CANADIAN STOCK EXCHANGE FEATURED IN THIS ISSUE

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 177 Number 5210 | New York 7, N. Y., Thursday, April 9, 1953 | Price 40 Cents a Copy

EDITORIAL

As We See It

"There is nothing many of the political leaders of the so-called free nations fear so much as peace." So runs the observation of some wag, who doubtless was for the moment more interested in phrase making than in fact. Of course, there is, or should be, absolutely no truth in any such assertion, but it must be confessed that the hasty observer could easily arrive at some such opinion from a good deal that is being said at the present time. Some of those who make use of this rather flip comment, doubtless, really mean to say that there is nothing more to be feared than a peace which is really not peace at all—a sense of security which lulls the western world into a tranquillity which will presently be rudely destroyed when the real intentions of the Kremlin are revealed, and an inactivity which presently will prove to be costly almost beyond comprehension.

Whether or not there is good reason for such a fear as this we do not undertake to say. Any judgment in this matter would require appraisal of factors which lie outside our competence. Obviously, our experience with Stalin strongly suggests that we look carefully before we leap, and that the price of gullibility in this case might be inordinately high. But this is not the phase of the matter with which we concern ourselves. There is abroad in the land a vague feeling that relief from the burden of armament would not afford an opportunity to devote our energies to improving our own economic status but on the contrary would present a threat of impoverishment.

Of course, no one states the matter in such

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Outlook for Federal Tax Changes

By ELBERT P. TUTTLE*

General Counsel, U. S. Treasury Department

Recently appointed Treasury General Counsel, in outlining a new philosophy of taxation, states tendency to use Federal system of taxation as direct means of accomplishing social and economic change will be halted. Says careful study will be made before Treasury makes recommendations for new tax legislation, and adds "what we cannot get Congress to pass by law we will not get by regulation." Calls attention to pending bills broadening rights of individuals to sue for refunds and permitting Court of Appeals review of cases involving Excess Profits Tax Law.

What I say today is not intended to be partisan or controversial, but I do propose to discuss briefly a change in point of view or a change in government philosophy, if you please, towards the problem of Federal taxation.

Elbert P. Tuttle

I suppose it is natural that as the Federal Government was dominated by the thinking that there was something about the central government that made it the ideal instrument to work out the social and economic salvation of the country, so gradually much of what emanated from Washington took on the characteristics that usually follow when the Chief Executive feels he has a mandate to lead the legislative branch as well as to administer the laws. It happens in States as well as in Washington. More and more the executive department assumed the prerogative of "telling" Congress what legislation to pass and, in fact, telling Congress in specific detail what the language of the legislation should be.

In that way, especially since there was much of the

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*An address by Mr. Tuttle before The Florida Bar, Hollywood Beach, Fla., April 4, 1953.

After Defense Spending, What—?

By HON. W. WALTER WILLIAMS*

Under Secretary of Commerce

Prominent government official, asserting we should concern ourselves with tapering-off of over-all "government" expenditures in lieu of just "defense" expenditures, reassures those becoming panicky over business decline resulting from their reduction. As counter-depression elements, he cites: (1) numerous built-in props, as unemployment insurance and social security benefits; (2) reduced tax loads; (3) productivity increase; (4) population growth; (5) the economy's enormous potential, and (6) enormous insatiable needs of our population.

Just what do the happenings going on in Russia today, and outside of Russia but under Russia's control, really signify? Why is she easing her blockade tactics in Germany? Why is she showing such a ready disposition to go along with amicable settlements over in Korea? Why is she exonerating those Jewish doctors against whom charges have been laid for having presumably conspired to kill leading members of the Russian Regime?

W. Walter Williams

The question frequently asked, "After Defense Spending, What Will Happen to Manufacturing?" is challenge enough itself. That challenge is pointed up more sharply by these unexplainable events now taking place under the direction of the new regime in Russia.

One quick answer to this question is to say that what will happen to manufacturing will be very much the same as what will happen to all of the other parts of our business economy. We cannot isolate the problems of the manufacturer from those

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*An address by Mr. Williams before the Manufacturing Conference of the American Management Association, New York City, April 8, 1953.

SECURITIES NOW IN REGISTRATION — Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 48.

The Security I Like Best

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country 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.)

This Week's Forum Participants and Their Selections

Western Insurance Securities Co. — Warren E. Buffett, Buffett-Falk & Co., Omaha, Neb. (P. 2)

Lloydminster Development Co., Ltd. — J. P. O'Rourke, J. P. O'Rourke & Co., Chicago, Ill. (Page 43)

WARREN E. BUFFETT
Buffett-Falk & Co., Omaha, Nebr.

Western Insurance Securities Common Stock

Again my favorite security is the equity stock of a young, rapidly growing and ably managed insurance company. Although Government Employees Insurance Co., my selection of 15 months ago, has had a price rise of more than 100%, it still appears very attractive as a vehicle for long-term capital growth.

Warren E. Buffett

Rarely is an investor offered the opportunity to participate in the growth of two excellently managed and expanding insurance companies on the grossly undervalued basis which appears possible in the case of the Western Insurance Securities Company. The two operating subsidiaries, Western Casualty & Surety, and Western Fire, wrote a premium volume of $26,009,929 in 1952 on consolidated admitted assets of $29,590,142. Now licensed in 38 states, their impressive growth record, both absolutely and relative to the industry, is summarized in Table I below.

Western Insurance Securities owns 92% of Western Casualty and Surety, which in turn owns 99.95% of Western Fire Insurance. Other assets of Western Insurance Securities are minor, consisting of approximately $180,000 in net quick assets. The capitalization consists of 7,000 shares of $100 par 6% preferred, callable at $125; 35,000 shares of Class A preferred, callable at $60, which is entitled to a $2.50 regular dividend and participates further up to a maximum total of $4 per share; and 50,000 shares of common stock. The arrears on the Class A presently amount to $36.75.

The management headed by Ray DuBoc is of the highest grade. Mr. DuBoc has ably steered the company since its inception in 1924 and has a reputation in the insurance industry of being a man of outstanding integrity and ability. The second tier of executives is also of top caliber.

During the formative years of the company, senior charges were out of line with the earning power of the enterprise. The reader can clearly perceive why the same senior charges that caused such great difficulty when premium volume ranged about the $3,000,000 mark would cause little trouble upon the attainment of premium volume in excess of $26,000,000.

Adjusting for only 25% of the increase in the unearned premium reserve, earnings of $1,367,063 in 1952, a very depressed year for auto insurers, were sufficient to cover total senior charges of $129,500 more than 10 times over, leaving earnings of $24.74 on each share of common stock.

It is quite evident that the common stock has finally arrived, although investors do not appear to realize it since the stock is quoted at less than twice earnings and at a discount of approximately 55% from the December 31, 1952, book value of $86.26 per share. Table II indicates the postwar record of earnings and dramatically illustrates the benefits being realized by the common stock because of the expanded earnings base. The book value is calculated with allowance for a 25% equity in the unearned premium reserve and is after allowance for call price plus arrears on the preferreds.

Since Western has achieved such an excellent record in increasing its industry share of premium volume, the reader may well wonder whether underwriting standards have been compromised. This is definitely not the case. During the past ten years Western's operating ratios have proved quite superior to the average multiple line company. The combined loss and expense ratios for the two Western companies as reported by the Alfred M. Best Co. on a case basis are compared in Table III with similar ratios for all stock fire and casualty companies:

The careful reader will not overlook the possibility that Western's superior performance has been due to a concentration of writings in unusually profitable lines. Actually the reverse is true. Although represented in all major lines, Western is still primarily an automobile insurer with 60% of its volume derived from auto lines. Since automobile underwriting has proven generally unsatisfactory in the postwar period, and particularly so in the last three years, Western's experience was even more favorable relative to the industry than the tabular comparison would indicate.

TABLE I

Years—	Average Premium Volume Western Insurance	Percent of Total Stock Fire & Casualty Premiums
1924-30	$838,860	0.05%
1931-35	2,667,003	0.20
1936-40	3,955,403	0.25
1941-45	5,023,219	0.24
1946-50	13,959,506	0.33
1951	22,055,001	0.38
1952	26,006,929	0.41 (Est.)

TABLE II

Year	Common Stock Earnings	Asset Value
1948	$20.03	($0.41)
1949	21.66	21.25
1950	23.64	44.90
1951	16.61	61.50
1952	24.74	86.26

TABLE III

Year	Industry	Western Fire	Western Casualty
1948	91.2%	90.1%	74.6%
1949	87.6%	84.2%	92.4%
1950	93.0%	85.6%	90.7%
1951	97.1%	91.2%	101.1%
1952	94.0% (Est.)	91.8%	96.7%
Average	92.6%	88.6%	91.1%

Western has always maintained ample loss reserves on unsettled claims. Underwriting results in the postwar period have shown Western to be over-reserved at the end of each year. Triennial examinations conducted by the insurance commissioners have confirmed these findings.

Turning to their investment picture, we of course find a growth in invested assets and investment income paralleling the growth in premium volume. Consolidated net assets have risen from $5,154,367 in 1940 to their present level of $29,590,142. Western follows an extremely conservative investment policy, relying upon growth in premium volume for expansion in investment income. Of the year-end portfolio of $21,889,243, governments plus a list of well diversified high quality municipals total $20,141,246 or 92% and stocks only $1,747,997 or 8%. Net investment income of $474,472 in 1952 was equal to $6.14 per share of Western Insurance common after minority interest and assuming senior charges were covered entirely from investment income.

The casualty insurance industry during the past several years has suffered staggering losses on automobile insurance lines. This trend was sharply reversed during late 1952. Substantial rate increases in 1951 and 1952 are being brought to bear on underwriting results with increasing force as policies are renewed at much higher premiums. Earnings within the casualty industry are expected to be on a very satisfactory basis in 1953 and 1954.

Western, while operating very profitably during the entire trying period, may be expected to report increased earnings as a result of expanding premium volume, increased assets, and the higher rate structure. An earned premium volume of $30,000,000 may be conservatively expected by 1954. Normal earning power on this volume should average about $30.00 per share, with investment income contributing approximately $8.40 per share after deducting all senior charges from investment income.

The patient investor in Western Insurance common can be reasonably assured of a tangible acknowledgement of his enormously strengthened equity position. It is well to bear in mind that the operating companies have expanded premium volume some 550% in the last 12 years. This has required an increase in surplus of 350% and consequently restricted the payment of dividends. Recent dividend increases by Western Casualty should pave the way for more prompt payment on arrearages. Any leveling off of premium volume will permit more liberal dividends while a continuation of the past rate of increase, which in my opinion is very unlikely, would of course make for much greater earnings.

Operating in a stable industry with an excellent record of growth and profitability, I believe Western Insurance common to be an outstanding vehicle for substantial capital appreciation at its present price of about 40. The stock is traded over-the-counter.

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How Uruguay's Gold-Certificate Market Works

By HERBERT M. BRATTER

Mr. Bratter, after describing law in Uruguay providing a legal basis for a free gold market in that republic and the use of a gold-certificate market, sets down an interview with Enrique Lopez Castilla, General Manager of the bank sponsoring this gold-backed currency, as to the workings of the system.

The *Commercial and Financial Chronicle* of Nov. 6, 1952, carried a translation of the Uruguayan law of Aug. 11, 1952, providing the legal basis for a free gold market in that republic. Under the authority of that law the Banco La Caja Obrera of Montevideo, one of Uruguay's leading and most conservative banks, has along with the Uruguayan Company, Fiduciaria del Uruguay, S. A. (otherwise referred to as FIDUSA), launched a gold certificate not dissimilar to the Tangier gold certificate described in these pages on Aug. 21, 1952.

Herbert M. Bratter

In Washington subsequently the writer had the opportunity to discuss with Sr. Enrique Lopez Castilla, the General Manager of the Banco La Caja Obrera, the nature and purposes of the new certificate and to arrange for answers to a series of detailed questions on its operation. The questions and answers recently supplied by the bank are reproduced below. There has been a report of a possible amendment to the law of Aug. 11, 1952, but the nature of the proposed amendment is not available to us.

Q Is the certificate issued by FIDUSA and Banco La Caja Obrera the only gold certificate issued in Uruguay? What is the relationship between FIDUSA and the Banco La Caja Obrera? Does FIDUSA use other banks in connection with the certificate? Does the Banco La Caja Obrera (or is it prepared to) issue gold certificates for others than the FIDUSA and if so, how would the procedure work?

A We understand that ours is the only certificate issued in Uruguay. There is no direct relationship between FIDUSA and the bank. FIDUSA is a good client of the bank and took the initiative in the issuance of gold certificates, for which the bank acts as depository of the gold. The bank can agree with other firms on the issuance of certificates provided that they deserve its confidence. In such case a special arrangement would have to be made with the bank.

Q When was the Uruguayan gold certificate first offered to the public? Would you care to give any statistics as to the amount of such certificates issued to date, the nationality of the buyers, and any other details? For instance, do Uruguayans invest in the certificates?

A The bank is in the initial stage of organization of the sale of these certificates. The relatively recent decree of Aug. 11, 1952, which created the system governing the import, marketing and export of gold permitted the issuance of certificates, on behalf of which an intensive publicity campaign is planned because of the exceptional conditions which Uruguay is able to offer for them.

Q Are the certificates available only against deposits of gold bars, or may they also represent gold coins? What size gold bars are available for deposit against these certificates? If coins also are eligible, what are the rules as to minimum amount? Must each certificate represent no more than a single type of gold coin (e. g., sovereigns, or Mexican centenarios)?

A Certificates may be issued against deposits of gold in bars or in coins. The only condition imposed is that each certificate cannot represent less than one kilogram of gold. Therefore it is immaterial whether one certificate represents different types of coins, provided that their total amount exceeds the specified minimum.

Q Assuming a person in the USA wants to invest in gold to be held for him in your bank against a gold certificate. Must he send the gold to Uruguay? Or can he buy the gold there through you (or through FIDUSA)? If the gold may be bought in Uruguay, may the buyer later export it without hindrance, tax or other obstacle?

A All gold imported after the entry into force of the decree of Aug. 11, 1952 may be re-exported (see Article 6 of the decree). Gold may be shipped from abroad, and we issue a certificate upon its receipt or it may be purchased locally. If requested, the bank states in the certificates that the gold which they cover is re-exportable.

Q What types of gold bars and gold coins may be found on the market in Uruguay? As to the price of gold in Uruguay, can you cite some typical quotations as of a particular date and give their equivalence in dollars per fine ounce troy? What types of houses or individuals deal in gold in Uruguay?

A The accompanying statement shows the quotations for the coins most widely circulated here and for a gram of fine gold. The most sought-after coins are the Chilean and Mexican coins, sovereigns and Netherlands coins, especially the first two. The only

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Articles and News Page

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†Discontinued. See "The Market . . . and You," by Wallace Streete on Page 8.

Published Twice Weekly

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Patent Office

WILLIAM B. DANA COMPANY, Publishers
25 Park Place, New York 7, N. Y.
REctor 2-9570 to 9576

HERBERT D. SEIBERT, Editor & Publisher
WILLIAM DANA SEIBERT, President

Thursday, April 9, 1953

Every Thursday (general news and advertising issue) and every Monday (complete statistical issue — market quotation records, corporation news, bank clearings, state and city news, etc.).

Other Offices: 135 South La Salle St., Chicago 3, Ill. (Telephone STate 2-0613); 1 Drapers' Gardens, London, E. C., England, c/o Edwards & Smith.

Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 8, 1879.

Subscription Rates

Subscriptions in United States, U. S. Possessions, Territories and Members of Pan-American Union, $45.00 per year; in Dominion of Canada, $48.00 per year. Other Countries, $52.00 per year.

Other Publications

Bank and Quotation Record — Monthly, $30.00 per year. (Foreign postage extra.)

Note—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds

Uncurbed Canadian Investment

By IRA U. COBLEIGH

Author of "Expanding Your Income"

Some notes on the attractiveness of Canada for equity investors, and a salute to the newly named Canadian Stock Exchange and some of its listings.

A highly topical introduction to today's discourse may be delineated in two words—vanishing curbs. In the United States, for the first time in over two years, there are today no restrictions on prices or wages. Margin requirements have been lowered from 75% to 50%. In Germany, curbs and controls on the Autobahn previously exercised rigidly by the Russians, have been notably relaxed in the past week; and reporters in Moscow are now offered Cossack cordiality, and freedoms heretofore 100% verboten. And finally, in our up-to-the-minute catalog of vanishing curbs, we must observe that only a few months ago the New York Curb became the American Stock Exchange, and only last week the Montreal Curb became the Canadian Stock Exchange. Greetings to CSE—long may she foster and encourage active free markets which are, and have been, the life blood of our North American enterprise economy.

Ira U. Cobleigh

And in making our nod of welcome to this newly christened security mart, we ought to broaden our acclaim to embrace the fascinating panorama presented to investors, on both sides of the St. Lawrence, by the dazzling expansion potential of Canadian industry. This potential, while widely represented in standard fields such as railways, the manufacture of cement, steel, spirits, paper, building products, etc., is especially impressive in metals and oils.

Canada's Strong Economy

Canada, to devotees of old fashioned capitalism, is indeed a treat. In days when national deficits are as popular as homburg hats, Canada has a balanced budget, a government surplus, and enjoys the unique honor of having posted reductions in its national debt in each year since World War II. Not only that, but its 1953 budget verges upon a fiscal dream world. Imagine a 20% personal tax credit, on dividend income! Well, they've just passed that in Canada. Imagine a 10% cut in the tax bite on small corporations! They've got that, too. Plus a 6% reduction in taxation of the corporation biggies. Then, too, if we speculate here, and gain, 25% goes to Senor Whiskers. In Canada, however, as in merrie, albeit Socialist, England, there is no capital gains tax. Finally, the Canadian political climate is quite reliable. There's no expropriation as in Guatemala, no dictatorial economics as in Peron's Argentina, no dollar dearth as in Brazil, no muddled Middle-East mysticism as in Iran, no pigment problem as in South Africa, and no important communist infusion as in France, Malaya or Indo-China. It's no wonder that among Yankee investors, Canada is the most favored foreign nation and the most alluring alien haven for the speculative buck with wanderlust!

Vast Proven Oil Reserve

The story of Canadian petroleum production since the strike at Leduc in 1947 is now old hat. Less well known, however, is the actual increase in proven oil reserves in these past five and a half years; and how very slight, up to now, has been the exploration of the total Canadian areas where oil optimism is warranted. On the first point, reliable reserves of oil in Canada have surged from 50 million barrels in 1947 to well over 2 billion today; and if you don't mind a big number, gas reserves are now placed at around 13 trillion cubic feet. Approximately $275 million will be spent on Canadian drillings in 1953. And in 1952 $340 million was spent there on pipelines and refineries.

Yet with all these sizable figures in the book, the surface, quite literally, has not even been scratched. Just think that all the located quantities of subterranean oil and gas ticked off above, are on probably less than 300 square miles of terrain; as contrasted with the total hunk of West Canada geography which prospectors believe to be oil bearing, comprising 620,000 square miles. Of course, even in the lushest oil country, only a small percentage of area comes up wth oil; but Canadian production to date has been on 1/2000 of the indicated petroleum pasturage. That leaves a lot of room for expansion.

Leading Metals Producer

Now, let's switch to metals. The traditional position of Canada is well known—first in nickel (about 75% of the world's output), second in aluminum and zinc, and fourth in copper and lead. These are the old, the well known Canadian minerals. Newer but surging ahead at fabulous rates are the Dominion's iron ore deposits—the most impressive, 360 miles north of the St. Lawrence at Burnt Creek, known as the Labrador Trough straddling the Quebec-Labrador line (being developed by Iron Ore Company of Canada). The second area, the Steep Rock Mines, Inc. ore field, is in Northwestern Ontario west of Port Arthur. Full projections of maximized production are 20 million tons of ore per year from Labrador, and 10 million from Steep Rock. A few years away, these figures, but informed experts think these output volumes are ultimately attainable.

Then we all know the strategic value of uranium. Canada is in second place in known reserves of this highly fissionable and fashionable mineral; and new finds of this awesome ore in Saskatchewan, within the month, have visibly agitated the speculative community.

Issues Listed on Canadian Stock Exchange

IN THIS ISSUE, starting on page 24, we show, for each company listed on the Canadian Stock Exchange, the authorized share capital and the amount of shares presently outstanding, the par values, also the high and low for 1952 and the price range for the first quarter of 1953. In addition, there appears a list of members of the re-christened Exchange.

Higher Gold Price?

Gold, of course, has eternal fascination for the "economic man" and some of the finest producers of this fabled stuff are in Canada. Kerr Addison Mines, Noranda, Hollinger, Frobisher, Dome, Anglo-Huronian are names of well managed aureate enterprises which come to mind. True the world price of gold has been less responsive to cost pressures than miners would like, but $35 an ounce will not prevail forever. And if the price should be given an official upping, Canadian gold stocks like these would not just sit there!

In truth, Canada with its land area 20% greater than the U. S. has a huge untapped mineral supply, not only in the ores we've noted, but in more obscure ones such as titanium, cobalt and tungsten. Canada definitely has a metallic ring!

Some Listings on the Canadian Stock Exchange

Going back to our original topic, perhaps it would be worthwhile to glance over some Canadian Stock Exchange listings and see in what manner this market might prove a port of entry into Dominion equities.

Consolidated Paper Co. has 2,566,081 common shares listed, currently quoted around 36, with $2.25 per share dividends paid in 1952. This is one of the largest pulp and paper enterprises in the entire world, with extensive production not only in newsprint (around 700,000 tons a year) but in kraft and cardboard as well. Financial position, and balance sheet strength, place Consolidated among the premier Canadian industrials and its common as a quite worthy security on a 6% current basis.

Ford of Canada has its "A" stock listed on the Canadian Exchange where it currently trades at 63, with a $3 dividend. After completion of a $60 million enlargement program, now in progress, production potential will be increased by about 80% and place Ford in an excellent competitive position to serve the growing automotive demand North of the border. 1952 earnings of about $9 per share give plenty of cushion for the current dividend payout and suggest the possibility of more generous distribution after plant expansion has been carried out.

Hollinger Consolidated is a renowned old line gold producer, but its shares have taken on a new look due to its 25% (direct and indirect) interest in the Iron Ore Company of Canada, developer of the Labrador iron ore field alluded to above. If this project lives up to its billing, Hollinger has quite a future, and its common, at around 14½, is not lacking in appeal to the speculatively minded. At all events, the impelling motive for current purchase would scarcely be the 1952 dividend of 24c a share.

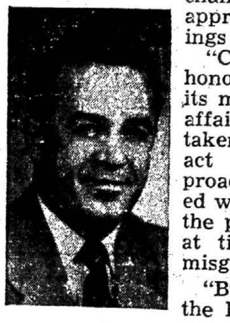
Other shares attainable by placing an order on the Canadian Stock Exchange would include Home Oil, one of the older and more established petroleum producers, Canada Industries, Brown Company, and B. C. Packers Inc. Then if you want to graze in more hazardous pastures, there are some mining and drilling ventures selling for a dollar or two, although less emphasis is placed on these low priced riskies on the Canadian Stock Exchange.

Many analysts keep reiterating that Canada is still in its industrial infancy. If they're right, then in your search for growth equities, you might well be directed toward Canadian corporations such as we've mentioned. The tree of attractive long range speculation, may bear a Maple Leaf!

McCormick Dedicates Opening Of Canadian Stock Exchange

President of American Stock Exchange speaks at ceremonies marking change of name of Montreal Curb Market to Canadian Stock Exchange. Issues listed on re-christened Exchange and other data given in this issue.

At the unveiling and dedication ceremonies of the Canadian Stock Exchange in Montreal on March 30, 1953, Edward T. McCormick, President of the American Stock Exchange, stated that it is a great pleasure and a privilege to be present "on this happy and momentous occasion — an occasion which will go down in financial history in this era when Canada came into its own as one of the leading nations and economic powers in the world."



E. T. McCormick

Continuing the course of his address, Mr. McCormick added:

"It is altogether fitting and proper that your securities exchange, which has contributed so much to the growth of Canada, should now mark its own re-birth by assuming, as its own, the name of the nation it has so ably helped to nurture.

"Having celebrated, at the turn of the year, a similar significant event on the part of my own Exchange, the American Stock Exchange, I am particularly able to appreciate to the full your feelings and sentiments today.

"Changing the name of a time-honored institution that has made its mark in the life and financial affairs of a nation is no step to be taken lightly or hastily. It is an act of great importance, approached with caution and effected with trepidation. A break with the past, even only in name, can, at times, even be fraught with misgivings.

"But there comes the time in the life of an institution such as my Exchange and your own, when, no matter what the romance of the past may have been, no matter what memories and associations may linger fondly in the minds of members, essential realities and the necessity for progress require a change.

"We learned, as you, that the name 'Curb' was no longer appropriate for our Exchange, no longer descriptive of the type of market which we provided for the

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The State of Trade and Industry

Steel Production
Electric Output
Carloadings
Retail Trade
Commodity Price Index
Food Price Index
Auto Production
Business Failures

The nation's total industrial output in the period ended on Wednesday of last week held virtually even with the postwar high reached in recent weeks with declines in some lines offset by advances in others.

Total production was close to 3% under the all-time peak registered in the final quarter of 1943.

As for employment, claims for unemployment insurance benefits remained about 10% below the level of one year ago.

Outlook for the steel industry in 1953 is much brighter, states "The Iron Age," national metalworking weekly in its current summary of the steel trade. The industry looks for peaceful settlement of wage demands from the United Steel Workers. Demand for virtually all steel products continues strong and is likely to remain so through most of the year, this trade journal observes.

The industry's price picture is much brighter now that controls have been removed. Price increases, now considered certain by about mid-year, will fully compensate for higher wage costs. Last year's unfavorable settlement, raising wage costs 25¢ an hour and prices only 4.7% offset many economies which companies had been counting on to bring about a better return on the sales dollar.

This week the steel market continues to set a hot pace. Many consumers will feel supply pinch as a result of the wildcat strike of Union Railroad which paralyzed four Pittsburgh plants of U. S. Steel Corp., states "The Iron Age."

The Federal deficit was raised by more than $1 billion by last Summer's steel strike, according to a financial analysis of the steel industry just completed by "The Iron Age." The 54-day strike slashed Federal tax revenue 5½ times as much as it did steel industry profits.

The "Iron Age" financial analysis covers 27 companies representing 92.3% of industry capacity as of Jan. 1, 1953. The study compares operating results for 1952 and 1951.

Steel industry earnings in 1952 were $496 million, compared to $638 million in 1951, a decline of $142 million or 22.3%. Steel's Federal income taxes in 1952 were $427 million, compared to $1,213 million in 1951, a decline of $786 million, or 64.8%.

Total loss of Federal revenue is well over a billion dollars when income taxes on $360 million of lost wages by striking steelworkers, and other wage and income losses from mines, railroads and factories are considered.

During the last week of the strike "The Iron Age" estimated total loss to the economy, exclusive of Federal revenue loss, to be over $4 billion.

It is ironic that Federal tax revenue was hit harder by the strike than steel company profits because government interference in the labor dispute was the biggest factor in bringing on the strike and prolonging it, states this trade authority.

Net sales and operating revenue of the 27 producers covered in "The Iron Age" survey were slightly more than $10 billion in 1952, compared to over $11 billion in 1951, a drop of 9.8%. Net income was 4.9% of sales in 1952, compared with 5.8% in 1951, a drop of 15.5%.

Other comparisons of operating results showed 1952 production down 10.0% and shipments down 8.5% from 1951 levels. Long-term debt jumped 39% during the year, from slightly over $1 billion to $1.4 billion. Surplus was up 6.4% and invested capital rose 8.9%. Working capital was off slightly.

Car production in the United States continued its fast pace last week. It rose slightly from the preceding week and was 54% above the like 1952 week.

"Ward's Automotive Reports" said 140,134 autos were assembled the past week, compared with 139,276 the prior week and 91,074 in the corresponding week a year earlier.

The gain was made despite a minor labor disturbance at Dodge and a slight loss in output due to Good Friday observance.

With the week's turnout, car production this year has reached 1,606,456, or 51% above the 1,062,757 units made in the like 1952 period.

"Ward's" predicted 629,000 cars will be made in April, or the fourth highest monthly output in history—behind only three Summer months in record-breaking 1950. This would also be about 10% more than the 568,947 autos made in March this year. It said the two millionth car or truck for this year would be built this week. But the statistical agency cautioned that steel and labor shortages could lower projected output.

So far this year 361,946 trucks have been made in this country —about 7% more than the 336,105 assembled in the like 1952 week but below car production's 51% gain in the same period.

"Ward's" predicts 137,000 trucks will come off assembly lines this month, compared with 131,424 last month.

Manufacturers' sales in February totaled $24,100,000,000, third highest month on record, and $1,700,000,000 above February, 1952, the United States Department of Commerce reported. On a seasonally adjusted basis, February sales were up 4% from January. Only last December, with sales of $24,300,000,000, and last October, with volume at a record of $26,000,000,000, showed higher actual sales than in February.

New construction put in place in the first quarter of 1953 hit a new high of $7,000,000,000, the United States Departments of Labor and Commerce disclosed this week. This was 6% above the $6,600,000,000 in the like 1952 period. Private construction outlays comprised almost $5,000,000,000 of total spending in the 1953 quarter, and were 7% above the year-ago figure. March construction was $2,500,000,000, up 10% from February, the Depart-

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COMING EVENTS
In Investment Field

April 12-15, 1953 (Phila., Pa.)
National Federation of Financial Analysts Societies sixth annual convention at the Bellevue-Stratford Hotel.

April 16-17, 1953 (Chicago, Ill.)
Chicago Association of Stock Exchange Firms Educational Forum at the La Salle Hotel.

April 30-May 1, 1953 (St. Louis, Mo.)
St. Louis Municipal Dealers Group annual outing.

May 6-9, 1953 (San Antonio, Tex.)
Texas Group Investment Bankers Association of America Spring Meeting at the Fort Clark Ranch, Brackettville, Texas.

May 8, 1953 (New York City)
Security Traders Association of New York dinner at the Waldorf-Astoria.

May 11-13, 1953 (St. Louis, Mo.)
Association of Stock Exchange Firms Board of Governors Meeting.

May 13-16, 1953 (White Sulphur Springs, W. Va.)
Investment Bankers Association of America Spring meeting at the Greenbrier Hotel.

May 15, 1953 (Baltimore, Md.)
Baltimore Security Traders Association 18th Annual Spring Outing at the Country Club of Maryland.

June 2, 1953 (Detroit, Mich.)
Bond Club of Detroit annual summer golf party at the Meadowbrook Country Club.

June 3-4, 1953 (Minneapolis-St. Paul, Minn.)
Twin City Bond Club annual picnic at the White Bear Yacht Club.

Observations . . .

By A. WILFRED MAY

Fighting the War of Nerves in the Stock Market

Digging in with *diversification*, rather than relying on market-swing prediction or even on platitudinous *selectivity* (without hindsight), furnishes the investor with the sole key for escape from today's morass of market confusion. Spreading genuine diversification among the various categories of issues in each of the investing media, fixed interest and equity, is the only possible way to get hedged against disaster from the imponderables in the now highly re-charged international sphere as well as in the domestic industrial and financial areas.


A. Wilfred May

Because so many, ranging from the short-term speculator to the manager of investment funds of various categories, have become either panicked or blandly cried wolf-wolf over the "peace" prospects, it seems worthwhile to review some of the motivations for cold-blooded hedging against all contingencies.

The Political New Look

First, on the political scene, irrespective of whether the Kremlin's succession of moves has unwarrantedly aroused wishful thinking by the GI's mother or panic in the shareholder, there can be no justification for simply pooh-poohing its new direction of foreign policy. The Soviet's already-exhibited moves from Korea to Germany certainly imply at least the possibility of a change in the degree and kind of tension, and in our political and military set-up with our allies. Despite the market community's engagement in some of its habitual emotional foibles over the past 10 days, it is indeed logical to take into account the alternative of a knocking-away of the Cold War's underpinning of the bull market, through serious inroad on earnings and sales of the great number of businesses which are both indirectly and directly tied to armament. Whether economically justified or not, our Kennan-Truman *containment* policy is a well-proven market mainstay!

On the other hand, the Russians' intentions may well be nothing more favorable than just another zig-zag in the world revolutionaries' unceasing campaign—or possibly a strategic move to reinforce the threat against Burma; to strike at Southeast Asia; to get the Communist Chinese a better position for attack from bases below the Yalu; and/or to isolate Formosa and the Philippines.

Surely our policymakers will not fail to distinguish between a possible Korean truce and a world-over settlement. Nothing short of complete open disarmament bi-laterally agreed to, will guarantee the arrival of genuine peace.

If we discount Russian intentions along these lines, we must assume the necessity for shunning demobilization of either our land forces or air strength. In fact, our air force strength may even have to be stepped up, as for protecting Japan or main-

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"Political Weather for Business Is Fair and Warmer"

By HON. SINCLAIR WEEKS*
Secretary of Commerce

Secy. Weeks asserts, with change of economic climate in Washington, the businessman, who has been the "forgotten man" of recent years, now "gets his rights." Says one of chief jobs of Commerce Department is to be a friend as well as a voice of business. Warns, however, no "push button" miracle can be expected overnight, and describes plans and measures in Commerce Department to aid business.

In the Weather Bureau of the Department of Commerce are numerous scientific instruments to better predict the weather. So important are the effects of weather on merchants, sailors, highway users, and others, that scientists are delving into ways of artificially controlling the storm clouds.

Sinclair Weeks

I assure you that the new Administration is one jump ahead of the "rainmakers." Its arrival in Washington on Jan. 20 changed the economic climate overnight. The political weather for business now is fair and warmer. When some leftover disturbances disappear, I predict even brighter days ahead.

The Eisenhower Administration was overwhelmingly elected by all segments of society. It is a truly national government, drawing bipartisan support.

It is not the captive of any one class, geographical section, or pressure group. It confronts problems and formulates policies under the principles set by the President. His thinking and his actions are based on the question: "What is good for all Americans?"

We strive to serve all of the people. We are not excluding any area of society from our concern. This means that the "forgotten man" of recent years, the businessman, now gets his rights, too. The handcuffs are removed from his wrists and the gag from his mouth.

At the Department of Commerce we have told our staff that our current job is to carry out the statutory duties of the Department which, among other objectives, are to foster, promote, and develop commerce and industry.

