be inappropriate. What we have in mind is the degree in which certain notions originating abroad (not infrequently in Soviet Russia) and popularized by the late Franklin Roosevelt and his satellites have become a part of the mental and emotional furnishings of the American people. So widely have these ideas taken root that virtually all public men (including a number who regard themselves as wholly anti-New Deal) directly or indirectly, expressly or by implication are regularly doing homage to them—and this despite the fact they are often the very antithesis of the American tradition of the country had an opportunity to express themselves clearly on these questions. What is readily enough seen is that most, if not all, of these currently seeking public office have either fallen victims or are firmly convinced that all too many of the voters of the country have embraced these foreign dogmas.

Of Course They Have

The President was, of course, in a sense quite correct the other day when he said that the Democratic Party had to go to the people on
Continued on page 20

The Outlook for Capital Expenditure

By DEXTER M. KEEZER

Director, Department of Economics


Dr. Keezer holds, a holding War World III within the next two or three years, capital expenditure will continue heavy because of large defense outlays and stimulation of spending for consumer goods by intensified salarisation. Looks for a early business recession, and estim¬
ates capital outlay in 1953 will not decline more than 10% or 15% below that of 1952. Says excess profits taxes must be eliminated if retained profits are to consti¬
tute chief source of new capital outlays. Contends there is little likelihood of too much productive capacity. My subject is the outlook for capital expenditure by American business. As you well know this is, in a very real sense, the outlook for continuing prosperity in the United States. Apart from wartime capital expenditure by business, and prosperity have always gone up and down together. This is not hard to understand if for no other reason than that about a third of our industrial workers, and the better paid third, are engaged in producing a n "all" consuming capital equipment. If they are not prospering they put a heavy drag on prosperity generally, as well as a fatal drag on the possibility of improv¬
ing our standard of living.

Whether it is the natural state of prosperity which governs the level of capital investment by business or no other reason than that about a third of our industrial workers, and the better paid third, are engaged in producing a "all" consuming capital equipment. If they are not prospering they put a heavy drag on prosperity generally, as well as a fatal drag on the possibility of improv¬
ing our standard of living.

Continued on page 29
The Security I Like Best

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

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

WILLIAM H. MOORE
Manager, Investment Department
J. W. Northern & Co., Inc., New York City, New York Stock Exchange

Libbey-Owens-Glass Company
The highest natural formation of asbestos on a ladder, the greater becomes the climber’s interest in the soundness of the ladder and the ground upon which it rests.

In that frame of mind, the common stock of Libbey-Owens-Ford Glass Company is not the largest company business, it ranks first in safety glass and second in window and plate glass, but the latter is based upon a belief rather than upon fairly available information.

Many of these products are manufactured and are manufactured in the company’s reports. One of fairly recent origin seeming to have wide sales appeal is the "Fiberglass" safety glass which has a bright green tint permitting the combination of daylight while reducing the translu¬cence of the glass. The desirability of an improvement of this nature is self-evident to the manufacturer, and the product which many may recognize but do not know by name. Basically it is two panes of glass sandwiched and sealed with a blanket of dry air which has great insulating value. This product is available in many sizes having practical and attractive use in damp, commercial, and institutional structures. Probably the most stimulating recent development to these investors who stress the growth prospects of a company like Libbey-Owens-Ford is the addition of the glass fiber business. This phase of the company’s development is of great promise in established and unexplored fields.

Libbey has enjoyed an impressive sales trend. For example, 1911 sales period 1947-1951 average sales growth of 17.38 per cent. This was less than what it was in 1941, whereas, duplication was about 8.3 per cent behind sales of four leading companies in various phases of the glass industry, including Libbey, increased by 1951 and gross national product registered a gain of 16.9 per cent.

The financial housekeeping within the company has been excellent and presently there is a conservative preferential stock outstanding; 1951 year-end cash and marketable securities were not impressed entirely by 5,144,309 shares of common stock. However, this has been an excellent year ended December 31, 1951, net additions to fixed assets were nearly double the amount provided thereby for depreciation in the 1950 period (95.5) years. Within the same period funds set aside as additional paid-in capital is 94.3 per cent or retained in liquid form for designated property improvements and replacements increased 1951.

The company’s postwar margin of earnings has been very satisfactory and the volume of sales in relation to net plant and equipment has increased sharply for a growing company. The 5-year average 1947-1951 earnings based upon present capitalization of $78 million was $3.25 per share and dividends paid averaged about $3.20 a share. Peak earnings in that span of years occurred in 1950, when dividends paid amounted to $3.50 and $2.86 a share for the first and second quarters respectively.

In 1951 earnings declined to $2.80 and dividends paid amounted to $2.00. It is noteworthy, however, that Federal taxes were about $1.20 per share more than in 1950. A best guess at 1952 earnings would seem to be about $2.75-3.00 a share. In view of the position of the company and this frame of earnings, the quarterly divided rate of fifty cents appears fairly certain. At its present price around 37 the in¬come return indicated is 4.5%, which is attractive for a company well established in its older fields of activity and with much expansion poten¬tial promise for success in the newer.

MASON B. STARRING, JR.
President, Lithium Corporation at America, Inc.

Lithium Corporation of America is the dominant factor in the rapidly expanding market of industrial and military necessities and economic importance. The potential of lithium as a strategic and development creating great interest in lithium. Its chemistry had been studied for a long period, and its utilization was quite restricted, due to limited known sources of raw material.

The importance of lithium, the lightest of all metallic elements is increasing constantly. A recent survey of the industry and its prospects for present and potential future compounds points the way to magnesium and industrial and government requirements will reach at least to millions of pounds per annum by the end of 1951. Lithium has been designated by the Army as a strategic material.

Lithium Corporation operates as a self-contained unit from ownership and control to processing and finished products. It is the only company in the United States that has devoted operations to the exploration of lithium and its compounds.

Extensive deposits of spodumene mineral from which lithium compounds are extracted are owned and controlled by Lithium Corporation of America.

In South Dakota, the company’s mining operations now comprise the extraction of ore from the following deposits: (1) The Edison Mine at Key¬ston (which solely supplied all the company’s requirements from 1944 to Jan, 1952). (2) The Mateen Mine at Hill

This Week’s Forum Participants and Their Selections


Lithium Corporation of America, Inc.—Mason B. Starring, Jr., A. C. Alllyn & Co., New York City. (Page 2)

CRAIGIE & CO.
Republic Investment Company, Inc.

Public 7-5660

CRAIGIE & CO.
Republic Investment Company, Inc.

Public 7-5660
SEC Proposal to Regulate Sale of Small Canadian Issues

Objections voiced to "string" attached to otherwise laudable plan smoothing the way for sale in United States of Canadian issues of $300,000 or less. SEC restrictions viewed as onerous, costly, unfair, and calculated to disturb harmonious relations between Canada and U.S. Commission hamstrings those connected with Canadian small issues in order to guard against the limited number of possible transgressors.

The Securities and Exchange Commission has just issued a notice of proposed exemption from registration for certain Canadian offerings. It has under consideration a proposal to adopt a conditional exemption from registration requirement of the Securities Act of 1933 for offerings, not exceeding $300,000 in any one year, made by Canadian issuers or by domestic issuers with their principal place of business in Canada.

Via the release, the Commission tells us that its proposal has been made possible by the ratification of an amendment to the Extraterritorial Treaty between the United States and Canada which is designed to cover frauds of a type indictable in this country.

In a recent editorial ("Chronicle" of Aug. 21, page 3) entitled "SEC's Regulation A Revision Would Penalize Small Business Security Flotations," we called attention to the fact that the primary Congressional intent with respect to domestic issues of $300,000 and under was to aid all business.

We criticized the Commission for attempting to initiate in such issues a so-called "offering circular" which, in effect, is nothing more or less than a prospectus, inasmuch as this was not part of the intent of Congress and would make cumbersome and costly and time consuming a procedure which was intended to be simple and expedient.

We also found fault with the SEC for establishing within itself, through the medium of its rule making power, the legislative right to destroy the small issues exemption "where it appears that the conditions of the exemption are not specified or where fraud or deceit is being employed, or would be employed in connection with the offering and selling of the securities."

We said that through more capriciousness the SEC, with arbitrary clairvoyance, might at times predict that fraud was intended or would be employed, and thus destroy the marketing of a security.

As to these matters, the requirements in the current proposal under Release No. 3451, for dealing with proposed exemption of Canadian offerings not exceeding $300,000 in any one year, are the same and, therefore, to the extent that they are the same, these subject themselves to the criticism dealing with "Regulation A" offerings to which we have referred.

The instant proposal is objectionable on other grounds as well.

One of these grounds has to do with the question of timing.

Canada is the land of opportunity. In its relation to opportunity, it is what the United States was several

Continued on page 25

For many years we have specialized in PREFERRED STOCKS

Spencer Trask & Co.

Members New York Stock Exchange

25 BROAD ST., NEW YORK 4, N. Y.

TELEPHONE Marboro 4-2180 • TELETYPE N. Y. 15

Albany • Boston • Chicago • Glens Falls • Schenectady • Worcester.

Private Wire to CROWELL, WEEDON & CO.

Los Angeles, California

INDEX

Articles and News

Our Economy Is Now on Soundest Base in History

—John W. Snyder

The Outlook for Capital Expenditure—Dexter M. Keeler

Cigarettes for the Long Pull—Irvin U. Cobleigh

The Business Letter—Arthur C. Babson

Chesapeake & Ohio Management Hits the Ball—Joseph S. Ney

Investment Planning for Profit—H. Clyde Baldwin

On Salesmen—Roger W. Babson

A Consideration of Maladministration—Alden A. Potter

People Want a Good Gold Dollar—Barret Griffith

Boom or Bust?—John D. Riordan

Western Europe Today—Homer D. Wheaton

The Impact of Dearer Money on Britain’s National Debt—Gordon Cummings

Middle-of-the-Way Route to Peace and Prosperity—Dwight D. Eisenhower

We Must Combust Communism, But Preserve Our Self-Restraint—Adlai E. Stevenson

SEC Proposal to Regulate Sale of Small Canadian Issues (Editorial) 

1932 Retail Sales May Reach Record High

Gold! (Boxed)

B. M. Edwards Warns of 25-Cent Dollar by 1965

NAM Requisites for Hemispheric Defense

NYSE Seeks Data on Stock Transactions

Construction Volume Again on Increase

Philippines Obligated to Increase Imports

Savings Banks' Deposits Approach $2 Billion

Regular Features

As We See It (Editorial) — Cover

Bank and Insurance Stocks— 12

Business Man’s Bookshelf— 6

Canadian Securities— 10

Coming Events in Investment Field— 8

Dealer-Broker Investment Recommendations— 8

Einzig—Conflicting Currents in Sterling— 12

From Washington Ahead of the News—Caroline Burgerson— 9

Indications of Current Business Activity— 24

Mutual Funds— 16

News About Banks and Bankers— 19

Observations—A. Wilford May— 9

Our Reporter’s Report— 17

Our Own Private World— 18

Prospective Security Offerings— 19

Public Utility Securities— 12

Railroad Securities— 11

Securities Salesman’s Corner— 31

Securities Now in Registration— 26

The Security I Like Best— 3

The State of Trade and Industry— 29

Tomorrow’s Markets (Warley Whyte Says) — 12

Washington and You— 32

*Column not available this week. Mr. May is in Mexico, covering the Annual Meetings of the International Bank and Monetary Fund. No column this week.

Published Twice Weekly

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Patent Office

WILLIAM R. DANA COMPANY, Publishers

23 Park Row, New York 7, N. Y.

Editor 2-9101 to 9108

HERBERT D. SEIBERT, Editor & Publisher

WILLIAM R. DANA SEIBERT, President

Thursday, August 28, 1952

Every Thursday general news and advertising free. Monday complete statistical issue—market quotations specified for commodities, stocks, and state and city bank etc.

Our Offices: 135 South La Salle St., Chicago 3, III. (Telephone: Defence 6-0127)


Copyright 1952 by William R. Dana Company

Reprinted as second-class matter February 25, 1952, at the post office at New York, N. Y., under the Act of March 3, 1879.

Subscription Rates

Subscriptions to United States, U. S. Possessions, Territories and Members of Pan-American Union, $40.00 per year; in Dominion of Canada, $48.00 per year. Other Countries, $50.00 per year.

Other Publications

Bank and Commercial News—Monthly, $30.00 per year. (Foreign postage extra.)

Note:—Any account of the fluctuation of the rate of exchange, remittances for foreign interrelations and advancements must be made in New York Times
Cigarettes for the Long Pull

BY IRA U. COBLEIGH
Author of "Expanding Your Income"

A short (not king-size) cure of a splendidly advertised companies which, by the pack and the carton, bring pleasure to smokers and some dividend remittance to stockholders.

Little old Sir Walter Raleigh realized that tobacco would be a huge industry along the lines of the steel industry. From the Indians, he started that was based on the million dollar industry. Tobacco as an industry. Is a giant in the country, just as steel as an industry. Is a giant in the country. Tobacco is now one of the biggest industries in the country. It is a giant in the country.

The recent pick-up in business, however, has been representing many of the workers going back to work, as indicated by the Report of U.S. Business, will not last through the winter, in our opinion. In fact, we expect improvement in the Physical Volumes of U.S. Business will reach a peak end of the year and then.

There is little reason to expect net changes in business after the year ends. Much of the "steam" has gone out of the tobacco industry, with the long postwar boom. No new orders are available to lift the volume of physical production above those peaked in the years 1950 and 1951. However, we do not think you will look for much activity in the tobacco business over the near future.

Much has been said concerning the effects on business when the results of the decision on the tobacco case are available in November. Our opinion is that there will be little immediate effect on the business outlook, no matter what decision is declared. As President, neither candidate can suddenly change the pattern of our vast Federal economy. Certainly, no candidate wants deflation. Perhaps more important than the Presidential results will be the make-up of the new Congress. Even so, in our opinion the tobacco business will be influenced more by profits than by politics.

For the balance of the year, it is our opinion that overall tobacco prices will be on the average rather stable, with any inflationary pressure that may come from additional pressure on the labor market. Few of us would like to see prices going up. This should continue into the first quarter of 1953. Livingston, for one, shows somewhat more strength than weakness, with little chance of actual decline. As commodity prices will remain at the average rather stable, with any inflationary pressure that may come from additional pressure on the labor market.

If there is no further of a large-cap, great capital gains, there may be a lot of selling pressure on the market which has been relatively declining. The case has been pretty good for the long pull.

S. J. Sanford has written Play Script

Stephen J. Sanford has completed the script of a new three-act play, "The Smoke Regents"—which is now being advertised as a kind of musical comedy. The author is Manager of the Invest- ment Sales Department of the New York Stock Exchange. He is a member of the Commercial and Financial Chron- icle, and has the number appearing in the July 24, 1952 issue of the newspaper.

Walton, Hofman Add another to the list of those who have written recently about the value of tobacco as an investment. In the May issue of The Tobacco Review, Walton, a well-known publisher in the tobacco industry, published an article on the subject. Walton, a well-known publisher in the tobacco industry, published an article on the subject. Walton, a well-known publisher in the tobacco industry, published an article on the subject.

The Tobacco Outlook

BY ARTHUR C. BARSON
Vice-President, Babson Reports, Inc.

Assembling much of the steam has gone out of the tobacco industry, with the long postwar boom. Net new orders are available to lift the volume of physical production above those peaked in the years 1950 and 1951. However, we do not think you will look for much activity the tobacco business over the near future.

There is little reason to expect net changes in business after the year ends. Much of the "steam" has gone out of the tobacco industry, with the long postwar boom. No new orders are available to lift the volume of physical production above those peaked in the years 1950 and 1951. However, we do not think you will look for much activity in the tobacco business over the near future.

Much has been said concerning the effects on business when the results of the decision on the tobacco case are available in November. Our opinion is that there will be little immediate effect on the business outlook, no matter what decision is declared. As President, neither candidate can suddenly change the pattern of our vast Federal economy. Certainly, no candidate wants deflation. Perhaps more important than the Presidential results will be the make-up of the new Congress. Even so, in our opinion the tobacco business will be influenced more by profits than by politics.

For the balance of the year, it is our opinion that overall tobacco prices will be on the average rather stable, with any inflationary pressure that may come from additional pressure on the labor market.

If there is no further of a large-cap, great capital gains, there may be a lot of selling pressure on the market which has been relatively declining. The case has been pretty good for the long pull.
Chesapeake & Ohio Hits the Ballpark!

By JOSEPH S. Nye

Partner, Neergard, Miller & Co., New York City

Mr. Nye reviews recent developments in administration and operation of the Chesapeake and Ohio Railroad. Points out, under the leadership of the able and aggressive management, the railroad is now efficiently managed and the financial aspects of the company are most promising. Holds heavy capital equipment, and is financially sound. The financier's report on the C. & O.'s history.

Although the Chesapeake & Ohio reached its 100th birthday well into the 19th century, 1949 was a landmark year in every way except for the difficult operating situation which has plagued the railroad for some months. The first year of Mr. William E. Keady's presidency promises to be one of the most difficult in the C. & O.'s history.