That's a positive program. Expressed in a different way, one of our chief jobs is to be the:

(1) Ear for business
(2) Voice of business
(3) Friend of business

This latter partnership we hope will encourage and, in proper ways, help business to succeed. For on business stability and prosperity rest not only the welfare of investors and management but also the welfare of employees and of the merchants, landlords, and service enterprises dependent on the purchasing power of workers.

In Washington today farmers have an advocate in the Department of Agriculture. Private developers of natural resources realize that their problems are understood by the Department of Interior. Working men and women receive a cordial welcome at the Department of Labor.

It is appropriate for businessmen—from now on—to know that the Department of Commerce is primarily concerned with their interest. It is staffed by officials who spring from business, understand business, and intend to do everything possible to help all sizes of business to succeed.

Expect No Push-Button Miracle

Before I outline some of our specific plans and measures I must warn you not to expect a push-button miracle overnight. We have been in office only 69 days. Our predecessors were in office more than 7,200 days. In that time they developed a huge machine to carry out their policies and a vast sympathetic bureaucracy to run this machine.

The Commerce Department and all the other departments of the Eisenhower Administration did not start with a clean slate.

We do not occupy a new house, which our own architects planned and built. We have moved into a house made by other hands, with furnishings of a style and utility not always to our taste. This second-hand house is mortgaged to the hilt.

We face certain taxes made necessary by the commitments of previous years. We face construction projects started by others. We face prior legislation binding upon current policies and operations. We face inherited burdens of indebtedness, obligations, and deficits.

And day by day we confront and try to solve new problems created by new conditions at home and abroad.

We are facing all of these problems as a team not only in the Commerce Department and in the entire executive branch of the government, but also in the cooperation between the Eisenhower Administration and the Congress.

In recent years there had grown up serious splits between Pennsylvania Avenue and Capitol Hill. That coolness and that division no longer exist.

President Eisenhower has demonstrated his great capacity for cooperation and so have the leaders of both the House and the Senate. Members of the Congress have taken the same attitude. As a result the whole nation is being benefited by this teamwork in government.

Ear for Business

Each branch of government is doing its own special job. We in the Commerce Department conceive one of our chief functions to be the "ear" for business—the special listening post to which businessmen can bring their opinions and their questions.

In the past, too many businessmen, especially so-called small businessmen, have sensed a cold shoulder in Washington. They have complained that they encountered bureaucrats who neither understood them nor were interested in their problems. They have been snarled in red tape and sometimes threatened with punitive action.

There will be, I think, no brush-off and browbeat for small businessmen in the Eisenhower Department of Commerce. We are endeavoring to answer letters of inquiry promptly and courteously. Visitors are directed to the sources of service.

But because businessmen can expect an attentive ear, it seems to me — a former businessman—that responsible business should ponder seriously upon what it proposes to say. Before saying anything it should realize that the chief business of businessmen today—and all other Americans—is to help make sure of national security.

When business speaks, I hope it refrains from organized pressure pleas for one favored group against other segments of business or other sections of the economy, and from demanding huge expenditures in narrow fields of endeavor.

You and I have heard too many people—including fellow businessmen—clamor for drastic economy. Then spoil it all by explaining, "Cut out everything, except my pet project, my subsidy, my special privilege, my lobby's requests."

The acid test of one's sincerity about thrift in government is to act on the principle that economy —like charity—begins at home.

Voice of Business

A second function of Commerce, as we see it, is to be the "voice" of business. As your views are brought to us or are reported by Commerce experts in the field, we shall be your ambassador and pass your ideas along to other interested departments.

Very recently the Commerce Department's Business Advisory Council, a group of leaders of American business and industry, met for two days at Commerce and telling us of their wants as well as giving us their fine counsel. We are relaying their views. Thus, the Cabinet and the President will know and will be in a position to weigh the opinions of business in determining major policies and in taking action.

There are many thousands of different enterprises in the United States whose views and desires often conflict. So there never can be one single note in business response. Moreover, the Commerce Department itself, after due study, may take a divergent stand for what it believes to be the general welfare.

Nevertheless, your arguments always will be heard and repeated up and down the line, even though Commerce may not be able to agree with all of them.

Friend of Business

Finally, our concept is a Commerce Department which is the active friend and advocate of business, using the special facilities of national government to foster, promote and develop commerce and industry.

This is not government in competition with business. It is the performance of certain necessary services beyond the immediate financial means of private industry—such as the collecting of facts by the Census Bureau, Patent Office, Office of International Trade, and other Commerce agencies. Then these facts are made available to industry.

We expect the National Bureau of Standards to open its research files to small business. We are making available to exporters the files on more than a million potential foreign customers. We are releasing the most up-to-date surveys of current business by the Office of Business Economics so that management can use these "raw material" data for plans and action.

I shall reveal some new statistics from a nationwide survey just completed by the Commerce Department. I find that every major industry in the survey expects higher sales volume in 1953 than in 1952.

For most industries, realizations of these expectations will result in the highest sales volume on record.

Transportation equipment producers expect sales to be 32% higher than last year; automobile manufacturers, 18%; electrical machinery producers 14%.

Petroleum, food, paper and apparel companies expect sales to be 3% or 4% above those of 1952. Above-average expected sales increases this year are reported by chemicals, rubber, beverage and tobacco companies. Textile concerns are the only major group reporting expectations of sales about the same as last year.

In the non-manufacturing groups, the largest expected sales increase, 15%, is reported by gas companies. Electric power firms expect a 9% jump in revenues.

Mining companies look forward to a 4% gain from last year; nonrail transport companies, 5%; airlines 11%.

I shall not go into details regarding the steel picture, which you in Pittsburgh know so well. In March alone, it is estimated that the steel industry produced over 10 million tons, a new record. I congratulate you for your part in that outstanding progress.

As I view the entire economy I find that current business is good. Expectations of sales reveal continued optimism. The new Administration is trying to conduct government in a manner that will encourage private enterprise and deserve public confidence.

In closing, let me try to give you an insight into the middle-of-the-road philosophy that motivates the Eisenhower team, of which I am proud to be a member. For the human heart is the best crystal ball for predicting what anyone is likely to do.

We believe in competitive private enterprise.

We believe in opportunity and incentive for ambition.

We believe in the rise from shirt sleeves to honest riches.

We believe in aid to victims of adversity.

We believe in collective bargaining, economic security, civil rights and goodwill to all Americans.

We believe that the spirit of America is best expressed in compliance with a universal moral law and in striving to obey the will of Providence.

Let phony intellectuals and soured radicals call these ideas "corny," if they will.

This faith created America's matchless national wealth. This faith was the foundation of America's unsurpassed moral leadership. This faith, applied by up-to-date tools to modern conditions, can do the job America wants done.

This faith of our fathers will survive long after the Iron Curtain is a rusted ruin and the nightmare of Communism has been erased from the dreams of all mankind.

*An address by Secy. Weeks before the 78th Annual Dinner Meeting of the Chamber of Commerce of Pittsburgh, Pa., March 30, 1953.

J. R. Boland to Underwrite Issue

John R. Boland

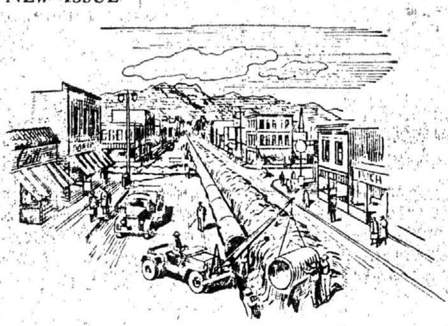
John R. Boland, 30 Broad Street, New York City, is underwriting an issue of 79,800 shares of participating common stock in General Credit, Inc. The photograph appearing last week was that of A. Burks Summers, President of General Credit.

With Thomson & McKinnon

(Special to THE FINANCIAL CHRONICLE)

MADISON, Wis. — David H. Gernon has become associated with Thomson & McKinnon, First National Bank Building. Mr. Gernon was previously with Ames, Emerich & Co., Inc., and Dayton & Gernon.

NEW ISSUE



$30,000,000
Los Angeles County Flood Control District
Los Angeles County, California
2¾% Bonds

Dated May 1, 1953 — Due May 1, 1954-83, incl.

Principal and semi-annual interest (May 1 and November 1) payable at the office of the Treasurer of Los Angeles County in Los Angeles, California, or at any fiscal agency of Los Angeles County in New York City or Chicago, at the option of the holder. Coupon bonds in denomination of $1,000 registerable only as to both principal and interest.

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

We believe that these bonds are legal investments in California for Savings Banks, subject to the legal limitations upon the amount of a bank's investment, and are likewise legal investments in California for Trust Funds and for other funds which may be invested in bonds which are legal investments for Savings Banks, and are eligible as security for deposits of public monies in California.

These bonds, to be issued for various flood control purposes, in the opinion of counsel will constitute the legal and binding obligations of the Los Angeles County Flood Control District and will be payable, both principal and interest, from ad valorem taxes which, under laws now in force, may be levied without limitation as to rate or amount upon all of the taxable real property in said District.

These bonds are offered when, as and if issued and received by us and subject to approval of legality by Messrs. O'Melveny & Myers, Attorneys, Los Angeles, California.

AMOUNTS, MATURITIES AND YIELDS OR PRICES

(Accrued interest to be added)

Amount	Due	Yield or Prices
$6,000,000	1954	1.25%
825,000	1955	1.40%
825,000	1956	1.50%
825,000	1957	1.60%
825,000	1958	1.70%
825,000	1959	1.80%
825,000	1960	1.90%
825,000	1961	2.00%
825,000	1962	2.10%
825,000	1963	2.20%
825,000	1964	2.30%
825,000	1965	2.40%
825,000	1966	2.45%
825,000	1967	2.50%
825,000	1968	2.50%
825,000	1969	2.55%
825,000	1970	2.60%
825,000	1971	2.65%
825,000	1972	2.70%
825,000	1973	2.70%
825,000	1974	100
825,000	1975	100
825,000	1976	2.80%
825,000	1977	2.80%
825,000	1978	2.85%
825,000	1979	2.85%
825,000	1980	2.85%
850,000	1981	2.90%
850,000	1982	2.90%
850,000	1983	2.90%

Bank of America N. T. & S. A. — The National City Bank of New York — The Chase National Bank — Bankers Trust Company — Harris Trust and Savings Bank — J. P. Morgan & Co. Incorporated

Blyth & Co., Inc — Smith, Barney & Co. — American Trust Company San Francisco — Continental Illinois National Bank and Trust Company of Chicago

Chemical Bank & Trust Company — The Northern Trust Company — Lazard Freres & Co — Drexel & Co. — R. H. Moulton & Company — Glore, Forgan & Co. — C. J. Devine & Co.

Merrill Lynch, Pierce, Fenner & Beane — The First National Bank of Portland, Oregon — Security-First National Bank of Los Angeles — Seattle-First National Bank — R. W. Pressprich & Co. — The Philadelphia National Bank

California Bank Los Angeles — Equitable Securities Corporation — Heller, Bruce & Co. — John Nuveen & Co. — Harris, Hall & Company (Incorporated) — Bear, Stearns & Co.

Mercantile Trust Company St. Louis — Schoellkopf, Hutton & Pomeroy, Inc. — Lee Higginson Corporation — Reynolds & Co. — Dean Witter & Co. — J. Barth & Co.

Laidlaw & Co. — Trust Company of Georgia — L. F. Rothschild & Co. — Bacon, Stevenson & Co. — Laurence M. Marks & Co. — Francis I. duPont & Co.

Kean, Taylor & Co. — W. H. Morton & Co. Incorporated — Coffin & Burr Incorporated — Roosevelt & Cross Incorporated — Dominick & Dominick — Hornblower & Weeks — Chas. E. Weigold & Co. Incorporated

R. S. Dickson & Company Incorporated — First of Michigan Corporation — Bacon, Whipple & Co. — The Illinois Company — Commerce Trust Company Kansas City, Mo.

City National Bank & Trust Co. Kansas City, Mo. — Shearson, Hammill & Co. — William Blair & Company — Andrews & Wells, Inc. — Field, Richards & Co. — Stroud & Company Incorporated

Provident Savings Bank & Trust Company — G. C. Haas & Co. — F. S. Smithers & Co. — E. F. Hutton & Company — A. M. Kidder & Co. — The National City Bank of Cleveland

Hirsch & Co. — R. D. White & Company — Schwabacher & Co. — Barcus, Kindred & Company — Paul H. Davis & Co. — Gregory & Son Incorporated — The First National Bank of Memphis

Ira Haupt & Co. — National State Bank Newark — American Securities Corporation — Newhard, Cook & Co. — Wood, Gundy & Co., Inc. — Wachovia Bank & Trust Company

J. C. Bradford & Co. — Third National Bank in Nashville — Kaiser & Co. — Townsend, Dabney & Tyson — Julien Collins & Company — Dempsey-Tegeler & Co. — Lyons & Shafto Incorporated

Byrne and Phelps Incorporated — Foster & Marshall — Tripp & Co. Inc. — Raffensperger, Hughes & Co. Incorporated — Tilney and Company — Breed & Harrison, Inc. — Hill Richards & Co.

Burns, Corbett & Pickard, Inc. — First National Bank of Minneapolis — The First National Bank of Saint Paul — Northwestern National Bank of Minneapolis — McDonald-Moore & Co. — Ellis & Co.

Fahey, Clark & Co. — The First Cleveland Corporation — R. H. Johnson & Co. — Paul Frederick & Company — Lawson, Levy & Williams — Stone & Youngberg

H. E. Work & Co. — Ginther & Company — Wagenseller & Durst, Inc. — The Weil, Roth & Irving Co. — Seasongood & Mayer — Magnus & Company

A. G. Edwards & Sons — Stokes & Co. — Stern, Frank, Meyer & Fox — Bohmer-Reinhart & Co. — Doll & Isphording, Inc. — The Continental Bank and Trust Company Salt Lake City, Utah

Kenower, MacArthur & Co. — Newburger, Loeb & Co. — Ryan, Sutherland & Co. — T. H. Jones & Company — Sheridan Bogan Paul & Co., Inc.

Stubbs, Smith & Lombardo, Inc. — Shelby Cullom Davis & Co. — Henry Dahlberg and Company — Soden Investment Company — Zahner and Company

Hannahs, Ballin & Lee — Kirby L. Vidrine Company — Redfield & Co. — C. N. White & Co. — Fred D. Blake & Co.

April 8, 1953

THE MARKET... AND YOU

By WALLACE STREETE

Stocks took their worst beating in a year and a quarter this week. The fact that much of the selling had all the earmarks of being an unreasoning emotional whirl didn't prevent the damage from being extensive.

As with last week's trouncing, it was all over early. Monday's drop was the largest since the Chinese Reds moved into Korea and snatched the semblance of victory from us. This one-day assault sheared nearly six points from the Dow industrials and even more off a couple of similar tabulations. The market is never a one-way street but it came close to it on this occasion what with declines outnumbering advances by better than 10-to-1. The score was a meager 99 advances against 1,017 with minus signs.

The picture isn't entirely black, however. The selling early in the week seemed to be something of a climax to the peace scare. With well over a couple of hundred standard issues depressed to new lows, at least a temporary bottom had been formed and a smart recovery was started.

Unbridled optimism isn't rampant by any means, though. After a pummeling such as the market took both this week and last, uncertainty and nervousness will persist for some time, making what brokers like to call a "trading market" for awhile.

As usual, the selloff was more severe than the optimists had expected, but came nowhere near being as drastic as the pessimists predicted. The market has that habit.

The Market's Year of Frustrations

The recent setbacks came on top of a series of frustrations that make the year to date anything but a cheerful one, particularly after all the buildup of an "era of new market confidence" that many bulls optimistically predicted would follow the return of the Republicans to the White House.

Right from the start brokers confidently awaited the usual January reinvestment demand of a new tax year. But the year-end rally lasted only for one session into the new year before irregularity developed.

Then with the traders all braced in February for the tax selling season, little happened. Consequently there was no rebound as the weight of the income tax date lifted. The list, in fact, dawdled around for awhile before putting on the air of starting the traditional Spring rally. This hadn't even formed clearly before the Korean peace feelers upset everything again.

Incidentally, some rather caustic comments have been generated by what appears to be a panic in Wall Street on the prospects of peace. This criticism is far from deserved. For one, the public pitched stocks overboard with even more abandon when the Korean War broke out. At that time some records were set for breadth of trading and lateness of the ticker that are still on the books and haven't been eclipsed so far. A tape failing by almost half an hour in keeping up with transactions has the earmarks of panic far above the brief lags we have encountered recently.

Actually, anyone who owns stocks is thoroughly justified in keeping a weather eye peeled on likely developments of the future. It is the only way to protect investments. And some of the statements coming out of Washington certainly don't paint a picture of capacity operations for the prime war babies that can suffer profitwise in a rush.

Actually, the Street tenet is that peace is far more bullish than war, particularly since the sudden surprises of war always lead to repeated repercussions in the market. But in this case it is the transition period that will bring some stresses and strains that make it advisable to sit on the sidelines for awhile.

Overdone Selling

Apart from the war issues there are plenty of instances elsewhere in the list where the selling has been a bit overdone. But it is a habit of the stock market to exaggerate a bit, both on the cheerful and the dour sides.

Technically the market has shown no danger signals of real weight. The chief cause of eventual woe in the past — frenzied speculation among the cats and dogs by the economically illiterate—has been glaringly conspicuous by its absence. Too, yields and price-earnings ratios haven't gotten out of hand generally, although all the institutional demand of late has carried some of the blue chips to where they might be considered overvalued. But this certainly isn't true of the list as a whole.

What declines we have had are still classed as "normal" by traditional yardsticks. According to some theories, as much as 35 more points of decline would have to be negotiated, and through a broad series of supply areas, before a reversal would be signaled beyond dispute. To do so would certainly not be an overnight operation.

By piercing previous support levels on the downside, the market will have to patiently build up a new base for any sustained forward movement. This, while discouraging, is hardly disaster.

The Market's Past Mistakes

Actually it is something of a time of decision for the stock market and its reputation for predicting the economic future. If the current selling, like that of the Korean break in June 1950, has been overdone, the market will lose another chip from its crown, since its record since the end of War II already is suspect.

The 1946 break, supposedly in anticipation of a post-war recession, was first of these suspect movements. The apologists did have a handy alibi for that in that the cold war upset calculations and could have forestalled a letdown. But, in tune with virtually everyone else, the supposedly sage market also celebrated somewhat lustily the election of Governor Dewey to the Presidency — a bit prematurely. The Korean break similarly couldn't have been discounting the far higher prices reached subsequently.

Currently the danger of any pronounced break in the market is that it could set up damaging psychological results. If business expansions, for instance, are trimmed or abandoned because of fears born of market action, the results could be far-reaching since these business expenditures have been important props for the whole economy ever since World War II, particularly during some of the periods of incipient depression. And a cutback in armaments would start another of such slow periods.

In short, hopes for the hoped for Republican market celebration have been sunk by the wholly unexpected international developments.

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Dealer-Broker Investment Recommendations & Literature

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

Canadian Business Review—Monthly summary of Canadian economic developments—Business Development Department, Bank of Montreal, 119 St. James Street, Montreal, Canada.

Insurance Stock Analyzer—Tabulation—Geyer & Co., Incorporated, 63 Wall Street, New York 5, N. Y.

Investments by Foreigners in Japanese Stocks—Tabulation by industries and companies—The Nikko Securities Co., Ltd., 4, 1-chome, Marunouchi, Chiyoda-ku, Tokyo, Japan. Also available is a bulletin of stock prices on the Tokyo Securities Exchange.

Metals for the Atomic Age—And beyond—Highlights No. 20—Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y.

New York Bank Earnings—Tabulation of preliminary figures for first quarter — New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

New York City Bank Stocks—Comparison and analysis as of March 31, 1953 of 17 New York City Bank Stocks—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

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

Pennsylvania Municipal Authorities—Bulletin—Moore, Leonard & Lynch, Union Trust Building, Pittsburgh 19, Pa.

Pennsylvania School Authority Bonds — Pamphlet — Singer, Deane & Scribner, Union Trust Building, Pittsburgh, Pa. Also available is a list of **Tax Free Pennsylvania Municipal Bonds**

Railroad Earnings—Study (Bulletin No. 119) Smith, Barney & Co., 14 Wall Street, New York 5, N. Y. Also available is a memorandum on **Interprovincial Pipe Line Co.** and a bulletin (No. 120) on **Denver & Rio Grande Western Railroad Company.**

Timing Factor—Folder explaining the composite of fundamental and psychological market factors for the major trend in timing the stock market—Jacques Coe & Co., 39 Broadway, New York 6, N. Y.

• • •

Bell Telephone Co. of Canada—Memorandum—McCuaig Bros. & Co., 276 St. James Street, West, Montreal, Canada.

Broadway-Hale Stores, Inc.—Report on its history and prospects—Blyth & Co., Inc., 14 Wall Street, New York 5, N. Y.

Central Maine Power Co.—Bulletin—Sutro Bros. & Co., 120 Broadway, New York 5, N. Y. Also available is a bulletin on **Public Service Co. of New Hampshire.**

Chesapeake and Ohio Railway—1952 annual report—Chesapeake and Ohio Railway, 3917 Terminal Tower, Cleveland 1, Ohio.

Colgate-Palmolive-Peet Co.—Analysis—Lober Brothers & Co., 30 Broad Street, New York 4, N. Y.

Commerce Acceptance Company, Inc. — Bulletin — The First Trust Company of Lincoln, 10th & O Street, Lincoln, Neb.

Doman Helicopters—Study—J. F. Reilly & Co., Inc., 61 Broadway, New York 6, N. Y. Also available are studies on **Gyrodyne Co. of America, Hiller Helicopters, Kaman Aircraft Corp.,** and **Piasecki Helicopter.**

Empire Acceptance Corp. Ltd.—Memorandum—Ross, Knowles & Co., 330 Bay Street, Toronto, Canada.

Farrington Manufacturing Co.—Memorandum—Chace, Whiteside, West & Winslow, 24 Federal Street, Boston 10, Mass.

Gulf Oil Co.—1952 annual report—Gulf Oil Co., P. O. Box 1166, Pittsburgh 30, Pa.

Hamilton Manufacturing Company—Special report—Loewi & Co., 225 East Mason Street, Milwaukee 2, Wis.

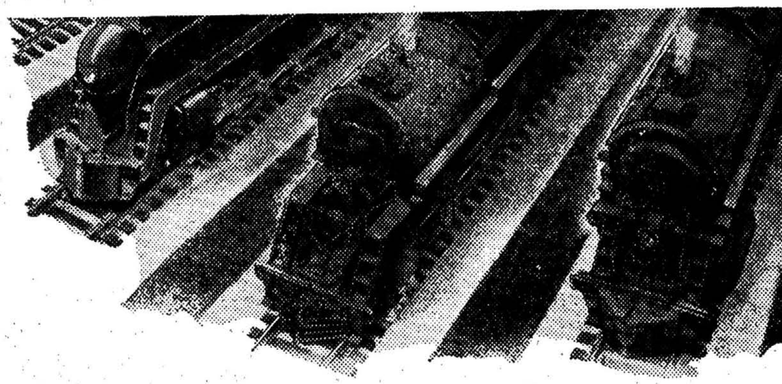
Hoffman Radio Corp.—Memorandum—William R. Staats Co., 640 South Spring Street, Los Angeles 14, Calif.

International Minerals & Chemicals — Memorandum — Rotan, Mosle & Moreland, 705 Travis Street, Houston 2, Tex.

Iowa Southern Utilities—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Continued on page 55

NORFOLK and WESTERN RAILWAY COMPANY



SUMMARY OF ANNUAL REPORT FOR 1952

Gross operating revenues declined in 1952 principally because of a prolonged strike in the steel industry, smaller demand for export coal and intermittent stoppages in Bituminous Coal production during the year.

Higher labor and material costs and interruptions in operations accounted for the increase from 66.92 to 70.83 in the percentage of revenues consumed by operating expenses.

Total taxes amounted to $39,557,000, a decrease of $9,869,000, chiefly in Federal income tax, due to lower income. Taxes amounted to $1,808 for each employee, $7.03 for each share of Common Stock and 20 cents for each dollar of operating revenues.

Outstanding funded debt amounted to $35,792,000, which represented 18.04 per cent of total capitalization. A voluntary sinking fund reserve was created in 1937 to meet these obligations, which mature in 1989 and 1996. At the end of 1952, this reserve had sufficient assets, together with Company bonds in the treasury, purchased and held for later transfer to the fund, with investment of income, to retire the entire debt when due. Appropriations of $600,000 per year to the sinking fund were discontinued as of January 1, 1953. Since February 1925, the Company's Funded Debt, including equipment obligations, has been reduced 71 per cent from its peak of $123,637,000 to its present $35,792,000.

Dividends on outstanding stock totaled $20,570,000, which was 73 per cent of Balance of Income. Dividends at the annual rate of $1.00 a share were paid on Adjustment Preferred Stock and $3.50 a share on Common Stock. The latter included an extra dividend of $.50. Dividends on Common Stock have been paid without interruption beginning in 1901.

During the year, the Atomic Energy Commission announced decision to construct a huge gaseous diffusion plant adjacent to the Company's line north of Portsmouth, Ohio, at a cost of $1,200,000,000. In addition, 153 new industries and expansion of existing plants, with a total capital investment of $93,802,000, employing 6,890 persons, were constructed in Norfolk and Western territory.

Capital expenditures for additions and improvements to fixed properties were $11,337,000 and for new equipment and equipment betterments $17,497,000, a total of $28,834,000. A double track main line relocation and grade revision, five miles in length, was completed at a cost of $3,950,000. This concluded, at an approximate cost of $17,000,000, a grade improvement project through mountainous territory which replaced a single track tunnel with a double track tunnel, eliminated ten bridges, reduced curvatures, and reduced a ruling grade from 2 per cent to 1.4 per cent.

Since 1945, capital expenditures for improvements, modernization and equipment have amounted to $171,473,000, all of which were made from the Company's treasury. Uncompleted authorized capital expenditures at the beginning of 1953 totaled approximately $34,964,000.

The new equipment program for 1953 includes 3,802 freight cars and 15 switching steam locomotives. Experiments with two types of coal-burning turbine electric locomotives continue.

CONDENSED INCOME STATEMENT

		1952		Comparison With 1951	Per Cent
REVENUES AND OTHER INCOME:					
Freight—Coal		$109,861,559	Dec.	$12,678,336	10
Other		70,883,748	Inc.	2,609,533	4
Passenger		5,477,640	Dec.	590,241	10
Mail, Express and Miscellaneous		9,427,620	Dec.	285,823	3
Total Railway Operating Revenues		$195,650,567	Dec.	$10,944,867	5
Rent Income—Equipment and Joint Facilities—Net		11,033,985	Dec.	10,795	
Other Income—Net		2,275,297	Dec.	243,795	10
Total		$208,959,849	Dec.	$11,199,457	5
EXPENSES AND OTHER CHARGES:					
Way and Structure—Repairs and Maintenance		$28,715,504	Inc.	$1,396,032	5
Equipment—Repairs and Maintenance		40,203,292	Inc.	1,176,303	3
Transportation—Operations		58,349,105	Dec.	2,869,884	5
Other Expenses		11,312,456	Inc.	619,574	6
Total Railway Operating Expenses		$138,580,357	Inc.	$ 322,025	
Taxes—Federal	$30,756.931				
State, County and Local	8,799,866	39,556,797	Dec.	9,869,341	20
Interest on Funded Debt		1,521,866	Dec.	201,947	12
Total		$179,658,939	Dec.	$9,749,263	5
NET INCOME		$ 29,300,910	Dec.	$ 1,450,194	5
SINKING AND OTHER RESERVE FUNDS—APPROPRIATIONS		1,151,566	Dec.	177,718	13
BALANCE OF INCOME		$ 28,149,344	Dec.	$ 1,272,476	4

Factors in Coming Business Financing

By ROY L. REIERSON*

Vice-President, Bankers Trust Company, New York City

New York bank economist lists as factors in coming business financing: (1) course of defense spending; (2) commodity price movements; (3) the profit trend; (4) amount and flow of savings; and (5) changes in taxation, credit and other government policies. Holds, if international situation improves, business capital outlays will decline, and there would be a squeeze on profits. Concludes economic forces now at work do not indicate protracted increase in long-term interests, but aggressive endeavors by Treasury to sell large amounts of long-term bonds in near future could have serious impact on bond market.

A review of past and current conditions in corporate finance illustrates that the financing problems of business tend to be importantly affected by such varied economic factors as the level of business activity, the course of the defense program, movements of commodity prices, the behavior of profits, the amount and flow of savings, and changes in taxation, credit and other Government policies. Developments in these areas of our economy will continue to determine the financing problems of business in the period ahead.

Roy L. Reierson

One big unknown underlying the future financing requirements of business is the course of commodity prices. Whether we have another round of inflation or whether deflationary trends gain the upper hand is a prime factor determining the needs for fixed and working capital. Also, even moderate changes in market conditions and economic activity may greatly affect business profits. The tax outlook is another basic consideration governing financing policies of business. Finally, corporate financial management should not be unmindful of the changes in the investment and money markets evidenced by the recent increases in interest rates, both long- and short-term.

*From an address by Mr. Reierson before the Chicago Control of the Controllers Institute of America, Chicago, Ill., March 19, 1953.

Capital Requirements

In recent years, demands for working capital have been more volatile than fixed capital requirements. They were large in the initial postwar inflation period, declined sharply in 1949 and rose to new peak levels after Korea. Although the requirements for fixed capital also fluctuated, they were much more stable in comparison.

Future requirements for both fixed and working capital probably will depend in large part upon the international situation. Should world affairs deteriorate, our defense effort be stepped up, new plant programs be undertaken, and inflationary pressures reappear, American business would find itself faced with another big increase in requirements, partly for fixed capital but probably even more for working capital. In view of the record levels of corporate indebtedness, this might confront financial management with real and serious problems, since corporations would enter such a period in a much less liquid position than in 1945 or in mid-1950. Also, the credit environment has changed; credit is much less easily available than it has been for many years.

However, if the international situation should turn more hopeful, we would presumably have less reason to anticipate a resurgence of inflation. On the contrary, downward pressure on commodity prices might persist for some time ahead, and industrial production might recede from its present peacetime peak. Under these assumptions, business spending on plant and equipment in 1954 is likely to be below current record levels, which would mean smaller requirements for fixed capital. Demands for working capital might continue to increase over the next few months, as long as inventories are being accumulated. Thereafter, however, declining prices and lower output would presumably contribute to reduced needs for working capital.

Retained Profits

Retained profits, together with depreciation and similar noncash expenses, have provided nearly 60% of the total funds raised by corporate business since the end of World War II. The profit outlook, therefore, is of signal importance in appraising the prospective supply of funds.

Both the aggregate dollar amount of corporate profits before taxes and the ratio of pretax profits to sales have been relatively satisfactory in the postwar period, reflecting capacity operations in many important industries and generally good market conditions almost everywhere. Looking ahead, however, our rapidly increasing productive capacity on the one hand, and the satisfaction of most accumulated demands on the other, are likely to contribute to a more competitive situation in many lines. The increasing competition may be reflected in price reductions or in larger advertising and selling costs. Furthermore, while much of this new capacity reflects substantial technological improvements and presumably will affect incomes and operating costs, it also involves additional carrying costs in the form of depreciation (some of it accelerated), taxes, interest and other expenses.

These prospects for some squeeze on profit margins in general would presumably be further enhanced in the event of a business downturn. Even the modest readjustment of 1949 had rather substantial repercussions upon profits. Official estimates place pretax corporate profits in 1949 some 20% below 1948; if the decline is computed from the high quarter in 1948 to the low quarter in 1949, the decrease is about 30%. In part, this reflected the switch from fairly sizable inventory profits to some inventory losses; should some price weakness develop in the period ahead, inventory losses may again become more common.

Corporate profits are currently feeling the impact of record peacetime tax burdens. Compared either with national income, or with corporate sales, profits after taxes are running significantly lower at the present time than in other periods of full employment and active use of business plant and equipment. There is a prospect of some tax relief in the foreseeable future, but of rather limited proportions. If the excess profits tax is permitted to expire, this would reduce corporate tax liabilities by an estimated \$2 to \$2½ billion. Any reduction in the combined normal and surtax rate on corporate income is likely to be modest; a combined rate of 45% to 50% appears as a minimum as far ahead as can be seen. A five percentage point reduction in corporate tax rates would cut the annual tax burden by some \$2 billion, at the present levels of profits, so that the two tax reductions might benefit corporations by about \$4 billion a year, which would be about 20% to 25% of current profits after taxes. Additional tax relief must await either a pronounced improvement in the international situation and a cutback in the Treasury budget or an economic decline of a magnitude sufficient to bring about the use of tax reductions as a stimulant to business activity.

This outlook for greater business competition, smaller profit margins and continuing high corporate taxes suggests that retained profits are not likely to be as important a source of financing in the years ahead as they have been in some recent years. A further consideration is that any decline in corporate profits is likely to be reflected to a disproportionately larger extent in retained profits rather than in dividend payments.

Retained profits increased sharply in 1950 with the recovery in business and the post-Korean inflationary surge. Since then, however, higher taxes and a modest increase in dividend disbursements resulted in a decline in reinvested profits, which for nonfinancial corporations in 1952 are estimated at somewhere between \$7 and \$8 billion. In 1953, the amount of funds available from this source is likely to be of about the same magnitude as last year. Beyond 1953, the amount appears more likely to decline rather than to increase.

Depreciation Charges

While the supply of funds from retained profits is likely to show some decline over the next few years, the outlook for funds to be provided out of depreciation charges is quite the reverse. In 1946, the first postwar year, depreciation charges of all corporations were about \$4¼ billion; in 1952 they totaled \$10 billion or more. The rate of growth has increased especially swiftly recently, not only as a result of the high levels of plant investment in the postwar years, but also in reflection of the rapid amortization of plants constructed under the tax certification program. Within the next two years, depreciation charges may very well approach an annual rate of some \$15 billion.

Thus, depreciation charges can provide huge amounts of funds in the years ahead. Whether these depreciation charges will in effect be fully passed on to customers, or will have to be absorbed in part by the stockholders in the form of reduced profits, depends upon the course of business activity and the degree to which plants can be kept busy. Current prospects are that over the next few years, the covering of these depreciation charges may become increasingly difficult without some encroachment upon corporate profits. However, funds accumulating annually out of retained profits and depreciation charges combined should average some \$20 billion a year over the next couple of years. Incidentally, this is about 90% of the rate of corporate expenditures on plant and equipment at their present record levels.

Money and Capital Markets

While interest rates have been inching up for the past five years and more, reflecting the large requirements for funds both in the investment and money markets and the gradual relaxation of easy money policies, the most significant rise has taken place during the past two years. A major contributing factor was the March, 1951, accord between the Treasury and the Federal Reserve, under which the latter was released of the obligation to support long-term Government bonds above par, and thus was placed in a better position to follow a flexible credit policy.

In the money market, the Federal Reserve of late has been less liberal in supplying reserves to the banking system; since loan demands have been increasing, this has contributed to a tightening of short-term interest rates. In the investment markets, bond yields have firmed as a result of the large demands for funds on the part of corporations, homeowners, and state and local governments.

Since the election, the prospect that the Treasury will attempt to fund part of the short-term Government debt into longer term securities has injected an additional note of uncertainty into the outlook. This was reflected in some softness in the bond market, notably in recent weeks, and may have induced some corporate managements to accelerate their contemplated borrowings lest long-term rates increase further.

However, the economic forces at work do not seem to portend a persistent or protracted increase in long-term interest rates. Prospects are that the supply of long-term funds seeking investment will be fully as large this year as it was in 1952, and may in fact be somewhat greater. The flow of investment funds reflects the continued high rate of savings in the economy. On the other hand, aggregate demands for investment funds on the part of corporations, homeowners and state and local bodies are likely to be no larger in 1953 than they were last year, and may be slightly lower.

Aggressive endeavors by the Treasury to sell large amounts of long-term bonds in the near future could have serious repercussions upon the bond market and might well reduce the flow of funds into private investment. While opinions differ, it is my personal view that the Treasury will so conduct its funding operations that it will not seriously impair the flow of funds into private uses. Furthermore, business corporations have several advantages in the raising of long-term capital. They are in position, by putting higher coupons on their bonds, to capitalize upon the demonstrated desire of many investment managers to achieve somewhat higher returns than have been available in government bonds. This flexibility also enables corporations to compete satisfactorily with other private borrowers, such as those borrowing on real estate mortgages. Consequently, the least favorable prospect is that corporations may find it necessary to offer a somewhat higher return on their debt obligations. But if this is done, funds should be available in amounts suffcient to meet the needs of creditworthy borrowers.

Bank loans, on the other hand, are without doubt less readily available in general than they have been for many years. Although bank loans outstanding are still low relative to the gross dollar volume of activity in the economy, their amount is at record heights. Significantly, bank loans have increased more rapidly since the end of World War II than has bank capital. As a result, the cushion of bank capital in relation to loans, or to total bank assets at risk, is now as low as it has been at any time during the past 30 years at least. Furthermore, the policies followed by the monetary authorities have made it more difficult and more expensive for the banking system to acquire additional reserves, and this has been a factor restraining the expansion of bank loans and investments. Holdings of short-term governments, particularly on the part of the money-market banks, have declined and this has reduced the liquidity of the commercial banks. Finally, some bankers are somewhat skeptical as to the duration of peak levels of economic activity. In combination, all these factors have made many bankers increasingly reluctant to expand their lending operations as aggressively as in earlier years.

On balance, as long as business activity continues at record proportions, the monetary authorities are likely to prefer relatively tight conditions in the money market. Consequently, except for seasonal factors and special regional differences, bankers are likely to continue a fairly restrictive lending policy. This does not mean that we shall have no further increase in bank loans; in fact, loans in the banking system are likely to set new records in 1953. But it does mean that borrowers probably will have to place reliance upon established banking relationships and that some borrowers may find it more d.fficult to obtain loans.

At the same time, unless we experience a resurgence of inflationary pressures, the monetary authorities are not likely to embark upon a very aggressive credit policy and abandon their present relatively mild restrictive policies; it is extremely doubtful that credit policies will be so drastically applied as to bring on a cycle of liquidation and credit contraction. On the other hand, if economic activity should decline by more than nominal proportions, a prompt easing of credit policy is likely to be undertaken.

Summary and Conclusions

This review and analysis of American business financing leads to the following apparisal:

(1) Even after the great post-war cost-price inflation and the post-Korean speculative surge, the financial condition of business still appears good in the aggregate. In the face of record borrowing at long- and short-term in the postwar years, equity cushions have been maintained by the reinvestment of profits. Liquidity has declined significantly from the abnormally high level at the end of World War II and has also deteriorated in comparison with mid-1950, but widespread signs of stress are not apparent.

(2) If we should experience another speculative boom, the financing problems of business would be more difficult than they have been for many years. This would reflect the reduced liquidity of business, the record levels of corporate debt and the prevalence of credit policies which have helped to make borrowed funds more costly and, in the case of short-term credit at least, somewhat more difficult to obtain.

(3) However, it seems likely that long-term investment funds and short-term credit will continue to be available to business in adequate amounts. While credit conditions are likely to remain reasonably tight, on the average, as long as business activity moves at record levels, pronounced credit contraction does not appear to be in prospect, unless we experience a resurgence of inflationary pressures.

(4) Given continued high economic activity in the aggregate and possible some price reductions, American business should be able to generate large amounts of cash and to improve its liquid position even if the rate of activity is somewhat below present levels and corporate profits suffer some impairment. At least, this was the experience in 1949.

(5) Assuredly, even a modest downturn in business might raise financial problems for some companies. A sharp and protracted decline would pose problems on a broader scale. The economic horizon shows no signs heralding a serious unsettlement at present. This, however, should not lead us to underrate the very real need for continued caution in borrowing as well as in lending.

With Daniel F. Rice Co.

(Special to The Financial Chronicle)

CHICAGO, Ill.—John M. Morris has become associated with Daniel F. Rice and Company, 141 West Jackson Boulevard, members of the New York and Midwest Stock Exchanges. He was previously with Faroll & Company.

With Minneapolis Assoc.

(Special to The Financial Chronicle)

MINNEAPOLIS, Minn. — Louis E. Mielke is now affiliated with Minneapolis Associates, Inc., Rand Tower.

For a Tough and Realistic Foreign Policy!

By WARREN LEE PIERSON*
Chairman of the United States Council,
International Chamber of Commerce
Chairman, Trans World Airlines, Inc.

Asserting our actions in past have been governed either by hard-boiled self-interest of special groups or soft-boiled sentimentality of do-gooders, Mr. Pierson urges America's foreign political and economic policy should be directed fundamentally by enlightened self-interest. Declaring there is a "lot of malarky" in tariff policy discussion, he urges that we (1) further reduce tariff rates; (2) limit use of import quotas; (3) streamline customs procedures; (4) use sensible valuation procedure for imported goods; and (5) repeal "Buy-American" legislation. Stresses need for international flow of private investments.

The international scene we face today, to put it mildly—is a sorry one. We have Korea, Indo-China, Malaya, Berlin, Communist engulfment of many European countries, serious unrest in many colonial areas—just to mention a few highlights.

Warren Lee Pierson

How did the world get into the present mess?

Is the situation unprecedented?

And whether it is or not, what can be done to improve matters in the year of 1953?

These are the questions to which I will address myself—although I don't promise to provide all the answers.

* * *

A recent issue of the magazine, "U. S. News and World Report" carried a picture of Georgi Malenkov, the new Premier of Russia, on its front cover, with the question "Man of Peace—or Menace?" Above that was another headline—"What Happens to Your Tax Money?"

I think these captions summarize very aptly the two questions which weigh most heavily upon citizens of the United States. In fact people big and little throughout the world are wondering about the result of the change in leadership at the Kremlin.

I was in Ethiopia when Stalin's death was announced. The desk clerk at my hotel was quite excited by the news and asked me if I thought his departure from the scene would relieve present day tension.

A day later I was in Cairo when one of my company's Egyptian employees asked if I did not think that Stalin's death increased the danger of war.

On my way back to the United States I stopped in Paris. A typical French taxi driver demanded in a rather surly tone to know, "Now that he is gone will you Americans sit down with the Russians and talk Peace?"

And in New York the question of the day was "Can we do business with Malenkov?"

Perhaps we may be helped in reaching a conclusion by placing the question in historical perspective.

* * *

Less than two decades ago our people were even more concerned about the future actions of Hitler, Mussolini and Tojo. In the early 19th century our ancestors worried about Napoleon. And in the ancient and medieval worlds there were Alexander, Genghis Khan and other dictators and despoilers. All of these men caused much suffering—but the world and Western civilization survived their depredations.

Unfortunately, the defeat of our recent enemies, Germany, Italy and Japan, did not bring the relief we hoped and expected. We fought a hard and successful war. Then we demobilized our vast armed forces only to have to build them up again.

Instead of Peace we are engaged in actual conflict and live in an atmosphere of international tension.

To explain the present situation, I think it will be helpful to recall some of the outstanding political developments which have occurred in modern times.

Of particular significance has been the emergence of Russia as a European rather than chiefly an Asiatic power. The work of Peter the Great in building St. Petersburg (now Leningrad) on the Gulf of Finland was followed by the determination of Catherine II to make the Baltic and Black Seas into Russian lakes. Then when Czar Alexander joined his forces with the foes of Napoleon and the Corsican was finally overwhelmed, there was no denying that Russia had a voice—and a strong one—in Europe.

Unhappily for the Western World, the Russia of Catherine and Alexander was untouched by the Renaissance and the Reformation. Even many of the things we take for granted today which resulted from the French Revolution such as the recognition of individual liberty; the doctrine of the sovereignty of the people; and the stimulation of the principle of Nationality; never really reached the Russian people when ruled by the Romanoffs. And the succession of the Soviet dictators to the throne of the Czars has brought them even less freedom and understanding.

The pertinence of this historical background is that to this day there is a powerful country now actually a part of Europe and participating in European decisions, whose people are practically untouched by modern political beliefs. Having themselves been revolutionists, the Soviet ruling classes are governed by the fear of being in turn overthrown. That is why they feel the need for an Iron Curtain to suppress all intercourse with their neighbors. And to preserve their own uneasy rule they require a constant atmosphere of tension and suspicion of all foreigners. There is no logical reason, therefore, to expect any relaxation of the old order simply because of a new head man.

* * *

The next noteworthy change which confronts us is the destruction of the balance of power in Europe and Asia. For a century after Napoleon, the military strength in Europe was so evenly balanced that the British were able to prevent any one power from exercising dominance. The preservation of this balance was the keystone of British foreign policy through the 19th century and until recently.

Such foreign policy as we had during this period—other than a firm and frequently expressed belief in political isolation and non-intervention in the domestic affairs of other nations—rested upon the Monroe Doctrine. This, incidentally, we designed for the peace and safety of the United States and not—as is frequently stated—to protect the newly formed Latin American Republics. In any event because we knew that European powers were closely matched we were able to depend upon the Atlantic Ocean and a modest military establishment of our own to prevent foreign adventures in the Western Hemisphere.

Toward the end of the 19th century, and after our expansion to the Pacific Coast, we became more aware of the importance of Asia. More by accident than design, I think, we moved to prevent a concentration there of any single nation. We bought Alaska from Russia, developed a Pacific fleet, and established naval bases at Pearl Harbor and Guam. After the Spanish-American War we led the Philippines toward independence and took the lead in the Open Door policy in China. In a practical way we sought a kind of balance of power in Asia.

The two world wars might have well resulted in stalemates had we not been drawn into them. The picture was obscured after the First World War because Russia had become infected with the germs of bolshevism and for some years was too busy liquidating internal dissidents to play any important part in external affairs.

The story of the Second World War needs no comment. We and our allies won a military victory but in the process the balance of power in both Europe and Asia was completely destroyed. Germany was partitioned, and Poland, Czechoslovakia, parts of Austria, and most of the Balkan States came under Russian domination. Japan was disarmed and her empire broken up. China also ended up in the Soviet column.

The oceans haven't moved but though as wide and deep as ever they no longer provide the same protection because they can be crossed at will by modern airplanes and submarines.

* * *

A third great upheaval in the political scene is the decline of the important colonial empires of Britain, the Netherlands and France. Some parts of these empires, such as India, have broken completely away; others have loosened their ties, as Indonesia, Burma and Indo-China; in still others the restiveness of populations more than hint of changes in the future.

Millions of human beings living in vast under-developed areas are ready, willing and anxious to work and are seeking greater economic rewards for their efforts. The problem is to direct their energies toward peaceful pursuits. If this can be done and the spaces in which they live can be brought into useful production the world at large will benefit.

* * *

Another phenomenon is the emergence of the United States which barely a hundred years ago was itself an undeveloped country, as the foremost industrial nation of this age. This has resulted not only because we were abundantly supplied with natural resources but more importantly because our political system has permitted great freedom to private initiative and resourcefulness.

(I am obliged to say that where the patterns of socialism have become fixed and have been generally acquiesced in by the people the contrary result is all too evident.)

* * *

To those four major political developments must be added, to keep the record straight, a significant technical development—the invention and perfection of modern weapons which have potentialities of destruction so great that they can be used only under the utmost provocation; and at the same time so complicated that they can be produced only by nations of huge industrial capacity.

* * *

I have mentioned before that after victory was won in World War II we lost no time in disarming. Our people have no taste for military life.

The Soviet Union, on the other hand, continued its armament program and moved promptly by a combination of force, terror and subversion into neighboring countries left defenseless by the ravages of war. We realized very soon that Utopia had not been achieved and that, unless opposed the Russian dictators would soon control or overrun all of Europe and Asia.

But first of all, we found that the countries of Western Europe were so thoroughly devastated that they could not adequately feed and clothe themselves, let alone undertake their defense.

Through UNRRA, The Marshall Plan, Turkish-Greek Aid, Mutual Security Point Four, and other programs, we have expended some 40 billions of dollars in the effort to get them back on their feet. These activities were stop-gap efforts to cope with specific weaknesses which appeared in the political and economic armor of friendly nations. Generally speaking they have been successful in meeting the immediate economic need. They have restored Western Europe to a reasonable standard of living, generally better than that which existed before the war.

Real progress has also taken place in the military sphere. We have established a system of alliances and are well on the way with plans for a European army. The results to date, however, leave something to be desired. In fact, during my own recent visits abroad I have noted a definite let-down in the European enthusiasm for these projects. Among other things, the Europeans say that they are tired of American handouts but that they cannot maintain the military burdens required for their defense without continued economic assistance.

The man in the United States who has just paid his staggering taxes not unnaturally wonders why this is so. He knows that the European nations before the war maintained huge armies and navies, and at the same time were economically self-supporting. He is impatient of economic aid to Europe which has to be met through his taxes, and he wonders why it should go on. Now that our aid has restored the standard of living in Europe, why cannot everything be as it was before?

Of course, at least part of the answer is that the world's trading system has suffered the same

Continued on page 38

*An address by Mr. Pierson before the Commonwealth Club of California, San Francisco, April 3, 1953.

Intermission in the Bull Market

By A. J. CORTESE*

Outlining reasons for expecting a deep decline in the stock market this year, Mr. Cortese suggests, however, that after a difficult 1953, we should expect another major rise, carrying the Dow-Jones Industrial Average to 450-500.

After nearly four years of a bull market, precedent alone should put us on the lookout for something deeper than an intermediate decline. Reasons for a bear move began to appear last fall, have been growing in number and in the past few weeks have become acute. There are at least five.

A. J. Cortese

The first was the Republican victory, with its promise of deflation. At the time, many of us debated whether to turn bullish or bearish. When fresh enthusiasm began to pour into the market from all parts of the country, it became apparent that it was strong enough for the time being to displace logical thoughts of deflation and possibly recession. Strength in high-grade issues was persistent and real. Popular interest in the market, which had been dormant for a year, increased, but it did not become great enough to sustain a bull move.

Effects of Disinflation Policy

General strength in both high- and low-grade issues halted abruptly in the first week in January. Since then, the effects of the new Administration's policy of disinflation have become more and more apparent. Commodities have declined drastically, U. S. Treasury bonds have been allowed to fall and in place of the qualitative controls on prices and credit, the Federal Reserve has gently begun to use quantitative controls on credit in general. The latter are far less obvious, but fundamentally far more effective in dealing with the true causes of inflation. It must not be forgotten that inflation cannot be halted without injury to large segments of the economy.

Secondly, for months, investors have been concerned with the passing of the peak of defense expenditures, estimated as some time in 1953, and with the large question of how much contraction in business activity would follow.

Thirdly, production outside the United States is finally recovering from wartime devastation and for more than a year, our export balance has been falling. Competition with American products is now being felt in more than one section of the economy.

New Soviet Policy

Fourthly, and this is the dramatic one of them all, the new Soviet regime has brought a swift and surprising change into the international climate. Many people are skeptical of the peaceful moves, but I have no doubt whatever that the present successors to Stalin have adopted a strategy of harmony as the basis for their domestic and foreign policy. Though we are not to assume for a moment that the United States will reduce its military strength below the point where we would be prepared for any danger, the psychological, if not the economic, consequences of an end of the Korean War and a subsidence of the cold war will be great. This sudden and rapid change in international affairs is what I would call the acute reason for a decline in the stock market.

And fifthly, a number of technical studies, which analyze market action, have been suggesting for some time an end to the bull move, which, in nearly four years, took the Dow-Jones Industrial Average up from 164 to 292 and the Rail Average from 42 to 112, rises of 78% and 167%, respectively. The size and duration of these rises fully satisfy the description of a major bull market. A number of market analysts have felt that this bull movement would not come to an end until we had seen a burst of speculative enthusiasm in low-priced stocks and greatly expanded volume. As it is said, all bull markets end in a blaze of glory.

All market tops (and bottoms) are different and the great difference this time, I think, is that in place of the wave of bullish speculation in low-priced stocks, we have had phenomenal strength in special situations, both high- and lower-grade. Certainly, there has been a blaze of glory in a large number of such issues. The important fact underlying both sets of circumstances is that the two phenomena represent exhaustion of strength in the main body of high-grade stocks. This exhaustion has been evident on the tape at least since January. Day after day, there have been evidences of distribution in the standard high-grade leaders along with the strength in special situations.

The congregation of these conditions is sufficient, I think, to generate a decline somewhat greater than intermediate in scope, but short of a full-size bear market. In retrospect, the year 1953 will probably be looked upon as a year of difficult and profound transitions, both in domestic and international affairs.

Forecasts Rise in Dow-Jones Industrials to 450-500

Five years ago, when the Dow stood at 175, the author wrote an article[1] for "The Chronicle" in which he gave reasons for expecting a bull market to carry the Industrials to a level of 300 over the next few years. That article was too early, for although we had a burst of strength into the summer of that year, the bull market did not begin until mid-1949. The present article, I think, suffers from the opposite fault; it is probably late. The same long-term reasoning used in that article still applies, however, so that after the present decline is over, we should expect to see a great bull movement extending into the late '50s and carrying the Industrials to the 450-500 level, without excessive speculation. To some, the entire period from 1942 to the present has been one bull market, with an interlude from 1946 to 1949, while to others, the period has had two bull markets. If again, a full-size bear market does not develop, 1953 will probably be known as another intermission in one great bull market from 1942 to 1957 (?).

The arguments for the next rise will not be given here, but it is easy to see the background in which it could develop—a period of full peace, a (temporarily?) quiet Soviet Union, growing world trade and stimulated U. S. investment abroad, a return to free markets and private initiative, a reformed tax system, a possible rise in the dollar price of gold (unsound as that may be), urgent needs for construction, such as highways, schools and hospitals, and rapid economic growth and modernization of industrial plant, utilizing new electronic devices and atomic energy. These are conditions which would foster higher confidence and encourage investors to pay much more for corporate earnings than the low ratios that have prevailed in the postwar years so far.

*Mr. Cortese is market analyst for A. M. Kidder & Co.

1 "The Prospects for a Bull Market," The Commercial & Financial Chronicle, April 29, 1948.

Ralph Tudesco Opens

PHILADELPHIA, Pa. — Ralph Tudesco has opened offices in the Lewis Tower to engage in the securities business.

Joins Waddell & Reed

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Lloyd A. Acott is now with Waddell & Reed, Inc., U. S. National Bank Building.

Harris Upham Adds

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Pierce Edmunds has been added to the staff of Harris, Upham & Co., 136 Federal Street. In the past he was with Lee Higginson Corporation.

With Keller Co.

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Joseph F. Ciccio is with Keller & Co., 50 State Street.

With E. E. Mathews

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Sherman S. Fishman has become affiliated with Edward E. Mathews Co., 53 State Street.

With King Merritt

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Helen S. Steusloff is now with King Merritt & Co., Inc., 1151 South Broadway.

W. R. Olson Co. Adds

(Special to THE FINANCIAL CHRONICLE)

FERGUS FALLS, Minn. — Olaf A. Skyberg is with W. R. Olson Company, 112 South Mills Street.

Background and Forces In Current Prosperity

By JOHN M. TEMPLETON
Templeton, Dobbrow & Vance, Inc.,
Investment Counselors, Englewood, N. J.

Investment counselor reviews last 15 years of business history and presents statistical data regarding current investment situation. Concludes some of the basic causes for increasing prosperity are waning, and says stock prices are high in relation to level of earlier years but not in relation to earnings and dividends. Finds there are good reasons for both higher and lower stock prices.

With regard to business and investments, the years from 1938 to 1952 were truly remarkable. The last real depression in the United States ended 15 years ago in March, 1938. At that time over 11 million people were unemployed. Then, in that month, Hitler invaded Czechoslovakia and started a chain of events, which has caused vast changes in business and investment conditions. The extent of these changes is not generally understood. In 1938 Gross National Product of the nation was only $85 billion, whereas today the current rate is $360 billion annually. The output of the nation measured in dollars is more than four times as great as it was 15 years ago. Of course, the value of the dollar has changed greatly also. This change can be measured by the fact that the index of the cost of living has increased 88%. The most widely used index for production in terms of physical units is the Federal Reserve Board Index of Industrial Production. This index is now 163% above its average level for 1938. The business history during this 15 years of increasing prosperity is measured by the figures in Table I.

John M. Templeton

In 1938, 44 million people were employed. Today the total is 61 million, not including those in the Armed Forces. One of the greatest changes which has occurred is that in wage rates. Average earnings of factory workers increased 206% between 1938 and 1952.

Bank deposits and currency increased greatly, which contributed to general inflation of prices. The increase from 1938 to 1952 was 232%. Most of this increase occurred in the first seven years. When the war ended in 1945, the increase had been 195%. Since the end of the war the increase in bank deposits and currency has been only 13%.

Current Business Situation

Investors and businessmen ought to study the causes of this great boom. Three causes, which seem to me most fundamental and most influential, were (1) a vast increase in public debt (2) a vast increase in private debt and (3) accumulated shortages of goods.

From July, 1940 until June, 1946 the Federal government had a budgetary deficit of $211 billion. This deficit was met in part by the sale of government bonds to the banks and by an increase in the supply of currency. The results of this flood of money can hardly be overemphasized. It is significant to notice that this flood has stopped. Since June, 1946 the Federal government has actually taken in over $20 billion more in cash than it has disbursed.

When the flood of new public money stopped after the war, its place was taken by a record expansion of private debt. Total private debt at the end of 1945 was $141 billion. Today the total is about $300 billion. This is an increase of 113%, which is $159 billion. It includes the expansion of installment loans, home mortgages and loans for business expansion. This abnormally rapid increase in private debt may not continue much longer. The expansion in private debt in the last seven years has been almost three times as great as the $56 billion increase from 1920 to 1929.

The unprecedented expansion of public debt and later of private debt is partly reflected by the increase in bank deposits and currency as shown in Table I. When the government sells bonds to banks, total deposits of the nation's banks are automatically increased and when a corporation borrows from a bank, the effect is much the same.

Column (3) in Table I brings out an important economic fact. There is no longer a surplus of money. From 1938 to 1945 Gross National Product increased 153%, whereas money supply increased 195%. This caused a tendency toward higher prices. From 1945 to 1952 Gross National Product increased 61%, whereas the money supply increased only 13%. The money supply, which was excessive during and shortly after the war, no longer appears excessive. Actually, as shown in Table I, the money supply was 72% of Gross National Product for 1938 but only 58% of Gross National Product for 1952. In relation to the commerce of the nation, the money supply is smaller today than it was in 1938. The money supply is not likely to cause a tendency toward higher prices.

The third basic cause for business prosperity in recent years was the accumulated shortage of goods. During the war years, production was far below normal in automobiles, houses, factories for civilian goods, and numerous other items, as we can all remember. These shortages accumulated from 1941 to 1946. Business, in the years beginning with 1946, has been greatly stimulated by the need to fill these shortages. This phase is largely completed. From personal observation, we can see that there is no longer any great shortage of automobiles, houses, refrigerators, or television sets.

One of the greatest shortages was that of factories and industrial equipment for civilian goods. Expenditures on new plant and equipment by U. S. business were $21 billion in 1950, $26 billion in 1951, $26 billion in 1952, and will probably be $27 billion in 1953. By the end of this year the productive facilities will probably be sufficient in practically all lines of business. The economy has increased its productive capacity by roughly 25% since 1946. Industrial plant at cost less depreciation was approximately $446 billion at the end of 1952 (in terms of 1952 dollars); and this represents an increase of about $100 billion over the figure for Jan. 1, 1946. The great program for expanding defense production facilities, which began in 1950, has made good progress. By the middle of 1953, three-quarters of the total will have been installed.

The discussion of the current business situation would not be complete without mentioning also the favorable factors. There are always a multitude of favorable as well as unfavorable factors which influence the general trend of business. For example, there are numerous economic guarantees now which would cushion any business recession, such as guaranteed farm prices, guaranteed bank deposits and unemployment insurance. Also, a generation ago business and government were rather separate in the minds of the people; but now the public generally considers it the duty of the government to prevent unemployment or deflation. In case deflation should begin there would soon be an almost universal demand from the people regardless of political party that the government take action. The science of economics has now developed far enough that by taking proper and sufficiently drastic measures, a government can cause either inflation or deflation at will. Deflation is very unpopular with the voters, whereas a mild and gradual inflation appears to be popular.

Another factor, which will have a great effect in the long run, is the repeated demand for higher wages. Labor is more highly organized than before; and labor leaders seem to regard it as their duty to demand continually higher wages. Union members have come to expect an increase in wage rates every year or two. About 85% of the cost of goods consists of labor if the labor used in selling and in producing raw materials and tools is included. Therefore, the trend toward continually higher wages necessarily means a trend toward general inflation in the long run.

Investment History

The Dow Jones Industrial Average of stock prices, which reached a low point at 99 on March 31, 1938, had risen to 288 on March 25, 1953. Standard & Poor's Index of 420 Industrial Stocks, which was 78 for the month of April, 1938, rose to 215 on March 25, 1953. Table II shows some of the investment history of these 15 years.

One of the interesting investment changes is shown by the Standard & Poor's Index of low priced stocks. This index rose from 65 in April, 1938 to 316 in February, 1948; but by March 25, 1953 this index had declined to 206, a decrease of 35% from the peak.

Practically all investors have enjoyed some increase in the market value of their funds during these 15 years. This has been a time in which it has been unusually easy to obtain capital profits.

Stock prices are stated in terms of dollars, of course. Inasmuch as the cost of living increased 88%, it was necessary to have an 88%

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ON GUARD!

Burma and the Peace Moves

By FELIX WITTMER

Political analyst, warning "apparently incurable Westerners" against being fooled by the strategic zigzags of the Kremlin's world revolutionaries, emphasizes the threat to Southeast Asia.

Dr. Felix Wittmer

On lovely Easter Sunday 1953, the good American people flocked to the churches. Their hearts were full of gratitude because the weather was pleasant, the nation was producing, and the checks were coming in with regularity. Their hearts were also light because their pastors talked of peace, and because Prime Minister Malenkov seemed to embrace peace in a huge and cordial way.

The Kremlin had just lowered basic consumers' prices for the Russian people. It had freed the Jewish physicians who had been arbitrarily accused of murder. It had declared its willingness to exchange prisoners of the war which was not supposed to be war. It seemed eager to talk peace in Korea. It was friendlier in casual talks on Germany and in the UN. To top it off, visiting American newspaper editors, at a dinner at Moscow's Georgian Restaurant Arogvy, in an "atmosphere of warmth" offered a toast to Premier Malenkov.

The pastors and many of our commentators wondered if Malenkov was compelled to soften up in order to strengthen and consolidate his domestic position. Many went so far as to suggest that the silent man from Orenburg might perhaps be more conciliatory than the late Joseph Stalin. Perhaps, they felt, he was tired of the cold war. How eager America was to meet the Soviet bear half way.

Asleep at the Switch

In other words, after years of frantic Soviet war preparations, espionage, treachery and calculated insults, at a time when the plants of Atomgrad I and Atomgrad II were completing several atom bombs per month, light hearted America once more seemed to be asleep at the switch.

Fact is that Malenkov had been in the saddle for several years—ever since he personally, and for personal reasons of power, liquidated the strictly Leninist Zhdanov-Vosnezensky group. The little matter of imprisoning or releasing from prison a batch of frightened Jewish doctors was merely a push-button affair. Switching on official demarches of peace was but a mechanical device pertaining to an eminently vaster scheme—the scheme of adjustment to history's zigzag line in the struggle of a dehumanized proletarian "elite" for totalitarian world domination.

While we were pouring lives and money into Korea, the Kremlin's master diplomats, expertly trained at Moscow's Sun Yat-sen and Far Eastern Universities, via Tibet had infiltrated Burma. During the two weeks prior to Easter, the Communists inside Burma's dominant Anti-Fascist People's Freedom League had carried the day.

Burma had joined the Moscow-Peiping axis. It had signed a momentous "trade" pact with Red China; it had rejected future economic assistance from the United States; it had demanded that the United Nations brand Nationalist China as an aggressor.

Somewhat smaller than Texas, Burma lies athwart southern Asia, from Soviet Chinese Tibet to the Bay of Bengal, separating vacillating "third force" India from southeastern Asia. It cuts southern Asia in two. Without Burma's rice India is threatened with starvation. Burma is not only the wedge of power politics, it is the cudgel of economic pressure held over India.

Strategy Against Burma

Why should the Kremlin exert itself much over Korea if it can roll up southeastern Asia and possibly take over India the "peaceful" way? Why then not talk Peace, Peace, Peace — the word which is foremost in the minds of hundreds of millions of civilized Westerners? Could there be a greater windfall for the operators of the Soviet world conquest than that they could actually succeed in covering up the fateful Burmese master stroke by a handful of pacific gestures?

"That history moves in zigzags," Lenin said in "Against Boycott" (Collected Works, Russian ed., XII, pp. 20-22) "and that Marxists must make allowances for the most complex and whimsical zigzags of history, is indisputable. . . . Every zigzag of history is a compromise, a compromise between the old, which is no longer strong enough completely to reject the new, and the new, which is not yet strong enough completely to overthrow the old. Marxism does not abjure compromises; Marxism deems it necessary to resort to compromises."

And as early as Aug. 21, 1921, Stalin had declared in "Pravda" that it was the task of the Communist Party "to take all necessary measures to strengthen the national revolutionary movement in the East."

What tragic kindliness and naivety on the part of apparently incurable Westerners to follow as if spellbound the devious zigzags of the Kremlin's master engineers of the world revolution and let Malenkov make the moves on the chessboard of global politics according to the long-established master plan. What tragedy to hold in readiness the palm of peace for the implacable and ever untrustworthy enemy of our civilization.

Bankers Offer Florida Power & Light Bonds

A group headed by Harriman Ripley & Co. Inc. is offering $15,000,000 Florida Power & Light Co. first mortgage bonds, 3⅞% series due April 1, 1983, at 102½% and accrued interest. Award of the issue was won by the group at competitive sale on April 7, 1953 on a bid of 101.8099%.

Net proceeds from the sale of the bonds are to be used by the company to provide additional electric and gas facilities and for other corporate purposes. It is estimated that the company's 1953-1954 construction program will approximate $70,000,000, of which about $32,900,000 will be expended this year.

The bonds are redeemable at general redemption prices ranging from 105.50% to par and at special redemption prices ranging from 102.50% to par, plus accrued interest in each case.

Florida Power & Light Co. is engaged in the electric and gas utility business. The company supplies electric service in most of the territory along the east coast of Florida, the agricultural area around southern and eastern Lake Okeechobee, the lower west coast area, and portions of central and north central Florida. Gas service is supplied in Miami, Daytona Beach, Lakeland and Palatka, and the company also owns three water gas plants, ice manufacturing plants, and various properties which are used for office, service and other purposes.

With about 97% of its total operating revenue derived from electric service, Florida Power & Light Co. had total operating revenues of $61,409,000 in 1952. Net income last year amounted to $7,333,000.

William C. Filan

William C. Filan of Carl M. Loeb, Rhoades & Co., passed away April 3.

Kentucky Utilities Co. 3⅞% Bonds Offered

Harriman Ripley & Co. Inc. and associates are offering $10,000,000 Kentucky Utilities Co. first mortgage bonds, series E, 3⅞%, due April 1, 1983, at 101½% and accrued interest. The group won award of the issue at competitive sale on April 7, 1953 on its bid of 100.7759%.

Net proceeds from the sale of the bonds, and from the proposed sale of 208,057 shares of common stock, will be used by the company to pay a part of the cost of its construction program. The company estimates that the cost of its construction program for 1953 and 1954 will total approximately $29,368,000, of which about $20,831,000 is slated to be expended this year and $8,537,000 next year.

Kentucky Utilities Co. is engaged in generating, distributing and selling electric energy. At the close of 1952, the company furnished electric service to about 197,800 customers in 480 communities and adjacent rural areas, located in 74 counties in Kentucky and one adjoining county in Tennessee, and sold electric energy at wholesale under term contracts in nine municipalities and 18 rural electric co-operatives. Territory served by the company has an estimated population of about 550,000. Operating revenues of Kentucky Utilities Co. in 1952 aggregated $29,381,474 and net income totaled $4,476,582.

Consumer Credit Can Safely Expand by $18 Billions

By ARNO H. JOHNSON*
Vice-President and Director of Research
J. Walter Thompson Co., New York

Mr. Johnson maintains consumer credit could safely expand by 75%, and still be in line with level of discretionary spending power. Says fear of credit overexpansion fails to take into account changes in productivity and purchasing power, and in public's discretionary spending power. Points out increase in consumer credit since 1947 has been less rapid than growth in savings. Holds 10% increase in standard of living, with use of consumer credit, could offset defense slump, and says fear of recession in 1953 is exaggerated.