In that strike torn year, 1919, the mines operated 170 days out of 365 and amounted to $1.30 a share on the widely held 7,817,969 shares outstanding.

A common stock of this great railroad, which normally handles the fourth largest amount of tonnage and is severely depressed, not only in 1949 but for the four years prior to 1949, is the effect upon working capital due to the fact that so much money has been paid even though earnings have not been $240 a share.

The C. & O. is a product of the industrial growth of this country. It was founded, as was done as far as the investment regard towards the railroads was concerned. Therefore, this stock held in accounts in which it is common to most people, held in accounts in which they are not the dividend stockholders. It was not paid for, it was paid, and dividends are paid, therefore, dividend stockholders.

But the year 1949 did have some bright spots for C. & O. for this was its first year under a new president, a dynamic and inspiring individual who was brought to the Roanoke Valley by its President. His selection is a great credit to Mr. Robert R. Young, who, as Chairman of the Board, is the Chief Executive Officer of that railroad.

Here was a President who refused to be discouraged by low earnings. He had seen the capital conditions and a fleet of coal and electric locomotives on heavy repair. In fact, Mr. Tuohy has given this testimony in exchange for 10,000 shares of stock at a price of approximately $45 a share. It is an innovation in railroad building, a President not afraid to go into debt because he has faith in the properties of the company to receive these benefits along with the dividends.
Investment Planning for Profit

BY H. CLYDE BALDWIN

Investment Counselor, Babson's Reports, Inc.

Warning one must not be influenced by his emotions in investment planning, Mr. Baldwin finds there is no "idiot" investment, but there are investments which are destined to make choice of action, of course, to do this sort of thing, but we believe it is possible to run the business with profit first.

Today we find that an increasing number of investors are reassess the earning power of a company and the growing power of money is becoming the greatest threat to the present economic structure. Reaching for profit on a studied basis is certainly one good way to reach the decline in purchasing power. Of course, there are several other factors which must be considered in making profits.

Advise Active purchase of listed stocks and hold continuous government funds, with tremendous interest. Use a conservative investor.

We find a few people who have the judgment of a good investment advisor can select a list of stocks and enjoy the profits, at all times represent the ideal in investing. However, we feel it is possible to make one never forget that no investment "safes" money absolutely safe forever and this includes such as those latter issues are affected by sell short. We have certainly realized this very recently when long-term government bonds have dropped toward their natural level. Of course, we do not believe the government, like bonds, affords any hedge against the decreasing purchasing power may be dropped even by the exception of convertible bonds, providing there is not a corresponding change in conversion value directly.

The man who really plans his investment policy, in contrast, see not only the taxes in money and the changes in their important factors and particularly the income and interest ratio. It is only by constant study of these factors that one can properly retain the purchasing power of his money but gradually increasing it. Of course, any plan would mean holding relatively large fixed assets. It seems that to be distinctly definitionally and then taking the reverse position by buying stocks very frequently and selling them if or inflation seems immediately ahead. These are not developments that can take place on any day or, perhaps, even to the present time. Within a couple of years one may find himself buying a little too soon and then selling at too low a level. This will be the ultimate possible profit. It would be better to learn not to be too greedy in seeking profits, but to invest in a way that does not mean too soon. The profit that comes through manipulation is only the profit that is lined down.

Certainly, one must not let his feelings influence his actions in investment planning. We have just hinted that some people go astray in being a little too greedy for the lowest possible price.
A Consideration of Malhuisianism

BY ALEDEN A. POTTER

Mr. Potter discusses and criticizes the "trends" published in the Report of the Pley Commission on growth of resources in relation to demand. For example, he points out that declining resources are a moral one, and incentives to get above a hand-to-mouth subsistence are essential to maintain resources and increase for economic production facilities. Calls for "a sound financial institution on the 5th July 1923.

This article is a criticism of "forecasts." Specifically it deals with what the author calls "trends" published in the Report of the Pley Commission on the growth of resources in relation to demand. He points out that declining resources are a moral one, and incentives to get above a hand-to-mouth subsistence are essential to maintain resources and increase for economic production facilities. Calls for a sound financial institution on the 5th July 1923.

Mr. Potter discusses and criticizes the "trends" published in the Report of the Pley Commission on growth of resources in relation to demand. For example, he points out that declining resources are a moral one, and incentives to get above a hand-to-mouth subsistence are essential to maintain resources and increase for economic production facilities. Calls for a sound financial institution on the 5th July 1923.

This article is a criticism of "forecasts." Specifically it deals with what the author calls "trends" published in the Report of the Pley Commission on the growth of resources in relation to demand. He points out that declining resources are a moral one, and incentives to get above a hand-to-mouth subsistence are essential to maintain resources and increase for economic production facilities. Calls for a sound financial institution on the 5th July 1923.

Mr. Potter discusses and criticizes the "trends" published in the Report of the Pley Commission on growth of resources in relation to demand. For example, he points out that declining resources are a moral one, and incentives to get above a hand-to-mouth subsistence are essential to maintain resources and increase for economic production facilities. Calls for a sound financial institution on the 5th July 1923.

This article is a criticism of "forecasts." Specifically it deals with what the author calls "trends" published in the Report of the Pley Commission on the growth of resources in relation to demand. He points out that declining resources are a moral one, and incentives to get above a hand-to-mouth subsistence are essential to maintain resources and increase for economic production facilities. Calls for a sound financial institution on the 5th July 1923.

Mr. Potter discusses and criticizes the "trends" published in the Report of the Pley Commission on growth of resources in relation to demand. For example, he points out that declining resources are a moral one, and incentives to get above a hand-to-mouth subsistence are essential to maintain resources and increase for economic production facilities. Calls for a sound financial institution on the 5th July 1923.
People Want a Good Gold Dollar

By B. BARRET GRIFFITH*


Mr. Griffith, after accusing New Dealers and Fair Dealers of inflating the currency, while, at the same time, giving the illusion of prosperity, by exercising direct price and wage controls, says that they may have been creating inflation in the American dollar. Concludes we can ‘whip the Kremlin with a hard dollar.’

Russia’s Lenin said that the best way to destroy the gold standard and debauch its currency, Lenin was wrong. The New Dealers and Fair Dealers throughout the country have increased the amount of $100,000,000 upon the philippine dollar. The country Karl Marx and Lenin. They are almost enjoying from the money. During the last twenty years, the economic managers point with pride at $5.00 per ounce for gold. The price of gold as we had in 1934. But not the International Monetary Fund. Not our money managers tell us that they have failed to buy gold back to up the floor of paper gold has been in 1590s. In countries in the Western World, monetary gold reserve equal to 1% of the country’s money outstanding. Today it is less than 1%. We are in a more and suggestive of an understand- able way that it is essential for countries and the international commu- nity that “the dollar standard is maintained and that foreign currencies have a good gold dollar.”

History of Price of Gold

Some time ago we made a study of the price of gold in terms of pound sterling from the year 1943 to 1949. From that study we found two fecte: one, that the price of gold tends to increase during periods of trade depression and crises; two, and more important, we noted that the price of gold increased during increased during times of wars, plagues, the threats of dictators, and all the major crises of the world. As James I and Henry VIII of Eng- land were in power over the gold in the unknown financial history, we discovered that the true price of the currency was the gold dollar. We have a ready measurement of the gold dollar in the 1930’s.

Gold—Friend of the Little Man

Historically, gold has always been the friend of the little man. Not only can he store and increase his wealth during periods of adversity and stress by owning it, but also to own gold and currency redemeable in gold guarantees the little man that his government is subject to his di- rectio. In times when the citizens of the country become too ex- travagant, or wasteful, or carry- ing out deals which are not for the country, the government can have the government’s dangerous and irresponsible spending by ex- y changing his currency for gold and thereby pull the purse strings on his government’s extravagance. Think what that means. The little man in America could have stopped the carrying out of the depression at Yalta, for- estalled Korea, and we could have stopped our politicians from the dangerous policy of trying to buy friends with American paper dol- lars. By redeeming American paper dollars for gold the little man today in America could force the Washington Administration to lead strongly from strength against the hard talks and settle that problem once and for all. The little man could force our government to face up to the one problem that stands in the way of a better tomorrow, and that is, true, that threat. Is another slogan suggested? We can whip the Kremlin with a hard dollar. They can’t even slap them with paper money.
The gold mining industry and the American public are in the same boat. Bureaucratic tyrannical politicians are in another. Crippled and weakened to the point where in America must stop the poli- belless, Stalin, and the American oil companies. By B. Barrett Griffith, Jr. in partnership in the firm.

CREEPING DESTRUCTION OF THE DOLLAR

Proof of the conclusion that the last twenty years have been creeping destruction of the American dollar during a time when we have been surrounded by vantage degree an illusion of prosperity is in almost every corner of the econ- omy.

Reserve currencies recently have been advancing steadily in value against the American dollar. We have all been alarmist of the loss of our gold in the Canadian dollar from around $300 down to $210 during the last twenty years. The economic managers point with pride at $5.00 per ounce for gold. The price of gold as we had in 1934. But not the International Monetary Fund. Not our money managers tell us that they have failed to buy gold back to up the floor of paper gold has been in 1590s. In countries in the Western World, monetary gold reserve equal to 1% of the country’s money outstanding. Today it is less than 1%. We are in a more and suggestive of an understand- able way that it is essential for countries and the international commu- nity that “the dollar standard is maintained and that foreign currencies have a good gold dollar.”

History of Price of Gold

Some time ago we made a study of the price of gold in terms of pound sterling from the year 1943 to 1949. From that study we found two fecte: one, that the price of gold tends to increase during periods of trade depression and crises; two, and more important, we noted that the price of gold increased during increased during times of wars, plagues, the threats of dictators, and all the major crises of the world. As James I and Henry VIII of Eng- land were in power over the gold in the unknown financial history, we discovered that the true price of the currency was the gold dollar. We have a ready measurement of the gold dollar in the 1930’s.

Gold—Friend of the Little Man

Historically, gold has always been the friend of the little man. Not only can he store and increase his wealth during periods of adversity and stress by owning it, but also to own gold and currency redemeable in gold guarantees the little man that his government is subject to his di- rectio. In times when the citizens of the country become too ex- travagant, or wasteful, or carry- ing out deals which are not for the country, the government can have the government’s dangerous and irresponsible spending by ex- y changing his currency for gold and thereby pull the purse strings on his government’s extravagance. Think what that means. The little man in America could have stopped the carrying out of the depression at Yalta, for- estalled Korea, and we could have stopped our politicians from the dangerous policy of trying to buy friends with American paper dol- lars. By redeeming American paper dollars for gold the little man today in America could force the Washington Administration to lead strongly from strength against the hard talks and settle that problem once and for all. The little man could force our government to face up to the one problem that stands in the way of a better tomorrow, and that is, true, that threat. Is another slogan suggested? We can whip the Kremlin with a hard dollar. They can’t even slap them with paper money.
The gold mining industry and the American public are in the same boat. Bureaucratic tyrannical politicians are in another. Crippled and weakened to the point where in America must stop the poli- belless, Stalin, and the American oil companies. By B. Barrett Griffith, Jr. in partnership in the firm.

COMING EVENTS

In Investment Field

Sept. 4, 1952 (New York City)
Security Traders Association of America annual meeting at the City Hall Bowling Center.

Sept. 5, 1952 (New York City)
Foreign Traders Association of New York annual meeting at the Empire County Club, Dongan U.S.A.

Sept. 11, 1952 (Omaha, Neb.)
Nebraska Investment Bankers Association annual meeting at Omaha Athletic Club, golf luncheons, and dinner at the Omaha Hotel.

Oct. 15, 1952 (Chicago, Ill.)
McDonald Bank of Chicago annual meeting at the Knollwood Country Club.

Sept. 26, 1952 (Philadelphia, Pa.)
Bond Club of Philadelphia annual meeting at the Huntingdon Valley Country Club, Abington, Pennsylvania.

Oct. 25-30, 1952 (Atlantic City, N.J.)
American Bankers Association Annual Convention.

Oct. 5, 1952 (New Jersey)
Convention of the member-guest Dutch treat Golf Day at New Jersey Country Club of the Essex Country Club, West Orange, N. J.

Oct. 4, 1952 (San Francisco, Calif.)
Association of Stock Exchange firms Board of Governors Fall meeting at the Mark Hopkins Hotel.

Oct. 6-10, 1952 (Los Angeles, Calif.)
Association of Stock Exchange firms Fall Convention and meeting at the Ambassador Hotel.

Oct. 26-28, 1952 (Miami, Fla.)
National Security Traders Association Fall meeting at the Roney Plaza Hotel.

Oct. 24-27, 1952 (Havana, Cuba)
National Security Traders Association Fall meeting at the Hotel Nacional.

Oct. 31, 1952-Nov. 2, 1952 (Hot Springs, Va.)
Group of Southeastern Bankers Association of America at The American Hotel.

Nov. 30-Dec. 5, 1952 (Hollywood, Calif.)
Los Angeles Stockholders Association Annual Convention at the Hollywood Beach Hotel.
Boom or Bust?

BY JOHN D. RIORDAN
Editor-in-Chief, Non-Partisan League Organization, Bahson Park, Mass.

Denying economic forces are developing that are likely to create a new boom, Babson business analysts see in next four years an opportunity for which neither Democrats or Republicans can prevent. Looks for a boom in industrial production and let down in both prices and profits. Advocates caution in investing in stocks, and warns a Democratic Party "depression"

Can Stevenson or Eisenhower assure continued boom? Prevent a devastating bust? These are questions with which our Babson readers have been actively in touch as the dust of the conventions settled back over the Chicago stockyards. This is the issue the An-tons the answer to which will vitally affect every one of us.

Hence I am giving you today a more clearly defined picture of economic conditions as I see them. We are making a transition from a depression to a recovery. It seems to me that this is a stronger than anything we have experienced since the turn of the century. We see the great boom of the post-World War II period showing unmistakable signs of age. We can well understand that some of the government inspired efforts of the present and of the future can retard the onslaught of the "day of reckoning," and I emphasize at this point, we have not been able to convince ourselves that any economic forces are developing that would create a new boom.

In military parlance, a holding action is possible, a new offensive is unlikely.

A Slump Area Ahead

Sometime during the next four years, the chart index of the Physical Volume of Business will mark out a slump from the "Babson Normal Line." Nothing in the history of the Babson business is likely to change the "day of reckoning," and I emphasize at this point, we have not been able to convince ourselves that any economic forces are developing that would create a new boom. In military parlance, a holding action is possible, a new offensive is unlikely.

Under a Republican President - because the Babson picture is less likely to be augmented in outlays. However, the trend is based upon a period of lessened business volume, with a great deal of new competition. Accompanied by attempts to keep prices up, this competition has resulted in a cutting of business profits. In our opinion, neither Stevenson nor Eisenhower will be able to maintain the recent and current high level of profits once business volume drops and competition rises to a crescendo.

Of course, an increase in the business future can ignore the threat of war. Remember that we are not in the 1930's, however, but in a world on the side of free world countries, and the Communist scheme of things has not yet been accepted by their western neighbors. They have told you that they are as firmly convinced that they can win as we can. In this instance, if in no other, the Communist threat is real as the Communists cannot win, a great deal of the Communist's investment will be lost.

The point of attack can be anywhere: but it is not likely to be the point of attack. The Communists are well aware of this, and they must know us out.

Since the very beginning the general Eisenhower, through long experience and association, knows how to draw on an intuition that can do and how they are most likely to act next. We have been informed, from past experience, that Governor Stevenson is fully aware of the deadly intent of the Communist Party.

Possible Moves in Stock Market

There are many of us first secure in our securities, I would like to look ahead to possible moves in the stock market, under Stevenson, under Eisenhower. We believe that the position that stock should be bought as inflation hedges if, looks like a democratic victory, requires most careful consideration. Back to the early days of the Roosevelt Administration, Huff and puff as it may, the wise investor might well come forth but a ridiculously small investor, buy a vast stream of "balooney" dollars churned aimlessly. Yes, inflation seems a "glimmering future." The price of gold in 1935? It was not until the Inland Empire insists and the world into conflict with that our nation experienced the fully employed, high profits and that economic state since referred to as the Great Boom.

Given a far sharper threat of war, however, is a much more fundamental stimulus than deflation hedges, if, looks like a democratic victory, requires most careful consideration. Back to the early days of the Roosevelt Administration, Huff and puff as it may, the wise investor might well come forth but a ridiculously small investor, buy a vast stream of "balooney" dollars churned aimlessly. Yes, inflation seems a "glimmering future." The price of gold in 1935? It was not until the Inland Empire insists and the world into conflict with that our nation experienced the fully employed, high profits and that economic state since referred to as the Great Boom.

Given a far sharper threat of war, however, is a much more fundamental stimulus than deflation hedges, if, looks like a democratic victory, requires most careful consideration. Back to the early days of the Roosevelt Administration, Huff and puff as it may, the wise investor might well come forth but a ridiculously small investor, buy a vast stream of "balooney" dollars churned aimlessly. Yes, inflation seems a "glimmering future." The price of gold in 1935? It was not until the Inland Empire insists and the world into conflict with that our nation experienced the fully employed, high profits and that economic state since referred to as the Great Boom.
Canadian Securities

By William J. Mckay

The allotment of $15,000,000,000 in war bonds this year by the Canadian Government to Great Britain as a free gift in aid of the Allied mutual aid program, to be met from its current national budget and from funds contributed by the Canadian people, is an active partner of the United States, contributing to the defense of the United States, and will also contribute toward easing the British budget and balance-of-payments situation. In addition, it was reported by Canadian Finance Minister and Trade Minister, Mr. Ross, that Canada is printing this year approximately $100,000,000 worth of defense equipment from British factories on tap for $70,000,000 in capital assistance to start some key U. K. defense plants to be built in Canada, because of the Canadian-U.S. Standardization program in the U.S.

"But we hold no Olympian deck or front toward Britain, Minister McKee added. "We are sympathetic to her financial problems. We are trying, wherever possible, outside of the United States, to standardize work in that country."

But this must be given an equal break and must be made good, particularly to the dollar countries of Canada and the United States.

"We will do anything to help balance the budget," Mr. McKee said.

Yet in the long run British war effort is nowhere near as burdensome financially as the burden of the United States, particularly to the United States.

"We do not really get a country out of financial difficulties unless it is that country itself, which must make more goods and sell more goods, particularly to the dollar countries of Canada and the United States."

"We will do anything to help — that's our policy. British and American industries are tied together, which is why the dollar countries are doing well. We do not do the buying."

Some other comments on Canada's aid contributions


gold

The final section (of the so-called Patman Report) of the findings and recommendations is entitled "The Gold Standard." It affirms that the present world gold standard has been "deemed essential in maintaining the stability of the United States in world markets" and opposes restoration of international domestic convertibility of paper money into gold.

"This section is something of a curiosity. Although the report is entitled Monetary Policy and Monetary Institutions of the Federal Reserve System, the Gold standard did not figure in the investigation. The only Subcommittee member who brought up the question during hearings, Congressman Wolcott, threw out the provocative idea of dissolving the International Monetary Fund and initiating an international monetary conference "to look inquiringly into the present standard."

"This suggestion seems to be followed up, not to mention the larger question raised by Congressman Wolcott: "The present monetary situation in the United States is not conducive to gold expenditures."

"Much of the comment on the gold standard in recent years has been "something of a curiosity," but some day some of the larger questions such as those raised by Congressman Wolcott must be attended to. NAM is calling for attention to these aspects of the "Gold Problem."

Warrants of 28-Cent Dollar by 1965

B. M. Edwards, President of South Carolina National Bank, Columbia, S. C., says that if dollar's purchasing power continues to decline, in a comparatively few years today's 28-cent dollar may be viewed as "momentum of gold". He calls for an offset, strict government economy, pay-as-you-go financing, and curbs on rapid expansion of private credit.

According to a recent statement by Mr. Edwards, if the purchasing power of the dollar continues to decline, today's 28-cent dollar may be viewed as "momentum of gold", as a result of inflation in both the United States and Britain. Mr. Edwards quotes the British Board of Trade, which states that in the past 13 years "as has it been seen to have declined 47 cents in value since 1939," he continued, "we just like the position of the dollar to look back to the last big move of the dollar as a mirage of good old days."

Mr. Edwards states, "We cannot have increased spending on social welfare and defense without increased military spending at the same time," Mr. Edwards added. "We cannot have increased spending on social welfare and defense without increased military spending at the same time."

"The principal cause of inflation and the loss of the dollar's purchasing power has been the deficit-spending policy of the Federal government, which has piled up public debt to $260,000,000,000 in 1939 and $1,000,000,000,000 at present."

"We will do anything to help balance the budget."

"Some other comments on Canada's aid contributions"
Western Europe Today

By Homer D. Wheaton

Clayton & Wheaton, Investment Advisors, New York City

Mr. Wheaton notes postwar problems of Western Europe still persist, but have become less ominous. Cites progress made in last seven years, and there is widespread belief war is not imminent.

EDITOR'S NOTE: Aobre of European foreign develop¬ments, Mr. Wheaton recently went to a distant corner of the world in search of facts to be referred to in his usual column. He first went to Switzerland, Italy, France, and Holland. Some observations and conclusions based on conversations contained in the following article are personal, but written for the American public, believe that the threat is more apparent than real. Conversations with British observers have called to mind the idea that the continent is ac¬counting for the amount of claims.

The postwar problems of Western Europe have not disappeared with the pa¬ce of the war, but many have become less ominous. The immediate problem is to make the best of the good fortune that has beenfallen upon the continent.

In the first place, as pointed out in the Monthly Comment, "in the issuance of securities in reorganization certain legal rules and principles have become well established by a long line of judicial decisions. One of these principles is that the claim of creditors in reorganization is not a speculation," but rather the right of the claimant to recover full value of his claim. Actual claims are due to the reorganizer, not the creditors. Under these conditions it is interesting to see to what extent creditors were "unduly enriched" at the expense of the stockholders who were found to have no equity in the reorganization or liquidation.

For the purposes of these computations the Board has taken prices as of June 30, 1952 for the securities received by junior creditors in reorganization. In only one instance, Norfolk & South¬ern, the market value of the products of the country's own extent. Chicago & Eastern Illinois and Central of Georgia, of the market value of the products received exceeded the claims of the holder. In the case of the Sea¬board Air Line the market value of securities received by the Consolid¬ated 6s and Refunding 4s has finally, after a particularly spec¬tacular effort, come to about 25% of the principal amount, which is an amount that would be the case in recent years, reached a figure representing just about 96% of their respective claims. Other typical results are shown as follows:

<table>
<thead>
<tr>
<th>Stock</th>
<th>Yield (1952)</th>
<th>Market Value (1952)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central of Georgia &amp; Gen. 5 1/2s</td>
<td>27.4%</td>
<td></td>
</tr>
<tr>
<td>Chicago &amp; Eastern Illinois 6s.</td>
<td>71.5%</td>
<td></td>
</tr>
<tr>
<td>Chicago Great Western First 4s.</td>
<td>69.8%</td>
<td></td>
</tr>
<tr>
<td>Chicago Great Western New 6 1/2s</td>
<td>43.7%</td>
<td></td>
</tr>
<tr>
<td>Chicago, Milwaukee, St. Paul &amp; Pacific Adj. 2 1/2s</td>
<td>21.5%</td>
<td></td>
</tr>
<tr>
<td>Chicago &amp; North Western Conv. 4 1/2s</td>
<td>19.2%</td>
<td></td>
</tr>
<tr>
<td>Chicago, Rock Island &amp; Pacific Conv. 4 1/2s</td>
<td>68.6%</td>
<td></td>
</tr>
<tr>
<td>Denver &amp; Rio Grande Western General 6s.</td>
<td>80.8%</td>
<td></td>
</tr>
<tr>
<td>Erie Ref. &amp; Imp. 5s, 1967</td>
<td>63.0%</td>
<td></td>
</tr>
<tr>
<td>Minneapolis &amp; St. Louis Ref. &amp; Extens.</td>
<td>14.8%</td>
<td></td>
</tr>
<tr>
<td>Minneapolis &amp; St. Louis 6s.</td>
<td>14.8%</td>
<td></td>
</tr>
<tr>
<td>New York, New Haven &amp; Hartford 1st &amp; Ref.</td>
<td>63.0%</td>
<td></td>
</tr>
<tr>
<td>St. Louis-San Francisco Conv. 4 1/2s</td>
<td>78.2%</td>
<td></td>
</tr>
<tr>
<td>Wahbas Ref. &amp; Gen. Series</td>
<td>48.9%</td>
<td></td>
</tr>
</tbody>
</table>

&ast; accrued interest was calculated in reorganization for purposes of allocation.

The above tabulation indicates dramatically just where the old junior creditors stand in relation to their original claims. If they have been able to salvage such a small proportion of their just claims after a period of years of unprecedented prosperity it is difficult to accept seriously in any contention that they have been "unduly enriched" at anyone's expense.
Public Utility Securities

By OWEN ELY

Consolidated Edison's Rate Adjustments

Consolidated Edison Company of New York, was ordered by Chairman Maltbie of the State Public Service Commission in January, 1949, to reduce its electric rates 10% on a "temporary" basis. Mr. Maltbie then resigned, and several other alterations occurred in the Commission set-up. The company contested the order in both State and Federal Courts. It lost in the State Supreme Court, was upheld twice in the Appellate Division before the Court of Appeals. The U. S. Supreme Court finally affirmed the Commission's contention that no Federal question was involved. However, the company has been allowed to hold a rate of 10% higher than it could muster, the final fixing of permanent rates. The delay proved beyond expectations and it was not until July 5, 1950, that this rate investigation, probably the most important one in the history of the electric-lighting industry, was finally concluded. The decision was a five-pound, 381-page document copies of which are still not available to the public.

The omnibus rate order granted various concessions which took much of the sting out of the decision. The power companies had been reduced in residential rates for smaller consumers, the Commission directed the establishment of a completely new rate structure in order to eliminate inequities among various groups of consumers. Wholesale rates, the Commission decided, were not carrying their proper share of the cost of service and these were increased substantially. These increases, which for a very large users of electricity may amount to 25%, are based on what the Commission considered opposition among landlords and industrial customers who have asked the Commission for a hearing in the matter. However, the Commission held that the electric-lighting industry has been very low, paying no more than the bare operating cost of producing electricity, and then added that it is impossible to separate what the Commission ordered up its rates for power sold under special contracts to other utility companies, railroads, municipal, state and Federal agencies, etc.

In addition to these various rate adjustments the Commission decided that the company's annual accrual for depreciation was too large, and hence the company can increase its net earnings by reducing this charge. Since the company will continue to report only on an accrual for depreciation, but not to any other returns, this brings a cumulative record of its tax return to the Treasury Department, it will not have to pay this income tax any more.

Since the new more liberal rate base than Chairman Maltbie had done in his 1949 decision. The company had set up what the industry has called "Unearned Surplus" - Special amounting to about $165 million, enabling the company to pay 10% dividends to the tune of 80c per share of $2.50,

The various amounts by which consolidated Edison will benefit by the decision add up about as follows, it is estimated:
- (1) Increase in Special Contract Rates to Large Consumers: $8.3
- (2) Increase in Wholesale Rates: 4.2 million
- (3) Modification of Fuel Adjustment Clauses: 2.0

Total Subject to Income Taxes $13.6
Estimated Increase in Income Taxes 2.8

Net Gain $13.6
Estimated Reduction in Depreciation Accruals 1.0

Total Increase in Net Income $10.4
Amount per Share Com. Stock (133 mil. shs.) 78

The investor who holds on to his stock for dear life because he knows that his outlook is as bleak as the next election will be walking on the rain in which his suit is guaranteed waterproof. There is no safety in one and the assurance of the second is too flimsy to withstand storms.

The trader on the other hand, will buy a stock because he believes it can sell within a reasonable time to somebody else for more than he paid for it. If the stock pays a dividend so much the better. Profit, therefore, is the prime motive.

The big stumbling block is taxes and something that everybody must solve for himself. According to the tax laws, if you hold a stock for six months or more, you're an investor and come off lighter on capital gains. The trader has no such protection. To me this means that the trader has to be so much more astute to have anything left than the man who just sits on them.

(Leus views expressed in this article do not necessarily coincide with those of the author or those ascribed to the author only.)

The Economic and Financial Chronicle... Thursday, August 28, 1952
The Impact of Dearer Money
On Britain's National Debt

BY GORDON CUMMINGS

Mr. Cummings describes interest rate changes on British Defense Bonds to bring them in line with the general use of interest in Great Britain. Notes four major changes in rate adjustments in the nine months following the upward trend in Bank of England interest rates. Rates recede growth of British National Debt.

Another stage in the adjustment of the United Kingdom's National Debt policy initiated last November and the new economic reversion program goes on Monday and Tuesday. From this discussion, an important sector of the "small savings" side of government financing will be brought into line with the general increase. A new issue of 3% Defense Bonds, various other issues which have been on tap since November, 1937, is expected to meet the needs of units as small as $15 over the course of the year, and thereby to enable bonds to be sold through banks, and they are always redeemable at a minimum of 98% of their face value. Limit is 11/4 million. Bonds have the attraction of a tax-free bonus of 1% after five years, increasing to 5% after ten years, and after five years the amount of encashment can be reduced to three months without loss of interest. Currently, yields are proposed for the two other sides of the "small savings" side of the National Debt. Interest on Post Office and Trustee Savings Bank deposits and on the London savings certificates upper at just over 3% at the close of March, have added $8,000 of the 3% stock. In addition to the extra 91/4 month bonds, the 1/2% New Jersey series, which is currently near the current rate, $13,500 million, will be which relatively cheap still in relation to the size of the debt.

How the Debt Has Grown

On the outbreak of World War II, the total debt of the United Kingdom was about $20,500 million. By the end of 1930-31, the total public debt exceeded $71,699 million, and at March 31, 1932, the last financial statement, the debt was $86,200 million. Against the increase over the last eleven years is the fact that there has been much larger increase in certain other forms of debt, such as financing primarily through Bank surplus. The estimated value rose between $20,500 million and $86,200 million, to more than $11,200 million, during the eleven years, and most of the government authorities for housing and other forms of expenditure, were over the capitalization of the national industries, the Exchange Equalization Account and British Woods, and their stock holdings in the Bank of England, Cable and Wireless, Anglo-Iranian Oil Company, and State of the arts of new issues and other advances and loans. Most of the assets are revenue-producing and many of them are improvements under the "small savings" side of the National Debt. Interest on Post Office and Trustee Savings Bank deposits and on London savings certificates at just over 3% at the close of March, have added $8,000 of the 3% stock. In addition to the extra 91/4 month bonds, the 1/2% New Jersey series, which is currently near the current rate, $13,500 million, will be which relatively cheap still in relation to the size of the debt.

Fourth Change in Nine Months

The new issue of Defense Bonds will be the fourth major change in the National Debt make-up and interest rates since the Bank of England Rate was raised by 4% to 3 3/4% on November 8, 1931, and by a further 1% to 4% on March 11, last. Discount rates for another important sector of Government financing—Treasury Bills and Warranties—will be fixed simultaneously. The Treasury Bill rate has recently been lowered again, and additional open market interest is against just over 9% ruling up to the first increase of the Bank of England Rate. Last November, as part of the National Debt, the 3% million of Treasury Bills were funded into one, two and three-year issues, and the 1% million of Treasury Bills. In mid-July, interest on long-term government bonds, which has been known as the "floating debt," Tax—Reserve Certificates, which are available for repayment at the call of the Treasury, for 4% to 5%, was raised by 1% to 6%

These changes naturally direct attention to the extent of the National Debt and the amount that interest has to be paid on future conversions. The average has been low for a number of years, and should continue low for some time ahead. The top interest rate of 4% is payable on only some 400 million. The Diet of the government is mainly for immediate prewar years and the low rates at which war and post-war bills are issued. Prior to World War II interest rates were much higher, and 1/2% of the total debt. From 1941 through March, 1915, the annual average was running around 2%, for the 1931-32 financial year, the rate half is lower, and in 1915 and 1917 a rate of 2% or more was paid. Looked at from any point of view, the current rate of interest is a very low rate. Compared with $20, in 1939, it is a substantial reduction in the total population. Whereas in 1915 in certain Wakefield accounts indebted, it rose after the war to 200%, and is now back to about 216%.

Wakefield Agency

Acquired by Knollin

SAN FRANCISCO, Calif.—Knollin Advertising Agency of New York will acquire the San Francisco office of the Goodwill of the Carl Wakefield Foundation, according to Mr. Joseph Knollin, Jr., who recently purchased the San Francisco office of the Knollin Agency, and who is now advertising director of the Goodwill. This announcement was made jointly by Mr. Knollin and Mr. Wakefield.

Two members of the Wakefield Agency, Mr. John E. Wakefield, former Vice-President and Miss Bernice Wakefield, advertising assistant, will become part of the Knollin staff. In addition, commercial art director of the Knollin Agency, Mr. Wakefield has been serving as art director of the advertising agency, will continue in that capacity in collaboration with Sirmond Morten-son, Knollin's art director.

Sources states that the Wakefield San Francisco office will be closed on or about September 15. The remaining branches of the agency will be moved to the Knollin offices at 333 Bush Street as soon as the real estate transaction is complete. The Knollin Advertising Agency was established in 1935 in New York City by Mr. Knollin, the founder until his death on July 27 of this year. The Knollin offices date from 1932. Over the past 10 years, the Knollin business has been carried on by James C. Knollin and Robert H. Knollin, father and son, under the family name.

Degatano Sec. Co.

Benjamin Degatano has formed the Degatano Securities Company with offices at 37 Wall Street, and is general manager and dealer in unlisted securities, futures and options, and mining stocks. Mr. Degatano has been a partner in the Degatano & Spies, Associated with C. Tausig, manager, and John Hayes, cashier.

50 Years NYSE

Thomas Walsh, who started working for the New York Stock Exchange at the age of thirteen, old, on August 22, 1927. he is the 19th employee of the Exchange, or its affiliated company, to reach the half-century mark.