Consumer credit could safely expand by 75% over present levels—it could expand by $18 billion from the present level of $24 billion to a level of $42 billion and still not be out of line with the present national level of discretionary spending power. Further growth in consumer credit can play an important part in maintaining our production when defense expenditures drop and can help develop the expansion in our standard of living that our productive ability warrants.

Arno H. Johnson

Those who view with alarm the present level of consumer credit point to the following as dangers:

(1) The high level of consumer credit in dollars—the $24 billion outstanding now is three times the prewar total of $8 billion in 1940.

(2) The rapid increase—consumer credit has doubled in five years from $12 billion at the end of 1947 to $24 billion at the end of 1952.

(3) The approach to the prewar ceiling of 11% of disposable personal income after taxes, previously reached in 1940—consumer credit in the first quarter of 1953 is approximately 10% of disposable income.

(4) The inflationary danger of any further credit expansion.

(5) The fear that cuts in government and defense expenditures will bring on depression—fear that the obligation to liquidate high consumer debts will accelerate depression by shrinking cash purchasing power.

These fears do not take into account some very basic changes that have taken place since prewar in our productivity, distribution of income and purchasing power, and in the resulting opportunity for further substantial advances in our standard of living. In particular, there has been little recognition of the spectacular change in discretionary spending power of our population.

Since 1940 there has been a five-fold increase, from $26.5 billion in 1940 to $134.0 billion in 1953, in the level of discretionary spending power. Discretionary spending power is here considered to be the amount of personal income after taxes that remains as surplus spending power over and above what would be needed to provide a 1940 per capita standard of living for such necessities as food, clothing, and shelter at present prices.

In relation to this discretionary spending power the amount of consumer credit outstanding has dropped from 31% in 1940 to 18% in 1953. To reach even the 1940 relationship of 31% would indicate a possible $18 billion expansion in consumer credit without over-extension.

This analysis of discretionary purchasing power and its relation to the use of consumer credit will be expanded further, but first let's examine the points so often regarded as dangers in the present consumer credit level.

(1) Consumer Credit Is Low in Relation to Liquid Assets of Individuals and Current Savings.

The $24 billion of consumer credit outstanding at the end of 1952 represented 12% of total liquid assets of individuals (estimated at $196 billion). At the end of 1940 the consumer credit of $8.2 billion represented 16% of liquid assets ($52.4 billion).

Total consumer credit outstanding in the first quarter of 1953 represents 1.2 times the present annual net personal savings rate of $20 billion, whereas in 1940 consumer credit was 2.2 times the net savings of $3.7 billion.

Both of these relationships indicate the strong financial position of the consumer and dispute the fear that the $24 billion level of consumer credit is too high.

(2) Increase in Consumer Credit Since 1947 Was Less Rapid Than Increase in Net Savings.

While consumer credit doubled from $12 billion at the end of 1947 to $24 billion in the first quarter of 1953, the rate of personal net savings increased five times from $4 billion in 1947 to $20 billion. Nineteen forty-seven, however, was a low year in savings, but even the 3-year average of 1947-1949 was $7 billion or one-third the present rate. These concurrent rapid increases in net savings tend to offset any dangers inherent in the rapid growth of credit.

(3) Changes in the Composition of Disposable Income Make It Misleading as a Yardstick for Consumer Credit.

Disposable income (personal income after Federal and local taxes) has frequently been used as a national yardstick of the amount of consumer credit that the economy can carry safely. In the period from 1929 to 1939 consumer credit outstanding ranged between 7% to 10% of disposable income. In 1940 it was 11% then dropped to as low as 3½% during the war peak of 1943-44. The 1940 relationship of 11% has somehow gained acceptance as the "ceiling" beyond which it would be dangerous to allow consumer credit to expand. As of the first quarter of 1953, the $24 billion of consumer credit, or approximately 10% of the $246 billion rate of disposable income, is nearing the mythical ceiling.

Relating consumer credit to consumer income at least has the value of using something as a measuring rod, but nobody goes on to determine whether the prewar relationship was valid and can serve as a proper proportion now.

Consumer disposable income is not a proper yardstick for consumer credit because it has changed in character as a result of our increased productivity and rapid change in the income distribution of families. As families have moved up from one income group to the next there has been a disproportionate change in their "discretionary" income—in their ability to save or to buy things beyond the bare necessities.

These changes have resulted in a change in the proportion of disposable income that is "discretionary." In 1940 only $26.5 billion or 35% of the $75.7 billion of disposable income was available for other than necessities. Currently, of the $246 billion of disposable income, $134 billion or 54% is decretionary income over and above what would be required to supply our population with the same per capita standard of food, clothing, and shelter as in 1940.

The excess of discretionary spending power over the entire outstanding consumer credit has expanded six times from $18.3 billion to $110.0 billion (see table I).

This changed relationship should be taken into account. The ability to handle consumer credit increases faster than the disposable income. It seems logical, therefore, that consumer credit outstanding should reach levels considerably higher than the prewar relationship to disposable income.

(4) One-Third Higher Standard of Living Possible Without Inflation If We Utilize Our Prewar Productive Ability.

It would seem that fear of consumer credit expansion as inflationary is valid only when we cannot produce enough to meet the increased consumer demand. This implies that any further increase in our standard of living will cause shortages, scare buying and price increases.

But we proved, under the peak of war needs in 1944 and again in building up defense production in 1951-52, that we were able to produce enough for both a strong defense and an expanding standard of living. We have the ability, now, to expand our production of civilian goods and services enough for a one-third higher standard of living.

Production in 1958—i. e. within the next five years—no greater than the per capita rate proved possible in wartime 1944 would mean a gross national production of over $400 billion. This would

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TABLE I

	1940	1953 1st Quarter
Disposable personal income (billion)	$75.7	$246.0
Basic living cost to equal 1940 per capita	49.2	112.0
Surplus or "Discretionary spending power"	26.5	134.0
Consumer credit outstanding	8.2	24.0
Excess discretionary spending power over consumer credit	$18.3	*$110.0

*Over six times as much.

*An address by Mr. Johnson before the National Consumer Credit Conference at New York University, New York City, April 8, 1953.

Air Freight Prospects

By RAYMOND A. NORDEN*
President, Seaboard & Western Airlines, Inc.

Executive of air freight line, describing air freight service as a new and dynamic industry, with promise of tremendous future expansion, discusses feasibility of use of turbine jet transports in this field. Concludes jet commercial aircraft is at least 10 years off, but air freight has become a solid, highly organized industry. Notes more rapid advance of foreign carriers in transatlantic air freight traffic.

I'm particularly gratified to be able to speak about air freight. For it's a new and dynamic industry.

Its growth since World War II has been tremendous. Its promise for future expansion is even greater. As such, this industry has a particular significance to you in the marine insurance field. For air freight is not merely a matter of operating airplanes to carry cargoes instead of people. It's a means of transportation. It must render a service to the shipper. If it is to enjoy a sound and healthy expansion it must operate under the same basic economic laws as do other forms of transport, such as steamships, railroads and trucking lines.

Raymond A. Norden

There has been much confusion about the air freight industry. As a result, many people today have a mental picture of this business as comprising a group of wildcat operators who are willing to fly anything, anywhere, at any time.

There's nothing wildcat about an industry in which the three largest companies did a combined business volume of about $45,000,000 during 1952.

It might be well at this time to define the terms air cargo and air freight. The former phrase is generally construed as including all property which moves by air. This includes mail, express and freight. Air freight is identified as non-mail property which moves in an aircraft devoted exclusively to the carriage of property.

This discussion is confined to air freight.

Real Start After World War II

The carriage of property by air is almost as old as the airplane itself. Until the end of World War II, however, the volume of property carriage was insignificant. No real effort was made to develop this phase of air transportation until the cessation of hostilities in 1945.

At this time, as a result of wartime military transport developments, this nation found itself with a large pool of skilled flight and ground technicians and with a large network of domestic and international airways facilities.

In addition, our government made available to civilian carriers large numbers of surplus transport aircraft. Some of these permitted passenger carriers to meet a public demand for transportation vastly greater than that which had existed prior to the war.

Others, which were economically suitable for the purpose, were placed in air freight service by former military pilots. Many of these operators tried to operate their services in the same fashion as tramp steamers. Few of these had any previous business experience. For the most part, this group has disappeared.

A handful of war veterans looking into the future of air freight had sufficient pre-war business experience to plan their operations on a realistic, business-like basis. These made extensive studies as to organization, costs, traffic potential, and the many other related elements necessary to a soundly conceived business.

In domestic operation, there are exactly four carriers today who have certificates from the Civil Aeronautics Board to carry freight only, without subsidy.

It is interesting to note the growth of this phase of the business. In 1945, when operations by new all-freight carriers was insignificant, the total air freight flown within the United States was 1.2 million ton miles. In 1946, it jumped to 32.8 million ton miles. Last year, it reached a total of more than 238 million ton miles.

The share flown by the all-freight carriers grew from 18.4 million ton miles in 1946 to more than 122 million ton miles in 1952—an increase of 567%. During this last year, the four certificated all-freight carriers flew 52% of the total domestic freight ton mileage, while the remaining 48% was flown by all the U. S. domestic passenger airlines.

With respect to the future of the domestic segment of the business, the Civil Aeronautics Authority has estimated that in 1955 air freight tonnage will aggregate 400 million ton miles. Awakening to the fact that the great future of the airplane as an instrument of world commerce lies in the carriage of man's goods rather than merely man, Lockheed Aircraft Corporation recently completed an extensive study of domestic air freight. In 1955, they predict that this business will aggregate between 300 and 400 million ton miles, and in 1960, will climb to one-and-one-half billion ton miles.

International Air Freight

International air freight enjoys even greater inherent advantages for economic growth than does the domestic segment of the industry. In this connection, my discussion shall be limited to the development of air trade across the traditional North Atlantic route between the United States and Western Europe and the Middle East. For it is in that sphere of international trade that my own company has concentrated its attention.

Domestically, air freight competes with a far-flung transportation network including ship, rail freight, truck and rail express. Across the ocean, the airplane's only competition is the steamship.

The airplane's greatest advantage, of course, is speed. Today, airport-to-airport shipping time between the United States and Western Europe is about 24 hours. The introduction of new and faster equipment within the next 15 months will serve to reduce this in-transit time to about 17 hours.

Compare this with the schedules of surface vessels, and the additional time lags imposed by customs and cargo handling procedures at dockside.

The advantage of the airplane over the surface ship has even greater significance in inland areas, such as Switzerland, Luxembourg, Austria, Southern Germany and parts of France. For in these cases, the airplane does not

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*An address by Mr. Norden before the Mariners' Club of New York, New York City, March 18, 1953.

Taxes in Canada

By J. HARVEY PERRY*

Director of Research, Canadian Tax Foundation, Toronto, Ont.

Asserting Canada is no tax haven, Mr. Perry points out proportion of national income going into taxes is as great in Canada as in U. S. Says the astonishing fact is that Canada produced a revenue surplus in past seven years, due to restraint in government expenditures and to extraordinary growth in tax resources. Praises Canadian tax structure and Tax Rental Agreements between Canadian Government and the Provinces. Calls attention to Canada's efforts to improve tax laws and tax administration under a philosophy having in view " a break for business."

In a thumb-nail presentation of Canadian taxes two aspects demand priority. First, the facts; second the philosophy.

The first fact is disillusioning. Despite recurrent reports in the United States to the contrary, Canada is no tax haven. That this impression prevails is probably due to the prominence given stories of Canadian tax reductions, as compared with the relative neglect of Canadian tax increases.

J. Harvey Perry

In actual fact the latest available data indicate that about the same proportion of national income — almost 30% — is going into taxes in both countries.

The second fact is inevitable in these troubled times. The cost of defense preparation is now the dominant factor in Canadian government finance. As in the United States, roughly three-quarters of tax collections go to the national government. Likewise, the dominant factor in the Canadian national budget is defense. Our defense bill in 1953 will account for more than 40% of total Federal expenditures, and it looks increasingly as though we are in defense spending to stay. As a result our Federal budget will have to be maintained for some time at almost double its expected postwar level.

The third fact is our astonishingly good financial record in recent years. The extraordinary growth of the national tax base, combined with a degree of restraint in Federal expenditures has produced surpluses in each of the last seven years. As a result the Canadian governmental debt has been reduced by 17% in the postwar period. Even more striking is the reduction in **per capita** federal debt of 31%.

These surpluses were the result partly of accident — partly of design. They were accidental to the extent that the effect on government revenues of the investment boom and the price inflation was not fully anticipated in projecting annual budget estimates. They were intentional to the extent that they represented the fulfilment of the announced purpose of the government after the war to retire as much debt as possible while the going was good.

On the whole postwar government spending has been restrained. The considerable growth in the federal budget has been largely attributable to the defense programme and to the introduction of social welfare payments — such as family allowances and old age pensions — supported by all parties. Allegations of waste in the defense programme are made as frequently in Canada as in your country. But public discussion runs mainly in terms of petty thievery of service supplies. The real issue as to whether half of what we are spending might be too much, or twice what we are spending too little, seldom appears in discussions of waste in defense.

Canadian Tax Structure

The fourth fact is that Canadian tax structure of 1953, while a long way short of ideal perfection, is remarkably efficient and well-balanced. Some actual details will help to demonstrate this point.

The three main federal sources of revenue are the corporation income tax, the personal income tax, and the 10% general sales tax. In addition there are heavy special taxes on liquor and tobacco, special excises, mainly at a 15% rate on automobiles, radios, television sets, soft drinks, candy, cosmetics, luggage, etc. The only other sizable revenue sources are the tariff and death duties. There is no excess profits tax and no tax on capital gains.

To elaborate briefly, since the recent budget our corporation income tax is 18% on the first $20,000 of profits, and 47% on the balance. In addition there is a 2% tax for old age security, so that the total rates are 20% and 49% respectively. Our personal income tax rates are lower and our exemptions are higher than yours, and except for the income-splitting privilege allowed married persons, practically all Canadian taxpayers would pay less than their American counterparts.

The notable difference — indeed the essential difference—in the two federal revenue systems is the Canadian 10% general manufacturers' sales tax. We think this is a good tax and commend it to you. On our basis it would probably produce enough revenue to more than balance your budget.

Our provincial and municipal tax systems correspond generally to your state and local, and I will not encumber you with details. Some very significant contrasts do arise however out of the present allocation of tax sources between the federal and provincial governments. I draw attention in particular to the following points:

First, there is only one personal income tax in Canada—the federal levy.

Second, there are only two corporation income taxes in Canada, the federal levy and that of the Province of Quebec.

Third, there are only three death taxes, the federal and those of Ontario and Quebec.

This happy and unusual state of affairs is attributable to what are known in Canada as the Tax Rental Agreements. Under these agreements all provinces but Quebec have undertaken not to impose personal or corporation income taxes or death duties for the five years 1952 to 1956 inclusive. The one modification that must be made to this statement is that Ontario has retained its right to collect death duties, an option available to any province under the terms of the agreements. Substantial grants are made by the federal government in return for these provincial undertakings.

Canadian Tax Philosophy

So much for some of the salient facts concerning taxation in Canada in 1953. What then can be said of the present Canadian tax philosophy?

First, concerted effort to improve the revenue laws and tax administration at the federal level in the postwar period gives unmistakable evidence of a philosophy of easier tax compliance and improved revenue collection. Laws have been re-drafted, administrative procedures streamlined, forms simplified, nuisance taxes repealed and in many other ways the tax system has undergone marked improvement.

Second, the philosophy of efficiency in taxation has also been the keynote of the Tax Rental Agreements. These have proven that internal tax arrangements between levels of government need not be chaotic. They have also demonstrated that much more can be achieved by centralized administration and inter-governmental grants, without loss of autonomy or infringement of "state rights", than has been assumed in the past.

Third, in Canada the income tax has been taken off its pedestal as the perfect fiscal device. We believe in using indirect taxes, such as our general sales tax, in order to obtain revenue in areas where direct taxation is not feasible and in order to avoid pressing the income tax to the point where its grossest defects become intolerable. We believe that such indirect taxes as our general sales tax are not only efficient and productive sources of revenues, but as well meet the test of fairness. This attitude can be summed up by saying that we place more stress on the merits of a well-balanced tax structure than on one which relies heavily on taxes which are perfect in theory but which in practice reveal very serious weakness.

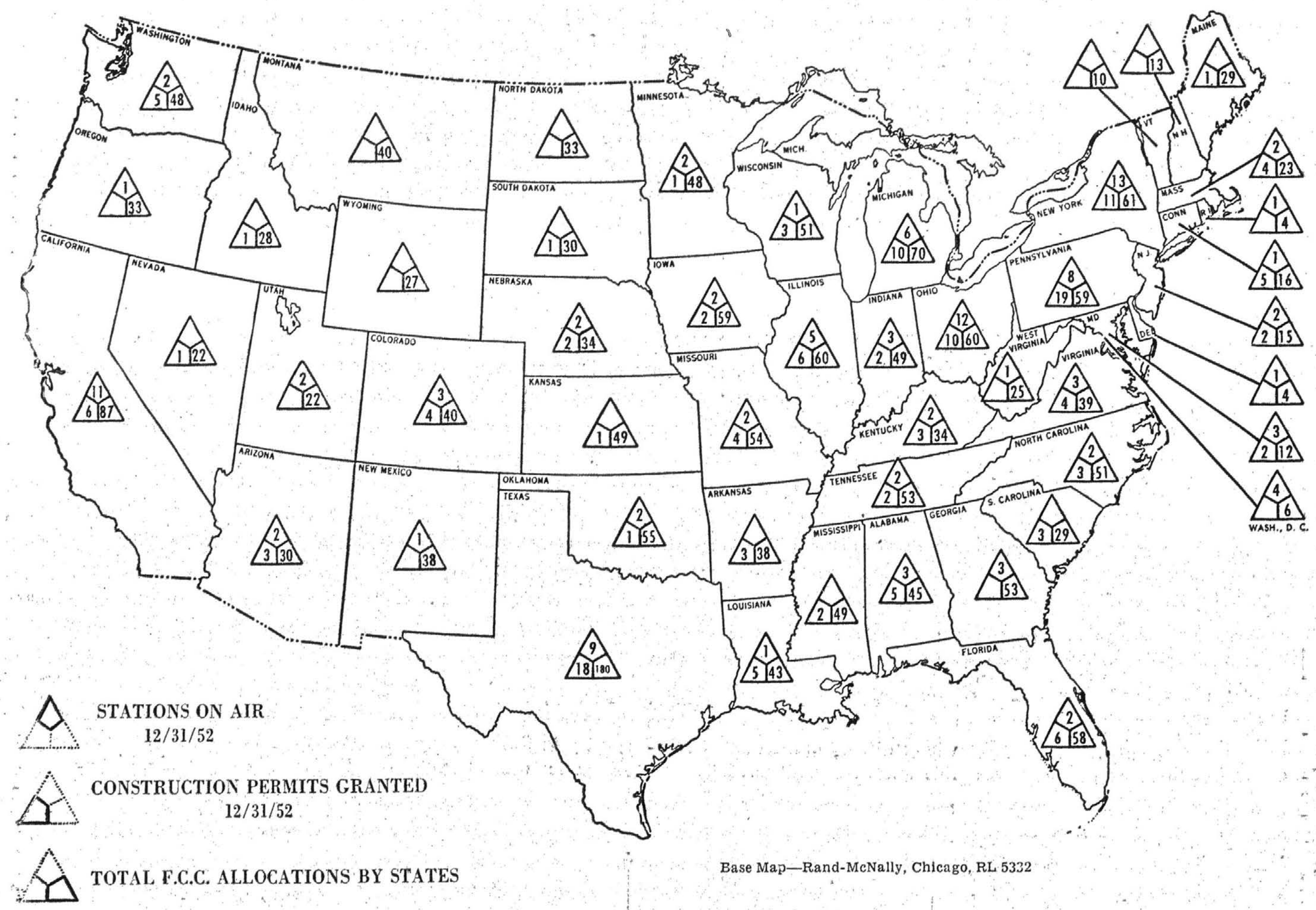
Fourth, the tax system is now used in Canada as a dynamic factor in the economy. Postwar years reveal several remarkable experiments in the use of taxation for purposes of economic control. This has been particularly characteristic of the defense period in which fiscal measures, supplemented by a minimum of direct control and credit restriction, have been used to absorb the major shock of defense spending on the economy. The government has felt it preferable to make this adjustment — and it has been successfully made — by altering the conditions in which the economy operates rather than by interfering directly with its operation. By way of illustration — despite concerted pressure from several directions — price control was not re-introduced in the defense build-up period.

Finally, despite the occasional rude jolts dealt the business community in the use of taxation for economic control purposes the underlying post-war philosophy has been that business deserves a break. This has been demonstrated so repeatedly that a complete list of individual instances would be an extremely long one. Perhaps the most outstanding has been the refusal of the government to impose an excess profits tax in the defense period. The recent budget, in which revenue was lost on tax reductions for business which would have attracted much more political favour if given in other directions, is another excellent illustration. Here is a practical instance from this budget. The dividend-received tax credit was increased to 20%, and the low bracket rate of corporation income tax was simultaneously set at 20% on the first $20,000 of income. The result is that for three-quarters of our corporations — our "small businesses" — double taxation has been completely removed. In the same budget the Minister of Finance fulfilled his oft-repeated desire to bring the corporation tax rate below 50%.

These changes, which appear to favour business, represent neither the political caprice of a government facing an election nor callous disregard for enlightened views of social justice in a modern society. Indeed the true genius of Canadian fiscal policy today lies in the skill with which the gradual introduction of the welfare state is being harmonized with continuous and accelerating industrial growth in a free economy.

*An address by Mr. Perry in the series "Canada—Nation on the March," Town Hall, New York City, March 10, 1953.

Present and Potential TV Stations in the United States



Lifting of Freeze on New Station Construction Opens Large TV Markets

TV leader tells stockholders, the recent Federal Communications Commission order permitting construction of new television stations has removed shackles which retarded growth of television industry.

In his annual report to shareholders for 1952, Dr. Allen B. Du Mont, President of the Allen B. Du Mont Laboratories, Inc., stresses the large new TV markets opened up by the decision of the Federal Communications Commission last April. Says the report:


Dr. Allen B. Du Mont

"The television industry, freed of shackles that retarded its growth for more than three years, has entered the era of its greatest public service.

"What the lifting of the government 'freeze' on new station construction, and the addition of hundreds of new channels means to the art of telecasting, and to the business of engineering and manufacturing its equipment, cannot be accurately measured. But this much is immediately apparent:

"For hundreds of American communities it means added millions of people, new stations joined to networks carrying programs of always increasing interest;

"For the industry, and of special importance to the Du Mont organization, it means great new markets, created by extension of television broadcasting into every corner of the country.

"Until the decision of the Federal Communications Commission last April, little more than half the nation's population could enjoy television. And yet, wherever it was available, TV had woven itself strongly into the pattern of American life.

"With the 'freeze' lifting, television enters a phase of development far exceeding in scope any of its past. The next five years should see an expansion even more remarkable than that of the last five. Several times as many new stations will go on the air, with heavy volume of studio equipment, transmitters and receivers sold.

"There were 12 Very High Frequency channels. There are now 70 additional UHF channels. The FCC allocation plan allows a total of 2,058 stations for the future. Not all will be built. Not all communities that would wish to have their own stations may be able to support them. Nevertheless, the potentials are plain. Within a few years television stations will reach practically the whole country.

"The number of television receivers in use may well, in due time, surpass that of home radios. Even before this happens, creation of one of the world's most effective advertising mediums will have become an accomplished fact.

"Already the FCC has been flooded with applications for station grants. It has been issuing permits at the average rate of about ten a week. Each permit has provided a new customer for the sale of television transmitting equipment and, in many instances, an entirely new marketing area for the sale of receivers. Your company's years of preparation has enabled it to take immediate advantage of these sales opportunities.

"One great advantage to network advertisers and the viewing public through UHF is that the channel allocations have had the benefit of six years' VHF experience and a like term of UHF research. Three years of 'freeze' have permitted an exhaustive study of station interference, and a nationwide allocation survey by Du Mont engineers has been a factor in charting new station areas.

"In a thorough testing process, experience born of research has proved that UHF is completely free from many types of interference that have troubled VHF. New Du Mont affiliates will start broadcasting with the benefits of this experience."

The material and plate of the map of the United States showing the present and potential TV stations and total FCC allocations by States was made available through Bertrand W. Hall & Company, New York, financial public relations counsel, who prepared the annual report for the Allen B. Du Mont Laboratories, Inc.

New Housing Administrator Outlines Plans

Albert M. Cole tells Mortgage Bankers Association Eastern Conference study is to be made to procure best type of organization in Federal Housing and to determine policies and programs in relation to our housing economy and requirements.

The recently appointed Administrator of the Housing and Home Finance Agency, Albert M. Cole, in an address at the Eastern Conference of the Mortgage Bankers Association in New York City on April 6, revealed his present plans and thinking in the field of Federal housing activities under the Agency's jurisdiction.


Albert M. Cole

A statement issued by Mr. Cole in connection with his address follows:

My first three weeks in office as Administrator of the Housing and Home Finance Agency have served to bring into focus the outlines of how to proceed to plan the future course of Federal policies in the housing field.

First of all, I think we should have a full fresh look at all major aspects of housing in which the Federal Government is concerned. I am initiating steps to get such a study under way. Before formulating my recommendations I want to obtain the views of all groups experienced in providing housing and informed on the housing needs of our communities and our people.

Questions should be raised and thoroughly explored on two basic fronts. At this point I want to make it clear that I am asking questions and seeking facts. The answers must wait until the facts are in and are subjected to careful study.

One area of study relates to the best type of organization for Federal activities in the housing field. Should they be grouped together on the basis of common housing purpose, as at present? If so, is the present Agency set-up the best, or should it be changed? Or should these housing activities be separated as to type of function—lending, welfare, construction—or on some other basis, and related to others of similar nature? What are the relative advantages and disadvantages of these alternatives? These are the kinds of questions to which I think reasonable people would expect any fair-minded Administrator to find his own answers.

The other field of exploration is that of present housing policies and programs in relation to our housing economy and requirements. My objective here will be to preserve and strengthen those found to be sound and effective in achieving the desired goals, to revise, replace, or eliminate those not accomplishing adequate results, and to formulate other means as may be needed to support a strong housing economy, to improve the living conditions of all families, with emphasis on those of lower income, and to speed the elimination of our slums.

The first thing I am undertaking to do is to identify and define the housing areas that call for intensive examination. The next step will be to determine the best approach to the study of each. Finally, direction and objectives must be set for each area of review so that conclusive findings and results can be obtained on which to formulate supportable recommendations for the President's consideration.

Such a broad-scale study will, of course, require considerable time, and it is questionable at this time whether these major recommendations can be firmed up in time to be considered at this session of the Congress.

In the meantime, I am instituting a detailed review of present programs and Agency operations with two objectives: One is to improve efficiency and to eliminate any unnecessary functions or any waste or duplication. The other is to make or recommend such adjustments in present policy and operations as will make present programs more responsive to current requirements.

Pending the results of the inclusive study I have outlined, it is my judgment that no major changes in policies or programs should be undertaken. To do so would be a backward approach and make more difficult an orderly review and reappraisal of all aspects of housing policy.

In line with this view, I recommended to the Independent Offices Subcommittee of the House Appropriations Committee on March 23 that the new starts of low-rent public housing for the fiscal year 1953 be limited to 35,000, the level most recently approved by the Congress, instead of the 75,000 units recommended in the original budget submission. I stated that this change was made by the Executive Office of the President with my concurrence. I said that in my opinion, the fair and consistent thing to do is to continue the program at that level until we have completed our review and are prepared to make further recommendations to the Congress.

I know there is one question in particular at this time which the industry and others are eager to see answered. That is the question of interest rates on Federally-aided home loans. I am not able at this time to say what the decision may be on that question, or whether present rates should be changed. I think it is essential, however, that the question be answered definitely and quickly, and I propose to see that this is done.

New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following firm changes:

Transfer of the Exchange membership of the late David S. Hendrick to Paul P. Rodler will be considered by the Exchange April 16th.

Frank W. Conlin withdrew from partnership in J. R. Timmins & Co., March 31st.

Exchange Firms Hold Educational Forum

CHICAGO, Ill.—The first Educational Forum of Stock Exchange Firms to be held in Chicago will be conducted at the LaSalle Hotel on Thursday and Friday, April 16 and 17, 1953. This announcement was made by Harry A. Baum, partner of Wayne Hummer & Co., Chairman of the Chicago Association of Stock Exchange Firms, sponsor of the Forum, and Robert H. Gardner, partner of James E. Bennett & Co., Chairman of the Forum Committee.

Approximately 100 representatives of member firms throughout the middle west, as well as from Chicago, will be in attendance.

The following subjects will be presented by the panel members of each of six sessions: Forms, Records and Bookkeeping Systems; Transfers, Safekeeping and Segregation; Deliveries, Clearing, Clearing-by-Mail, Postal and Insurance Rates, Fidelity Bonds; Margin and Cash Transactions; Stock Exchange Floor Operations; Correlation of Office Procedures and Production of Business.

On Thursday, the Forum will be luncheon guests of the Midwest Stock Exchange and on Thursday evening, a dinner will be given by the American National Bank & Trust Co., City National Bank & Trust Co., Continental Illinois National Bank & Trust Co., First National Bank of Chicago, Harris Trust & Savings Bank and Northern Trust Co. Speakers will be Dr. Haldon A. Leedy, Director of Armour Research Foundation and Mr. James F. Oates, Jr., Chairman of Peoples Gas Light & Coke Co.

Dean Witter & Co. Makes Appointments

Dean Witter & Co., 14 Wall Street, New York City, announces the appointment of Robert G. Dillon as manager of the corporate bond department. The firm also announced that Joseph B. Wise has joined the company as manager of the New York municipal department.

Mr. Wise was formerly with Weeden & Co.

Manfrini Heads Dept. For Walston & Co.

SAN FRANCISCO, Calif.—D. J. Cullen, partner of Walston & Co., 265 Montgomery Street, members of the New York and San Francisco Stock Exchanges, announce that Joseph Manfrini is now manager of the San Francisco research department. Mr. Manfrini was associated with Wall Street firms before and after returning from a tour of duty in Europe as captain in the military intelligence service. He has recently been with Hannaford & Talbot.

Chicago Analysts to Hear

CHICAGO, Ill. — Clarence H. Linder, Vice-President of the Major Appliance Division of the General Electric Company, will address the luncheon meeting of the Investment Analysts Society of Chicago on April 9th. His subject will be "The Future of the Major Electric Appliance Industry and Its Impact on the Utilities."

Daniel Sheehan Opens Own Firm in Boston

BOSTON, Mass. — Daniel M. Sheehan, Jr. has formed Sheehan & Co. to engage in the securities business from offices at 79 Milk Street. Mr. Sheehan was formerly a partner of Sheehan, McCoy & Willard and prior thereto was with Walter J. Connolly & Co., Inc.

From Washington Ahead of the News

By CARLISLE BARGERON

Senator Taft has unquestionably pointed up the answer to the Republicans' problem with his assertion that they have got to keep hammering on the sins of the Democrats. At least they have got to keep doing this until they get their own feet on the ground.

Carlisle Bargeron

The New Dealers came to power in 1932 and remained for 20 years with a continuous propaganda that business and industry generally were the enemies of the people, or to say the very least, were greedy and selfish and unmindful of the people's needs. When this grew somewhat dull by late 1938 they became overwhelmingly interested in international affairs and gave us two wars. They started off with the Pecora Committee which tarred and feathered our bankers, including the Morgan house, and Wall Street in general. Hugo Black, now a Supreme Court Justice and one of the ablest ones, went after the Insulls, the utility holding companies and the airlines. The air mail was taken over by the government, the airlines forced to get a new set of lawyers, those of New Deal persuasion, some army pilots, flying the mails, lost their lives, and in the end the airlines landed up with the same if not better contracts for carrying the mails than they had before.

But with this as a basis, the New Deal kept up a commotion the whole time they were in office with one crisis or scandal after another. They built-up and kept working at bitter class feeling which to this day is reflected in the literature of their creature, the CIO. Scandals finally overtook them, they went out of office in the smoke of corruption. According to Taft, this smoke should not be allowed to become dissipated. Republican investigators should keep it thick. Just as the New Dealers were always asking if you wanted to go back to selling apples, the Republicans should keep asking if the people want to return to corruption.

Instead, the Republicans have been sitting around in their first few months of office permitting the New Dealers to have the time of their lives, laughing at the Republicans' failure to balance the budget and reduce taxes and their failure to end the war in Korea, this soon. The gratifying picture to the New Dealers is one of the Republicans fighting among themselves, over Chip Bohlen, over Joe McCarthy.

It is beginning to look as if the New Dealers have cackled too soon over Korea. If that episode should be ended, as seems to be in the cards, it would take the New Dealers a long time to get the Republicans out of office, and it follows that a reduction of the budget and tax reduction would follow quickly.

But the worry of Taft and of other Republican leaders is that with the Congressional elections coming up next year and their having only a margin of five in the House, with a membership of 435, that a too definite picture of their party as one of ineptitude and false promises is being painted for the country now. Once the country has a definite picture in its mind it is difficult to erase it.

The propaganda problem of the Republicans is that the Leftist commentators and syndicated columnists still seemingly exercise the most influence. They have propagandized against practically every major appointment Eisenhower has made on the grounds they are not "liberals," notwithstanding the fact that the Eisenhower Administration is not supposed to be appointing "liberals." For example, they have apparently put the General in an awful stew over his selection of a new Chairman for the Federal Power Commission, over other similar appointments.

Their best propaganda job, though, and this spreads out to Eastern editors most friendly to and solicitous about Eisenhower, is their magnifying of Joe McCarthy and their assiduous attempt to drive a wedge between him and the Administration. Say what you want to, McCarthy is a Republican asset; he is the best one to do the same type of hatchet job which was effected for the New Dealers back in the early '30s. It is not a job that you and I would like to do, a job undoubtedly distasteful to a lot of Republicans whose conservative nature rebels at commotion or mud-slinging.