Conflicting Currents in Sterling

BY PAUL ENZIG

Pointing out though official policy of present British Government is distinctly deflationary, Dr. EnzIG holds moves already taken toward this end have been offset by factors making for inflation, and warns that every effort must be made to ensure that any further savings by consumers, and heavy defense expenditures. Find out for purchasing power of sterling is still uncertain.

LONDON, Eng.—Until comparatively recently the task of the commerce in the public mind was comparatively easy. There could be no doubt that the fundamental trend was distinctly inflationary. But by such circumstances the further comment about the extent to which the deflationary measures tax, by Sir Stafford Cripps and Mr. Churchill were effective, is not a question that will be decided by the intervention of the law, but by the government. The aim of the official policy is distinctly deflationary. The balancing of the deficit is the balance of payments, and the reversal of the outfall of gold is now given top priority. The daily reports by the Bank of England of the Exchequer, no doubt realises that this end can only be achieved by means of deflation. It was thus deflationary to their deflationary policy that Belgium and Western Germany have succeeded in an attempt to meet their deficit. The Export Credits and Reinsurance European Payments Union. For the purpose of raising the Sterling Area and international trade, the level more deflation would not be enough. Deflation is called for.

The deflationary measures applied by Mr. Butler included the high bank rate, credit restrictions, and an economy drive in public expenditure. The extent to which any of these policy aimed at the effect on the trend of prices. This was partly because credit restrictions are in large measure a matter of the government's co- nsumption requirements, moreover, the factors making for defla- tion, particularly the operation of the tax, the increase in the money supply, is not the amount of gold. In face of the conflicting currents the commentator is at a loss to make up his mind whether to expect a rise or a fall in prices. All prices, in other words, are holding up. The main factor working towards inflation is, of course, the growth of the present rate of gold in the Export Credits and Reinsurance European Payments Union. For the purpose of raising the Sterling Area and international trade, the level more deflation would not be enough. Deflation is called for.

Another factor making for inflation is the appearance of some uncertainty in the gold situation. There is some indication, however, that this will be offset next year by an intensification of economy drive. It was difficult for the new government to bear up against the pressure of the June budget, and the government is expected for the financial year 1951-52 on the basis of the present state of the world. The New Ministers will have gained sufficient experience in their respective departments to be able to undertake the task of making a serious re-Christchurch. The success of the drive will depend on the prevailing trend of prices. In face of an all-round rise in the cost of living and wages, the government will find it difficult to meet the demands for higher pay and the cost of granting these demands may be met whether they are granted through staff reductions. The question is, will the present downward trend of raw material prices continue and will it become translated into a decline in the cost of living in good time for checking the upward trend of wages? The government and the employers are trying to resist wage increases on the ground of predicting a reversal of the economic trends, but it may lead them to an appreciable extent. It is true the newspapers are full of reports about heavy falls in the prices of various materials. They are generally quoted every day, and the extent to which their considerable net fall from the August figures. The Economist has now been very moderate. It ought to be borne in mind that a large part of the materials included in the index of prices of subsides, announced by Mr. Butler in his Budget Speech in March, will only become effective during the Autumn. Any failure in the market for subsides will have to be very substantial in order to offset the effect of higher food prices on the consumer side.
Middle-of-Road Way To Peace and Prosperity

By DWIGHT D. EISENHOWER.

Republican Party nominee for President

The first political address, Gen. Eisenhower attacks "offensive" trade policy in long exclusive on adapting extreme policies. Says Democratic party has been in power too long, and scores dishonesty in Federal Government.

The "Lend-Lease" aid to Western World must be based on return of self-government and democracy in the countries which have enjoyed this aid. We must have a program for the restoration of their industries, their efforts and their work, and their intelligence translated into the order and moral life of all of us. We have a great program in development not only for our citizens and our allies, but for the peoples of the world.

There has been no great American war but America would have to be studying and analyzing the world in which we are going to live. We are threatened by a great tyranny through the specter of atomic and nuclear primitiveness. It is a tyranny which can make a great America and all the millions of people into slave camps and is attempting to make all these millions of our kinmen remain in slavery. I can almost feel the breath of this imminent fear.

Now let America, saddled by the tragedy of lost opportunity, etch in its memory the roll of these events which are now sowing under the dark pall of a great nation and her million and a half people are talking about whether we are equal or a quarter of that number. Poland and her twenty-five million, and the rest of Eastern Europe, where there has been the bulwark against this maniacal program.

East Germany and her more million, and East Austria and her two million.

Czechoslovakia and her twelve million—a nation that was bom of the independent American culture—now governed by the Congress of Ministers of Labor in Prague.

Bulgaria and her twelve hundred thousand.

All these people are blood kin and they have a heritage of freedom. All these people will live in a great fear that never before has been possible for their fate and our fate, their mother, a grandfather, a brother or a cousin? Do we rest while these millions of our kinmen remain in slavery? I can almost feel the breath of this imminent fear.

Must Restore Enslaved Nations

The American conscience can never rest content until these enslaved nations are restored to their masters of their own right.

The American people have Communist barbarism b r e n c h e d th e railroads of their capitalistic Asiatic periphery the Krematians the laboring masses of the Tibet, Inner Mongolia, Northern Korea, Northern Japan, the north-ers half of Japan. It has added five hundred million Americans to the swill of blood and power.

Most of those people of the Far East have been our friends. More than a hundred years ago our countrymen and frontiersmen were the products of the West and our missionaries penetrated into their interiors and there became heroes of this great expansion. Now, it is the jumble of false starts, fractional measures, loud policies and vacuous words of them.

I can hear you say the conscience of America shall never rest content until those enslaved nations have the opportunity to choose their own form of government.

The lands and the millions made captive to the Kremlin are the breath of this imminent fear. It doggedly stalks every free thought today. It has been the habit of these days, else it vails away. Using force here and propaganda there.

At the command of the Commissar, those instruments of a formidable aggregation of power could be flung against us, and we have not the right to stop them.

The test of the address fol-}

Seven years ago this very moment I left the Army with no political connections and a mind that was at ease, rather than ever enter politics. But seven years ago we were a nation of a hundred and we had dreamed that today we should be a nation of a million.

Who would have thought as we were growing up in the great Navy and a great Air Force that America would be striving to be a political leader in the world! America would have to be studying and analyzing the world in which we are going to live. We are threatened by a great tyranny through the specter of atomic and nuclear primitiveness. It is a tyranny which can make a great America and all the millions of people into slave camps and is attempting to make all these millions of our kinmen remain in slavery. I can almost feel the breath of this imminent fear.
We Must Combat Communism, But Preserve Our Self-Restraint

By HON. ADLAI E. STEVENSON

Democratic Party Candidate for President

Addressing veterans, Democratic Party Presidential candidate advocates preparedness against spread of Communism, but calls for self-restraint, stating "the barn should not be burned down to kill all the flies." He assures General Marshall and warns against over-zealous "patrols." Deplorers of indiscriminate attacks on schools and opposition to any pressure group, says we should not neglect our home front, "but we must be vigilant in preserving a happy peaceful world."

I have attended too altogether some conventions not known to harmony and I feel here on the afternoon of your third day at work hard at brief. It was also low and this day, the apprentice season in a naval training unit was not, as some of you may also recall, a powerful command position in World War I. My experience had provided me with a very special view—what could be, a warm-weather of the service. In 1918 I doubt if there was anything more warm-like than an apprentice seaman. I must add, though, that from a very short stay in the Navy in my department during the frenzied of the idea and a very vivid recollection of apprentice seamen and not one of us who would have any of these decisions.

Only Strong Can Be Free

After the first war many Americas lost sight of the fact that only the strong can be free. Many nations have some ominous look to permanent peace. In those days the Legion knew, however, that he would be better off out of the service even for a moment, and that only a society which could fight for survival would survive.

The Legion's fight to awaken America to the fact that we have preparedness is now largely won. But as a matter of fact, I do not think the understanding of national security in the modern world is a very long time in terms of a tremendous resource abroad, and providing a great international system of security. I believe we have taken the lead in building it up.

We have joined our strength with those of our friends, and we have done so in self-protection. We have no make-believe national defense— and the whole free world knows it. If there are those who believe in it, if there are those who believe that our constitution is a living thing, as I think it is, we cannot see the wonderful heritage of government in which we have been born, and the progress of the world in peace and in freedom.

†A address by Mr. Stevenson before the American Legion, Boston, Mass., Aug. 27, 1932.
Mutual Funds

A CONVENIENT plan through which people without substantial investment can accumulate an investment interest in major business enterprises was announced today by Hugh W. Long and Company, national sponsors of several mutual investment funds.

The plan is bank-operated and calls for an initial investment of $30 or more in shares of Funds Trust Company, one of the country's leading mutual funds. Subsequent investment purchases are made in the amount of $25 or more, monthly or at other intervals convenient to the investor.

No special charges are involved in buying shares of Fundamental Investors under the plan and there is no penalty or extra cost if the investor decides to discontinue it.

Plan-holders may give instructions for automatic investment in all their dividends and in additional shares of the Fund. All payments are made to the Investors and through the Distributors Trust Company which sends a reminder notice to plan-holders in advance of the due date of each payment. The plan also forwards receipts for payments made and for dividends reinvested. The Plan is available only through authorized investment firms all over the country. The "Systematic Investing Plan for purchase of shares of Fundamental Investors," said Hugh W. Long, President of the sponsor organization, "makes it possible for anyone to build up an investment in common stocks, and thus to become a part-owner of American businesses, by saving a small part of current income. The advantages of owning a share in the growth of these businesses, and of getting dividends which are equally shared among all owners, are widely accepted. We expect that thousands of people—under the Plan—will become investors sooner or later. As a matter of fact, we have already received a number of inquiries to that effect. Our investments will be carefully selected and constantly supervised because they will be buying shares of a mutual fund plan."

Hugh W. Long, President of the Funds Trust Company, Inc., has told us that, "More than 60% of listed stocks are either owned by mutual funds. Investors are advised not to buy mutual funds. People who are interested may obtain full information by writing to the address below."

MUTUAL INVESTMENT FUNDS

Investors

STOCK FUND

Investors SELECTIVE FUND

FACE-AMOUNT CERTIFICATE COMPANY

Investors SYNDICATE OF AMERICA

For prospective investors of these investment companies, check one of the boxes below:

Ⅰ. INVESTORS MUTUAL INVESTORS DIVERSIFIED SERVICES, INC.

Investors

211 FOAKNOE BUILDING MINNEAPOLIS, MINNESOTA

Investors MUTUAL

INVESTORS SYNDICATE OF AMERICA

INVESTORS SELECTIVE FUND

Please send the prospectus describing the investment company or companies above listed.

Address:

City:

State:

Zone:

THE COMMERICAL AND FINANCIAL CHRONICLE... Thursday, August 23, 1952
The Security I Like Best

The Security I Like Best

which has been widely broadcast through numerous publications.

The company in the early part of 1951

months

ahead

Lithium Corporation should be able to sell

excess of $2 million during 1952.

the company to have been slightly

of the market; but even if there is a small loss for 1950. Balance sheet

figures improved considerably over the year and current assets more than twice

we have been working at capital

$24,456.

Lithium Corporation of America has issued and outstanding

common shares.

The common stock of Lithium Corporation of America is quoted at

10 1/4 to 10 1/2 per share at full rate of

$2,500,000 to $2,000,000 and, of course, a greater amount depending

should it raise an annual pro

volume.

Finally, it is in the interest of the security

of the country that Russia could succeed in

29%

energy.

The development of lithium molten metal is of importance

and we consider Lithium Corporation of America to be in an interesting

spansion in a new and vital area of production.

It is widely held and highly desirable.

The course of the security is

march and step ahead of the market.

First, America must be militarily

and productively strong.

The second, strengths which are disinterested, are in the

interest of the country.

The third, and last, in our way through the

by giving the balance sheet.

we are careful in our assumptions, and support with the organi

they are in the same mood by knowing that they are proceeding with the mobiliza

countries.

the war, we must be prepared to go in the direction of

the world.

Second, the security is that the United States is capable of

protection.

Kremlin not Ready for War

Now Moscow is not going to make the mistake that Nazi

and Imperial Japan made. They were surrounded by enemies, and they

knew the Russian power was strong.

The Nazis and the Japanese

who win instantly or not at all.

The Nails and the Japanese

it off, then unless that war comes.

We are free.

and the war world economy in order to

in the world, and that is why

creative and the need for political.

These three elements are neces

and the rate of living.

The Nazis and the Japanese

with the rate of living.

in the case of freedom, these re

solutions require no effort and lea

the demands made on you in

and for the free world will be as

in every country. The world—all the

will again recognize the American military and the spirit and material realiza

in the mighty Russian Revolution, for

of the dawn of history. We will be

the last battle that the Fascists will be

beaten.

beaten.

And the last battle.

The realists of Communist materialism, violent antagonisms and revolutionary

that anything which could turn man to a horrible bondage.

state, we must attack them at once from the right angle.

in our industrial production and our fiscal.

and moral character.

These values have inspired gen

and have overcome tyrannies in the name of

A Mid-Way Road to Peace

The course to peace is the es

shame and the best of its feeble

England Telephone.

New Outlooks

New Outlooks

According to the new data published last week by the

the company set up at 27 July, 1951. It is available without limitation

from the Rocky Mountains to the Pacific Coast, to 90 per cent.

the whole world that last probability of

Arms Control System

Should not Be Weakened

First, let us tolerate nobody in our world who

widely and weaken and destroy the American system. Second, let us be

let us be watchful for those

let us be watchful for those

We have no policy that we can understand and sup

the world will not fall apart if

we have to do this, we must not be able to do our efforts until

the country.

and the aggressive governments.

be free of fear.

and we are free of fear.

in the United States.

many nations.

The Middle of the Road

Middle of the Road

To Peace and Prosperity

To peace and to practice them

so that the whole world all over the

hope in them requires of each one of us

daily life. Each of us must

Waste of the Japanese

weakened.

Japan.

Complete Financial Chronicle

In view of the

be silent. We are free.

Japan.

...and justice.

China.

Japan.

British

Both,

Japan.

China.

weaken and destroy.

in our eyes and American people.

the world. We must have a policy that we can understand and sup

were able to do, we must be able to do it under

to them.

in the United States. We have

the United States.

the Federal Reserve Board.

eyes and American people.

to them.

The Middle of the Road

Middle of the Road

To Peace and Prosperity

To peace and to practice them

so that the whole world all over the

hope in them requires of each one of us

daily life. Each of us must

Waste of the Japanese

weakened.

Japan.

weaken and destroy.

in our eyes and American people.

the world. We must have a policy that we can understand and sup

were able to do, we must be able to do it under

to them.

in the United States. We have

the United States.

eyes and American people.

to them.

The Middle of the Road

Middle of the Road

To Peace and Prosperity

To peace and to practice them

so that the whole world all over the

hope in them requires of each one of us

daily life. Each of us must

Waste of the Japanese

weakened.

Japan.

weaken and destroy.

in our eyes and American people.

the world. We must have a policy that we can understand and sup

were able to do, we must be able to do it under

to them.

in the United States. We have

the United States.

eyes and American people.

to them.
water, and the abdication of the pipeline are both serious obstacles containing problems far more difficult to solve than the effluent disposal of oil or natural gas.

For many years, it has been common practice for large industrial users to order their coal in the fall, partly because of the time required and required for a definite purpose. These variations in quality at different times of the year on the Chesapeake & Ohio run into large quantities of low and high types of coal. Unscrambling of the trailer load to go through a pipeline would be an impossible task in the opinion of most observers.

Merchandise revenues are now equal to the domestic abnormal enues. For 1951 merchandise traffic was 25 million or about 41% of total freight revenues of $352 million. Merchandise revenues were four times the 1937 figure on a par with the 1937 trend. This is partly the result of the highly industrialized Pere Marquette Railroad in May 1947. Apparently there has been an intensified effort to bring in new business. The huge atomic energy plant mentioned in the annual report with an estimated 100,000 carloads of construction materials, 30,000 construction workers and 4,000 employees. While the traffic from the atomic energy plants may be very large, the impetus of in Flake work will probably turn the immediate added population in this rural area will result in per- manent increased traffic gain for the C. & O.

Export Coal Traffic

Until recently the road's export coal traffic had been modest. A high point in this type of traffic was achieved in the past year. Associated with this traffic is the fact that a portion of the traffic is reexported to the eastern seaports of New York and New Jersey. The construction of a coal pier at Newport News in 1943 and its completion in 1949, cost $8 million but has paid for itself in increased traffic by the heavy coal exports to Euro- pean countries that have since developed. In 1951 alone, shipments of 2 million tons of coal, in addition to the domestic revenues, have been received in earnings in the brief period of its operation.

Passenger Operations

Such operations comprise approxi- mately four percent of total revenues. Progress has been made in reducing the loss, though not as yet in passenger services. As reported in the foregoing, there have been losses in this division were reduced during the year. It is due to the dieselization program, which has been cut back from $2.5 million in 1948 on a cash basis operating costs, the passenger division was cut back this year.

The railroad industry must do something about passenger traffic if these are not to engulf rail operation. It is clear that the railroads are a business that want to do this work. The passenger service is not as profitable as most other services. The Chesapeake & Ohio, under R. J. F. Hoffman, is strongly and believes that if this industry problem remains unsolved it could result in the entire industry. Development of the passenger traffic is attempting to find one possible solution of this vexing problem. In a state-

Continued from page 3

Chesapeake & Ohio Management Hits the Ball!

It is not the high rate of return on the earnings of the Chesapeake & Ohio that makes the operators, Mr. Young. Mr. Young. Mr. Young is a man who has made a distinguished career in the railroad industry. He has been with the company for many years and is well known for his ability to handle complex problems.

The company has experienced a period of growth and expansion under Mr. Young's leadership. He has been able to maintain a high level of service while keeping costs under control. This has allowed the company to continue to grow in a competitive market.

Mr. Young's ability to handle complex problems has been a key factor in the company's success. He has been able to make difficult decisions and manage a large workforce. His leadership has been a key factor in the company's success.

Mr. Young's dedication to the company and his commitment to providing good service to customers has been a key factor in the company's success. He has been able to maintain a high level of service while keeping costs under control. This has allowed the company to continue to grow in a competitive market.

Mr. Young's ability to manage a large workforce has been a key factor in the company's success. He has been able to make difficult decisions and manage his team effectively. His leadership has been a key factor in the company's success.

The company has experienced a period of growth and expansion under Mr. Young's leadership. He has been able to maintain a high level of service while keeping costs under control. This has allowed the company to continue to grow in a competitive market.

Mr. Young's dedication to the company and his commitment to providing good service to customers has been a key factor in the company's success. He has been able to maintain a high level of service while keeping costs under control. This has allowed the company to continue to grow in a competitive market.
The South Side Bank of Bagley, Shore, N.Y., received from the board of directors on Aug. 19 a certificate of increase of the capital stock of the bank from $200,000, consisting of 2,000 shares of $100 each, to $500,000, consisting of 10,000 shares of the par value of $50 each.

Advices made available by the New York State Banking Department, President's Department, show bank department approval on Aug. 20 a certificate whereby the capital stock of the People's First Bank of Columbus, at Columbus, N.Y., was increased from $250,000 to $500,000 as a result of the sale of $100,000 of new stock.

Joseph G. Parr, retired Presi
dent of the Trust of Co
tinental, New York, was elected as a director of the Bank of New York, which office he has held for some time.

When that bank was merged in 1928 the capital stock of the New York Bankers Association, Inc., at Columbus, Ohio, as a director of the New York Bankers Association, the first President of the first director of the New York State Bank Association, a member of the New York State Chamber of Commerce, etc.

The directors of the New York banking institutions, viz: the 

The Board will meet on Aug. 25.

Horace C. Flinn, president of the Manufacturers Trust Com-
pany, was present at the board meeting on Aug. 15.

For the first time in the history of mutual savings banks, $25,000 more than the required capital of $10,000 is paid in 1902 and is located at the company's Union Square Office.

The South Side Bank of Bagley, Shore, N.Y., received from the board of directors on Aug. 19 a certificate of increase of the capital stock of the bank from $200,000, consisting of 2,000 shares of the par value of $100 each, to $500,000, consisting of 10,000 shares of the par value of $50 each.

Advices made available by the New York State Banking Department, President's Department, show bank department approval on Aug. 20 a certificate whereby the capital stock of the People's First Bank of Columbus, at Columbus, N.Y., was increased from $250,000 to $500,000 as a result of the sale of $100,000 of new stock.

Joseph G. Parr, retired Presi
dent of the Trust of Co
tinental, New York, was elected as a director of the Bank of New York, which office he has held for some time.

When that bank was merged in 1928 the capital stock of the New York Bankers Association, Inc., at Columbus, Ohio, as a director of the New York Bankers Association, the first President of the first director of the New York State Bank Association, a member of the New York State Chamber of Commerce, etc.

The directors of the New York banking institutions, viz: the 

The Board will meet on Aug. 25.

Horace C. Flinn, president of the Manufacturers Trust Com-
pany, was present at the board meeting on Aug. 15.

For the first time in the history of mutual savings banks, $25,000 more than the required capital of $10,000 is paid in 1902 and is located at the company's Union Square Office.

The South Side Bank of Bagley, Shore, N.Y., received from the board of directors on Aug. 19 a certificate of increase of the capital stock of the People's First Bank of Columbus, at Columbus, N.Y., was increased from $250,000 to $500,000 as a result of the sale of $100,000 of new stock.

Joseph G. Parr, retired President of the Trust of Continental, New York, was elected as a director of the Bank of New York, which office he has held for some time.

When that bank was merged in 1928 the capital stock of the New York Bankers Association, Inc., at Columbus, Ohio, as a director of the New York Bankers Association, the first President of the first director of the New York State Bank Association, a member of the New York State Chamber of Commerce, etc.

The directors of the New York banking institutions, viz: the 

The Board will meet on Aug. 25.

Horace C. Flinn, president of the Manufacturers Trust Company, was present at the board meeting on Aug. 15.

For the first time in the history of mutual savings banks, $25,000 more than the required capital of $10,000 is paid in 1902 and is located at the company's Union Square Office.

The South Side Bank of Bagley, Shore, N.Y., received from the board of directors on Aug. 19 a certificate of increase of the capital stock of the People's First Bank of Columbus, at Columbus, N.Y., was increased from $250,000 to $500,000 as a result of the sale of $100,000 of new stock.

Joseph G. Parr, retired President of the Trust of Continental, New York, was elected as a director of the Bank of New York, which office he has held for some time.

When that bank was merged in 1928 the capital stock of the New York Bankers Association, Inc., at Columbus, Ohio, as a director of the New York Bankers Association, the first President of the first director of the New York State Bank Association, a member of the New York State Chamber of Commerce, etc.

The directors of the New York banking institutions, viz: the 

The Board will meet on Aug. 25.

Horace C. Flinn, president of the Manufacturers Trust Company, was present at the board meeting on Aug. 15.
Continued from first page

As We See It

his record and that of his predecessor during the past 20 years. There is nothing in the party's platform this year to indicate that it is appealing to the voters to give it an opportunity to carry the government through things that have been settled against good, old-fashioned Americanism, and if there were, one would be hard put to it, to find any reason why that foreign policy pattern has been placed to stand for, but we suspect our own philosophy to be appreciably different from those of Messrs. Roosevelt and Truman. The fact remains, though, that he has said with positiveness that he approves of the "accomplishments" of his party during the past two decades and intends to go ahead with them. While probably less of an extremist than Roosevelt or Truman, he must nonetheless be put down as a follower of the general New Deal and Fair Deal philosophies.

This much is in point of fact to be taken for granted, so much so that it is worth repeating. If this ever be the all-and-the-end-all of the current situation, there would be little to complain of. All that would be necessary would be to retire the Democratic Party from office and perhaps as a consequence, refrain from running for office to get the country back on the right track. It is, however, precisely this opportunity that is apparently to be again denied the People of the United States. For as long as he, too, has been taken into the camp of the New Dealers, the Fair Dealers, and the vote-buyers even as had Mr. Willkie and Mr. Dewey. Possibly the political "necessities" of the situation may be correctly viewed and the principle solidly behind that the "social gains" and the like which are alleged to have been made during the past couple of decades—but, if so, then we can only reply that the American people will not be gulled along the road away from American traditions and the American way of thinking and living than we had supposed and that we are ready even now to admit.

Here is What He Said

Lest there be a wrong question about Mr. Eisenhowers's position we take the liberty of quoting a paragraph or two from one of his recent addresses:

"Now, ladies and gentlemen, this middle day today starts off with certain very definite assumptions. It assumes that the situation we are facing, and will forever support whatever we call social gains, the security that the people are entitled to in their old age and to make certain they are adequately cared for, insurance against unemployment, and the like, regardless of race, religion, who was born or what is his national origin.

We accept a moral obligation—the education of our young, decent housing, the rights of working and working women to be productive, the rights of each of us to earn what he can and to save it as taxes will let him. We do not shirk any of these social gains and the fact that Americans must have adequate insurance against disaster.

"No one counts that thing a political issue any more. That is part of America. All of those things, ladies and gentlemen, we call security measures. They are not goals, they are what America is going to win."

"Let's call all those things just a solid floor that keeps all of us from falling into the pit of disaster. But on top of that floor, let's not interfere with the incentive, the ambition, the right of any of you to build the most glorious structure on top of that floor that you can imagine. That is what we want America to be—the product of 156,000,000 people, their incentives, their ambitions, their efforts and the confidence of their intelligence translated into accomplishment for the commonweal and the democracies.

Now as to Mr. Stevenson, he too, felt it necessary to say very much the same thing in different words despite his desire to make a showing of great independence. Here is what he says on the subject:

"Of course, I appreciate and applaud the vast accomplishments for the public good under Democratic leadership.

Now, of course, we are not prepared to say that this leaves the voters nothing to decide next November. There are other issues, and some of them important, too. There are differences in personal qualifications. There may be vast differences in the ability and willingness of members of Congress to address themselves at least to some of the vital issues of the day with intelligence, fore- sight and courage. Such things as these must, of course, have an influence in choosing between the parties and the candidates."

All Too Many Think So

What concerns us here is the fact that everywhere, at least wherever it counts, politically speaking, and we are afraid in other places, too, for the party is disposed to consider the "accomplishments" of the New Deal and the Fair Deal as "above politics." Is it to prove necessary for us all to learn all over again and in the same way that before the mercantilism and the mercantilism and all the rest which forced us on this side of the Atlantic to revolt and revolution.

In 1946 and again in 1948, there were those who said that Mr. Dewey went down to defeat chiefly because he took just the attitude that Mr. Eisenhower is now taking in respect of the New Deal folder. Whether that is the fact or not is something we are not supposed to know. Neither could we say with any degree of authority what Mr. Eisenhower is doing now in this respect is good or bad politics. What we do know is that he is not going to be as watchful and forward and lead the American people out of the wilderness.

Continued from first page

The Outlook for Capital Expenditure

156,000,-

the Commerce and Financial Chronicle Thursday, August 20, 1952

boom business management would be able to make it easy for a time in planning and making new capital plans for the year. Mr. Eisenhower said, however, that even after attaining another all-time high in business this year, American business wants to go right through the year with the industrial plant and equipment in large volume during the years immediately thereafter.

As compared with $21 billion in expenditures for 1952 (1951 was $17 billion in expenditures for the year), the surveys were already in place to spend:

1952 $36.7 billion in 1953

1953 $31 billion in 1954

1954 $41.4 billion in 1955.

If the survey were taken right now and if it confirmed that the current volume of expenditures planned for next year would be considerably higher that that anticipated by the Fair Deal, it will be very little lower than the 1952 rate. And during the latter part of the year we will not be surprised to find that the estimate made some time in advance do not include many outlays which have been added to the estimate as the time for carrying out the plans.

A Decline of Not More Than 15% in 1953

Between delays in getting expenditures taken, the normal accumulation of need for expenditures and that were not anticipated would not be much in the accumulation of expenditures in 1953 were only about 15% lower than the previous year. They will be in this all-time record-breaking volume of expenditures in the first half of 1953, with its accumulation of delayed expenditures, or in the total volume of capital expenditure will be well below the annual rate of 1952. However, the year of 1953 would not be the year of the high point of the business cycle. It could only be a year in which the capital investment is expected to be below 1952, and that the corporation tax will remain at 52%, but that the excess profits tax will be set to the law imposing it expires in June, 1954.

This brings me to the first of the big things I mentioned in envisaging business conditions. The need for capital expenditures by business in the near future. That is why we can count on defense expenditures (including expenditures for national defense scrap and equipment) and rates of taxation of business income will be 'taken' down from the peak together. It will be differences of delay in another kind and another degree, but that the peak of these expenditures will be the same time the excess profits tax is scheduled to expire unless Congress

There are two reasons, both of them ground, why it seems to me

1953 15.5 billion in 1954

In spite of this great outlay of business is managing to finance its new program of capital investment this year a combination of relatively high prices and heavy capital requirements have cut the sales of securities. Together these factors and security issues will account for more than half of the capital in¬vestment. As the result the balance will be accounted for (in terms of dollars) as the take care of depreciation of plant and equipment.

In this connection, it is worth noting that depreciation reserves have become an item of major importance in the total economic thrust. A 10% cut in reserves would not only reduce the total capital of the companies but also affected the cost of capital for all businesses. However, profits and the sale of securities to those interested in the average 20% increase in profits and the sale of securities to those interested in the future of the company's business must be included in the capitalization of the company's capital. The average 20% increase in profits and the sale of securities to those interested in the future of the company's business must be included in the capitalization of the company's capital.

The Sourcing of New Outlays

One of the latest forms of the Federal Reserve Bank of St. Louis is the publication of a report entitled "The Sources of New Outlays." This report is based on a survey of over 100 large corporations and provides a detailed analysis of the factors that influence their capital outlays. The report highlights the importance of government regulations, technological developments, and market conditions as key drivers of investment decisions.

The Impact of Excess Profits

In any event, the "excess profits" tax is a very real role as a source of funds for the purchase of new capital. The impact of this tax on the capital market will be substantial. This is because the tax is imposed on profits that exceed a certain amount, which is set by the government. As a result, the tax will reduce the amount of funds available for investment, which will ultimately reduce the level of new capital formation.

The Outlook for Investment

For the economy to recover, it is essential that investment spending increases. This will require a combination of policies that stimulate demand and encourage investment. The government can play a role in this by providing tax incentives for investment, and by ensuring that the supply of credit is sufficient. The central bank can also support investment by keeping interest rates low and maintaining financial stability. Without these measures, it is unlikely that the economy will return to a state of normalcy.

In conclusion, the outlook for investment is uncertain. The economy is facing a number of challenges, including high debt levels, low productivity, and a lack of confidence. However, if the right policies are put in place, there is reason to believe that the economy can recover and that investment spending will increase.
The Outlook for Capital Expenditures

tain judgment refuted by the facts.

On the outlook for capital in
vestment by business at home over the period immediately ahead, one has to have a wide

Open for the longer range outlook for capital expenditures in business. The

impression that the profits from the beginning of the year, and will continue to

The Larger Range Outlook

is still a matter of opinion. The

my basic reason is that it seems
to me that the sort of social and economic structure which was touched off by the great depres

Prior to the great depression of the 1930's, there was a more

era by both of our great political parties to Chicago to get into the middle of the game.

For the last 20 years, we have been through what may be by odds the most produc
duction in the world ever. For 19 years, the gap between the two world wars

But in the interest of clarity, I would like to make

the Jovian and to Lucina, I am willing to be forced to accept the
testimony of the major producers, and to accept that

personal, however, I think we can make a

There is still a very real possibility of a

I do not want to be

In the light of the foregoing discussion, I am not very

the business, which now are legion, is that they are wrong.

Walston, Hoffman

Walston, Hoffman & Goodwin,

Charles P. Walston, chairman of the

He points out that the demands of organizing workers will level the
economic life out of our economy. One of the many instances

Of course the situation will not be

the general public, it was

The financial situation at the end of

the very best of the past two years, and this is

The concept of "full employment" is still prevalent

business by eliminating the labor unions, the

The outlook in this respect seems to me to be

indebted to the British experience on

its...[text continues]
Federal Reserve Bank of St. Louis

Digitized for FRASER
http://fraser.stlouisfed.org/

Volume 176 Number 5146 The Commercial and Financial Chronicle

8,036 trucks (revised last week) and 102,646 cars and 29,303 trucks in the comparable period a year ago.

Canadian plants turned out 5,710 cars and 2,590 trucks against 3,414 cars and 2,666 trucks in the same period last year, and 4,853 cars and 2,663 trucks in the like week of 1951.

Business Failures Extend Mild Rise

Commercial and industrial failures increased to 154 in the three weeks ended Aug. 21, compared with 133 in the two-week period ended Aug. 14. The Commercial and Financial Chronicle, Dun & Bradstreet, Inc., reports. At the highest level in six weeks, casualties exceeded the 130 which occurred in the comparable week of 1951. Continuing far below the prewar level, failures were down 42% from the 242 recorded in July.

Contributions with liabilities of $5,000 or more and those below that amount advanced slightly in the week.

Manufacturing inventories are still manufacturing accountable for the week's rise in mortgability. Fewer retailers accumulated, and casualties in commercial service dapped mildly. All industry and trade groups except textiles reported a drop in failures for deliveries and services.

Small increases were reported during the week for the East North Central, South Atlantic, and New England States. The only notable declines appeared in the Middle Atlantic, down to 56 from 63, and in the Pacific States, down to 32 from 35. More businesses failed this year in all geographic areas except the West South Central and Pacific Regions where a slight downturn from the previous week was reported.

Wholesale Food Price Index Pushes Through to New High 1952

Continuing its upward trend, the Dun & Bradstreet wholesale food price index, which had reached a new high 1952 high of 285.6 on Aug. 19, increased to 293.76 on Aug. 19, as against 289.79 on the corresponding date a year ago.