But it is a job that has got to be done and you can appreciate just how effective the Leftist propagandists have been when you see Harold Stassen challenging McCarthy over his handling of the Greek ship operators' affair. Dulles was obviously chagrined himself but he conducted himself with McCarthy in a much better way.

Here is a scandal that has been hanging fire for more than two years. It is a scandal purely of the Truman Administration's making. These operators were given these American-owned ships for slightly more than the asking and then, paying little or no taxes to either their government or to this country, they used these ships to carry war materials to Communist China. There was nothing new about the story but McCarthy made a deal with them to cut it out.

Aside from bringing an end to the trade, McCarthy dramatized as it had not been dramatized before, what had been going on. Why in the name of heaven should any one in a Republican Administration complain about this on the grounds that the Administration was handling the matter quietly? The only reason there was any complaint was because of the chant of those who have no affection for the Republicans, who indeed, do not wish them well.

Putnam & Co. to Admit New Partners

HARTFORD, Conn.—Putnam & Co., 6 Central Row, members of the New York Stock Exchange, on April 16th will admit to partnership Alfred D. Putnam, F. Morgan Cowles, Jr., Warren C. Heidel, Allen L. Hopkins and Lyonel H. Putnam.

With Anderson Cook Co.

(Special to THE FINANCIAL CHRONICLE)

PALM BEACH, Fla.—Karl S. Roberts has become affiliated with Anderson Cook Company, Inc., First National Bank Building. Mr. Roberts was previously with Louis C. McClure & Co. and William S. Beeken Co.

Joins Merrill Lynch Staff

(Special to THE FINANCIAL CHRONICLE)

ST. PETERSBURG, Fla.—Hershel Routman has become associated with Merrill Lynch, Pierce, Fenner & Beane, 568 Central Avenue. Mr. Routman was formerly local manager for King Merritt & Co., Inc.

Donald Brown to Be Boettcher Partner

Donald F. Brown

DENVER, Colo.—On April 16th, Donald F. Brown will be admitted to partnership in Boettcher & Company, 828 Seventeenth Street, members of the New York Stock Exchange. Mr. Brown is Sales Manager for the firm.

With Amott, Baker

PHILADELPHIA, Pa. — Louis Parker Miller is now associated with Amott, Baker & Co., Incorporated, 1420 Walnut Street, as a Registered Representative.

Cost-of-Eating

By ROGER W. BABSON

Mr. Babson predicts removal of price controls and free competition will ultimately reduce cost of foods. Looks for retail prices to lag behind wholesale prices, and advises farm organizations to teach "sane economics."

The taking off of price controls has caused some prices to advance; but most prices have remained constant or have decreased. I am convinced that free competition, which now is being tried, will ultimately reduce the cost of foods.

Roger W. Babson

There will be a lag between the wholesale price drop and the retail prices. In Florida I own a cattle ranch. Steers which sold on the hoof at thirty cents a pound two years ago now sell for ten cents. Cows which then sold at $200 can be bought for $60.

Readers wonder why the retail price of beef is still high. The answer is that the beef now in the stores for sale was purchased by the packers at high prices. We must wait until this high-priced beef is eaten before the retail price will drop further. This may take four to six months. The same principle applies to many foods.

Advice About Home Freezers

Deep freezers are good for the home and good for the nation as a whole. These, however, should be filled intelligently. To get the most from buying in quantity, the family should give real study to seasons, crop reports, and other factors. The first verse of the third chapter of the Bible Book of Ecclesiastes gives good advice to those who buy food for storing.

We should buy in quantity when beef, fruit, vegetables, etc. are cheap; but we should also consider quality as well as price. It is wise perhaps to buy some meats now; but wait before storing beef.

Political Aspects

While such lower food prices please city dwellers, falling prices cause much grief to millions of rural families. Cattlemen are now taking big losses. City folks laugh about the dairy mess and similar mistakes, but they all have a sad human side of grief, loss and disappointment. Let us be sympathetic with all unfortunate rural people.

President Eisenhower is getting thousands of letters every day from honest, hard-working farmers who are being "ruined." This probably accounts for his urging Secretary Benson to "go slowly." Otherwise, he may fear that the Republicans will lose control of Congress in 1954. Customs which have existed for 20 years cannot be corrected quickly. The same principle involves tariff changes.

Radio Market News

Radio news of wholesale farm prices is good for the farmers, fruit growers and others; but such news does not help the housewife much. Hence, newspapers could help consumers to interpret properly the valuable food advertisements in their papers by reporting weekly the amount of fresh, canned and frozen food products on the market.

Every housewife should carefully read all advertisements, especially the ads of the reliable super-markets. How to study local advertisements is a work which **Women's Clubs** could take up.

Farmers Need Self-Control

Don't blame salesmen of fertilizers, seeds, farm machinery and real estate for urging farmers to produce more. Yet, the fact that some farmers have not the good sense and self-control to properly weigh such sales talks is one reason for their troubles today. It might be a good idea this year to devote the State Agricultural Fairs to teaching farmers some simple economic truths.

Neither farmers nor consumers can depend upon most politicians for honest advice. This applies especially to the promoters of certain unneeded irrigation projects. Farmers could get into the same box in 1954 that Wall Street speculators got into in 1929, because every farmer is forced to speculate on weather and other unpredictable factors. Another thought: Buy things from your local stores and, if possible, buy home-made products. If farm organizations would teach sane economics, there need be no more "Butter Scandals" and the entire dairy industry would ultimately benefit.

News About Banks and Bankers

CONSOLIDATIONS
NEW BRANCHES
NEW OFFICERS, ETC.
REVISED CAPITALIZATIONS

James Lyall has been appointed Assistant Secretary of the **United States Trust Company of New York,** it was announced on April 2, by Benjamin Strong, President. Mr. Lyall, a graduate of Dartmouth College, has been with the company since 1935. He will continue in his present duties as assistant in personnel, advertising and public relations.

* * *

THE NATIONAL CITY BANK OF NEW YORK

	Mar. 31, 1953	Dec. 31, 1952
	$	$
Total resources	5,823,569.978	6,117,115,200
Deposits	5,315,875,701	5,613,861,572
Cash and due from banks	1,525,570,859	1,707,070,284
U. S. Govt. security holdgs.	1,294,061,070	1,427,076,743
Loans & discts.	2,278,586,052	2,269,931,847
Undivid. profits	68,288,977	72,222,858

* * *

CITY BANK FARMERS TRUST CO., N. Y.

	Mar. 31,'53	Dec. 31,'52
	$	$
Total resources	133,673,264	139,845,914
Deposits	97,868,810	103,962,991
Cash and due from banks	20,331,252	37,745,310
U. S. Govt. security holdings	75,845,231	70,969,332
Loans and bills discounted	10,814,049	4,280,099
Undivided profits	11,554,356	11,481,638

* * *

THE CHASE NATIONAL BANK OF THE CITY OF NEW YORK

	Mar. 31, 1953	Dec. 31, 1952
	$	$
Total resources	5,437,494,347	5,742,760,745
Deposits	4,954,659,825	5,247,000,031
Cash and due from banks	1,366,472,305	1,553,000,688
U. S. Govt. security holdgs.	920,663,748	1,053,413,575
Loans and bills discounted	2,463,009,141	2,511,937,852
Undivid. profits	47,723,098	45,106,662

* * *

MANUFACTURERS TRUST COMPANY NEW YORK

	Mar. 31, 1953	Dec. 31, 1952
	$	$
Total resources	2,691,583,352	2,948,974,541
Deposits	2,467,462,046	2,726,495,821
Cash and due from banks	773,130,290	992,561,940
U. S. Govt. security holdgs.	763,515,295	805,482,860
Loans & discts.	864,060,190	874,944,866
Undivid. profits	22,597,290	20,637,734

* * *

GUARANTY TRUST CO. OF NEW YORK

	Mar. 31, 1953	Dec. 31, 1952
	$	$
Total resources	2,899,021,670	3,149,028,289
Deposits	2,458,141,987	2,625,365,237
Cash and due from banks	743,936,607	697,658,050
U. S. Govt. security holdgs.	560,267,893	699,309,037
Loans & discts.	1,412,594,356	1,566,424,556
Undivid. profits	87,080,240	85,900,895

* * *

CHEMICAL BANK & TRUST CO., N. Y.

	Mar. 31, 1953	Dec. 31, 1952
	$	$
Total resources	1,824,896,373	2,048,195,356
Deposits	1,649,048,037	1,881,391,745
Cash and due from banks	491,720,706	530,997,956
U. S. Govt. security holdgs.	353,243,836	485,678,691
Loans & discts.	777,398,221	823,454,919
Undivid. profits	16,070,884	14,750,959

THE HANOVER BANK, NEW YORK

	Mar. 31, 1953	Dec. 31, 1952
	$	$
Total resources	1,657,263,935	1,849,199,855
Deposits	1,486,563,267	1,676,834,062
Cash and due from banks	476,814,131	561,341,672
U. S. Govt. security holdgs.	451,667,042	511,476,757
Loans & discts.	643,009,513	690,746,173
Undivid. profits	118,614,330	118,114,304

* * *

BANK OF THE MANHATTAN COMPANY, NEW YORK

	Mar. 31, 1953	Dec. 31, 1952
	$	$
Total resources	1,289,054,451	1,388,082,816
Deposits	1,143,110,832	1,269,321,889
Cash and due from banks	367,567,257	425,981,175
U. S. Govt. security holdgs.	272,545,373	312,596,273
Loans & discts.	571,367,621	582,866,863
Undivid. profits	15,221,561	19,479,656

* * *

IIRVING TRUST COMPANY, NEW YORK

	Mar. 31, 1953	Dec. 31, 1952
	$	$
Total resources	1,308,216,840	1,414,353,793
Deposits	1,153,348,614	1,263,910,338
Cash and due from banks	350,961,639	339,133,328
U. S. Govt. security holdgs.	251,951,528	352,584,818
Loans & discts.	601,183,260	631,886,324
Undivid. profits	16,903,858	16,392,783

* * *

BANKERS TRUST COMPANY, NEW YORK

	Mar. 31, 1953	Dec. 31, 1952
	$	$
Total reserves	1,993,656,049	2,136,752,798
Deposits	1,771,093,432	1,906,997,670
Cash and due from banks	536,340,177	498,444,415
U. S. Govt. security holdgs.	322,909,044	503,216,398
Loans & discts.	1,015,234,997	1,011,648,486
Undivid. profits	40,201,432	43,550,706

* * *

THE MARINE MIDLAND TRUST COMPANY OF NEW YORK

	Mar. 31,'53	Dec. 31,'52
	$	$
Total resources	457,718,903	520,608,037
Deposits	410,256,921	483,243,936
Cash and due from banks	132,380,864	199,772,240
U. S. Govt. security holdings	114,594,022	132,525,338
Loans & discounts	196,010,201	173,400,985
Undivided profits	5,483,443	5,165,873

* * *

THE NEW YORK TRUST COMPANY, NEW YORK, N. Y.

	Mar. 31,'53	Dec. 31,'52
	$	$
Total resources	737,053,832	807,265,275
Deposits	644,553,215	718,135,076
Cash and due from banks	182,397,356	216,152,898
U. S. Govt. security holdings	173,359,812	224,196,836
Loans & discounts	344,173,326	336,645,730
Undivided profits	12,779,637	12,247,700

* * *

CORN EXCHANGE BANK TRUST COMPANY, NEW YORK

	Mar. 31,'53	Dec. 31,'52
	$	$
Total resources	791,155,311	824,695,456
Deposits	737,466,036	770,916,316
Cash and due from banks	230,883,477	249,847,056
U. S. Govt. security holdings	332,282,795	342,671,838
Loans & discounts	179,459,158	185,242,072
Undivided profits	5,458,767	5,064,142

* * *

Paul F. McGuirk, Assistant Cashier and Assistant Manager of the **Lincoln Savings Bank's** Bay Ridge office, in **Brooklyn, N. Y.** has completed 25 years of service with the bank. The occasion was officially recognized at a luncheon tendered to him by the bank. John W. Hooper, President of the bank, presented Mr. McGuirk with a gold watch, appropriately inscribed. Charles J. Kipp, President, and Erwin Bortscheller, Vice-President, of Lincoln's 25 year club, welcomed the new member into the quarter-century club, which now has 48 members, 14 of whom are retired.

* * *

J. P. MORGAN & CO. INCORPORATED, NEW YORK

	Mar. 31,'53	Dec. 31,'52
	$	$
Total resources	788,017,011	753,807,957
Deposits	706,098,966	671,241,398
Cash and due from banks	214,677,664	169,447,278
U. S. Govt. security holdings	171,478,740	197,176,353
Loans & discounts	321,163,463	297,856,497
Undivided profits	11,587,264	11,220,322

* * *

THE PUBLIC NATIONAL BANK AND TRUST COMPANY OF NEW YORK

	Mar. 31,'53	Dec. 31,'52
	$	$
Total resources	526,934,598	557,273,345
Deposits	474,038,119	504,606,781
Cash and due from banks	128,359,538	147,400,021
U. S. Govt. security holdings	78,146,986	116,659,295
Loans and bills discounted	273,663,253	250,174,159
Undivided profits	11,406,032	11,084,036

* * *

BROWN BROTHERS, HARRIMAN & CO., NEW YORK

	Mar. 31,'53	Dec. 31,'52
	$	$
Total resources	209,100,388	227,458,555
Deposits	175,228,298	197,203,329
Cash and due from banks	49,514,347	57,423,756
U. S. Govt. security holdings	45,632,314	52,388,564
Loans & discounts	51,325,879	53,354,657
Capital and surplus	14,265,284	14,245,284

* * *

THE STERLING NATIONAL BANK & TRUST COMPANY OF NEW YORK

	Mar. 31,'53	Dec. 31,'52
	$	$
Total resources	137,949,823	147,146,299
Deposits	128,334,756	137,494,774
Cash and due from banks	34,990,293	37,098,641
U. S. Govt. security holdings	46,534,235	53,499,035
Loans & discounts	51,334,633	51,654,427
Undivided profits	1,314,326	1,284,180

* * *

J. HENRY SCHRODER BANKING CORPORATION, NEW YORK

	Mar. 31,'53	Dec. 31,'52
	$	$
Total resources	98,937,859	103,717,508
Deposits	70,336,497	74,361,757
Cash and due from banks	12,115,356	10,740,329
U. S. Govt. security holdings	42,268,827	47,098,038
Loans and bills discounted	19,994,647	19,547,594
Surplus and undivided profits	4,153,738	4,150,487

* * *

SCHRODER TRUST COMPANY, NEW YORK

	Mar. 31,'53	Dec. 31,'52
Total resources	$45,612.119	$50.286,221
Deposits	39,563,641	44,243,226
Cash and due from banks	12,196,109	11,124,621
U. S. Govt. security holdings	22,873,350	27,370,487
Loans & discounts	9,710,721	11,011,401
Surplus and undivided profits	3,134,051	3,130,623

* * *

UNDERWRITERS TRUST COMPANY, NEW YORK

	Mar. 31,'53	Dec. 31,'52
Total resources	$42,415,251	$42,199,507
Deposits	38,199,605	38,863,046
Cash and due from banks	10,857,462	10,086,923
U. S. Govt. security holdings	11,039,279	12,616,568
Loans & discounts	15,065,910	17,447,272
Undivided profits	1,100,821	1,087,889

* * *

The New York State Banking Department announced that on March 26, approval was given to the **Oyster Bay Trust Co. of Oyster Bay, Long Island, N. Y.,** to a certificate of reduction of capital stock from $220,300 (consisting of $50,000 of class A prefered stock, in 10,000 shares, par value $5 per share, $37,500 of class B preferred stock, in 2,000 shares, par value $18.75 per share, and $132,800 of common stock divided into 6,640 shares of par value $20 per share), to $132,800, consisting of 6,640 shares of common stock of the par value of $20 per share.

* * *

Harold D. Hodgkinson, Chairman of the Board of Directors of the **Federal Reserve Bank of Boston,** announces that Earl P. Stevenson, President of Arthur D. Little, Inc., has been appointed a member of the Industrial Advisory Committee for the **First Federal Reserve District** for the year beginning March 1, 1953. Mr. Stevenson succeeds Ralph E. Thompson, deceased.

* * *

The Newark "Evening News" of March 31, reported that the Newark office of Merrill Lynch, Pierce, Fenner & Beane, New York brokerage and investment house and underwriter of a special offering of 35,000 shares of **Fidelity Union Trust Co.** (of Newark) stock, announced that the issue had been sold out.

The item added: "The shares represented part of a block purchased from an estate by officers and directors of the bank. The stock was quoted today at 52½ bid, 54 asked, unchanged from yesterday's prices."

* * *

FIDELITY-PHILADELPHIA TRUST CO. PHILADELPHIA, PA.

	Mar. 31,'53	Dec. 31,'52
	$	$
Total resources	249,070,246	268,406,063
Deposits	218,033,623	237,583,700
Cash and due from banks	55,856,844	72,746,572
U. S. Govt. security holdings	49,704,478	58,183,303
Loans	115,292,568	107,592,344
Undivided profits	4,719,093	4,443,662

* * *

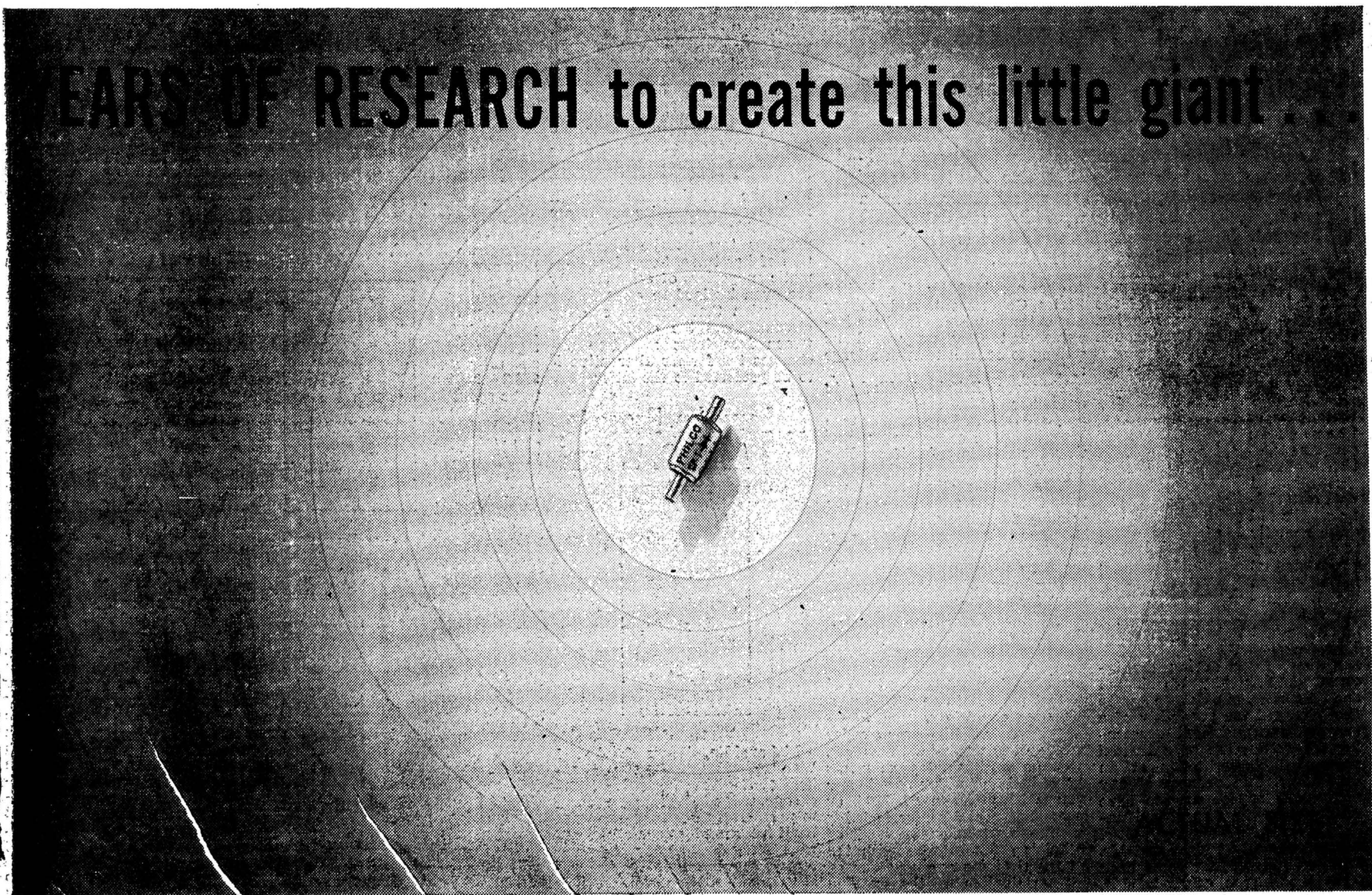
The **Broad Street Trust Company of Philadelphia** announces the removal of its South Philaadelphia Brandh to the corner of 8th and Christian Streets.

* * *

Charles A. Ward, President and general sales manager of Brown & Bigelow, was re-elected to the board of directors of the **Midway National Bank, St. Paul, Minn.,** at its meeting on March 27. He had retired from the bank board in 1951 after serving as a director for 23 years. It is stated that the Midway National Bank is the oldest and largest bank in the Midway area, with total resources of approximately $28,000,000. Charles J. Ritt is Executive Vice-President.

* * *

At a meeting to be held on April 14, the stockholders of the **Republic National Bank of Dallas, Texas,** will act on a proposal to increase the capital stock from $21,000,000 to $24,000,000, and surplus from $21,500,000 to $26,000,000. This will provide the bank with a total capital structure in excess of $60,000,000—viz. capital and surplus of $50,000,000, undivided profits of approximately $5,300,000 and reserves for contingencies of $5,000,000. Action will also be taken on a reduction in the par value of presently outstanding stock from $20 to $12 per share, through the issuance of 1⅔ shares of new stock for each share now outstanding. This will result in 1,750,000 shares of new stock being issued, compared to 1,050,000 shares of stock now outstanding. The additional shares it is stated will be issued ratably for the benefit of all shareholders without cost to them and a fair price will be fixed for all transactions in fractional shares, as no fractional shares will be issued. The bank also announces plans for the sale of 250,000 shares of additional stock (par value of $12) thereby increasing the capital stock to be outstanding from 1,750,000 shares to 2,000,000 shares. These additional shares will be offered ratably with pre-emptive rights to shareholders at $30 per share, thereby providing $7,500,000, of which amount $3,000,000 will be allocated to new capital and $4,500,000 to surplus. The capital will then be $24,000,000 and surplus $26,000,000. An increase in dividends is also contemplated for the proposed new stock. It is expected that regular cash dividends will be established at the rate of $1.44 per annum, payable monthly at 12 cents per share. The present dividend rate is $2.28 per annum.



. . . *but it opens a great new industry!*

You are looking here at one of the most important electronic advances of the last decade . . . the U.H.F. Germanium Diode Mixer *developed by Philco engineers!*

Its importance comes from the job it performs in a U.H.F. television set.

This tiny giant, born in the Philco research laboratories, is one of the many contributing factors in the superior performance of the Philco All Channel U.H.F. tuner. It has made possible the mass production of Philco U.H.F. television receivers which capture the full range of performance in the new Ultra High Frequency band.

This new Philco U.H.F diode is but the first commercial result of a long program of fundamental research in the Philco laboratories which began with Radar during World War II. During the following years, Philco scientists have concentrated upon the problem of improved performance and freedom from "noise" and distortion in television receivers and all types of microwave, and radar equipment. Intensive study has been devoted to the development of semi-conductor devices such as *transistors* which will have a far reaching effect upon the future design of both civilian and military equipment.

Philco has spent many millions of dollars and untold manhours in its laboratories on a continuing program for this kind of fundamental research. It has been responsible in the past for the great achievements that have made the Philco name a standard of comparison in Television . . . Radio . . . Refrigerators . . . Freezers . . . Electric Ranges . . . and Air Conditioning.

And the end is not in sight!

PHILCO Famous for QUALITY the World Over

ANOTHER FIRST FROM PHILCO RESEARCH

No Prospect of Immediate Sterling Convertibility

By PAUL EINZIG

Asserting results of visit of British Cabinet Ministers to Washington and Paris indicates there is no immediate likelihood of Sterling convertibility, Dr. Einzig points out Britain still has a growing debit balance in the European Payments Union. Says immediate Sterling convertibility would lead to dumping of foreign goods into Britain.

LONDON, Eng.—It is now possible to assess the result of the Washington and Paris visits of Mr. Eden and Mr. Butler. Even though no actual information is available it is now evident that hopes or fears of an early restoration of convertibility will not materialize. Until quite recently it was widely believed that following on the Washington visit anything might happen almost any time. Even during the interval between the Washington and Paris visits there were rumors about the possibility of a surprise announcement concerning the restoration of a limited degree of convertibility at an early date. The chances of any such move appear now to have receded into the distant and uncertain future.

Dr. Paul Einzig

It is generally known that Mr. Eden and Mr. Butler came back from Washington empty-handed. Even though it had been officially announced before the visit that no concrete commitment was expected to result from it, the negative outcome is known to have caused some disappointment in official circles. Much stress is laid on every possible occasion on the importance of having established satisfactory personal relations with members of the new Administration.

There can be no doubt however, that the Ministers had hoped to come back with something more positive than that. They had confidently expected that the proposal concerning the extension of the facilities provided by the International Monetary Fund would be favorably received in Washington. There is reason to believe, however, that the United States Administration showed no marked enthusiasm for this particular solution. Even though it would involve no new dollar aid beyond the utilization of the International Monetary Fund's existing dollar resources, and it would not be necessary to obtain the consent of Congress, the U. S. Government did not commit itself. Yet even if it had given its consent to a revision of the rules of the International Monetary Fund the maximum facilities that Britain could possibly have expected from that quarter would have been a mere drop in the ocean of dollar requirements for ensuring the success of convertibility.

Expert opinion puts the minimum amount that would be needed in order to make sterling convertible without taking unreasonable risk at \$5,000 million. The Fund's total dollar resources are only \$2,800 million and Britain could not possibly claim more than a relatively small part of this amount for her own use. This means that something like \$4,000 million would have to come from other sources, whether in the form of dollar loans or guarantees or investments. By far the larger part of that amount would have to be provided by the United States Government, and nobody but extreme wishful thinkers imagine that Congress would be willing to consent to such a large aid.

Moreover, Britain is likely to encounter difficulties also on the part of Western Europe. It is true Western European Governments would stand to gain if sterling were to become convertible into dollars. On the other hand they would lose the advantage of the relative freedom of trade within the European Payments Union. For this reason they insisted at the Paris meeting on the renewal of the Payments Union arrangement for another 12 months from July 1, 1953. On British insistance they agreed to insert a reservation under which the termination or modification of the arrangement could be discussed before the end of that period if one of the participating countries wished to establish convertibility over a wider sphere. It is understood however, that the continental participants would be in a position to veto any change before June 30, 1954, or even after that date, by insisting on the repayment in gold of Britain's debit balance with the Payments Union as a condition of the termination of the existing arrangement. And Britain is not in a position to comply at present with this condition.

Admittedly it is conceivable that the debit balance may become materially reduced during the next 12 months or so through a Sterling Area export surplus to the European Payments Union countries. The relaxation of import restrictions from these countries, announced on the occasion of the Paris visit of the British Ministers, and the increase of the basic tourist allowance from £25 to £40 per person, did not appear to encourage hopes of a substantial surplus in the near future. Moreover, France is likely to reduce her imports from Britain which will further increase the difficulty of repaying the debit balance.

It is of course possible that the Continental Governments may change their attitude either under American pressure or in return for a further relaxation of British import restrictions. Their present attitude is, however, anything but favorable. In the circumstances the only chance of solving this problem would be for Britain to obtain from the United States a sufficiently large dollar aid to be able to settle the debit balance with the European Payments Union, in addition to the dollars needed for meeting any pressure on sterling after the restoration of convertibility.

The fact that Britain agreed to relax import restrictions is itself an indication that convertibility is not imminent. It is reasonable to assume that in order to ensure the success of convertibility Britain would have to reinforce restrictions rather than relax them. For there would be a strong temptation to dump into Britain the largest possible amount of goods for the sake of being able to convert the sterling proceeds into dollars. Britain would have to defend herself against such operations by means of quantitative import restrictions.

Evidently, restoration of convertibility would necessitate both substantial dollar aid and drastic cuts in imports. It would mean not "trade not aid," in accordance with Mr. Butler's much-quoted slogan, but "aid not trade." Indeed even some of the more enthusiastic advocates of early convertibility have derived comfort from the fact that the delay in restoring convertibility has at any rate enabled Britain to make some progress towards the liberalization of her trade. Some less dogmatic supporters of convertibility are even inclined to come to the conclusion that since in existing circumstances the choice is between free trade and free exchanges the former alternative is to be preferred to the latter.

McLaughlin, Reuss to Admit G. V. Hunt

George V. Hunt

McLaughlin, Reuss & Co., 1 Wall Street, New York City, members of the New York Stock Exchange, will admit George V. Hunt to partnership on April 16th. Mr. Hunt has recently been associated with Terry & Company and prior thereto was manager of the trading department for Starkweather & Co. Mr. Hunt is Vice-President of the Security Traders Association of New York.

Reiner Appointed Gov. Of American S. E.

John J. Mann, American Stock Exchange Chairman, has announced that the market's governing board had approved the appointment of Milton E. Reiner, Milton E. Reiner & Co., to the Exchange's Board of Governors to fill an unexpired term caused by the resignation of David S. Jackson. Mr. Reiner will serve until the next annual election. He was also appointed to the Exchange's finance committee.

A native New Yorker, Reiner has been associated with the American Stock Exchange and its predecessors since 1914 when he launched his Wall Street career as a runner on the old outdoor "Curb." In 1920 he purchased a membership in the New York Curb Market Association and in 1921 he came indoors with the New York Curb Market. In 1921 he became a stock specialist in which capacity he has functioned up to the present. Mr. Reiner is also a member of the New York Stock Exchange, having obtained his "seat" in 1930.

Now Landry & Co.

NEW ORLEANS, La.—The firm name of Landry, Alexander & Co. Marine Building, has been changed to Landry and Co. Neville M. Landry is now a partner in the firm.

Walter Lillie Opens

STRATFORD, Conn. — Walter H. Lillie is engaging in the securities business from offices at 843 East Main Street. He was formerly with Eisele & King, Libaire, Stout & Co. and R. H. Johnson & Co.

Industry Plans Spending $81 Billion On New Plant and Equipment During 1953-1956

McGraw-Hill survey indicates from 1954-56 American industry will spend about 20% more annually than during 1947-50 peacetime prosperity. Notes emphasis on modernization and replacement in steel, transportation equipment, food and textiles.

American industry plans to spend between \$18 and \$20 billion a year on new plant and equipment from 1954-56, about \$4 billion more per year than in the peacetime prosperity of 1947-50. That, together with an estimated \$23.3 billion to be spent in 1953, means a total upwards of \$81 billion in the period 1953 through 1956.

Dexter M. Keezer

The capital spending planned for 1953 adds up to an all-time record and is 6% greater than the actual amount of capital investment in 1952.

If these plans can be carried out, they will assure for the capital goods industries of the United States a continuing prosperity which, in peacetime, has consistently been a prerequisite of general prosperity.

This conclusion is based upon replies in the sixth annual survey of large business firms' plans, conducted by the Department of Economics of the McGraw-Hill Publishing Company.

Depreciation Spending

Even if there should be a falling off of business, depreciation spending could be counted on to sustain the economy, Dexter Keezer, Director of the Economics Department, points out. Depreciation, which finances a little more than half of capital spending, will increase in manufacturing from \$5.9 billion to 1952 to \$7.8 billion in 1956, the survey indicates.

Businessmen plan to increase manufacturing capacity by 16% by 1956, (7% this year and another nine by 1956) and they anticipate a sales increase of 10%. They report new products and processes that will require large capital expenditures.

Plans for capacity are proving to be an unusually accurate indication of businessmen's thinking on their productive needs in relation to their markets, Mr. Keezer says. They make better estimates on their growth in capacity than they do about actual dollar amount of capacity spending.

Electrical Machinery Tops

The biggest expansion in capacity is planned in the electrical machinery, transportation equipment, and chemical industries. Automobile and machinery makers expect to expand faster than the average of all industry over the long pull, 1953-56. The oil industry, long regarded as a pace-setter in business, plans to grow at about the average rate along with the rest of manufacturing. Food and other manufacturing companies plan modest but important increases in capacity. The steel industry is slowing down its rate of expansion.

A transition from defense to civilian production, beginning this year and extending to 1956, is indicated by these capacity

Railroad Securities

New Haven Railroad

New York, New Haven & Hartford Railroad convertible income 4½s offer some interesting income possibilities. These bonds sell flat and go ex-interest 4½ points on April 15 with payment on May 1. This payment will reduce the cost by that amount for ordinary tax purposes and would write down the bonds from current prices. The bonds are convertible into 10 shares of the 5% preferred which has arrears of approximately \$9.25 a share, at the end of last month. If traffic is well maintained this year, it is believed further payments, in addition to the \$3.00 already made, will be disbursed on the preferred in 1953. This, of course, would be taxable income. New Haven showed earnings of \$15.45 a preferred share last year as compared with \$10.25 in 1951 and \$16.93 in 1950. The income bonds last year showed 15.28% available on the bonds as compared with 11.42% in 1951 and 14.50% in 1950.

New Haven has followed an aggressive policy of disposing of non-railroad property over the last few years. This has had the added advantage of reducing taxes on this land which was not productive and at the same time, adding to cash resources. This policy is expected to be actively pursued in the future. In this respect might be noted the current studies being made by the New York Central in seeking to dispose of some of its real estate in New York City. Central has a complicated lien problem because of its various mortgages, making it difficult to dispose of its holdings. New Haven has a sizable stake in many of these properties —currently estimated at about one-third of the total value of the combined holdings of the two roads.

In view of New Haven's much smaller debt and less complicated capital structure, it seems any sale of New York City properties would benefit New Haven to a greater degree proportionately. Such a sale would indicate the retirement of additional New Haven first mortgage 4s of 2007, thereby improving the position of the income bonds and the preferred stock.

Management of the New Haven is aggressively seeking additional traffic. It is one of the few railroads providing truck-trailer flat car service between many of the major points on its line. Further extension of the profitable haul is anticipated with the possibility of this type of service being extended beyond its own lines.

plans. Some of the defense-supporting industries, such as steel and non-ferrous metal producers, plan to complete large increases in capacity during 1953, but they will not add much more to their production potential by 1956. The durable consumer goods industries, such as automobile and electrical manufacturers, plan sizable increases in manufacturing capacity during the next four years. Consumer goods industries, such as food and apparel, expect to expand more slowly.

Larger Markets

Businessmen feel there are larger markets ahead. Total manufacturing sales will increase about 10%, but business managers plan to make the sales of their individual firms grow by 13%.

The survey reveals a sizable difference between what each company planned to spend in comparison with the industry. Greatest differences between company sales plans and expected industry sales were found in the automobile, machinery and chemical industries. Steel and electrical companies, on the other hand, expect their sales closely to parallel industry growth.

Other lines where a strong element of competitive growth is expected by the company against the industry are: baking, breweries, cereal manufacture, engines, service machinery, special machinery, wool textiles, dyeing, knitting, building materials, cement, furniture and non-ferrous metals.

A marked shift toward modernization is revealed in the percentages of total capital spending, which shows that in 1951, expansion took 58%, modernization, 42; in 1952, expansion 49, modernization, 51; while in 1953, expansion planned is 43%, compared with 57% for modernization, and 1954-56, preliminary plans, expansion 33; modernization, 62.

Industries in which total spending is declining are the ones which expect the largest portion of their funds to go toward modernization and replacement, such as steel, transportation equipment, food, and textiles.

Depreciation Policies

Depreciation in 1953 in manufacturing will amount to $6.8 billion, compared with $12.1 billion planned for new plant and equipment. About 85% of manufacturing firms report they have a policy of spending all their depreciation allowances for plant and equipment and expect to continue that policy. Another 5% have been spending all their depreciation for capital goods but will change this policy. The remaining 10% have not, and do not intend, to spend all their depreciation for plant and equipment. Even under adverse conditions, about 80% of depreciation funds will go into plant and equipment.

Accumulation of depreciation funds also is a clue to where future capital spending will be strongest. They now constitute a fairly small proportion of present capital spending in the basic industries. The ratio of depreciation to spending is between one-third and one-half in steel, machinery, electrical machinery, automobiles, chemicals and petroleum. It is only about one-sixth in transport equipment.

But the dollar amount of depreciation also is growing the most rapidly in these same industries. This is due to the large investment in defense facilities needed in these industries since 1950, plus the rapid amortization of defense plants which the government allowed. The basic industries will have large sums from depreciation becoming available in 1954-56. In steel, the reserves may pile up faster than is needed to finance planned capital investment. By 1955, the steel companies will have $829 million in depreciation, but their preliminary investment plans amount to only $623 million. Somewhat the same situation exists in transport equipment, engines, apparel, meat and non-ferrous metals.

Jacobson Heads Dept. For A. G. Becker & Co.

A. G. Becker & Co. announced that Hans Jacobson has become associated with its New York office, 54 Pine Street, as manager of the arbitrage department. Mr. Jacobson was for a number of years with the firm's Berlin branch and subsequently with the New York office, and in more recent years has been engaged in arbitrage operations in this country.

Walter Aronheim Opens

Walter Aronheim is conducting a securities business from offices at 30 East 37th Street, New York City. Mr. Aronheim was formerly with Cohu & Co. and First Investors Corp.

Consolidated Inv. Co.

ST. LOUIS, Mo. — Ben Nalick is engaging in a securities business from offices at 2728 Franklin Avenue, under the firm name of Consolidated Investment Company of Missouri.

Pinkerton Dept. Mgr. For Reynolds & Co.

Reynolds & Co., 120 Broadway, members of the New York Stock Exchange, announce that Bledsoe C. Pinkerton has become associated with the firm as manager of the corporate bond department. Mr. Pinkerton was formerly with A. M. Kidder & Co.

R. Fleischer Opens

(Special to THE FINANCIAL CHRONICLE)

SANTA BARBARA, Calif.— Richard Fleischer has formed Richard Fleischer & Co. with offices at 693 East Valley Road to engage in the securities business.

Carr N. Miller Joins E. F. Hutton & Co.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Carr N. Miller has become associated with E. F. Hutton & Company, 623 South Spring Street. Mr. Miller was formerly with Paine, Webber, Jackson & Curtis for many years in Minneapolis and Duluth.

Jack H. Naley has also recently joined E. F. Hutton & Company's staff.

N. P. Kostopulos Opens

NORFOLK, Va. — Nicholas P. Kostopulos has opened offices in the Bankers Trust Building to engage in a securities business.

Continued from page 4

McCormick Dedicates Opening Of Canadian Stock Exchange

investing public, and no longer representative of our widespread service activities and true national stature.

"You, too, were motivated by equally cogent and compelling reasons. But you may have been persuaded by one additional fundamental factor which was not applicable in our case. You were never a 'Curb' exchange, in fact. Your members, unlike our own, never traded in the open air, buffeted by winds, drenched by rain, and broiled in the summer sun. Yours, from the outset has been the happy condition of indoor trading.

"From a humble birth in 1926, when a few brokers met for trading in the shares of a few companies which were not yet able to meet the listing requirements of the Montreal Stock Exchange, your older brother, you have grown in size and repute to the point where you now may rightfully boast of a roster of 85 member firms, dealing in the securities of over 500 Canadian and foreign companies, engaged in mining, oil and industrial enterprises.

"Like Canada itself, your growth in recent years has been great, and like Canada, with which you have so closely identified yourself by your action today, your future knows no bounds.

"This change of name occurs on the ground floor of Canada's rise as an industrial nation. On every side of you, throughout the length and breadth of the land, are evidences of the country's break from its historical, agricultural past. New sources of mineral wealth, new oil fields are constantly discovered, new pipelines, factories and mills are continually under construction, placing upon Canada the stamp of 20th century progress, all contributing to a higher standard of living for a rapidly increasing population.

"And I cannot pass without paying tribute to your country's favorable exchange rate and enviable balanced budgets which are attributable to the sound management and stability of the Canadian economy and the hard-headed business acumen of your people.

"Your exchange, as well as others, must take a fair share of the credit for the recent remarkable metamorphosis. By maintaining close and continuous markets for the securities of new and growing enterprises, you provide a spur to investment in these undertakings, and assurance to investors of the liquidity of their invested savings. By maintaining fair and open markets you insure investor confidence in corporate enterprise without which there would be little investment in equity securities—and inadequate funds for new or growth prospects. Ours is the job of keeping that confidence unimpaired. Such confidence is the yardstick of Canada's future and our future; to the extent that it is weakened in any way, will progress be slowed. To the extent that it is strengthened, will Canada become, even more than this day, the land of great accomplishment and expectations.

"This great institution, within whose walls we stand at this very moment, is one of your country's most progressive auction securities markets and is symbolic of a basic principle which makes this country a place where you are justly proud to live. This way of life not only lives and grows here in this institution, but by its very existence here, fosters the life and growth of private competitive capitalism elsewhere in the world.

"On behalf of the American Stock Exchange may I wish the new Canadian Stock Exchange, your Chairman and my very good friend, Jacques Forget, and all its members a most happy birthday, and a most successful and prosperous future.

"May your shadow never grow less."

Member Firms of Canadian Stock Exchange

Here is a list of member firms of the Canadian Stock Exchange:

ALLEBONE & COMPANY
211 St. Sacrament St., Montreal, Que.
AMES & CO., A. E.
360 St. James St. W., Montreal, Que.
ANGUS & CO.
304 Bay St., Toronto, Ont.
ARMSTRONG & CO., O. E.
c/o Hugh Mackay & Co., Montreal, Que.
AYER, ALBERT A.
453 St. Francois Xavier St. Montreal, Que.
BARRY & McMANAMY
P. O. Box 129, Station B, Quebec, P. Q.
BEAUBIEN & CO., L. G.
221 Notre Dame St. W., Montreal, Que.
BELANGER, ROGER R.
715 Victoria Square, Montreal, Que.
BONGARD & CO.
80 King St. W., Toronto, Ont.
BOUSQUET, J.-P.
249 St. James St. W., Montreal, Que.
BRAULT & CHAPUT
482 St. Francois Xavier St. Montreal, Que.
BRISEBOIS, P. A.
c/o Geoffrion, Robert & Gelinas Montreal, Que.
BURNETT & CO
212 St. Sacrament St., Montreal, Que.
CHARRON & CO., C. B.
400 St. James St. W., Montreal, Que.
COLLIER, NORRIS & QUINLAN
507 Place d'Armes, Montreal, Que.
CRABTREE & McLAUGHLIN
201 Notre Dame St. W., Montreal, Que.
CRADOCK & CO.
170 Bay St., Toronto, Ont.
CRAIG, BALLANTYNE & CO.
215 St. James St. W., Montreal, Que.
CRANG, J. H. & CO.
40 Adelaide St. W., Toronto, Ont.
CUNDILL, FRANCIS
453 St. Francois Xavier St. Montreal, Que.
DEAN, E. C.
453 St. Francois Xavier St. Montreal, Que.
EMARD, H. PAUL
c/o L. G. Beaubien & Co. Montreal, Que.
FARRELL, G. E.
453 St. Francois Xavier St. Montreal, Que.
FLOOD & CO.
360 St. James St. W., Montreal, Que.
FORGET & CO., L. J.
471 St. Francois Xavier St. Montreal, Que.
FORGET & FORGET
51 St. James St. W., Montreal, Que.
GAIRDNER, SON & CO.
360 St. James St. W., Montreal, Que.
GARIEPY, GASTON
265 Craig St. W., Montreal, Que.
GARLAND, H. S.
453 St. Francois Xavier St. Montreal, Que.
GEOFFRION, ROBERT & GELINAS
507 Place d'Armes, Montreal, Que.
GILLETT & STRACHAN
132 St. James St. W., Montreal, Que.
GOURD, ANDRE
391 St. James St. W., Montreal, Que.
GRAHAM & CO.
Room 702, 437 St. James St. W. Montreal, Que.
GREENSHIELDS & CO.
507 Place d'Armes, Montreal, Que.
HICKEY, DONALDSON & CO.
360 St. James St. W., Montreal, Que.
HIGGINSON & ROSS
P. O. Box 493, Hawkesbury, Ont.
HODGSON & CO., C. J.
360 St. James St. W., Montreal, Que.
HUGHES & COMPANY
244 St. James St. W., Montreal, Que.
IBBOTSON, M. G.
453 St. Francois Xavier St. Montreal, Que.
JACKSON & CO.
132 St. James St. W., Montreal, Que.
JOHNSTON & CO., GRANT
485 McGill St., Montreal, Que.
JONES HEWARD & CO.
249 St. James St. W., Montreal, Que.
KAUFMANN & CO., J. C.
Room 512, 620 Cathcart St. Montreal, Que.
KIDDER & CO., A. M.
276 St. James St. W., Montreal, Que.
KINGSTONE & MACKENZIE
204 Notre Dame St. W., Montreal, Que.
LAIDLAW & CO.
360 St. James St. W., Montreal, Que.
LATIMER & CO., W. D.
607 St. James St. W., Montreal, Que.
LEGGAT & CO.
414 St. James St. W., Montreal, Que.
LESLIE & CO., G. E.
360 St. James St. W., Montreal, Que.
LEVESQUE & CO., J. L.
210 Notre Dame St. W., Montreal, Que.
LOCKE, GRAY & CO.
400 St. James St. W., Montreal, Que.
MacDOUGALL & MacDOUGALL
507 Place d'Armes, Montreal, Que.
MACKAY & CO., HUGH
235 St. James St. W., Montreal, Que.
MACKENZIE & KINGMAN
460 St. John St., Montreal, Que.
MACLEOD, RIDDELL & CO.
360 St. James St. W., Montreal, Que.
MacMARTIN, A. E.
453 St. Francois Xavier St. Montreal, Que.
MAJOR & COMPANY
360 St. James St. W., Montreal, Que.
MARLER & CO., J. L.
501 St. Peter St., Montreal, Que.
McCUAIG BROS. & CO.
276 St. James St. W., Montreal, Que.
McDOUGALL & COWANS
520 St. Francois Xavier St. Montreal, Que.
McFETRICK, SCARLETT & CO.
132 St. James St. W., Montreal, Que.
McLEOD, YOUNG, WEIR & RATCLIFFE
50 King St. W., Toronto, Ont.
MOAT & CO., R.
1010 St. Catherine St. W., Montreal, Que.
MOLSON & CO.
485 McGill St., Montreal, Que.
MOLSON, WM. M.
453 St. Francois Xavier St. Montreal, Que.
O'BRIEN & WILLIAMS
132 St. James St. W., Montreal, Que.
OSLER, HAMMOND & NANTON
Nanton Building, Winnipeg, Man.
OSWALD & DRINKWATER
233 Notre Dame St. W., Montreal Que.
PATERSON & CO., ALEX.
260 Notre Dame St. W., Montreal, Que.
PICARD & FLEMING
100 Adelaide St. W., Toronto, Ont.
RAINVILLE & CO.
210 St. James St. W., Montreal, Que.
RICHARDSON & CO., T. A.
11 King St. W., Toronto, Ont.
RICHARDSON & SONS, JAMES
367 Main St., Winnipeg, Man.
ROBERTSON & MORGAN
507 Place d'Armes, Montreal, Que.
ROTHSCHILD & CO., L. F.
120 Broadway, N. Y.
SAVARD & HART
275 Notre Dame St. W., Montreal, Que.
SHEARSON, HAMMILL & CO.
132 St. James St. W., Montreal, Que.
SMITH, THOMPSON & CO.
507 Place d'Armes, Montreal, Que.
SOUCIE, GEO. O.
c/o Rene T. Leclerc Inc. 240 St. James St. W., Montreal, Que.
TELLIER & CO.
42 Broadway, N. Y.
THOMSON & CO.
355 St. James St. W., Montreal, Que.
THOMSON & McKINNON
38 King St. W., Toronto, Ont.
TIMMINS & CO., J. R.
360 St. James St. W., Montreal, Que.
WHITE & HALDENBY
275 St. James St. W., Montreal, Que.
WOOD, GUNDY & COMPANY
36 King St. W., Toronto, Ont.

Walwyn, Fisher Co. Toronto Exch. Firm

TORONTO, Ont., Canada—Announcement has been made of the formation of Walwyn, Fisher & Co., a partnership, to conduct a general brokerage business as members of the Toronto Stock Exchange. Partners are J. P. Walwyn, S. B. Heath, O. R. Edmonds, A. P. Fisher and H. J. Knight. Offices are located at 15 King Street West.

The firm has also acquired the brokerage business formerly carried on under the name of T. O. Grills & Co. Mr. Grills will be associated with Walwyn, Fisher & Co.

With B. D. Morton Co.

(Special to THE FINANCIAL CHRONICLE)

ALTON, Ill.—George M. Fischer has become associated with B. C. Morton & Co. of Boston. He was previously with Slayton & Company, Inc.

CANADIAN STOCK EXCHANGE

NAME OF STOCK	SHARE CAPITAL Auth-orized	Out-standing	Par Value	Full Year 1952 High	Low	Range first Quarter 1953 High		Low	
Acme Glove Works Ltd	82,396	48,000	No	8½	6¼	6	Jan	6	Jan
Anglo-Canadian Pulp & Paper Mills Ltd	1,500,000	1,050,000	No	31	22¼	25	Jan	23	Mar
Anglo-Nfld Dev Co Ltd	6,000,000	5,498,415	5	13⅝	9	9¾	Jan	8½	Feb
Anglo-Norwegian Holdings Ltd	500,000	420,000	No	--	--	--	---	--	---
Auto Fabric Products Co Ltd cum part A	50,000	25,000	No	5¾	5⅜	5†	Mar	5†	Mar
Class B	200,000	100,000	No	4.25	2.00	2.05	Jan	2.05	Jan
Beatty Bros Ltd*	600,000	417,000	No	--	--	--	---	--	---
Belding-Corticelli Ltd	250,000	76,175	No	15½	12	14	Jan	13	Feb
7% cumulative preferred	86,530	85,305	10	15½	12½	14	Feb	13	Feb
Belgium Stores Ltd	50,000	50,000	No	9	5½	9†	Jan	9†	Jan
5% cumulative preferred	25,000	14,785	20	14¼	14¼	13†	Mar	13†	Mar
Bickle-Seagrave Ltd	400,000	300,000	No	2.00	1.65	--	---	--	---
Brantford Cordage Co Ltd class A*	60,000	60,000	No	--	--	--	---	--	---
Class B*	80,000	80,000	No	--	--	--	---	--	---
Bright & Co Ltd T G	500,000	100,000	No	9†	9†	--	---	--	---
5% cumulative red preferred	100,000	100,000	23	--	--	--	---	--	---
B C Packers Ltd cum class A	781,988	282,258	No	18	13½	15½†	Mar	14½†	Mar
Class B	781,988	282,888	No	18½	10¼	9	Jan	8⅜	Jan
Brown Co*	2,997,009	1,992,817	1	15⅝	8½	12	Mar	8⅞	Feb
$5 cum conv 1st preferred*	143,456	143,451	No	113	95	97½	Jan	94½	Feb
$3 cum 2nd preferred*	143,456	107,207	No	51	47	49½	Mar	48	Jan
Burlington Steel Co Ltd*	200,000	140,000	No	--	--	--	---	--	---
Burnett Ltd	150,000	80,785	No	5	4.00	3.75	Mar	3.75	Mar
Burns & Co Ltd part class A*	33,790	33,790	No	--	--	--	---	--	---
Class B*	140,000	109,559	No	--	--	--	---	--	---
Butterfly Hosiery Co Ltd	350,000	107,780	1	9¾	5¼	6⅞	Jan	5¾	Feb
Canada Bread Co Ltd*	200,000	200,000	No	4.00	4.00	--	---	--	---
Canada & Dom Sugar Co Ltd*	3,000,000	1,500,000	No	20½	16¾	17½	Mar	16	Jan
Canada Flooring Co Ltd class B	150,000	40,850	1	16	14	10	Mar	10	Mar
Canada Malting Co Ltd*	200,000	198,972	No	52¼	45	53½	Jan	50	Feb
Canada Packers Ltd cum part pfd class A*	400,000	400,000	No	34	34	34¾	Jan	34¾	Jan
Class B*	800,000	800,000	No	30	25¾	30	Mar	29½	Jan
Canada Starch Co Ltd*	62,500	59,325	5	39	34½	45	Feb	45	Feb
Canada Vinegars Ltd	100,000	92,000	No	14¾	12½	14½†	Jan	14†	Jan
Canadian Dredge & Dock Co Ltd	150,000	94,775	No	56	43½	54½	Feb	46	Jan
Canadian Food Products Ltd	500,000	200,000	No	--	--	--	---	--	---
Cumulative class A preferred	100,000	100,000	No	6½	6¼	--	---	--	---
4½% cumulative preferred	50,000	25,000	100	52	52	--	---	--	---
Canadian General Electric Co Ltd*	188,845	188,845	50	412	400	435	Feb	435	Feb
Canadian General Investments Ltd	1,000,000	600,598	No	26	22½	25½	Jan	24¼	Jan
Canadian Industries Ltd*	13,500,000	7,050,114	No	43	31⅜	42	Feb	37⅜	Jan
7% cumulative preferred*	75,000	46,500	100	160	145	159	Mar	146½	Jan
Canadian Ingersoll-Rand Co Ltd*	400,000	193,158	No	96	84	90	Mar	86	Jan
Canadian Internat Invest Trust Ltd	300,000	120,012	No	12	10¼	10¼	Jan	10¼	Jan
5% cumulative preferred*	40,000	10,000	100	83	82	86	Mar	82†	Jan
Canad Javelin Foundries & Machine Wks Ltd	1,000,000	690,255	No	--	--	3.25	Mar	2.25	Mar
Canadian Marconi Co*	7,500,000	4,554,682	1	6¼	3.40	5⅛	Jan	4.55	Mar
Canadian Power & Paper Securities Ltd	1,000,000	181,952	No	5	3.00	3.50	Jan	3.00†	Mar
Canadian Silk Products Corp class A*	100,000	100,000	No	26½	21	15†	Jan	12†	Feb
Canadian Western Lumber Co Ltd*	3,200,000	3,193,550	No	10⅞	7½	10½	Feb	8⅝	Jan
Canadian Westinghouse Co Ltd*	900,000	573,563	No	80½	64	70¼	Feb	65	Jan
Cassidy's Ltd 7% cumulative preferred	52,224	12,465	100	110	94	105	Feb	100	Feb
Catelli Food Products Ltd class A	91,804	91,804	No	19⅝	14	18	Jan	18	Jan
Class B	91,804	91,804	No	23	19	23½†	Jan	23¼†	Feb
Celtic Knitting Co Ltd	30,000	27,000	No	16†	16†	--	---	--	---
Chatco Steel Products Ltd	60,000	60,000	No	8	7	--	---	--	---
5% cumulative preferred	40,000	38,000	10	--	--	--	---	--	---
Chateau-Gai Wines Ltd*	200,000	114,000	No	11½	9	10½†	Feb	10½†	Feb
Cinzano Ltd class A	2,981,938	1,640,000	No	50c	47c	47c	Jan	40c	Feb
5½% cumulative preferred	750,000	447,046	1	--	--	--	---	--	---
Claude Neon General Advertising class A*	42,453	42,453	0.10	4.05	2.00	4.00	Feb	3.90	Feb
Class B*	364,570	353,770	No	4.25	1.45	4.00	Jan	3.40	Jan
Preferred*	23,605	23,605	49	35	27	32⅛	Mar	32	Feb
Combined Enterprises Ltd	900,000	300,000	No	3.65	2.50	3.75	Mar	3.25	Jan
5% cumulative red preferred	15,000	7,750	100	77†	67†	80	Feb	77	Jan
Commercial Alcohols Ltd	400,000	342,010	No	7	3.50	3.75	Jan	2.50	Mar
8% cumulative preferred	50,000	48,325	5	9	5	5¾	Feb	5	Mar
Consolidated Bakeries of Canada Ltd*	500,000	339,443	No	9⅞	7	8½	Mar	8½	Mar
Cons Diversified Std Securities Ltd class A	160,000	152,340	No	1.30	1.05	1.15†	Feb	1.00†	Jan
Preferred	55,000	21,000	No	30	25⅜	27	Mar	25	Jan
Consolidated Lithograph Mfg Co Ltd	300,000	180,000	No	12	9	11	Feb	10	Feb
Consolidated Paper Corp Ltd*	3,500,000	2,556,152	No	38¼	31⅛	37½	Mar	35	Jan
Consolidated Textile Mills 5% cum pfd	30,000	9,260	20	19½	19¼	19½†	Mar	19½†	Mar
Cosmos Imperial Mills Ltd*	400,000	400,000	No	11½	11½	12	Mar	12	Mar
Crain Ltd R L	100,000	90,000	No	13	11	13	Mar	11½†	Jan
David & Frere Ltd class A	23,000	20,631	No	40¼	37	41	Mar	38½	Jan
Class B	23,000	23,000	No	67	50	67	Mar	50	Jan
Dominion Engineering Works Ltd	1,000,000	625,000	No	32	20	26¾	Jan	23	Mar
Dominion Malting Co Ltd*	125,000	78,800	No	--	--	--	---	--	---
Dominion Oilcloth & Linoleum Co Ltd*	1,000,000	760,000	No	39½	32	35¼	Feb	30	Mar
Dominion Square Corp	46,900	46,900	No	66¼	61½	68	Mar	66	Feb
Dominion Structural Steel Ltd	100,000	100,000	No	28	15	22	Jan	22	Jan
Dominion Woollens & Worsteds Ltd*	155,000	147,283	No	7	4.50	5	Jan	3.95	Mar
Donnaconda Paper Co Ltd*	380,272	379,532	No	28	18	22†	Mar	19¾†	Jan
East Kootenay Power 7% cum preferred	50,000	10,000	100	88	79	77	Jan	75	Feb
Eastern Bakeries Ltd 4% cum preferred	5,000	5,000	100	80½†	80½†	--	---	--	---
Eastern Steel Products Ltd	400,000	288,144	No	8⅜	6	8	Jan	7	Mar
Fanny Farmer Candy Shops Inc*	400,000	340,500	1	25½	23½	25	Feb	24½	Feb
Federal Grain Ltd class A*	160,000	160,000	No	17½	13½	16½†	Jan	15½	Mar
$1.40 cumulative preferred*	150,000	146,606	20	25	22¾	26	Feb	24	Jan
Fleet Manufacturing Ltd	1,000,000	837,000	No	1.85	75c	2.25	Feb	1.10	Jan
Ford Motor Co of Canada Ltd class A*	1,900,000	1,588,960	No	65	50	68	Mar	61⅛	Feb
Foreign Power Sec Corp Ltd	250,000	125,000	No	80c	40c	1.00	Feb	40c	Feb
6% cumulative preferred*	50,000	50,000	100	30	18	33	Feb	23	Jan
Freiman Ltd A J	130,000	85,000	No	12†	12†	--	---	--	---
4½% cumulative preferred	9,000	7,730	100	83½†	83†	83†	Mar	83†	Mar
General Products Mfg Corp Ltd class A*	125,000	75,000	No	--	--	--	---	--	---
Goodyear Tire & Rubber Co of Canada Ltd*	290,660	257,260	No	95¼	86	90	Jan	90	Jan
Great Lakes Paper Co Ltd*	1,500,000	1,200,000	No	21¾	15⅜	17⅝	Jan	15½	Jan
Cumulative class A preferred*	100,000	69,163	No	50	46	46½	Feb	46¼	Feb
Harding Carpets Ltd*	300,000	231,204	No	--	--	--	---	--	---
Hayes Steel Products Ltd*	150,000	140,000	No	35	32½	35	Mar	33⅞	Jan
Hendershot Paper Products Ltd	60,000	30,000	No	--	--	--	---	--	---
5% cumulative preferred	3,500	2,500	100	--	--	--	---	--	---
Hinde & Dauch Paper Co of Canada*	300,000	300,000	No	29	29	28½	Mar	28½	Mar
Horner Ltd Frank W class A	92,000	56,440	No	10	10	11†	Mar	10¼†	Feb
Hotel de LaSalle Inc	10,000	10,000	No	14†	14†	15†	Jan	15†	Jan
Hubbard Felt Co Ltd	50,000	30,000	No	--	--	--	---	--	---
Class A	12,500	12,500	No	8	8	8†	Feb	8†	Feb
Hydro-Electric Securities Corp	2,000,000	1,476,393	No	4.60	4.00	5	Jan	4.40	Mar
Inter-City Baking Co Ltd	200,000	105,725	No	15	13	15†	Jan	14	Mar
International Metal Industries Ltd class A	300,000	188,312	No	39½	32¼	29	Feb	29	Feb
International Paints (Canada) Ltd class A	20,860	20,860	No	12½	8½	9½	Jan	8½	Mar
6% cumulative preferred*	50,000	50,000	20	25	24	24	Jan	24	Jan
Interprovincial Utilities Ltd	140,000	140,000	No	3.85	3.00	4.95	Jan	3.80	Jan
Inter-State Royalty class A	100,000	100,000	No	--	--	--	---	--	---
Class B	150,000	90,877	No	--	--	--	---	--	---
Investment Foundation Ltd	200,000	70,000	No	30	27½	28	Jan	27¼	Mar
6% cumulative convertible preferred	40,000	20,403	50	52	49¼	51	Mar	50	Jan
Italo-Argentine Electric Co	2,000,000	1,000,000	100	--	--	--	---	--	---

*Admitted to Unlisted trading privileges. †Odd lots.

CANADIAN STOCK EXCHANGE

NAME OF STOCK	SHARE CAPITAL Auth-orized	SHARE CAPITAL Out-standing	Par Value	Full Year 1952 High	Full Year 1952 Low	Range first Quarter 1953 High		Range first Quarter 1953 Low	
Journal Publishing Co of Ottawa Ltd*	130,000	100,000	No	11½	10	11	Mar	10½	Jan
Kelvinator of Canada Ltd*	400,000	400,000	No	15	14	17¼	Feb	16	Jan
Lambert Inc Alfred part class A	150,000	41,500	1	13	9¾	11	Jan	11	Jan
Class B	150,000	41,500	1	12	9	11†	Feb	11†	Feb
Latonia Investment Trust Co	500,000	350,000	10	—	—	—	—	—	—
Loblaw Groceterias Co Ltd class A*	600,000	445,056	No	38	30	37½	Jan	37	Feb
Class B*	600,000	383,300	No	38¼	30½	39⅛	Mar	39	Mar
London Cdn Investment Corp	359,403	359,403	1	3.50	3.00	3.40	Feb	3.25	Jan
Lowney Ltd W M	250,000	207,190	No	14½	12	14½	Mar	13½	Jan
Maclaren Power & Paper Co*	750,000	500,000	No	55	45⅛	50	Mar	47½	Jan
Maple Leaf Milling Co Ltd*	600,000	527,514	No	10	7¾	8⅞	Jan	8	Mar
Maritime Tel & Tel Co Ltd	1,500,000	1,149,059	10	—	—	16	Mar	15½	Mar
Preferred	1,500,000	150,000	10	—	—	14½†	Mar	14¼†	Mar
Maxwell Limited	200,000	154,000	No	6	6	6½†	Feb	6½†	Feb
McColl-Frontenac Oil Co Ltd 4% cum pfd	100,000	60,000	100	93	80	89†	Mar	86	Feb
Melchers Distilleries Ltd	62,500	62,500	No	4.75	4.50	4.55	Mar	4.50	Jan
6% cumulative part preferred	125,000	125,000	10	11	10	11	Jan	10½†	Mar
Mercury Mills Ltd	500,000	283,830	No	—	—	—	—	—	—
Mersey Paper Co Ltd	198,254	198,254	No	92	85	92	Jan	89	Mar
Mexican Light & Power Co Ltd*	1,776,836	1,776,836	No	4.50	2.85	4.10	Mar	3.00	Jan
Preferred*	853,244	853,244	13.50	8	6¼	6½	Jan	5⅞	Feb
Mica Co of Canada Ltd	350,000	225,000	10	2.00	1.20	1.50	Jan	1.20	Feb
Minnesota & Ontario Paper Co*	1,500,000	1,344,543	5	28¼	22½	27½	Mar	24½	Feb
Montreal Island Power Co	100,000	75,000	No	10c†	10c†	—	—	—	—
Montreal Refrig & Storage Ltd	40,000	37,000	No	30	24⅞	30†	Jan	30†	Jan
Moore Corp Ltd*	2,536,104	2,097,712	No	27½	22¼	26⅞	Mar	24⅞	Feb
4% cumulative red preferred*	200,000	129,340	25	24¾	24	23¼	Feb	23¼	Feb
Mountroy Ltd	150,000	150,000	No	11¼	8¼	8¾	Jan	8½†	Mar
Mount Royal Rice Mills Ltd	75,000	60,000	No	12	10	11	Jan	10½†	Mar
National Grocers Co Ltd*	300,000	295,852	No	—	—	—	—	—	—
$1.50 cumulative preferred*	150,000	142,765	20	27⅞	27⅞	—	—	—	—
National Hosiery Mills Ltd class A*	20,394	20,094	No	—	—	—	—	—	—
Class B*	348,843	348,843	No	7⅛	7	—	—	—	—
Newfoundland Light & Power Co Ltd	120,000	120,000	10	19¼	18	19¾	Mar	18½	Jan
Nuclear Enterprises Ltd	200,000	100,138	No	2.75	2.50	2.50†	Mar	2.50†	Mar
Orange Crush Ltd	500,000	425,582	No	4.25	3.00	3.70	Jan	3.15	Jan
Paton Manufacturing Co Ltd	50,000	50,000	No	15	15	12¾	Jan	12	Jan
7% cumulative preferred	30,000	27,010	20	22	22	—	—	—	—
Paul Service Stores Ltd	50,000	50,000	No	12	7½	10†	Feb	8⅛†	Mar
Power Corp of Canada Ltd 6% cum 1st pfd	50,000	50,000	100	112	108	112	Jan	109	Jan
6% part 2nd preferred	100,000	100,000	50	55½	51½	57½	Mar	55½	Jan
Pressed Metals of America Inc*	1,000,000	325,452	1	—	—	—	—	—	—
Purity Flour Mills Ltd*	183,000	183,000	10	9¾†	7½†	—	—	—	—
Quebec Telephone Corp	144,054	95,916	5	7†	5†	7¼	Jan	8†	Mar
Cumulative conv class A	16,803	15,950	15	16½	16½	22½†	Feb	19†	Jan
R & M Bearings Canada Ltd cum part A	21,000	7,000	No	19½†	19½†	—	—	—	—
Reitman's (Canada) Ltd (new)	225,000	180,000	No	—	—	10½	Mar	9	Mar
5% cumulative red preferred	40,000	9,000	20	20	19	19½†	Feb	19½†	Feb
Renold-Coventry Ltd cum part class A	30,000	17,760	No	19†	18†	—	—	—	—
Russell Industries Ltd*	999,960	764,000	No	24½	20	24	Jan	22½	Feb
Sangamo Co Ltd	200,000	181,212	No	17¼	14	17	Mar	14	Jan
Second Inter-State Royalty Corp Ltd A	200,000	21,988	No	—	—	—	—	—	—
Class B	250,000	71,988	No	—	—	—	—	—	—
Southern Canada Power Co Ltd— 6% cumulative part preferred	100,000	70,889	100	120	110	124	Feb	118	Jan
Standard Clay Products	10,000	7,500	100	10†	7†	9†	Feb	9†	Feb
Standard Paving & Materials Ltd	226,210	207,878	No	17½	13¾	19¼	Mar	18½	Feb
Stowell Screw Co Ltd class A	7,500	7,500	No	23	20	22¾	Jan	22¾	Jan
Class B	17,500	17,500	No	10½†	10†	12†	Jan	12†	Jan
Supertest Petroleum Corp Ltd	1,375,000	590,275	No	16¾	13½	13¾	Jan	13	Jan
Tamblyn Ltd G*	200,000	112,000	No	32½	32½	—	—	—	—
Toronto Iron Works Ltd*	38,600	38,600	No	—	—	—	—	—	—
Class A*	161,400	87,500	No	—	—	16	Mar	16	Mar
Traders' Finance Corp Ltd class A*	480,000	386,824	No	50	28¾	57¼	Jan	51	Jan
Warrants*	—	—	—	18¾	17¾	22⅛	Jan	22⅛	Jan
Class A new	2,000,000	763,824	No	—	—	30½	Mar	28½	Mar
Class B new	240,000	240,000	No	—	—	—	—	—	—
Class B*	120,000	120,000	No	—	—	—	—	—	—
4½% cumulative redeemable preferred*	35,000	35,000	100	—	—	90	Jan	90	Jan
Trans Mountain Oil Pipe Line Co*	5,000,000	1,500,028	No	33¾	16½	46½	Feb	34	Jan
Transvision-Television (Canada) Ltd	2,500,000	1,868,136	No	21c	10c	17c	Jan	11c	Mar
Twin City Rapid Transit Co*	490,000	276,091	No	8†	8†	—	—	—	—
5% cumulative conv preferred*	90,000	69,905	50	—	—	—	—	—	—
Union Gas of Canada Ltd*	1,000,000	706,199	No	26¼	20½	29¼	Mar	26	Feb
United Amusement Corp Ltd class A*	300,000	{ 32,220	No	11	10	10†	Jan	10†	Jan
Class A voting trust*		{ 238,612	No	11	10	10	Jan	10	Jan
Class B*	100,000	52,484	No	8	8	7⅝†	Jan	7½†	Jan
United Corporations Ltd cum class A	200,000	52,237	No	28½	27	29	Jan	29	Jan
Class B	500,000	239,790	No	47½	38½	52	Mar	48½†	Feb
United Distillers of Canada Ltd	1,000,000	770,006	No	26	25	—	—	—	—
United Fuel Investments Ltd cum A pfd*	90,000	90,000	50	—	—	—	—	—	—
Class B preferred*	69,689	69,689	25	—	—	—	—	—	—
Watson Jack & Co Ltd	75,000	50,000	No	12¾	11½	12½	Jan	11½	Mar
Westeel Products Ltd	600,000	472,604	No	23¼	20¼	23¼	Feb	22¼	Jan
Western Canada Breweries Ltd	1,000,000	638,345	5	17	15	15¾	Mar	12⅞†	Jan
Western Grain Co Ltd*	200,000	200,000	No	1.00	90c	—	—	—	—
Wilson Ltd J C	205,700	165,750	No	10	8¼	9†	Feb	9†	Feb
Windsor Hotel Ltd*	100,000	98,387	No	35	21	33	Mar	30	Jan
Woods Manufacturing Co Ltd	110,507	64,553	No	41	29⅞	30	Feb	30	Feb
MINING STOCKS									
Acadia Uranium Mines Ltd	3,000,000	2,733,750	1.00	20c	20c	45c	Feb	20c	Mar
Akaitcho Yellowknife Mines Ltd	4,000,000	3,266,112	1.00	1.50	1.10	1.15	Feb	1.10	Feb
Alta Mines Ltd	3,000,000	1,600,003	1.00	9¾c	2c	9c	Mar	7c	Mar
American Yellowknife Mines Ltd	5,000,000	4,645,505	1.00	70c	23c	35c	Jan	22c	Mar
Anacon Lead Mines Ltd	3,500,000	3,500,000	No	3.75	2.08	3.15	Jan	2.50	Mar
Rights	—	—	—	—	—	25c	Feb	2c	Feb
Anglo-Rouyn Mines Ltd	4,000,000	3,582,585	1.00	55c	45c	—	—	—	—
Ankeno Mines Ltd	3,500,000	3,484,152	1.00	56½c	21c	29½c	Jan	19c	Mar
Area Mines Ltd*	2,000,000	2,000,000	1.00	38c	30c	50c	Jan	40½c	Jan
Arno Mines Ltd*	2,500,000	2,475,000	No	3c	2c	5½c	Mar	2c	Jan
Arnora Sulphur Mining Corp	3,500,000	3.141.009	1.00	29c	10c	19¾c	Feb	12c	Jan
Ascot Metals Corp Ltd	3,500,000	3,500,060	1.00	3.05	50c	1.00	Mar	61c	Feb
Athona Mines (1937) Ltd*	5,000,000	5,000,000	1.00	13½c	9c	25c	Feb	24c	Feb
Atlin-Ruffner Mines (B C) Ltd	3,000,000	2,457,963	1.00	18c	8c	14c	Feb	14c	Feb
Aubelle Mines Ltd*	4,500,000	4,282,000	1.00	10c	10c	—	—	—	—
Aumaque Gold Mines Ltd*	5,000,000	4.157.500	1.00	20c	20c	21¾c	Jan	16c	Mar
Aunor Gold Mines Ltd*	2,000,000	2,000,000	1.00	2.95	2.95	—	—	—	—
Avillabona Mines Ltd	5,000,000	1,966,669	1.00	—	—	39c	Feb	22c	Mar

*Admitted to Unlisted trading privileges. †Odd lots.