Grain markets were somewhat irregular last week although prices of all grains and oilseeds advanced and the wheat market showed a firm tone aided by an increase in export trade. Sales of wheat under modernization agreements, during the week ended Aug. 12, were reported at 14,500,000 bushels, in contrast to the low volume of recent weeks. There was some selling in late July in the form of the official sale of 36,000 new england soft wheat, reported as a by-product of this year, which predicted a record wheat production of 2,622,000,000 bushels, as compared with last year's large crop of 5,533,000 bushels.

Corn continued to move moderately lower as crop prospects in the northern belt continued generally good to excellent. oats and rye prices showed slight gains for the week. Sales of all grains and soybean futures on the Chicago Board of Trade last week ended Aug. 12, were reported at 28,700,000 bushels, as compared with 32,000,000 bushels the previous week, but were well above the 24,300,000 bushels moved the week ended July 26.

Domestic flour business continued on a routine basis with purchasers confined mostly to scattered fill-in orders for nearby needs. There was somewhat less competition in the flour market during the week. Cocoa prices showed further declines under continued liquidation of the inventory, which has been the prevalent feature of the market in recent weeks. The current market is favorably related to the probable arrival of the new crop. The coffee market remained a closed market on Monday of this week by the year's high of $2.43, who signed building up inventories for Fall requirements.

Raw sugar rose 5 points over a week ago, reflecting a moderate picket in the trade buying of refined sugar in the closing days of July.

Lard moved lower in sympathy with corn and hogs, and weakness in fats and oils. Live hog prices declined despite heavy receipts. Weakness was induced by lower wholesale pork prices and the threat of labor difficulties at major packing plants. Steers and limas advanced moderately for the week.

Spot cotton prices moved in a narrow range and finished slightly lower after some early trading reflected beneficial rains in central and eastern portions of the belt and8...
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, as of that date:

### BUILDING CONSTRUCTION—U. S. DEP. OF LABOR—MONTHLY

<table>
<thead>
<tr>
<th>Latest</th>
<th>Previous</th>
<th>Month</th>
<th>Year</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,060</td>
<td>$3,900</td>
<td>26,973</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### PRIVATE CONSTRUCTION

<table>
<thead>
<tr>
<th></th>
<th>Residential building (nonres.)</th>
<th>New</th>
<th>Alterations and additions</th>
<th>Nonresidential building (transf.)</th>
<th>Commercial building</th>
<th>Agricultural building</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,950</td>
<td>$1,052</td>
<td>$1,958</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Residential building (nonres.)</th>
<th>New</th>
<th>Alterations and additions</th>
<th>Nonresidential building (transf.)</th>
<th>Commercial building</th>
<th>Agricultural building</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,950</td>
<td>$1,052</td>
<td>$1,958</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Residential building (nonres.)</th>
<th>New</th>
<th>Alterations and additions</th>
<th>Nonresidential building (transf.)</th>
<th>Commercial building</th>
<th>Agricultural building</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,950</td>
<td>$1,052</td>
<td>$1,958</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### PORTLAND CEMENT (RETAIL)—Month of July

| Production (short tons) | 23,983 | 14,907 | 7,703 |

### CEMENT (RETAIL)—Month of July

| Production (short tons) | 23,983 | 14,907 | 7,703 |

### WHOLESALE PRICES, NEW SERIES—U. S. DEP. OF LABOR—MONTHLY

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Commercial Goods</td>
<td>Farm Products</td>
<td>Other Goods</td>
</tr>
<tr>
<td>Aug. 10</td>
<td>110.2</td>
<td>110.2</td>
<td>111.3</td>
</tr>
</tbody>
</table>

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Commercial Goods</td>
<td>Farm Products</td>
<td>Other Goods</td>
</tr>
<tr>
<td>Aug. 10</td>
<td>110.2</td>
<td>110.2</td>
<td>111.3</td>
</tr>
</tbody>
</table>

### THE COMMERCIAL AND FINANCIAL CHRONICLE—THURSDAY, AUGUST 22, 1932

The above table presents a general picture of the economic situation, indicating trends in production, employment, and other important factors. It is compiled from various sources, including government agencies, private companies, and industry reports. The data provides insights into the state of the economy during the specified period.

---

*The referenced text contains historical economic data reflecting conditions at a specific time, reflecting the economic climate and its impact on various sectors such as construction, cement production, wholesale prices, and other economic indicators. It underscores the importance of these statistics in understanding past economic trends and how they influenced modern economic policies and practices.*
SEC Proposal to Regulate Sale of Small Canadian Issues

decades ago. Its natural resources are almost limitless and the attempts at their development have barely scratched the surface. This new, added economy, at the current rate of exchange, its money is at a premium even as compared with our own.

Between Canada and the United States strong ties of friendship and understanding exist and have existed for a long, long time, to which their unfortified borders, often cited, bear eloquent testimony.

When the Commission gives as virtually their sole excuse for the delayed notification of an amendment to the Extraterritorial Treaty for its delay in considering the ex¬emption of small Canadian issues from registration, we are wholly unimpressed and we regard that delay as absolutely inexcusable.

Our criticism is leveled at what we regard as one of the big fallacies governing the actions of many of our administrative agencies and that is, that the average businessman must be treated as if he were a rogue, dis¬honest in every intent. The role that the Commission establishes and declares to be in the public interest appears to have that type of thinking in back of it. This whole philosophy of the public interest is apparently the cost of it to the public could be evaluated, it would soon be stopped unceremoni¬ously. Honest men suffer because of the deviation of a few rogues.

What was the effect of the delay and of waiting upon the ratification of the Extraterritorial Treaty? In the first place, it excluded our residents from participating in Canadian progress, Canadian expansion, and Canadian profit on the medium of small offerings. Here, of course, it can be said a United States resident could, nevertheless, have participation in fully registered secu¬rities, the underlying assets of which were Canadian nat¬ural resources.

However, that is no answer. The profit possibilities of such fully registered securities have usually been fully discounted, as revealed by their current market prices. Had there been an exemption of Canadian offerings to the extent of $300,000 heretofore, such offer¬ings being, as a rule, wholly speculative, would, at very small cost per share, have offered large profit possibilities ultimately, particularly along the line of capital gains where the tax limitation is an advantage to the investor.

We do not suggest that all small issues are success¬fully floated. We do venture to say, however, that mill¬ions have been made through the medium of specu¬lating in the affairs of small business and, in this respect, Canada is a particularly ripe and deserving field.

As world leaders we, in this country, are engaged in spreading the message of goodwill and of understanding. Our Ambassadors and their staffs, the State Department as a whole, are supposed to be doing just that and bend¬ing every effort toward that end and, yet, a short-sighted administrative agency can undo much that has been done along those lines.

How does Canada feel when it is told that its business is denied certain privileges until a Treaty of Extraterritorial is approved which deals with crooks? Is Canada to sup¬pose that the level of its business is to be judged by the few knaves who are found in it? Does that type of think¬ing lend itself to mutual understanding and mutual trust?

In the present scheme of things, we need Canada and Canada needs us as never before, and any departure from the understanding and goodwill that exists between us is an affront to the people of both countries.

This new proposal is designated as “Regulation D.”

It provides, in Rule 507 thereunder, that the issuer, each of its officers and directors, each person on whose behalf any of the securities are to be offered, and each underwriter of the securities to be offered, who is not a resident of the United States shall, at the time of filing the letter of notification, file with the Commission a written irrevocable consent and power of attorney design¬ating the Secretary of the Securities and Exchange Com¬mission or his agent upon whom may be served any process, pleadings, or other papers, in any civil suit or action in connection with the purchase or sale of any security offered under this Regulation against the person executing the power of attorney.

The Rule further provides that upon the service of any process upon the Secretary of the Commission, that such process, pleadings, or other papers, shall be forwarded by registered mail to the appropriate defendant at its last known address filed with the Commission.

Hereofore, we have spoken of the Commission in the term of a disciplinary function that it exercises, the aid that it gives to prosecuting attorneys in those-eximinal matters affecting its jurisdiction, and the functions that it exercises amicus, as a friend of the court, where au¬thorized by the statute.

Now, the SEC, under this proposed “Regulation D,” would make itself the repository of all civil processes and pleadings “and other papers” as to all non-resident per¬sonal and corporate, connected with the issue on which a letter of notification has been filed.

The effect of adoption of “Regulation D” would be to add substantial duties to the Commission at a time when Congress has been paring its requested budget and when the SEC has been abandoning or reducing many of the functions it has heretofore exercised upon the ground that its budgetary allowance is inadequate, e.g., supplying certain public information.

The attempted addition of functions, under such cir¬cumstances, can only be understood in the light of the Commission constantly reaching out for expanded powers.

Small wonder that the Commission proposed to tax the securities industry under the guise of a sneak provi¬sion in an Appropriations Bill, when, on the one hand, it seeks to extend its powers and duties along questionable lines and, on the other, the Congressional attitude is to cut the requested appropriations of the SEC.

Although the SEC claims the provisions dealing with service of process are intended to safeguard its rights to institute injunctive actions authorized by the Securities Acts, these are not so limited as shown by the Release itself, and apply as well to civil suits for damages by purchasers of securities.

The exemption provided by this proposed regulation is suspended, and no unsold securities may be offered thereunder during the pendency of any indictment against the issuer or underwriter, or against any officer, director, affiliate, or promoter of the issuer, for any crime or of¬fense involving the purchase or sale of any security aris¬ing out of the conduct of the business of a broker or dealer.

Since when, in this enlightened age, is an indictment equivalent to a conviction? What has become of the presumption of innocence? Where does the SEC get its authority to legislate this presumption away?

The injury caused by this provision may be recalcul¬able.

We are in favor of extending to Canadian offerings the proposed $300,000 exemption. We believe such ex¬tension has been too long delayed. We feel, however, that the terms intended to be imposed by “Regulation D” are onerous, costly, unfair and not calculated to create goodwill between Canada and the United States.

The Commission has invited comments and sugges¬tions on this proposed regulation from all interested per¬sons, and has set Sept. 15, 1952 as the deadline.

We urge that such comment take the form of approv¬ing, in principle, the granting of the requested exemption to Canadian offerings, but of firm opposition to “Regula¬tion D” in its present form upon the grounds, among others, set forth in this editorial.

Halsey, Stuart Group

Offers Ill. Cent. Bonds

Halsey, Stuart & Co., Inc. and associates are offering to the public $692,177,000 of 5.875% Illinois Central RR. Co. consolidated bonds, in the Series K dated Aug. 1, 1952 and due Aug. 1, 1982. The bonds are in denominations of $500, payable interest, to yield 4%. The offering, priced at par, was made immediately at a competitive sale yesterday on a 30 day yield of 3.86%. The bonds are subject to autho¬rization by the Interstate Com¬mission.

Net proceeds from the sale, to¬gether with the funds of the company, will be used to retire the Illinois Central RR. to redeem on Dec. 1, 1952 all of the $692,177,000 of first refunding mortgage bonds due Aug. 1, 1982 outstanding with the public.

The bonds have the benefit of an annual, cumulative sinking fund of 1% of the principal of the bonds, contingent on earnings. The present and future payments are to be applied to redemption of the Series K bonds. The bonds are registered in the United States at 100%, plus accrued interest. For optional redemption the bonds are redeem¬able at prices ranging from 100, to 99.37%

Illinois Central RR. Co., incor¬porated in 1851, has never de¬clared or paid a dividend. Its prin¬cipal or interest on its funded debt, has never been in reconven¬tion or bankruptcy, and has never been required to reduce its capi¬tal. The net income of the company over 20 years has averaged 6.336 million of main line and branch line earnings, Illinois, Indiana, Missouri, Ken¬tucky, Alabama, Tennessee, Louisi¬ana, Lousiana, Alabama, Arkansas, Iowa, Wisconsin, Minnesota, Ne¬braska, South Dakota, Minnesota.

Consummation of this financing will complete the program of debt reduction and simplification which the Illinois Central has been car¬rying on for several years in con¬nection with its debt structure.

This has involved a lowering in reduction in debt and simplification of its debt structure to a single mort¬gage bond of the Securities and Exchange Commission.

The Philippines

To Curtail Imports

Reduced demand abroad and lower prices for commodities ex¬ported by the Philippines have caused a recurrence of the coun¬try’s foreign exchange difficulties making it again necessary to tighten controls on imports. The urgent need to turn to the philip¬ines’ export trade, says Halsey Stuart & Co., Inc., has reversed the upward trend in the Island’s economy.

In the first quarter of 1952, there was a trade deficit aver¬aging about $2 million a month as against a surplus of a similar amount in the same period of 1951. In March, an all-time low, the dollar reserves were reduced from $402,- 000,000 to $398,000,000 in April and May. Under these circum¬stances, and in anticipation of continued im¬porting on the United States to con¬tinue the large-scale aid which has only recently been extended to the rehabilitation of the country since the end of World War II.

Lawrence E. Collins

Lawrence E. Collins is a member with Pennington, Colket & Co., Philadelphia, passed away at the age of 47.
Securities Now in Registration

Admiral Corp., Chicago, Ill.
June 2 filed 41,000 shares of capital stock (par $1) being exchanged for common stock of Canadian Admiral Corp., Ltd., at rate of one share of Admiral stock for each two shares of Canadian Admiral stock held. This exchange offer will expire on Aug. 30. Dealers—Commermcoy & Co., Chicago, Ill. Statement effective June 19.

Amerian Mines, Ltd., Toronto, Canada
May 25 filed 25,000 shares of common stock (par $1), of which 9,584 shares are to be offered to public by company, 500 shares by underwriter and 668,717 shares to be reoffered under rescission offer. Price—70 cents per share. Proceeds—For prospecting, drilling and equipment and working capital purposes. Underwriters—L. F. Penny & Co., Toronto, Canada.

American General Oil & Gas Co.
Aug. 14 (letter of notification) 800,000 shares of common stock (par one cent), pursuant to option to purchase issued in additional exploration. Price—15 cents per share. Proceeds—To general funds. Underwriter—West & Co., Fort Worth, Texas.

American Metallic Chemicals Corp.,
Portland, Ore.

Andowan Mines, Ltd., Port Arthur, Ont., Canada
May 28 filed 700,000 shares of common stock (par $1). Price—$38 per share. Proceeds—For exploration, drilling and equipment and working capital purposes. Underwriter—Frank P. Hunt & Co., Inc., Rochester, N. Y.

 Appalachian Electric Power Co. (9/23)
Also filed 2,000,000 shares of Canadian bonds due 1962 and $2,000,000 of serial notes due 1956-1967. Proceeds—to pay for bonds and for general construction. Underwriters—to be determined by competitive bidding. Probable bidders—Halsey, Stuart & Co., Inc.; Equitable Securities Corp. and Central Republic Corp. (jointly); Dreyfuss & Co., New York; & Co., and Union Securities Corp. (jointly); Harriman Ruyke & Co., Inc. Bids—Expected to be received by company at 11 a.m. (EDT) on Sept. 23.

Arkansas Power & Light Co. (9/9)
Aug. 18 filed 800,000 shares of common stock (par $.10). Price—To be determined by competitive bidding. Underwriters—Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Beane, both of New York.

Banff Oil, Ltd., Calgary, Alberta, Canada (9/4)
Aug. 8 filed 1,000,000 shares of common stock (par 50 cents-Canadian). Price—About $2.50 per share. Proceeds—For repayment of bank notes and for general funds. Underwriters—In the United States—Lehman Bros., New York, N. Y.; in Canada—W. C. Pittfield & Co., Ltd., Montreal, Quebec.

Bank on Mining Co., Inc., Cayuga, N. Y.

Banff Oil, Ltd., Calgary, Alberta, Canada (9/5)
June 25 (letter of notification) 1,000,000 shares of common stock (par $.10). Price—To be determined by amendment. Proceeds—For general corporate purposes. Underwriters—Banff Oil, Ltd., Calgary, Alberta, Canada.

Banff Oil, Ltd., Calgary, Alberta, Canada (9/11)
Aug. 21 (letter of notification) 50,000 shares of common stock (par $.10). Price—$1 per share. Proceeds—For general corporate purposes. Underwriters—Banff Oil, Ltd., Calgary, Alberta, Canada.

Bird Key Shrimp Corp., St. Petersburg, Fla.
Aug. 21 (letter of notification) 57,000 shares of common stock (par $.10). Price—$2.50 per share. Proceeds—for general corporate purposes. Underwriter—None.

California Electric Co., San Francisco, Calif.
Aug. 13 (letter of notification) 1,000,000 shares of common stock (par $.10). Price—to be determined. Proceeds—to acquire additional equipment. Underwriter—Beierlein & Smith, San Francisco, Calif.

Central Illinois Public Service Co. (9/23)
Aug. 18 filed 1,250,000 shares of common stock (par $1). Price—$1 per share. Proceeds—For construction program. Underwriter—None.

Century Natural Gas & Oil Corp.

Central Illinois Public Service Co. (9/23)

Century Natural Gas & Oil Corp.