CANADIAN STOCK EXCHANGE

NAME OF STOCK	SHARE CAPITAL Auth-orized	Out-standing	Par Value	Full Year 1952 High	Low	Range first Quarter 1953 High		Low	
Band-Ore Mines Ltd	5,000,000	3,015,955	1.00	5c	3¼c	5c	Feb	4c	Feb
Bankfield Consolidated Mines Ltd	3,000,000	2,564,904	1.00	—	—	—	—	—	—
Barnat Mines Ltd	4,000,000	3,850,000	1.00	1.25	1.16	1.35	Mar	1.19	Jan
Barvallee Mines Ltd	4,000,000	2,580,007	1.00	41c	10c	22c	Jan	11c	Jan
Barvue Mines Ltd*	3,500,000	3,180,000	1.00	6.60	3.20	4.10	Jan	3.00	Mar
Warrants	——	——	—	2.30	1.95	—	—	—	—
Base Metals Mining Corp Ltd	4,000,000	4,000,000	No	64c	24c	40c	Feb	34c	Feb
Beatrice Red Lake Gold Mines Ltd	3,000,000	2,070,005	1.00	7c	3½c	7c	Feb	4c	Jan
Beaver Lodge Uranium Mines Ltd	3,000,000	1,918,754	No	—	—	2.15	Feb	1.40	Mar
Belle-Chibougamau Mines Ltd	3,000,000	2,266,750	1.00	22¼c	9c	15c	Feb	9c	Jan
Bellekeno Mines Ltd*	3,500,000	3,000,000	1.00	70½c	16c	63c	Jan	40c	Feb
Belville Gold Mines Ltd	3,500,000	1,900,000	1.00	67c	62c	84c	Feb	41c	Mar
Bevcourt Gold Mines Ltd*	5,000,000	3,335,000	1.00	1.55	82c	—	—	—	—
Bibis Yukon Mines Ltd	3,500,000	2,625,005	1.00	1.08	22c	19c†	Mar	19c†	Mar
Bobjo Mines Ltd*	7,500,000	4,786,802	1.00	21c	20c	39c	Jan	39c	Jan
Bobs Lake Gold Mines Ltd	3,000,000	2,230,000	1.00	11½c	3c	7c	Jan	3c	Jan
Bonville Gold Mines Ltd	6,000,000	4,180,455	1.00	6c	3⅛c	42c	Mar	4½c	Jan
Bordulac Mines Ltd*	3,000,000	2,995,220	1.00	44c	14c	—	—	—	—
Boreal Real Metals Ltd vot tr*	1,200,000	700,000	No	—	—	2.75	Mar	2.50	Mar
Bouscadillac Gold Mines Ltd	3,000,000	2,800,005	1.00	9c	2⅝c	22c	Feb	3½c	Jan
Bouzan Gold Mines Ltd	4,000,000	3,100,006	1.00	8c	3c	8c	Feb	3c	Jan
Brunhurst Mines Ltd*	5,000,000	2,723,856	1.00	—	—	44c	Mar	32c	Feb
Brunswick Mining & Smelting Corp Ltd	5,000,000	1,931,000	1.00	—	—	21¼	Mar	14½	Mar
Buffadison Gold Mines Ltd*	4,000,000	3,750,000	1.00	12½c	12½c	—	—	—	—
Buffalo Canadian Gold Mines Ltd*	4,000,000	3,999,382	No	23c	18c	—	—	—	—
Campbell Chibougamau Mines Ltd*	3,000,000	2,999,000	1.00	3.35	1.96	4.50	Mar	2.30	Jan
Canadian Collieries (Dunsmuir) Ltd	2,500,000	840,000	3.00	3.95	3.70	—	—	—	—
Canadian Malartic Gold Mines Ltd*	4,000,000	3,651,355	No	—	—	—	—	—	—
Carnegie Mines Ltd	3,000,000	2,410,000	No	4.70	80c	1.50	Feb	82c	Mar
Cartier-Malartic Gold Mines Ltd	3,000,000	3,000,000	1.00	4⅛c	2⅛c	4⅞c	Jan	3c	Jan
Cassiar Asbestos Corp Ltd*	2,500,000	2,500,000	No	7.05	3.25	9.40	Mar	6.80	Feb
Castle-Trethewey Mines Ltd	3,000,000	2,709,002	1.00	—	—	—	—	—	—
Celta Development & Mining Co Ltd	3,000,000	2,051,200	No	28c	5c	19½c	Feb	6½c	Jan
Central Manitoba Mines Ltd	5,000,000	4,586,372	1.00	20c	7c	18c	Feb	13c	Mar
Central Patricia Gold Mines Ltd*	2,500,000	2,500,000	1.00	—	—	—	—	—	—
Centremaque Gold Mines Ltd	5,000,000	3,889,927	1.00	19c	9c	19¾c	Feb	12c	Jan
Century Mining Corp Ltd	4,500,000	4,152,880	1.00	8c	4c	6½c	Mar	4c	Jan
Cheskirk Mines Ltd	5,000,000	3,370,005	1.00	7c	5c	14c	Feb	6c	Jan
Chesterville Mines Ltd*	3,000,000	2,000,000	1.00	26¼c	26¼c	—	—	—	—
Chibougamau Explorers Limited	4,000,000	3,700,000	1.00	1.70	70c	1.35	Jan	1.00	Jan
Chimo Gold Mines Ltd	3,500,000	3,151,086	1.00	—	—	4.20	Mar	1.85	Feb
Citra-Lartic Mines Ltd*	4,000,000	2,788,335	1.00	12½c	7⅝c	14c	Jan	10c	Mar
Cobalt Cons Mining Corp Ltd	3,500,000	2,479,026	100	—	—	—	—	—	—
Cobalt Lode Silver Mines Ltd	3,000,000	3,000,000	1.00	80c	60c	—	—	—	—
Exch 8 for 1 for Cobalt Cons on March 12									
Cochenour Willians Gold Mines Ltd*	3,000,000	2,961,655	1.00	1.58	1.58	—	—	—	—
Coin Lake Gold Mines Ltd*	3,000,000	2,923,255	1.00	—	—	—	—	—	—
Colomac Yellowknife Mines Ltd	3,500,000	2,750,005	1.00	4½c	4½c	—	—	—	—
Coniagas Mines Ltd	800,000	657,972	5.00	—	—	—	—	—	—
Coniaurum Mines Ltd	3,000,000	2,766,743	No	—	—	—	—	—	—
Consolidated Astoria Mines Ltd*	4,000,000	2,900,000	1.00	26c	19c	19c	Feb	13c	Jan
Consolidated Candego Mines Ltd	4,000,000	3,114,700	1.00	58c	23c	38c	Jan	23c	Mar
Consolidated Central Cadillac Mines Ltd	4,500,000	4,260,000	1.00	14c	5c	10c	Feb	6c	Jan
Cons Quebec Gold Mining & Metals Corp	1,200,000	1,080,000	2.50	1.35	1.25	—	—	—	—
Consolidated Rochette Mines Ltd	3,000,000	3,000,000	1.00	24½c	15c	25c	Feb	16½c	Mar
Conwest Exploration Co Ltd	3,000,000	2,500,000	No	4.65	3.50	—	—	—	—
Copper-Man Mines Ltd	4,000,000	1,254,168	1.00	—	—	53c	Jan	40c	Jan
Cortez Explorations Ltd	4,000,000	3,822,925	1.00	8c	3c	6c	Mar	4c	Jan
Cournor Mining Co Ltd*	4,000,000	3,900,000	1.00	12c	7c	15½c	Mar	7c	Jan
D'Eldona Gold Mines Ltd*	4,000,000	1,766,666	1.00	43c	40½c	43c†	Jan	42c†	Mar
Detta Minerals Ltd*	4,000,000	3,718,000	1.00	34c	14c	21c	Feb	21c	Feb
Dome Mines Ltd	2,000,000	1,946,668	No	23	16¾	22⅝	Mar	19½	Jan
Dominion Asbestos Mines Ltd	3,500,000	1,975,007	1.00	5.65	2.00	4.20	Jan	3.00	Feb
Donalda Mines Ltd*	5,500,000	4,500,000	1.00	65c	35½c	81c	Feb	50c	Jan
Duvex Oils & Minerals Ltd*	4,000,000	3,125,000	1.00	95c	64c	—	—	—	—
East Malartic Mines Ltd	4,000,000	4,000,000	1.00	3.90	1.48	2.90	Jan	2.41	Mar
East Rim Nickel Mines Ltd*	4,500,000	3,700,007	1.00	1.53	1.08	1.63	Jan	1.25	Mar
East Sullivan Mines Ltd	4,500,000	4,250,000	1.00	9.20	5.75	6.70	Jan	5.60	Mar
Eastern Metals Corp Ltd*	5,000,000	2,800,007	1.00	—	—	2.40	Mar	1.05	Feb
El Pen-Rey Oil & Mines Ltd*	4,000,000	3,093,335	1.00	18c	14¼c	—	—	—	—
El Sol Gold Mines Ltd*	4,000,000	2,650,000	1.00	6c	5c	12c	Feb	8½c	Feb
Elder Mines Ltd	3,000,000	2,744,055	1.00	58c	58c	—	—	—	—
Emerald Glacier Mines Ltd	3,000,000	2,900,000	No	1.60	29c	70c	Mar	30c	Feb
Fab Metal Mines Ltd	3,500,000	1,475,005	1	—	—	—	—	—	—
Falconbridge Nickel Mines Ltd	5,000,000	3,681,272	No	22½	12	23⅞	Jan	19	Mar
Federal Kirkland Mining Co Ltd*	4,000,000	3,540,508	1.00	10½c	10½c	—	—	—	—
Fenimore Iron Mines Ltd*	10,000,000	6,021,977	1.00	1.01	62c	1.35	Mar	80c	Feb
Fontana Mines (1945) Ltd	3,500,000	2,465,647	1.00	10½c	4c	7c	Jan	4c	Feb
Francoeur Gold Mines Ltd	3,000,000	2,983,333	1.00	—	—	—	—	—	—
Frobisher Ltd	7,500,000	5,504,478	No	8.45	5.00	9.25	Feb	5.90	Jan
Warrants	——	——	—	2.10	40c	—	—	—	—
Giant Yellowknife Gold Mines Ltd*	4,000,000	4,000,000	1.00	12	7.75	11¼	Jan	9.90	Feb
God's Lake Gold Mines Ltd*	5,000,000	4,000,000	No	65c	58c	1.29	Mar	89c	Feb
Goldale Mines Ltd	3,000,000	2,840,311	1.00	—	—	—	—	—	—
Golden Manitou Mines Ltd*	3,500,000	3,000,007	1.00	7.10	2.75	3.80	Jan	2.80	Mar
Goldfields Uranium Mines Ltd*	5,000,000	3,335,007	No	—	—	2.05	Feb	1.20	Mar
Goldora Mines Ltd	5,000,000	3,150,005	1.00	5c	4½c	—	—	—	—
Graham-Bousquet Gold Mines Ltd	3,000,000	2,990,005	No	—	—	1.05	Feb	58c	Feb
Grandines Mines Ltd*	3,500,000	2,725,005	No	—	—	61c	Jan	33c	Mar
Gunnar Gold Mines Ltd*	3,000,000	3,260,855	1.00	2.40	82c	13½	Feb	3.95	Jan
Hasaga Gold Mines Ltd*	5,000,000	3,000,000	1.00	27c	27c	—	—	—	—
Heath Gold Mines Ltd*	4,000,000	3,462,005	1.00	32½c	13c	18c	Feb	13½c	Jan
Heva Gold Mines Ltd	5,000,000	4,268,233	1.00	14c	6⅛c	9c	Jan	7c	Mar
Hillcrest Collieries Ltd*	500,000	231,810	No	60c	20c	40c	Feb	40c	Feb
Hollinger Consolidated Gold Mines Ltd*	5,000,000	4,920,000	5.00	17½	13½	15¾	Feb	14	Mar
Hudson-Rand Gold Mines Ltd	3,000,000	2,620,417	1.00	33c	12c	18c	Jan	12½c	Mar
Inspiration Mining & Development Co Ltd	3,000,000	2,000,000	1.00	—	—	5.00	Feb	48c	Jan
Iso Uranium Mines Ltd	3,000,000	2,100,005	1.00	—	—	1.85	Feb	80c	Mar
Jack Lake Mines Ltd	3,500,000	2,910,009	1.00	4½c	2c	6c	Feb	3c	Jan
Jaculet Mines Ltd	4,000,000	3,216,667	1.00	28c	8c	24c	Feb	10c	Jan
Joliet-Quebec Mines Ltd*	6,000,000	5,122,351	1.00	55c	30c	37c	Jan	32c	Jan
Kayrand Mining & Development Co	4,500,000	4,036,256	1.00	16c	6½c	12c	Jan	7½c	Jan
Kenmayo Yukon Mines Ltd	5,000,000	2,968,752	1.00	50c	11c	14c	Jan	10c	Jan
Kerr-Addison Gold Mines Ltd*	5,000,000	4,730,301	1.00	20¼	17⅛	20¼	Jan	17	Mar
Keyboycon Mines Ltd*	3,000,000	2,664,505	No	—	—	47c	Jan	17c	Mar
Keymet Mines Ltd	3,000,000	2,250,007	1	—	—	70c	Mar	60c	Mar
Kirkland Lake Gold Mines Co Ltd*	5,500,000	5,326,699	1.00	—	—	—	—	—	—
Klondike-Keno Mines Ltd	4,000,000	2,725,005	1.00	62c	22c	25c	Mar	23c	Mar

*Admitted to Unlisted trading privileges. †Odd lots.

CANADIAN STOCK EXCHANGE

NAME OF STOCK	SHARE CAPITAL Auth-orized	Out-standing	Par Value	Full Year 1952 High	Low	Range first Quarter 1953 High		Low	
Labrador Mining & Exploration Co Ltd	4,000,000	3,300,000	1.00	11¼	8.00	10¾	Feb	9.75	Jan
Ladulama Gold Mines Ltd	4,000,000	4,000,000	No	36c	20c	80c	Feb	26c	Jan
Lafayette Asbestos Co Ltd	4,000,000	3,607,284	1.00	1.93	47c	70c	Jan	42c	Mar
Lake Dufault Mines Ltd*	3,000,000	2,547,600	1.00	2.17	93c	1.61	Mar	95c	Jan
Lake Lingman Gold Mining Co Ltd*	3,000,000	2,800,000	No	--	--	52c	Feb	21c	Jan
Lake Shore Mines Ltd	2,000,000	2,000,000	1.00	13	7.45	8.65	Feb	8.00	Jan
Lake Wasa Mining Corp*	4,000,000	2,996,959	1.00	39c	38c	--	---	--	---
Lamaque Gold Mines Ltd*	3,000,000	3,000,000	No						
Lapa Cadillac Gold Mines Ltd	4,000,000	3,974,375	1.00	--	--	--	---	--	---
Lavalie Mines Ltd	5,000,000	4,700,000	1.00	--	--	--	---	--	---
Leitch Gold Mines Ltd*	3,000,000	2,912,505	1.00	23c	6c	12c	Jan	6c	Jan
Lingside Gold Mines Ltd	3,500,000	3,448,010	1.00	90c	90c	--	---	--	---
Little Long Lac Gold Mines Ltd*	2,000,000	1,841,000	No	6c	3c	12c	Feb	4c	Jan
Louvicourt Goldfield Corp*	5,000,000	5,000,000	1.00	--	--	--	---	--	---
				39c	15c	25c	Jan	17½c	Jan
Macassa Mines Ltd*	3,000,000	2,678,068	1.00	2.05	1.88				
Macdonald Mines Ltd	4,000,000	3,667,953	1.00	1.50	95c	--	---	--	---
Mackeno Mines Ltd*	3,500,000	3,499,005	1.00	1.50	50c	1.10	Jan	95c	Feb
MacLeod Cockshutt Gold Mines Ltd*	3,000,000	2,862,490	1.00	3.60	2.78	85c	Jan	57c	Feb
						--	---	--	---
Madsen Red Lake Gold Mines Ltd*	3,500,000	3,499,528	1.00	1.95	1.60	1.58	Jan	1.56	Jan
Malartic Gold Fields Ltd	4,000,000	4,000,000	1.00	2.30	1.79	--	---	--	---
McIntyre-Porcupine Mines Ltd	800,000	798,000	5.00	81½	63¾	69½	Jan	64	Mar
McKenzie Red Lake Gold Mines Ltd	3,000,000	2,940,000	1.00	--	--	--	---	--	---
Merrill Island Mining Corp Ltd	4,000,000	3,143,340	1.00	73c	35c	66c	Mar	38c	Jan
Minda-Scotia Mines Ltd	3,000,000	2,300,005	No	85c	9c	15c	Feb	12c	Mar
Mining Corp of Canada Ltd	2,500,000	2,134,807	No	17¼	11¾	14⅝	Jan	13¼	Feb
Mogador Mines Ltd	3,000,000	3,000,000	1.00	75½c	33c	41c	Mar	25½c	Mar
Monpas Mines Ltd	3,000,000	2,153,825	1.00	14½c	5c	8c	Jan	5c	Jan
Montauban Mines Ltd	3,000,000	2,950,005	No	1.00	50c	65c	Mar	49c	Feb
Nechi Consolidated Dredging Ltd*	6,000,000	5,000,000	1.00	50c	35c	47c	Jan	40c	Jan
Negus Mines Ltd*	3,000,000	2,500,000	1.00	--	--	20c†	Feb	20c†	Feb
Nesbitt La Brine Uranium Mines Ltd	4,000,000	3,500,005	1	--	--	4.00	Mar	3.40	Mar
New Alger Mines Ltd	3,000,000	2,340,169	1.00	22c	12c	26c	Feb	16c	Jan
New Calumet Mines Ltd	3,500,000	3,499,907	1.00	3.10	1.00	1.30	Feb	90c	Mar
New Dickenson Mines Ltd*	3,750,000	2,400,000	1.00	3.45	3.45	3.00	Feb	3.00	Feb
New Formaque Mines Ltd	4,000,000	3,476,269	1.00	26c	9c	36c	Jan	14c	Jan
New Fortune Mines Ltd*	4,000,000	984,344	1.00	--	--	--	---	--	---
New Goldvue Mines Ltd	4,000,000	3,573,797	1.00	74c	29c	54c	Feb	33c	Mar
New Highridge Mining Co Ltd*	3,500,000	2,462,114	No	--	--	75½c	Jan	37c	Mar
New Hugh Malartic Mines Ltd	4,000,000	2,671,251	1.00	20½c	12⅛c	18c	Feb	13c	Feb
New Jason Mines Ltd*	3,500,000	3,449,668	1.00	--	--	--	---	--	---
New Larder "U" Island Mines Ltd*	5,000,000	2,887,135	1.00	--	--	2.90	Feb	82c	Jan
New Louvre Mines Ltd	3,000,000	1,455,000	1.00	16c	5c	16c	Feb	10c	Jan
New Marlon Gold Mines Ltd	5,000,000	3,953,255	1.00	--	--	20c	Feb	12c	Mar
New Norseman Mines Ltd	4,500,000	3,057,500	1.00	--	--	21c	Jan	21c	Jan
Exch 2 for 1 for Norsewick on March 5									
New Pacific Coal & Oils Ltd	3,500,000	3,200,000	No	95c	30c	66c	Feb	40c	Mar
New Ryan Lake Mines Ltd	3,500,000	2,911,103	1.00	51c	44c	34½c	Jan	28c	Jan
New Santiago Mines Ltd	3,000,000	1,809,505	0.50	23c	9c	18c	Mar	10c	Jan
New Senator-Rouyn Ltd*	4,000,000	2,200,000	1.00	--	--	--	---	--	---
Nipissing Mines Co Ltd (new)	3,000,000	1,200,000	1.00	--	--	--	---	--	---
Nisto Mines Ltd*	3,000,000	3,000,000	1.00	--	--	31c	Feb	31c	Feb
Nocana Mines Ltd	3,000,000	2,300,005	1.00	28c	13c	19c	Jan	13c	Mar
Norlartic Mines Ltd	4,000,000	3,259,624	1.00	--	--	--	---	--	---
Normetal Mining Corp Ltd	4,000,000	3,757,012	No	5.60	3.85	4.20	Jan	3.25	Feb
Norsewick Mines Ltd	5,000,000	2,128,750	No	--	--	--	---	--	---
North Denison Mines Ltd*	4,000,000	2,700,000	1.00	--	--	--	---	--	---
Nubar Mines Ltd	3,500,000	3,466,666	1.00	--	--	77c	Jan	27c	Jan
O'Brien Gold Mines Ltd	4,000,000	3,250,000	1.00	1.38	90c	1.15	Feb	94c	Mar
Ontario Pyrites Co Ltd*	6,000,000	5,206,645	No	3.15	1.20	2.15	Jan	1.80	Feb
Opemiska Copper Mines (Quebec) Ltd	5,000,000	5,000,000	1.00	2.45	1.50	2.00	Feb	1.65	Jan
Orenada Gold Mines Ltd	3,000,000	2,450,000	1.00	7½c	7½c	--	---	--	---
Osisko Lake Mines Ltd*	3,000,000	2,563,635	1.00	1.07	60½c	--	---	--	---
Pamour Porcupine Mines Ltd	5,000,000	5,000,000	No	1.17	1.15	--	---	--	---
Paramaque Mines Ltd	3,000,000	2,326,705	1.00	5c	3½c	15c	Feb	8½c	Mar
Pato Consolidated Gold Dredging Ltd	5,000,000	3,200,000	1.00	3.50	2.90	3.55	Feb	3.05	Jan
Paymaster Consolidated Mines Ltd*	9,000,000	8,629,090	1.00	--	--	--	---	--	---
Pend Oreille Mines & Metals Co*	3,000,000	2,388,136	1.00	6.10	4.90	--	---	--	---
Exch 13 for 1 for Cobalt Cons on March 12									
Penn-Cobalt Silver Mines Ltd	5,000,000	4,300,000	1.00	48½c	22c	16c	Jan	16c	Jan
Perron Gold Mines Ltd	2,000,000	2,000,000	1.00	--	--	--	---	--	---
Pershcourt Goldfields Ltd	3,500,000	2,999,012	1.00	1.04	20c	33c	Jan	20c	Mar
Pickle Crow Gold Mines Ltd	3,500,000	3,136,850	1.00	1.75	1.55	1.45	Feb	1.45	Feb
Pioneer Gold Mines Ltd	2,500,000	1,751,750	1.00	2.10	2.05	--	---	--	---
Pitt Gold Mining Co Ltd	5,000,000	3,281,589	1.00	5c	2½c	5c	Jan	3½c	Feb
Porcupine Peninsular Gold Mines Ltd*	5,000,000	4,647,712	1.00	--	--	24c	Jan	13c	Feb
Exch 2 for 1 for Brunshurst on Feb 16									
Porcupine Prime Mines Ltd	3,000,000	2,030,005	1.00	14c	5c	7c	Jan	5c	Jan
Powell-Rouyn Gold Mines Ltd	1,500,000	1,250,000	1.00	--	--	--	---	--	---
Preston East Dome Mines Ltd	3,000,000	3,000,000	1.00	1.75	1.43	--	---	--	---
Quebec Chibougamau Goldfields	3,500,000	2,625,005	1.00	34c	12c	21c	Feb	14c	Feb
Quebec Copper Corp Ltd	6,000,000	3,480,307	1.00	1.85	55c	1.54	Jan	88c	Jan
Quebec Labrador Development Co Ltd	5,000,000	4,791,671	1.00	34c	17c	21c	Jan	13c	Mar
Quebec Manitoba Mines Ltd*	3,000,000	2,944,455	1.00	3.15	1.15	1.55	Jan	1.10	Feb
Quebec Smelting & Refining Ltd	3,000,000	2,160,000	1.00	18c	6½c	24c	Mar	8c	Jan
Quebec Yellowknife Gold Mines Ltd	3,000,000	2,317,500	1.00	9c	4c	7c	Jan	4c	Feb
Quemont Mining Corp Ltd*	2,500,000	2,102,168	No	25	16¼	22	Jan	18	Mar
Quesabe Mines Ltd*	5,000,000	5,000,000	1.00	5½c	5½c	--	---	--	---
Red Crest Gold Mines Ltd	4,000,000	2,826,500	No	6c	2c	7c	Feb	3c†	Mar
Rix-Athabasca Uranium Mines Ltd	4,000,000	3,250,000	1.00	1.71	1.05	3.40	Feb	1.67	Jan
Rowan Consolidated Mines Ltd	3,500,000	1,955,000	1.00	31c	20c	--	---	--	---
Royran Gold Fields Ltd	4,000,000	2,450,011	1.00	20c	7½c	20c	Mar	8c	Jan
San Antonio Gold Mines Ltd*	2,500,000	2,393,034	1.00	2.60	2.60	2.10†	Jan	2.10†	Jan
Shawkey (1945) Mines Ltd*	5,000,000	3,965,000	1.00	11c	11c	21c	Feb	7c	Jan
Sheep Creek Mines Ltd	2,000,000	1,875,000	0.50	--	--	1.00	Jan	1.00	Jan
Sherritt-Gordon Mines Ltd*	12,000,000	8,133,318	1.00	5.75	4.00	5.80	Jan	4.95	Mar
Sigma Mines (Quebec) Ltd*	1,000,000	1,000,000	1.00	7.10	7.10	7.75	Jan	7.75	Jan
Silver-Miller Mines Ltd*	4,000,000	3,564,000	1.00	2.24	83c	1.20	Jan	85c	Feb
Siscoe Gold Mines Ltd	5,000,000	4,640,063	1.00	74½c	47c	63c	Jan	47c	Mar
Soma-Duvernay Gold Mines Ltd	3,000,000	2,290,011	1.00	10½c	5c	8c	Jan	5c	Feb
Stadacona Mines (1944) Ltd*	5,000,000	4,495,365	No	45c	27c	50c	Mar	32c	Jan
Standard Gold Mines Ltd	3,000,000	3,000,000	1.00	17c	7c	14c	Feb	9c	Mar
Steeloy Mining Corp Ltd	3,000,000	2,703,005	1.00	4¾c	4¾c	16c	Feb	9c	Mar
Steep Rock Iron Mines Ltd*	8,000,000	7,195,777	1.00	8.00	5.90	9.70	Feb	7.35	Jan
Sullivan Consolidated Mines Ltd	4,000,000	4,000,000	1.00	3.45	2.60	2.99	Jan	2.50	Mar
Sunloch Mines Ltd	1,000,000	1,000,000	1.00	--	--	--	---	--	---
Surf Inlet Consolidated Gold Mines Ltd*	5,000,000	3,950,000	0.50	--	--	--	---	--	---
Slyvanite Gold Mines Ltd*	3,300,000	3,299,500	1.00	1.50	1.50	--	---	--	---
Tache Lake Mines Ltd	3,000,000	2,050,005	1.00	65c	20c	39c	Jan	20c	Mar
Teck-Hughes Gold Mines Ltd	5,000,000	4,807,144	1.00	2.50	2.50	2.11	Jan	2.11	Jan
Tiblemont Goldfields Ltd	3,000,000	1,500,005	1.00	14c	7c	9c	Feb	7c	Mar
Torbrit Silver Mines Ltd*	3,000,000	3,000,000	1.00	2.30	1.20	1.65	Jan	1.30	Jan
Trebor Mines Ltd	3,500,000	2,710,005	1.00	19½c	7c	46c	Feb	11½c	Jan

*Admitted to Unlisted trading privileges. †Odd lots.