Challenger Manufacturing Corp., Reno, Nev.
Aug. 13 (letter of notification) 1,000,000 shares of common stock (par $.10). Price—to be determined. Proceeds—for general corporate purposes. Underwriter—None.
Cincinnati, Ohio, May 19, 1962.

To the Editor, The Enquirer:

I had the pleasure of recently attending a dinner in behalf of the Cleveland dinner of the Cincinnati Bar Association attended by nearly sixty members of the bar as well as the judges of the court of common pleas, county and solicitor. The banquet was held at the home of Mr. and Mrs. John J. Rhodes, 235, 2nd Street, West, New York, N. Y.

I am a member of the bar and have practiced law in Cincinnati for many years.

Sincerely yours,

John J. Rhodes, President

Cincinnati Bar Association.

---

Cincinnati, Ohio, May 19, 1962.

To the Editor, The Enquirer:

I was pleased to attend the dinner in behalf of the Cleveland dinner of the Cincinnati Bar Association held at the home of Mr. and Mrs. John J. Rhodes, 235, 2nd Street, West, New York, N. Y.

I am a member of the bar and have practiced law in Cincinnati for many years.

Sincerely yours,

John J. Rhodes, President

Cincinnati Bar Association.

---

Cincinnati, Ohio, May 19, 1962.

To the Editor, The Enquirer:

I had the pleasure of recently attending a dinner in behalf of the Cleveland dinner of the Cincinnati Bar Association attended by nearly sixty members of the bar as well as the judges of the court of common pleas, county and solicitor. The banquet was held at the home of Mr. and Mrs. John J. Rhodes, 235, 2nd Street, West, New York, N. Y.

I am a member of the bar and have practiced law in Cincinnati for many years.

Sincerely yours,

John J. Rhodes, President

Cincinnati Bar Association.

---

Cincinnati, Ohio, May 19, 1962.

To the Editor, The Enquirer:

I was pleased to attend the dinner in behalf of the Cleveland dinner of the Cincinnati Bar Association held at the home of Mr. and Mrs. John J. Rhodes, 235, 2nd Street, West, New York, N. Y.

I am a member of the bar and have practiced law in Cincinnati for many years.

Sincerely yours,

John J. Rhodes, President

Cincinnati Bar Association.

---

Cincinnati, Ohio, May 19, 1962.

To the Editor, The Enquirer:

I had the pleasure of recently attending a dinner in behalf of the Cleveland dinner of the Cincinnati Bar Association attended by nearly sixty members of the bar as well as the judges of the court of common pleas, county and solicitor. The banquet was held at the home of Mr. and Mrs. John J. Rhodes, 235, 2nd Street, West, New York, N. Y.

I am a member of the bar and have practiced law in Cincinnati for many years.

Sincerely yours,

John J. Rhodes, President

Cincinnati Bar Association.

---

Cincinnati, Ohio, May 19, 1962.

To the Editor, The Enquirer:

I was pleased to attend the dinner in behalf of the Cleveland dinner of the Cincinnati Bar Association held at the home of Mr. and Mrs. John J. Rhodes, 235, 2nd Street, West, New York, N. Y.

I am a member of the bar and have practiced law in Cincinnati for many years.

Sincerely yours,

John J. Rhodes, President

Cincinnati Bar Association.

---

Cincinnati, Ohio, May 19, 1962.

To the Editor, The Enquirer:

I had the pleasure of recently attending a dinner in behalf of the Cleveland dinner of the Cincinnati Bar Association attended by nearly sixty members of the bar as well as the judges of the court of common pleas, county and solicitor. The banquet was held at the home of Mr. and Mrs. John J. Rhodes, 235, 2nd Street, West, New York, N. Y.

I am a member of the bar and have practiced law in Cincinnati for many years.

Sincerely yours,

John J. Rhodes, President

Cincinnati Bar Association.

---

Cincinnati, Ohio, May 19, 1962.

To the Editor, The Enquirer:

I was pleased to attend the dinner in behalf of the Cleveland dinner of the Cincinnati Bar Association held at the home of Mr. and Mrs. John J. Rhodes, 235, 2nd Street, West, New York, N. Y.

I am a member of the bar and have practiced law in Cincinnati for many years.

Sincerely yours,

John J. Rhodes, President

Cincinnati Bar Association.

---

Cincinnati, Ohio, May 19, 1962.

To the Editor, The Enquirer:

I had the pleasure of recently attending a dinner in behalf of the Cleveland dinner of the Cincinnati Bar Association attended by nearly sixty members of the bar as well as the judges of the court of common pleas, county and solicitor. The banquet was held at the home of Mr. and Mrs. John J. Rhodes, 235, 2nd Street, West, New York, N. Y.

I am a member of the bar and have practiced law in Cincinnati for many years.

Sincerely yours,

John J. Rhodes, President

Cincinnati Bar Association.
**Savoy Oil Co., Inc., Tulsa, Okla.**

July 14 filed 10,000 shares of common stock (par $1). Proceeds—$10 per share. Proceeds—For working capital. Underwriter—None. New York, N. Y. Underwriter—None.

**Sunshine Medicinals, Inc., N. Y.**


**Sherman Electric Co., Inc., Warren, Ohio**

July 14 filed 20,000 shares of capital stock (par $1). Proceeds—$10 per share. Proceeds—For working capital. Underwriter—None. Address—P. O. Box 424, Warren, Ohio.

**Southernmost Fund, Columbia, S. C.**

July 8 (letter of notification) $50,000 shares of convertible debentures due July 8, 1963. Proceeds—To be offered by subscription by common stockholders of record Sept. 7 on basis of 100 of debentures for each $150 of stock held. Proceeds must be on or before Sept. 23. Proceeds—To be supplied by amendment. Proceeds—For expansion of existing construction, and for working capital. Underwriter—Morgan, Blumenthal, & Co., New York; Smith, Barney Co., and Merrill Lynch, Pierce, Fenner & Beane, New York, N. Y.

**Southwestern Investment Co., Amarillo, Tex.**

Aug. 12 (letter of notification) $100,000 of 5% junior debentures due Feb. 15. Proceeds—$120,000, 3% of which is to be supplied by additional capital stock. Proceeds—For additional capital for installment sales financing and leasing. Underwriter—None. Address—P. O. Box 100, Lubbock, Texas (Neb.) Offering—Now being made.

**Southwestern States Telephone Co., Lubbock, Texas**

Aug. 29 filed 60,000 shares of common stock (par $1). Proceeds—To be supplied by amendment. Proceeds—For additions and improvements. Underwriter—Central-Republic Co., Inc., Chicago, Ill.

**State Exploration Co., Los Angeles, Calif.**

July 14 filed 100,000 shares of common stock (par $1) to be offered to stockholders for subscription at $5 per share (par). Proceeds—For expansion and general corporate purposes. Underwriter—Brady, O'Mahoney & Co., New York.

**State of Illinois, N. Y.**

July 22 (letter of notification) $20,000,000 of common stock (par $5) being offered to stockholders of record July 15 (excluding members of the Board of Control of the Illinois Mutual Life Insurance Co., who own about 90% of the common stock) at rate of $5 per share for every 20 shares held, with an oversubscription privilege, rights to expire on Sept. 15. Proceeds—For expansion. Underwriter—1700 N. Washington St., Bloomington, Ill. Underwriter—None.

**Storer Broadcasting Co.**

May 19 filed 215,000 shares of common stock (par $1), of which 189,000 shares are being sold by certain selling stockholders (170,000 to be offered publicly and 18,000 by certainble stockholders. Proceeds—$5 per share. Proceeds—For expansion program and general corporate purposes. Offer—600 S. Olive St., Los Angeles, Calif. Underwriter—None. Shares reserved will be sold to a "small group of individuals."

**Steak 'n Shake of Illinois, Inc.**

July 15 filed 20,000 shares of common stock (par $5) being offered to stockholders of record July 15 (excluding members of the Board of Control of the Illinois Mutual Life Insurance Co., who own about 90% of the common stock) at rate of $5 per share for every 20 shares held, with an oversubscription privilege, rights to expire on Sept. 15. Proceeds—For expansion. Underwriter—1700 N. Washington St., Bloomington, Ill. Underwriter—None.

**Suburban propane gas Corp.**

July 24 (letter of notification) an unspecified number of shares of common stock (par $1) sufficient to raise a total of $30,675.00. Price—at market (around 17% per share). Proceeds—To SHH Gas Co., the selling stockholder. Offer—The New York Trust Co. of New York, and/or Bioren & Co., Philadelphia, Pa., will act as underwriter.

**Sunshine packing Corp. of Pennsylvania**

July 8 filed 2,000,000 of 6% convertible debentures due 1972 (subordinate) and 400,000 shares of common stock (par $1) to be offered by amendment. Proceeds—For repayment of bank loans and for expansion of existing facilities and the development of prospective and proven oil and gas lands and the development of existing properties. Underwriters—In United States Mailpunch, Rea & Co., New York; and in Canada: Frame, Fadlin & Co., Toronto. Offering—Expected next month.

**Sunnier Oil Co., Inc., Tulsa, Okla.**

July 14 filed 10,000 shares of common stock (par $1). Proceeds—$9.50 per share. Proceeds—For working capital. Underwriter—None. New York, N. Y. Underwriter—None—But shares will be offered by company at par. An offering circular is expected to be filed about Sept. 1.

**Scott Paper Co., Paper (9/8)**

Aug. 15 filed $24,052,000 of convertible debentures due Sept. 1, 1962. Proceeds—To offer for subscription by common stockholders of record Sept. 8 on basis of 100 of debentures for each $150 of stock held. Proceeds—To be offered on or before Sept. 23. Proceeds—To be supplied by amendment. Proceeds—For expansion of existing construction, and for working capital. Underwriter—None.
**Arkansas Power & Light Co.**

Aug. 7 C. Hamilton Moses, President, announced that the company expects to borrow additional money next Spring to finance its 1953 construction program. Underwriter—Dillon, Read & Co., Inc., New York.

**Associated Telephonic Corp.** (Calif.)

John Reed announced the company expects to sell in October about $10,000,000 of first mortgage bonds, convertible into 3% debenture bonds of the company. Underwriters—Halsey, Stuart & Co., Inc., New York.

**Byrd Oil Co., Dallas, Texas**

July 22 it was announced that the company plans to issue additional First mortgage bonds due Aug. 15, 1953, in the amount of $10,000,000. Underwriters—Simpson,Strong & Company, San Francisco.

**California Electric Power Co.** (Ala.)

Aug. 11 company filed an application with the FPC for authority to issue $5,000,000 of 3% First mortgage bonds of the company. Underwriters—None.

**California Power & Light Co.** (Calif.)

August 28 an application was filed by the company for approval of a registration statement for the sale of $25,000,000 of 3% First mortgage bonds. Underwriters—None.

**Cincinnati Gas & Electric Co.** (Ohio)

Aug. 27 an application was filed by the company with the SEC for approval of its registration statement for the sale of $20,000,000 of First mortgage bonds. Underwriters—None.

**Colorado Fuel & Power Co., Denver, Colo.**

Aug. 25 filed an application with the SEC for permission to issue $10,000,000 of 3% First mortgage bonds, convertible into 3% debenture bonds. Underwriters—None.
A Consideration of Malthusianism

industry cannot be operated on a scale common to all the nations, in peaceable competition, while it is being financed in the most varied manner possible — built-in, perversely "elastic.

Not only is the use of money to be resolved by "re-employment" of currency in terms of one's "own" money, but the fact of modality in the hands of government, the government, and, yes, too, by weight that does not assign correlated value in one part of the world that may be disposable, and the items. As Ricardo put it in "Proposals for an Economic and Se
cy on the Production and Distribution of Wealth" (Works of Ricardo, p. 404): "The greatest power of the precious metals for the purpose of money may with truth be consid
ered in the highest degree as a step toward the improvement of conditions, a means of bettering the quality of life; but it is not less true that money is a means to the improvement of knowledge and science, we dis
cover that it would be another im
dment to banish them again.

Before the employment to which they had been advantageously ap

The value of "capital" or "durable
capital" can be significantly reduced

The "value of labor" or "real
capital" can be significantly reduced

But the food it "produces" (sun
and rain and "seed corn") is the
cost of labor, or "real capital.

A.M. 1. 19. 20.

Continued from page 7

A Consideration of Malthusianism

industry cannot be operated on a scale common to all the nations, in peaceable competition, while it is being financed in the most varied manner possible — built-in, perversely "elastic.

Not only is the use of money to be resolved by "re-employment" of currency in terms of one's "own" money, but the fact of modality in the hands of government, the government, and, yes, too, by weight that does not assign correlated value in one part of the world that may be disposable, and the items. As Ricardo put it in "Proposals for an Economic and Se
cy on the Production and Distribution of Wealth" (Works of Ricardo, p. 404): "The greatest power of the precious metals for the purpose of money may with truth be consid
ered in the highest degree as a step toward the improvement of conditions, a means of bettering the quality of life; but it is not less true that money is a means to the improvement of knowledge and science, we dis
cover that it would be another im
dment to banish them again.

Before the employment to which they had been advantageously ap

The value of "capital" or "durable
capital" can be significantly reduced

The "value of labor" or "real
capital" can be significantly reduced

But the food it "produces" (sun
and rain and "seed corn") is the
cost of labor, or "real capital.

A.M. 1. 19. 20.

Continued from page 7

A Consideration of Malthusianism

industry cannot be operated on a scale common to all the nations, in peaceable competition, while it is being financed in the most varied manner possible — built-in, perversely "elastic.

Not only is the use of money to be resolved by "re-employment" of currency in terms of one's "own" money, but the fact of modality in the hands of government, the government, and, yes, too, by weight that does not assign correlated value in one part of the world that may be disposable, and the items. As Ricardo put it in "Proposals for an Economic and Se
cy on the Production and Distribution of Wealth" (Works of Ricardo, p. 404): "The greatest power of the precious metals for the purpose of money may with truth be consid
ered in the highest degree as a step toward the improvement of conditions, a means of bettering the quality of life; but it is not less true that money is a means to the improvement of knowledge and science, we dis
cover that it would be another im
dment to banish them again.

Before the employment to which they had been advantageously ap

The value of "capital" or "durable
capital" can be significantly reduced

The "value of labor" or "real
capital" can be significantly reduced

But the food it "produces" (sun
and rain and "seed corn") is the
cost of labor, or "real capital.

A.M. 1. 19. 20.

Continued from page 7

A Consideration of Malthusianism

industry cannot be operated on a scale common to all the nations, in peaceable competition, while it is being financed in the most varied manner possible — built-in, perversely "elastic.

Not only is the use of money to be resolved by "re-employment" of currency in terms of one's "own" money, but the fact of modality in the hands of government, the government, and, yes, too, by weight that does not assign correlated value in one part of the world that may be disposable, and the items. As Ricardo put it in "Proposals for an Economic and Se
cy on the Production and Distribution of Wealth" (Works of Ricardo, p. 404): "The greatest power of the precious metals for the purpose of money may with truth be consid
ered in the highest degree as a step toward the improvement of conditions, a means of bettering the quality of life; but it is not less true that money is a means to the improvement of knowledge and science, we dis
cover that it would be another im
dment to banish them again.

Before the employment to which they had been advantageously ap

The value of "capital" or "durable
capital" can be significantly reduced

The "value of labor" or "real
capital" can be significantly reduced

But the food it "produces" (sun
and rain and "seed corn") is the
cost of labor, or "real capital.

A.M. 1. 19. 20.

Continued from page 7

A Consideration of Malthusianism

industry cannot be operated on a scale common to all the nations, in peaceable competition, while it is being financed in the most varied manner possible — built-in, perversely "elastic.

Not only is the use of money to be resolved by "re-employment" of currency in terms of one's "own" money, but the fact of modality in the hands of government, the government, and, yes, too, by weight that does not assign correlated value in one part of the world that may be disposable, and the items. As Ricardo put it in "Proposals for an Economic and Se
cy on the Production and Distribution of Wealth" (Works of Ricardo, p. 404): "The greatest power of the precious metals for the purpose of money may with truth be consid
ered in the highest degree as a step toward the improvement of conditions, a means of bettering the quality of life; but it is not less true that money is a means to the improvement of knowledge and science, we dis
cover that it would be another im
dent to banish them again.

Before the employment to which they had been advantageously ap

The value of "capital" or "durable
capital" can be significantly reduced

The "value of labor" or "real
capital" can be significantly reduced

But the food it "produces" (sun
and rain and "seed corn") is the
cost of labor, or "real capital.

A.M. 1. 19. 20.

Continued from page 7

A Consideration of Malthusianism

industry cannot be operated on a scale common to all the nations, in peaceable competition, while it is being financed in the most varied manner possible — built-in, perversely "elastic.

Not only is the use of money to be resolved by "re-employment" of currency in terms of one's "own" money, but the fact of modality in the hands of government, the government, and, yes, too, by weight that does not assign correlated value in one part of the world that may be disposable, and the items. As Ricardo put it in "Proposals for an Economic and Se
cy on the Production and Distribution of Wealth" (Works of Ricardo, p. 404): "The greatest power of the precious metals for the purpose of money may with truth be consid
ered in the highest degree as a step toward the improvement of conditions, a means of bettering the quality of life; but it is not less true that money is a means to the improvement of knowledge and science, we dis

cover that it would be another im

dent to banish them again.

Before the employment to which they had been advantageously ap

The value of "capital" or "durable
capital" can be significantly reduced

The "value of labor" or "real
capital" can be significantly reduced

But the food it "produces" (sun
and rain and "seed corn") is the
cost of labor, or "real capital.
Securities Salesman’s Corner

By JOHN DUTTON

This morning’s paper carried the following note: “The New York Stock Exchange is things to be proud of, because it is the only place where they can all realize.” In August several large sales of common stocks had to be re¬sorted to off-market special offer¬ings and secondary distributions. Here are some of them:

Tobacco

Securities Salesman’s Corner

so

Volume tillers-Seagrams;

ings and secondary

n

DISTRIBUTIONS

American & Foreign Power Company Inc.,

Two River Street, New York 6 N. Y.

The Board of Directors has declared a divi¬
dend of 50 cents per share on their com¬
mon stock payable October 1, 1952, to stock¬
holders of record at the close of business
September 15, 1952. The stock transfer book
will close September 22, 1952.

H. W. BALDROOGER,

President and Secretary.

August 22, 1952.

DIVIDEND NOTICES

COMMERCIAL SOLVENTS CORPORATION

DIVIDEND No. 71

A dividend of twenty-five cents (25¢) per share has been declared payable on the common stock of this Company, payable October 8, 1952, to stockholders of record at the close of business on September 30, 1952.

R. A. BIRDGE,

Secretary.

August 22, 1952.

ALLIED CHEMICAL & DYE CORPORATION

Quarterly dividend No. 125 of Nifty Cents ($.60) per share has been declared on the Common Stock of the Company, payable September 15, 1952, to stockholders of record at the close of business September 1, 1952.

W. C. KING,

Secretary.

August 29, 1952.

DIVIDEND NOTICES

SOUTHERN PACIFIC COMPANY

DIVIDEND No. 139

A quarterly dividend of thirty-five cents (35¢) per share on the Company’s Common Stock, payable October 8, 1952, to stockholders of record at the close of business September 16, 1952, will be paid on October 21, 1952.

J. A. WEISS,

Secretary.

August 21, 1952.

DIVIDEND NOTICES

UNITED GAS CORPORATION

BROOKLYN, NEW YORK

Dividend Notice

The Board of Directors has declared a dividend of thirty-one and one-half cents (311/2¢) per share on the Common Stock of the Corporation, payable October 1, 1952, to holders of record as of close of business September 15, 1952. Checks will be mailed by Trust Co. of Virginia, Richmond, Va. to R. H. WALTERS,

Secretary.

August 27, 1952.

DISTRIBUTIONS

INTERNATIONAL SALT COMPANY

DIVIDEND No. 153

A dividend of FIFTY CENTS (50¢) per share has been declared on the capital stock of this Company, payable October 1, 1952, to stockholders of record at the close of business on September 15, 1952. The stock transfer books will close September 22, 1952.

H. N. ORBONS,

Executive Vice-President & Sec’y.

August 22, 1952.

DIVIDEND NOTICES

IRVING TRUST COMPANY

One Wall Street, New York

The Board of Directors has this day declared a quarterly dividend of 25 cents per share on the capital stock of this Company, payable October 1, 1952, to stockholders of record at the close of business September 30, 1952.

STEPHEN G. KENT,

Secretary.

August 21, 1952.

DIVIDEND NOTICES

LONG ISLAND LIGHTING COMPANY

Notice of Quarterly Dividends

The Board of Directors has declared the following dividends:

Quarterly dividend of 125 cents ($.50) per share on the Common Stock of the Company, payable October 1, 1952, to holders of record at the close of business September 30, 1952 will be paid October 22, 1952. Checks will be mailed.

FRED W. HAUTAU,

Treasurer.

August 21, 1952.

DIVIDEND NOTICES

AMERICAN SALT COMPANY

DIVIDEND No. 107

A quarterly dividend of 15 cents per share on the Common Stock of the Company, payable October 1, 1952, to holders of record at the close of business September 15, 1952, will be paid October 21, 1952. Checks will be mailed.

W. S. KURBLING,

Treasurer.

August 22, 1952.

DIVIDEND NOTICES

CIT FINANCIAL CORPORATION

Dividend on Common Stock

A quarterly dividend of $1.00 per share in cash has been declared by the Board of Directors of C. I. T. FINANCIAL CORPORATION, payable October 1, 1952, to stockholders of record at the close of business September 15, 1952.

The transfer books will not be closed.

FRED W. HAUTAU,

Treasurer.

August 21, 1952.

DIVIDEND NOTICES

AMERICAN SALT COMPANY

DIVIDEND No. 107

A quarterly dividend of 15 cents per share on the Common Stock of the Company, payable October 1, 1952, to holders of record at the close of business September 15, 1952, will be paid October 21, 1952. Checks will be mailed.

W. S. KURBLING,

Treasurer.

August 22, 1952.

DIVIDEND NOTICES

CIT FINANCIAL CORPORATION

Dividend on Common Stock

A quarterly dividend of $1.00 per share in cash has been declared by the Board of Directors of C. I. T. FINANCIAL CORPORATION, payable October 1, 1952, to stockholders of record at the close of business September 15, 1952.

The transfer books will not be closed.

FRED W. HAUTAU,

Treasurer.

August 21, 1952.

DIVIDEND NOTICES

CIT FINANCIAL CORPORATION

Dividend on Common Stock

A quarterly dividend of $1.00 per share in cash has been declared by the Board of Directors of C. I. T. FINANCIAL CORPORATION, payable October 1, 1952, to stockholders of record at the close of business September 15, 1952.

The transfer books will not be closed.

FRED W. HAUTAU,

Treasurer.

August 21, 1952.

DIVIDEND NOTICES

CIT FINANCIAL CORPORATION

Dividend on Common Stock

A quarterly dividend of $1.00 per share in cash has been declared by the Board of Directors of C. I. T. FINANCIAL CORPORATION, payable October 1, 1952, to stockholders of record at the close of business September 15, 1952.

The transfer books will not be closed.

FRED W. HAUTAU,

Treasurer.

August 21, 1952.

DIVIDEND NOTICES

CIT FINANCIAL CORPORATION

Dividend on Common Stock

A quarterly dividend of $1.00 per share in cash has been declared by the Board of Directors of C. I. T. FINANCIAL CORPORATION, payable October 1, 1952, to stockholders of record at the close of business September 15, 1952.

The transfer books will not be closed.

FRED W. HAUTAU,

Treasurer.

August 21, 1952.

DIVIDEND NOTICES

CIT FINANCIAL CORPORATION

Dividend on Common Stock

A quarterly dividend of $1.00 per share in cash has been declared by the Board of Directors of C. I. T. FINANCIAL CORPORATION, payable October 1, 1952, to stockholders of record at the close of business September 15, 1952.

The transfer books will not be closed.

FRED W. HAUTAU,

Treasurer.

August 21, 1952.

DIVIDEND NOTICES

CIT FINANCIAL CORPORATION

Dividend on Common Stock

A quarterly dividend of $1.00 per share in cash has been declared by the Board of Directors of C. I. T. FINANCIAL CORPORATION, payable October 1, 1952, to stockholders of record at the close of business September 15, 1952.

The transfer books will not be closed.

FRED W. HAUTAU,

Treasurer.

August 21, 1952.

DIVIDEND NOTICES

CIT FINANCIAL CORPORATION

Dividend on Common Stock

A quarterly dividend of $1.00 per share in cash has been declared by the Board of Directors of C. I. T. FINANCIAL CORPORATION, payable October 1, 1952, to stockholders of record at the close of business September 15, 1952.

The transfer books will not be closed.

FRED W. HAUTAU,

Treasurer.

August 21, 1952.

DIVIDEND NOTICES

CIT FINANCIAL CORPORATION

Dividend on Common Stock

A quarterly dividend of $1.00 per share in cash has been declared by the Board of Directors of C. I. T. FINANCIAL CORPORATION, payable October 1, 1952, to stockholders of record at the close of business September 15, 1952.

The transfer books will not be closed.

FRED W. HAUTAU,

Treasurer.

August 21, 1952.
WASHINGTON, D. C.—In its timing, or in its explanation of the tax increases enacted in 1951, the 82nd Congress left the next occupant of the White House with a guaranteed headache.

On June 30 the excess profits tax expires. If no action is taken by Congress to extend the act, the 1956 Federal Reserve Board looks forward to a tax cut of billions, approximately 1.5 billion at the middle of the next calendar year. If no action is taken, however, it is said that the effect will work out to be a tax hike of approximately $15.1 billion over the entire year 1953 but at the rate of only 50% of that applicable for the full year 1952.

Increases in individual income tax rates enacted in 1951 expire at the end of 1953. The expiration date on the 1952 corporate income tax rate is April 1, 1954, but here again is a fluke. The rate technically expired on April 1, 1952, but only for a relatively insignificant number of taxpayers. A Pennsylvania fiscal year date beginning after April 1 for the purpose of taxing the earnings of what is essentially a calendar year corporation.

Hence if the incoming President were to determine, for example, that the continuation of a revenue law in the 1953 session of Congress, he would be quite willing to go along with a further extension beyond April 1 under the tax cut requirements of a similar calendar year corporation.

On the other hand, if the newly-elected President is so heavily committed to certain features as part of his new foreign aid and the domestic programs of a material reduction in government spending proceeds difficult, he may have to agree to have Congress continue to run on at least some of the tax rates of 1952.

Either alternative opens up a wide runway for demagogues.

On the one hand it is possible to determine to make a start toward cutting the rates back to the level of 1951, but the limits of the excess profit tax and the combined federal and state taxes which were enacted in 1951 probably wouldn't exceed the revenue lost by the operation of a high-placed authority on this subject. Of this, only a little more than half would be lost by the expiration of the ERP.

If a President committed to working about a reduction in government spending could let both the ERP and the calendar income tax rates go off without replacement of the program it is little, for a gain to corporations would be offset by a gain to individuals.

Pending a clearer idea of the near-term business outlook sources outside the Administration who are generally believed to be of fiscal matters are inclined to with- hold criticism of the President's revised budget estimates for fiscal 1953.

If non-defense business had continued to maintain the main soft spots of the first half of the year, fiscal observers would have had no trouble in rating the budget estimate of approximately $627 billion, over $23 billion under the official estimate for 1953, quite a high. The tendency of the Administration officials to fail to take account of changes in the overall business picture, when estimating the deficit rate.

On the other hand, some officials, notably those at the Federal Reserve Board, believe the outlook ahead is inflationary, and thus may view the 1953 revisions if true, at 867 billion.

President Truman, in his revised budget estimate, said that because of Congressional cuts in appropriations, his 1953 Federal government spending would be $63 billion lower than that which would have constituted the January budget.

Given the fact that military spending will be down by not less than $1 billion per month for the Agency has- scaped around in its negative area, it would be understandable that these programs were running behind anyway, and appropri¬ations cut and the steel strike are only alibis for the lower defense performance.

In revising downward the anticipated deficit in 1953 from $14.4 billion to $10.3 billion, the President also forecast a cash deficit reduction from $10.4 billion to $6.9 billion.

Already something like $44 billion of this has been raised however, and it is expected that the un¬successful and 2% reduced long bond, has raised about $6 billion so far. However, the relative lower short-term rates may hit most on the funds previously assigned, as well as the new money financing for the fiscal year, if it continues, will be for the refinancing of bills and certificates.

Into the present tight money situation, the Federal Government has increased its average debt of $8.8 billion, and FHA volume increased to $400 million for purchase of FHA and VA mortgages outside area of defense out of the defense areas.

This $800 million for defense housing operations was increased to $50 million, as the principal program for purchases of other than defense housing (and military and disaster) housing. The FHA program is the Federal National Mortgage Association.

In addition to the $325 million the Housing and Home Finance Agency, it has been reported to have an additional $38 million which it can utilize for the purposes of other than defense and FHA and VA mortgages outside areas, to make the total of $400 million.

One may rely upon FHA to pass out that $400 million to tease out as much unreasonable rate as can be had, and VA mortgages.

Thus FHA is using an agg¬ reate of $1.2 billion of the vast of the Reserve System in a number of ways, to encourage the inflationary flow of funds to meet the same time that the Reserve System is supplying liquid accumulations to free inflationary activity, to raise short-term interest rates. Curiously enough, while the Reserve System is taken the position that a higher demand for the reserve funds, it is the same interest rates, as FHA is taking the viewpoint that it must maintain liquid fund volume with its hundreds of millions, without raising the interest rate too high.

WASHINGTON...And You

WASHINGTON, D. C.—In its timing, or in its explanation of the tax increases enacted in 1951, the 82nd Congress left the next occupant of the White House with a guaranteed headache.

On June 30 the excess profits tax expires. If no action is taken by Congress to extend the act, the 1956 Federal Reserve Board looks forward to a tax cut of billions, approximately 1.5 billion at the middle of the next calendar year. If no action is taken, however, it is said that the effect will work out to be a tax hike of approximately $15.1 billion over the entire year 1953 but at the rate of only 50% of that applicable for the full year 1952.

Increases in individual income tax rates enacted in 1951 expire at the end of 1953. The expiration date on the 1952 corporate income tax rate is April 1, 1954, but here again is a fluke. The rate technically expired on April 1, 1952, but only for a relatively insignificant number of taxpayers. A Pennsylvania fiscal year date beginning after April 1 for the purpose of taxing the earnings of what is essentially a calendar year corporation.

Hence if the incoming President were to determine, for example, that the continuation of a revenue law in the 1953 session of Congress, he would be quite willing to go along with a further extension beyond April 1 under the tax cut requirements of a similar calendar year corporation.

On the other hand, if the newly-elected President is so heavily committed to certain features as part of his new foreign aid and the domestic programs of a material reduction in government spending proceeds difficult, he may have to agree to have Congress continue to run on at least some of the tax rates of 1952.

Either alternative opens up a wide runway for demagogues.

On the one hand it is possible to determine to make a start toward cutting the rates back to the level of 1951, but the limits of the excess profit tax and the combined federal and state taxes which were enacted in 1951 probably wouldn't exceed the revenue lost by the operation of a high-placed authority on this subject. Of this, only a little more than half would be lost by the expiration of the ERP.

If a President committed to working about a reduction in government spending could let both the ERP and the calendar income tax rates go off without replacement of the program it is little, for a gain to corporations would be offset by a gain to individuals.

Pending a clearer idea of the near-term business outlook sources outside the Administration who are generally believed to be of fiscal matters are inclined to with¬ hold criticism of the President's revised budget estimates for fiscal 1953.

If non-defense business had continued to maintain the main soft spots of the first half of the year, fiscal observers would have had no trouble in rating the budget estimate of approximately $627 billion, over $23 billion under the official estimate for 1953, quite a high. The tendency of the Administration officials to fail to take account of changes in the overall business picture, when estimating the deficit rate.

On the other hand, some officials, notably those at the Federal Reserve Board, believe the outlook ahead is inflationary, and thus may view the 1953 revisions if true, at 867 billion.

President Truman, in his revised budget estimate, said that because of Congressional cuts in appropriations, his 1953 Federal government spending would be $63 billion lower than that which would have constituted the January budget.

Given the fact that military spending will be down by not less than $1 billion per month for the Agency has- scaped around in its negative area, it would be understandable that these programs were running behind anyway, and appropri¬ations cut and the steel strike are only alibis for the lower defense performance.

In revising downward the anticipated deficit in 1953 from $14.4 billion to $10.3 billion, the President also forecast a cash deficit reduction from $10.4 billion to $6.9 billion.

Already something like $44 billion of this has been raised however, and it is expected that the un¬successful and 2% reduced long bond, has raised about $6 billion so far. However, the relative lower short-term rates may hit most on the funds previously assigned, as well as the new money financing for the fiscal year, if it continues, will be for the refinancing of bills and certificates.

Into the present tight money situation, the Federal Government has increased its average debt of $8.8 billion, and FHA volume increased to $400 million for purchase of FHA and VA mortgages outside area of defense out of the defense areas.

This $800 million for defense housing operations was increased to $50 million, as the principal program for purchases of other than defense housing (and military and disaster) housing. The FHA program is the Federal National Mortgage Association.

In addition to the $325 million the Housing and Home Finance Agency, it has been reported to have an additional $38 million which it can utilize for the purposes of other than defense and FHA and VA mortgages outside areas, to make the total of $400 million.

One may rely upon FHA to pass out that $400 million to tease out as much unreasonable rate as can be had, and VA mortgages.

Thus FHA is using an agg¬ reate of $1.2 billion of the vast of the Reserve System in a number of ways, to encourage the inflationary flow of funds to meet the same time that the Reserve System is supplying liquid accumulations to free inflationary activity, to raise short-term interest rates. Curiously enough, while the Reserve System is taken the position that a higher demand for the reserve funds, it is the same interest rates, as FHA is taking the viewpoint that it must maintain liquid fund volume with its hundreds of millions, without raising the interest rate too high.