CANADIAN STOCK EXCHANGE

NAME OF STOCK	SHARE CAPITAL Auth-orized	Out-standing	Par Value	Full Year 1952 High	Low	Range first Quarter 1953 High		Low	
United Asbestos Corp Ltd	5,000,000	3,750,000	1.00	4.75	2.00	4.80	Mar	3.20	Feb
United Keno Oil Mines Ltd*	2,500,000	2,470,000	No	13⅞	9.25	10¼	Jan	10¼	Jan
United Lead & Zinc Mines Ltd	4,000,000	3,070,007	1.00	92c	30c	46c	Jan	35c	Mar
Upper Canada Mines Ltd*	3,500,000	3,274,827	1.00	1.85	1.75	--	---	--	---
Ventures Ltd	2,000,000	1,787,416	No	24⅛	14⅞	24⅜	Jan	21	Mar
Villbona Gold Mines Ltd	4,500,000	3,733,338	1.00	10c	4c	20c	Feb	9c	Jan
Exch 2 for 1 for Avillabona on Feb 16									
Vinray Malartic Mines Ltd	3,000,000	2,836,855	1.00	4¾c	2c	5½c	Feb	2½c	Jan
ViolaMac Mines Ltd	5,000,000	2,759,855	1.00	1.58	1.05	2.86	Mar	1.38	Jan
Waite Amulet Mines Ltd	3,500,000	3,300,000	No	14¾	12	12⅜	Jan	11¼	Mar
Weedon Pyrite & Copper Corp Ltd	3,000,000	2,700,005	1.00	80c	51c	66¾c	Mar	47c	Feb
Wendell Mineral Products Ltd	4,000,000	3,998,001	1.00	50c	28c	43c	Jan	30c	Mar
West Malartic Mines Ltd*	3,000,000	2,922,266	1.00	--	--	6c	Mar	6c	Mar
Western Tungsten Copper Mines Ltd	3,000,000	2,650,000	1.00	4.40	2.40	4.40	Jan	3.50	Jan
Westville Mines Ltd	3,500,000	2,456,005	1.00	4¾c	2c	7c	Feb	3c	Jan
Wiltsey-Coglan Mines Ltd*	5,000,000	3,850,000	1.00	10c	9⅞c	--	---	--	---
Wright Hargreaves Mines Ltd	5,500,000	5,500,000	No	3.05	55c	2.01	Jan	1.45	Feb
Yale Lead & Zinc Mines Ltd*	3,500,000	3,460,005	1.00	--	--	--	---	--	---
Yukeno Mines Ltd	5,000,000	4,695,166	1.00	1.30	45c	56c	Jan	41c	Feb
OIL STOCKS									
Ajax Petroleums Ltd	5,000,000	4,000,000	No	2.00	1.13	1.45	Jan	1.45	Jan
Albermont Petroleums Ltd*	5,000,000	3,338,557	No	3.60	2.15	2.47	Feb	2.14	Jan
Altex Oils Ltd	4,000,000	2,350,005	No	89c	38c	72c	Jan	45c	Mar
Anglo-Canadian Oil Co Ltd	5,000,000	3,101,195	No	9.60	6.10	8.25	Jan	7.00	Mar
Antone Petroleums Ltd	3,000,000	2,430,005	1.00	88c	74c	80c	Jan	60c	Mar
Bailey Selburn Oil & Gas Ltd class A	4,000,000	2,429,669	1.00	8.00	5.00	5.90	Jan	4.70	Feb
Bralsaman Petroleums Ltd	1,000,000	775,000	1.00	2.95	1.90	1.80	Jan	1.40	Feb
Bristol Oils Ltd	4,500,000	2,575,005	1.00	90c	30c	42c	Jan	42c	Jan
Calalta Petroleums Ltd	2,481,000	900,005	0.25	--	--	54c	Jan	40c	Mar
Calgary & Edmonton Corp Ltd	3,250,000	2,415,100	No	19	10⅞	13¾	Mar	12⅛	Feb
Calmont Oils Ltd*	5,000,000	3,846,766	1.00	2.45	1.00	2.05	Jan	1.76	Jan
Calvan Consolidated Oil & Gas Co Ltd	5,000,000	4,299,042	1.00	8.75	5.25	6.60	Jan	5.65	Feb
Canada Oil Lands Ltd	2,000,000	1,363,367	No	3.50	2.30	5.10	Jan	3.10	Jan
Warrants	------	------	---	2.10	1.90	3.00	Mar	2.50	Jan
Canada Southern Oils Ltd	8,000,000	4,225,377	1.00	14¾	8.65	12⅜	Mar	10	Mar
Canadian Admiral Oils Ltd	5,000,000	1,787,602	No	1.75	62c	95c	Jan	72c	Jan
Canadian Anaconda Oils Ltd	5,000,000	1,000,000	No	--	--	--	---	--	---
Canadian Atlantic Oil Co Ltd	3,500,000	2,931,671	2.00	7.75	4.40	6.45	Mar	5.10	Feb
Canadian Decalta Gas & Oils Ltd	4,000,000	1,756,000	No	1.28	68c	75c†	Jan	75c†	Jan
Warrants	------	------	---	--	--	--	---	--	---
Canadian Devonian Petroleums Ltd*	3,500,000	2,630,000	No	1.76	90c	1.56	Jan	1.02	Jan
Canadian Pipe Lines Producers Ltd	3,500,000	2,750,004	1.00	2.35	1.40	2.25	Mar	1.80	Feb
Canadian Williston Minerals Ltd*	6,000,000	3,344,000	No	4.20	2.50	2.90	Mar	2.70	Feb
Central Explorers Ltd	2,000,000	1,250,000	No	12⅝	4.45	5.95	Jan	5.00	Jan
Central Leduc Oils Ltd*	5,000,000	2,758,005	No	5.50	2.80	4.25	Jan	3.55	Feb
Commonwealth Petroleum Ltd	2,000,000	1,999,309	No	5.00	4.00	--	---	--	---
Consolidated Allenbee Oil & Gas Ltd*	5,000,000	3,852,016	1.00	1.82	83c	96c	Jan	86c	Feb
Consolidated Cordasun Oils Ltd*	5,000,000	3,577,500	1.00	1.70	60c	80c	Jan	63c	Feb
Consolidated Peak Oils Ltd*	4,000,000	2,000,000	1.00	--	--	1.27	Jan	1.00	Feb
Dalhouse Oil Co Ltd*	3,000,000	3,000,000	No	52c	32c	--	---	--	---
Del Rio Producers Ltd*	4,000,000	3,657,000	No	5.00	1.83	3.70	Jan	2.90	Feb
Devon-Leduc Oils Ltd*	5,000,000	3,498,805	0.25	3.45	2.23	2.90	Jan	2.80	Jan
East Crest Oil Co Ltd*	5,000,000	4,800,000	No	26c	9c	12c	Jan	11c	Jan
Empire Oil & Minerals Inc	3,000,000	1,200,000	1.00	4.20	85c	1.18	Jan	70c	Feb
Empire Petroleum Ltd	5,000,000	3,700,000	No	55c	25c	40c	Jan	29½c	Feb
Federated Petroleums Ltd	5,000,000	3,659,585	No	13⅜	6.65	7.50	Jan	6.75	Jan
Gas Exploration Co of Alberta Ltd*	3,000,000	1,900,005	No	--	--	1.65	Jan	1.65	Jan
Gaspe Oil Ventures Ltd	5,000,000	3,774,724	1.00	4.35	1.95	2.55	Jan	1.55	Mar
General Petroleums of Canada Ltd	1,000,000	400,000	1.00	7.75	7.75	--	---	--	---
Class A	1,000,000	696,527	1.00	10¾	6.55	--	---	--	---
Home Oil Co Ltd	3,000,000	2,277,500	No	17⅞	11¼	13¼	Jan	9.50	Feb
Jet Oils Ltd	5,000,000	3,588,507	No	95½c	45c	55c	Jan	41c	Feb
Jupiter Oils Ltd	3,000,000	2,407,250	0.15	4.95	2.55	--	---	--	---
Kroy Oils Ltd*	5,000,000	2,905,998	0.20	3.00	1.57	1.92	Jan	1.65	Feb
Long Island Petroleums Ltd	4,000,000	3,800,000	No	60c	22c	27c	Jan	22c	Feb
Marigold Oils Ltd*	3,500,000	3,000,000	No	2.25	90c	90c	Mar	68c	Mar
Mill City Petroleums Ltd*	3,000,000	2,380,835	No	1.10	71c	--	---	--	---
National Petroleum Corp Ltd*	4,000,000	3,848,872	0.25	3.55	1.55	2.99	Jan	1.75	Jan
New British Dominion Oil Ltd	4,000,000	3,800,000	0.40	4.20	1.98	2.65	Mar	2.20	Feb
New Concord Development Corp Ltd*	3,500,000	2,881,373	No	2.07	2.07	2.20	Jan	1.70	Feb
New Continental Oil Co of Canada Ltd	6,000,000	6,000,000	No	3.40	1.11	1.52	Jan	1.23	Feb
New Davies Petroleums Ltd	4,000,000	1,858,605	0.50	47c	40c	--	---	--	---
New Pacalta Oils Co Ltd*	6,000,000	5,000,000	No	20c	9c	11c	Feb	9c	Mar
New Superior Oils of Canada Ltd	4,000,000	1,519,417	1.00	6.75	3.00	--	---	--	---
Norpax Oils & Mines Ltd*	4,000,000	1,816,669	1.00	33c	31½c	--	---	--	---
Okalta Oils Ltd	1,800,000	1,800,000	No	4.95	2.56	3.30	Jan	2.75	Feb
Omnitrans Exploration Ltd	7,500,000	7,500,000	No	7c	3c	8⅞c	Feb	3½c	Jan
Pacific Petroleums Ltd*	5,000,000	4,456,863	1.00	14¾	9.85	13	Mar	11	Feb
Pan Western Oils Ltd	3,500,000	3,499,030	0.10	1.25	35c	52c	Mar	36c	Feb
Phillips Oil Co Ltd	3,000,000	1,050,010	1.00	3.00	1.30	2.25	Feb	1.40	Jan
Poplar Oil Ltd	3,000,000	1,411,850	No	--	--	1.20	Mar	1.00	Mar
Punch Petroleums Ltd	4,000,000	2,600,005	1.00	1.95	79c	--	---	--	---
Quebec Oil Development Ltd	5,000,000	4,621,478	1.00	2.40	1.10	1.68	Jan	1.20	Mar
Sapphire Petroleums Ltd	3,500,000	3,045,710	1.00	4.30	1.67	2.44	Jan	2.23	Mar
Scurry Oils Ltd*	5,000,000	2,670,000	1.00	3.00	2.15	2.80	Jan	2.55	Jan
Selburn Oil Co Ltd warrants	------	------	---	1.90	40c	--	---	--	---
Souris Valley Oil Co Ltd	5,000,000	4,037,938	No	1.35	95c	1.05	Jan	75c	Feb
Stanwell Oil & Gas Ltd	3,000,000	2,033,333	1.00	1.19	60c	1.82	Feb	1.18	Jan
Sweet Grass Oil Ltd*	5,000,000	4,617,366	0.25	1.50	55½c	76c	Jan	60c	Mar
Tor American Oils Ltd	3,500,000	3,062,840	1.00	98c	37c	60c	Jan	39c	Jan
Trans Empire Oils Ltd	5,000,000	2,417,750	No	6.75	3.25	3.85	Mar	3.25	Feb
Trans-Era Oils Ltd*	5,000,000	3,900,005	No	--	--	1.35	Jan	1.20	Mar
Tri-Tor Oils Ltd	3,500,000	2,376,754	1.00	89c	62c	1.45	Mar	89c	Jan
United Oils Limited*	7,000,000	3,499,256	No	2.62	1.35	1.50	Feb	1.42	Jan
Westburne Oil Co Limited	5,000,000	4,875,000	No	1.09	80c	90c	Jan	75c	Mar
Western Ashley Minerals Ltd	4,000,000	3,100,000	1.00	75c	34½c	41c	Jan	37c	Feb
Western Homestead Oils Ltd	5,000,000	3,399,012	0.10	2.88	1.25	1.65	Jan	1.35	Feb
Wilrich Petroleums Ltd*	5,000,000	4,006,067	1.00	2.02	76c	1.10	Jan	82c	Feb

*Admitted to Unlisted trading privileges. †Odd lots.

Continued from page 16

Consumer Credit Can Safely Expand by $18 Billions

be enough for continued expansion of civilian goods and services by one-third over present levels even after $40 billion annually for defense, and ample allowance for other government purchases and private investment. The figure of $40 billion for defense is used as a reflection of current estimates that defense may drop from peak levels but cannot safely go below $40 billion annually for some years to come.

In terms of constant 1952 dollars our per capita productivity increased from $1,530 in 1940 to $2,340 in 1944 (Real Gross National Product divided by population). A similar per capita productivity for our 171 million population in 1958 could mean a Gross National Product of $400 billion in 1953 in terms of 1952 dollars, and could provide the purchasing power for a standard of living approximately one-third higher than at present. (See Table II.)

The level of productivity necessary to provide for $40 billion of defense and an increase of one third in the standard of living by 1958 should be considered a minimum opportunity because it would require only reaching the production level actually reached per capita in 1944 when our tools of production were far less adequate. Only 1% per year increase in our per capita productivity over levels reached in the first quarter of 1953 will mean a production of over $400 billion annually by 1958.

In view of this opportunity for expansion in production and our standard of living the inflationary danger of consumer credit growth would seem limited.

(5) A 10% Increase in Standard of Living Could Offset Defense Slump — Consumer Credit Expansion Could Help Reach This Goal.

It would require only a 10% increase in personal consumption expenditures in 1953-1954 to offset a $20 billion drop in defense production. A change, therefore, in our standard of living of only 10% would be enough to maintain our present level of production and purchasing power even in the event of cuts in defense and other government expenditures.

When all figures in dollars are converted to 1952 prices in order to remove price fluctuation and to indicate relative physical volume it can be shown that we successfully absorbed the shock of dropping defense production from the war peak in 1944 and had a substantial advance in the standard of living. The cut-back in defense expenditures from 1944 to 1947 was the equivalent of $128 billion at present prices—yet many now warn of depression if only $10 to $20 billion is to be cut from our 1953 defense peak.

The American standard of living in 1952 was at a level of $216 billion annually—a 10% increase would absorb an additional $21 billion of production.

The fear of recession in 1953, therefore, seems exaggerated. A relatively small increase in consumer purchases could more than offset any contemplated cut in government expenditures, and the level of purchasing power in the hands of consumers is such that a substantial increase in purchases could occur—offering real opportunities for aggressive marketing and the expanded use of consumer credit.

Now let's develop in greater detail the facts about the important changes that have taken place in consumer purchasing power and discretionary income—and the significance of these changes to the use of consumer credit.

Market Potential Increased by Shift in Income

Between 1941 and 1952 there were some very significant shifts upwards in the distribution of families by income groups. About 23 million consumer spending units moved up to the level above $3,000 with an increase in this group from 5,703,000 or 14.5% in 1941 to 28,620,000 or 54% in 1952 (See Table III.)

Increased taxes, of course, have cut heavily into the income of those who have moved above the $3,000 income level. After taking Federal income taxes into account, however, there still exists a startling shift upwards in income groups.

In 1941 only 1,564,000 consumer spending units had incomes over $5,000 before taxes; but in 1952, 8,400,000 had incomes over $5,000 after Federal income taxes. In 1941 there were 5,703,000 with incomes over $3,000 before taxes; by 1952 about 26,420,000 or about 4½ times as many had incomes over $3,000 after Federal taxes.

When families move up from one income group to the next as rapidly as this there is a substantial increase in discretionary spending power, even after taxes and after applying the present increased costs of living to the basic items that made up the family's former standards of living.

The net of these shifts was an increase of 66% in real purchasing power in 1952 compared with 1940 after taking into account increased taxes and increased prices.

The 66% increase in real purchasing power in 1952 compared with prewar 1940 has affected the opportunity for increased savings and increased standard of living in all income groups—but more particularly in the middle income groups. This opportunity for increased standards of living also increased the need and usefulness of various forms of consumer credit—at the same time the financial ability to have credit increased.

The increase in real disposable income after taxes and price inflation is estimated to have varied in income quintiles of families (spending units) as shown in Table IV.

Middle Income Family up 4½ Times in Discretionary Spending Power

It is a common fallacy in judging purchasing power to overlook the fact that most of the families in any given income group today have moved up into that group from lower groups where social standards and ways of living were quite different. Today the "middle income" family falls in the $3,000 to $5,000 level (54% of consumer spending units have incomes over $3,000). Any family in the $3,000 to $5,000 group who had this same income in 1941 now has, of course, much less spending power than in 1941 because taxes have increased and prices of things needed to maintain its prewar standard of living have nearly doubled. But this situation is not typical of our increasingly productive economy because most families have moved up in income level rather than remaining static.

For example, the "middle income" family in 1941 fell in the $1,000 to $1,500 income group rather than the $3,000 to $5,000 group. Out of an average income of $1,458 (or $1,456 after Federal taxes) the middle income group in 1941 spent $1,017 or 70% for basic living costs of food, clothing, and shelter, and had $439 or 30% for discretionary spending or saving.

If that middle income family were to maintain its prewar standard of living it would require now $1,840 for exactly the same kind and amount of food, clothing, and shelter instead of $1,017 because prices are 81% higher than in 1941. But the "middle income" family now is in the $3,000 to $5,000 income group where the average total income is $3,981. At this new level, for a family of four persons, $261 would be taken as Federal income taxes — leaving $3,720 of disposable income of which $1,840 or 49% would be needed to maintain the 1941 standard of living of the middle income family for food, clothing, or shelter. Thus remaining discretionary spending power of the "middle income" family would be $1,880 or 4½ times as great as the discretionary spending power of a "middle income" family of 1941. Discretionary spending power would represent 51% of disposable income instead of 30% and would be available for increased savings or insurance or increases in the basic standard of living or for other items at the desire and discretion of the family.

In terms of discretionary spending power the millions of families who have moved up to the $3,000 and over income level compare favorably in market potential with families who were in that group in 1941 although that group over $3,000 then represented the narrow slice of "high incomes"—the top 14%.

Discretionary Spending Power Is Five Times 1940

This shift in income distribution of families has resulted in a much more rapid growth in **"discretionary income"** than in the **"disposable income."** While disposable income, after taxes, is often used as a measure of consumer purchasing power it fails to reflect the truly dynamic force of millions of families moving upward in income groups and facing opportunities for substantial revision in their standard of living. The discretionary income is a better reflection of changing opportunity.

Using 1940 as the base year for living standards, the trend in costs of maintaining an equivalent 1940 per capita basic living standard for the necessities of food, clothing, and shelter for our entire population has been traced from 1929 to 1953.

In 1940 when our total disposable personal income after taxes was $75.7 billion our population used $49.2 billion of this for basic living costs — the necessities of food, clothing, and shelter — the remaining $26.5 billion was available for all other items making up the 1940 standard of living or savings. $3.7 billion of this represented personal savings in 1940.

To maintain the same standard of living per capita for food, clothing, and shelter in 1953 at the inflated prices would require $112.0 billion instead of $49.2 billion because of the increased prices of these necessities and because of the increased population to feed, clothe, and shelter. This $112.0 billion would, however, provide for the same consumption in physical units per person and of the same quality as in 1940.

But disposable personal income in 1953 (first quarter) is at the annual rate of $246.0 billion even after the increase in personal taxes, so the consuming public has $134.0 billion or five times as much in the form of discretionary buying power over and above what is needed to provide the necessities for a 1940 standard of living. This five-fold greater discretionary buying power is available at the discretion of the individuals to provide for increased savings, additional items not enjoyed before, or improvement in the basic standard of living in the form of more or better quality items of food, clothing, and shelter.

At no time in history have we experienced any such volume of discretionary income. The amount in 1929, for example, was only $26.9 billion and was even lower in the period between 1929 and 1939.

Discretionary Income Now Over Half of Disposable Income

The upward adjustment in the re-distribution of income results in a disproportionate increase in discretionary income. And after creature needs — food, warmth, shelter, adornment—are satisfied, the discretionary income that remains is both an index of opportunity to raise the standard of living and a highly volatile new factor in the economy.

With the disproportionate growth of discretionary income this now represents 54% of the expanded total of disposable personal income after taxes while in our best prewar year it represented only 35%.

But it takes time for a family to move from a cabbage standard of living to an artichoke standard of living. There is psychological inertia to change, and in overcoming that resistance and hastening an upward adjustment to the higher living standard there is much hope for sustaining markets.

Consumer Debt Low Relative to Purchasing Power and Savings

Total consumer debt including consumer credit actually is low even in relation to the usual measurements of ability to pay. The total of short-term consumer credit plus mortgages on 1-4 family houses and farm mortgages, estimated as of Jan. 1, 1953, was far lower than in 1940 or 1929 in relation to disposable income or accumulated savings. Total consumer debt of this type, for example, could expand further by 22% before reaching the 1940 ratio to disposable income after taxes, or by 40% before reaching the 1940 ratio to accumulated savings. (See Table V.)

Another factor to consider in relation to total consumer debt is the financial strength of those owing this debt. Fifty-six per cent of the total consumer debt is owed by the top 30% of consumer spending units (with incomes over $4,330) who have 56% of the total disposable income after taxes and who own 59% of

TABLE II

Production and Consumption—In 1952 Prices (Billions)

	Prewar 1940	War Peak 1944	Postwar Low 1947	Defense 1952	Expanding Economy Opportunity 1958
Gross national product	$202.1	$323.7	$278.3	$345.1	$400.0
Defense	4.8	142.3	14.4	48.9	40.0
Other Government expense	25.7	15.5	21.2	28.6	30.0
Private investment	31.0	6.4	49.1	51.6	40.0
Personal consumption	140.6	159.5	193.6	216.0	290.0
Durable goods	16.0	9.6	25.5	25.8	34.0
Non-durable goods	80.9	97.1	107.9	118.8	163.0
Services	43.7	52.8	60.2	71.4	93.0
Population (millions)	132.1	138.4	144.1	157.0	171.0
G.N.P. per capita	$1,530	$2,340	$1,930	$2,200	$2,340

TABLE III

Distribution of Consumer Spending Units by Income*

	1941	%	1952	%
Under $1,000	13,311,000	33.9	6,890,000	13.0
$1,000 to $2,000	11,967,000	30.5	7,950,000	15.0
$2,000 to $3,000	8,306,000	21.1	9,540,000	18.0
$3,000 to $5,000	4,139,000	10.5	17,490,000	33.0
Over $5,000	1,564,000	4.0	11,130,000	21.0
Total	39,287,000	100.0%	53,000,000	100.0%
Total over $3,000	5,703,000	14.5%	28,620,000	54.0%

***NOTE—Preliminary figures from the Federal Reserve Board 1953 survey indicate that the shift upward has continued into 1953. The over $5,000 income group, for example, represented 25% of consumer spending units in February, 1953, instead of 21%.**

TABLE IV

Per Cent Increase in Real Income After Taxes 1952 versus 1940
(Adjusted to purchasing power of 1952 dollars)

Income Groups	Total Real Income of Group	Real Income Per Capita
Highest Fifth	46%	32%
Second Fifth	71	44
Third Fifth	88	57
Fourth Fifth	110	76
Lowest Fifth	78	49
Total	66%	39%

TABLE V

	1940	1953
Disposable income	$75.7 billion	$246.0 billion
Individual savings	68.5 billion	250.0 billion
Consumer debt	33.6 billion	88.8 billion
Debt % of income	44%	36%
Debt % of savings	49%	

TABLE VI

Per Cent of Consumer Spending Units	% of Disposable Income After Taxes	% of Total Consumer Debt	% of Liquid Assets
Top 30%—Over $4,330	56%	56%	59%
Middle 40%—$2,090 to $4,330	35	34	25
Lowest 30%—Under $2,090	9	10	16
Total 100%	100%	100%	100%

TABLE VII

	% of Income Before Taxes	% of Short Term Consumer Credit
High Income ($7,500 and over)	18%	11%
Upper Middle Income ($4,000-7,500)	42	44
Lower Middle Income ($2,000-4,000)	32	38
Low Income (Under $2,000)	8	7
Total	100%	100%

TABLE VIII

	1929	1940	1952 (4th Qtr.)
Gross national production (billion)	$103.8	$101.4	$360.1
Net total debt, public & private (billion)	191.1	190.8	536.0
Ratio debt to production	185%	188%	149%
Net corporate long-term debt (billion)	$47.3	$43.7	$70.0
Ratio corporate debt to production	45%	43%	19%

the aggregate liquid assets. (See Table VI.)

Furthermore, of the long-term consumer debt, farm mortgages at $6.8 billion are not much higher than in 1940 ($6.5 billion) and are well below the $9.6 billion of 1929. While home mortgages have expanded to about $58 billion most of this new mortgage debt is on a long-term amortization basis where payments are made like monthly rent instead of the relatively short-term mortgages which prevailed prewar and which often became impossible to refinance at a time of recession.

Even the short-term consumer credit is pretty well concentrated in the middle income families which are now in a relatively strong financial condition and which share praticularly in the greatly increased discretionary income. This is the greatest area of expanding standard of living opportunities. (See Table VII.)

Public and Private Debt Low Compared to National Production

In spite of the great clamor about our debt, both public and private, an analysis of historical relationships of debt to our national level of production indicates that the present level of debt is relatively low. (See Table VIII.)

Furthermore, corporate net profit in relation to long-term debt is higher than prewar and corporations are in a stronger financial position than prewar (see table V).

All of this indicates that further expansion of short-term consumer credit in line with the growth of consumer discretionary income would not imperil the whole debt structure — neither should consumer credit be endangered by credit policies based on any serious over expansion of other forms of debt.

Excess of Discretionary Spending Power Over Consumer Credit

Coming back to the importance of discretionary spending power as a yardstick for consumer credit, there is an impressive indication that the ability to handle consumer credit increases faster even than the growth in discretionary income. This is shown by the growing excess of discretionary spending power over the total of consumer credit outstanding — a six-fold growth since 1940.

When the total of discretionary spending power is charted year by year from 1929 to 1953 and compared with the total consumer credit a spectacular growth is shown in the amount of free purchasing power that is left over even after subtracting the amount that would be required to pay off entirely the outstanding consumer credit.

In 1940, for example, the $26.5 billion of discretionary spending power provided an excess of $18.3 billion over what would be needed to retire the $8.2 billion of consumer credit. But in 1953 the excess is $110.0 billion or six times as large as in 1940.

Consumer Credit Could Expand By 75% Without Danger

Facts have been presented to show why discretionary income should be a more valid measure of the potential use of consumer credit than the relation of credit to disposable income or other factors.

The present level of $24 billion of consumer credit is low in relation to discretionary income — it represents only 18% as compared with a prewar 1940 ratio of 31%.

There is nothing magic even in the 1940 relationship of 31%. There was no particular evidence of strain on credit repayments at that time. Perhaps the ratio could have been higher with almost equal safety. But accepting 31% of discretionary income as a conservative relationship for consumer credit would mean that the total of consumer credit outstanding could be increased 75% without exceeding the 1940 relationship.

This would mean an additional $18 billion and a safe limit total of $42 billion under present levels of production and income.

At this potential level consumer credit would represent:

31% of discretionary income — the same as of 1940 or the five-year average from 1936 to 1940.

17% of disposable income after taxes—the ratio was 11% in 1940.

2.1 times the annual personal savings of $20 billion—in 1940 the ratio was 2.2 times personal savings and in 1939 it was 2.6 times.

Even with the 75% expansion to $42 billion of consumer credit there still would be an excess of $92 billion of discretionary spending power over the consumer credit outstanding, or five times the excess of discretionary spending power in 1940.

A recognition of the present strength of the consumer purchasing power and ability to carry a substantially larger level of consumer credit could play an important part in encouragement of an advancing standard of living. Our productive ability is such that we could and should have a third higher standard of living than at present.

We shall need an immediate advance in our standard of living of upwards of 10% in order to avoid depression and unemployment when defense spending slackens.

Let's examine critically the validity of old prewar yardsticks for consumer credit lest we underestimate and hamper its role in the era of intensive selling and expanding standard of living ahead of us.

Continued from page 16

Air Freight Prospects

face the multiple time-consuming factors involved in trans-shipment from tidewater to inland points.

In 1947, the year in which transatlantic air freight operations were initiated, a total of 12.1 million freight ton miles were flown by all carriers. While figures for 1952 are not available as yet, a reasonable estimate would put transatlantic traffic for last year at between 45 and 48 million ton miles.

This growth is particularly noteworthy in light of the fact that our government as yet has not granted a certificate for transatlantic operation to an all-freight carrier. As a result, our company, which is the only American all-freight carrier to provide freight service on this route consistently since 1947, has been limited in its development of the business by the artificial restraints on its freight operations imposed by its present operating authority.

Unfortunately, the American passenger carriers presently certificated to operate on this route have been unwilling or unable to develop the freight business—or both. Between 1949 and the end of 1952, the share of all-freight flights flown by U. S. certificated passenger carriers dropped from 81% to 30%. Conversely, it may be noted that the nations of Western Europe in particular have avidly pursued the freight business as a lucrative source of revenue.

Thus, the share of all-freight flights made by foreign flag carriers increased from 19% in 1949 to 70% in 1952. In 1951, foreign flag carriers made a total of 339 transatlantic freight flights, mostly by KLM Royal Dutch Airlines and the Scandinavian Airlines System. This contrasts with a total of nine made by the U. S. certificated passenger carriers—Pan American and TWA. In the same year, our company made 174 freight crossings.

Our company applied for a certificate to conduct all-freight operations, without subsidy, across the North Atlantic in July, 1947. At the present time, almost six years later, hearings in this proceeding are being held before the Civil Aeronautics Board in Washington.

Just a few weeks ago, the British government recognized the need for transatlantic freight service by granting a franchise to Airwork, Ltd., an independent carrier, to operate between London, Canada and the United States in competition with the government-owned British Overseas Airways Corporation. By way of contrast, this franchise was granted less than five months after the carrier filed its application.

International air freight is a complex business requiring a highly-organized system and a well-coordinated organization. In addition to the organizational and administrative requirements involved in operating and maintaining a fleet of aircraft over an international route reaching halfway around the World, freight operations require many additional considerations.

Necessity of Ground Procedures

Speed in the air is meaningless unless traffic handling and other ground procedures are organized to maintain the inherent time advantage the airplane enjoys over the surface vessel. Thus, all elements within the traffic structure of a transatlantic freight carrier must be geared to efficiently expedite the flow of a shipment from its arrival at the receiving warehouse to its ultimate delivery on another continent. This involves such steps as documentation, movement to the airport, loading, care in flight, unloading, communication to shipper, customs clearance and, as required, arrangement for trans-shipment. These traffic procedures must be closely coordinated with flight crew and aircraft maintenance schedules. A rapid and efficient communications system must be maintained to expedite aircraft refueling and maintenance and freight handling service at en route points.

Freight carriers usually maintain a downtown warehouse as well as an airport warehouse for the convenient delivery of shipments. A normal shipment, arriving at the receiving warehouse is checked, weighed, labeled and segregated by destination. The airwaybill, export declarations and other necessary documents are prepared. The freight is then trucked to the airport, at which place it is consolidated with shipments delivered directly to that point. Here, manifests are prepared, customs clearance obtained as required, and other pre-departure paper work performed. Destination points are informed as to estimated time of arrival and cargo to be offloaded at each point.

While this is going on, the flight crew is performing its pre-flight routine, including the study of weather reports and other necessary information collated from several sources.

At the same time, the freight is loaded aboard the airplane. This involves several considerations:

(1) Distribution of the load to preclude great weight concentrations in too small a floor area;

(2) Distribution of the load longitudinally to preserve the center of gravity of the aircraft within its limitations;

(3) Distribution of the load vertically to insure that the heavy, bulky items will be loaded first and close to the floor, with the lighter items loaded on top;

(4) In the case of livestock, perishables, and other shipments requiring attention in flight, distribution must be made for heat, ventilation and access;

(5) Distribution to facilitate off-loading—that is, last on-first off;

(6) Distribution as to tie-down facilities.

With the completion of the load distribution plan in balance with the considerations mentioned previously, routine freight is segregated on pallets and moved by forklift directly into the airplane. In some instances, where light packages are involved, conveyor belts may be used. On the other hand, heavy, bulky items, such as machinery, ship's parts and industrial equipment, may require the use of several lift trucks, cranes or hoists. In the case of livestock, ramps are usually required. Manual labor is used almost entirely for stowage within the airplane. Rollers are utilized for heavier pieces.

Tie-down is probably the most important process involved in the handling of air freight. The load must be secured in such a fashion as to prevent shifting during flight even though severe turbulence is encountered. Materials and equipment utilized in this process must be light-weight and of such a nature as to accomplish the purpose without crushing or cutting any of the containers or cartons included in the cargo.

Especially Designed Aircraft For Freight

Most freight aircraft presently in use were designed originally for the transportation of passengers. These do not contain properly stressed floor plates or walls to support tiedown fittings. Freight carriers have had to develop a variety of devices to overcome these limitations. The more commonly used materials include manila rope, wire, cables, chains, together with an endless variety of floor rings, bolts and other fittings. All of these incorporate features of high tensile strength, light weight and simplicity of operation. All are designed to prevent cutting, chafing or crushing of the light packing cases advocated for air transportation.

New aircraft, designed or constructed specifically for the transportation of freight, incorporate many new facilities for securing cargo to the floors and cabin walls. In some instances, built-in loading units are available. One such device includes a conveyor track running the length of the aircraft, a portable power unit operating from the airplane electrical system, and a snatch block, cable reel and control panel. Such a device should aid materially in reducing loading and unloading time. Floor structures of the newer freight aircraft are of such a nature as to permit the use of dollies. This practice has heretofore been impossible, because of floors designed solely for passenger accommodations.

Commodities flown across the ocean run a wide gamut, ranging from sewing needles to steamship propellers—from baby chicks to elephants. During 1952, commodities moved in high volume by Seaboard into the United States included optical goods, industrial stones, textiles and fabrics, wearing apparel, animals, watches and movements, machinery and machine parts.

Commodities moving abroad by air in large volume included wearing apparel and accessories, aircraft and auto parts, furs, hides and pelts, electrical equipment, machinery and machine parts and animals.

With regard to livestock, it might be noted that in the last five years, Seaboard aircraft have lifted over 30,000 animals, aggregating more than 250 tons, across the Atlantic.

Air transportation is particularly advantageous for the movement of livestock. Extremely short transport time permits the animals to stay in good condition. In several cases, horses have been raced within a few days after they were flown across the ocean.

In the handling of livestock certain measures not applicable to the handling of routine cargoes are necessary. For example, ramps must be available for the loading of horses, cattle and other large quadrupeds. Special stalls and pens must be made available for the confinement of such animals in transit. Special shipping containers are necessary for the movement of dogs, cats, birds, and monkeys. All of these must be of lightweight construction and must be loaded in such fashion as to provide adequate ventilation and access for feeding en route. As necessary, special, qualified animal handlers are carried to tend the animals en route.

The presence of livestock aboard an aircraft prompts special attention by flight and ground crews. The cabin interior must be adequately heated. This is particularly true in the transportation of tropical fish where the water in most cases must be maintained at a temperature above 68°F. This necessitates the use of insulated containers and requires stowage away from outside walls and draft areas.

Air transportation has provided a considerable source of savings in recent years to shippers of gold and other precious metals. Steamship rates for these items do not compare favorably with air freight tariffs. Certain precautions are naturally indicated in the handling of these commodities. Armored car service is utilized to transport these valuables. In those instances where delays may occur, armed guards are used. A system of hand receipts is used to affix individual responsibility for handling all along the way. These valuables are usually stored in the crew compartment or locked and sealed in one of the belly compartments of the airplane. They are given an unloading priority upon arrival at destination.

There are various other types of commodities requiring special handling. Biologicals comprise one group which presents a great potential for air freight. The movement of these commodities involves more difficult problems than those described previously. They generally require refrigeration at all times while they are in transit. Temperature fluctuations are not permissible. Supplies of ice therefore are maintained on board and replenished en route in order to insure arrival in good condition.

A Highly Regulated Industry

It should be remembered that air transportation, including freight, is a highly regulated industry which is under the jurisdiction of the Civil Aeronautics Board, created by the Civil Aeronautics Act of 1938. Among its other functions, the Civil Aeronautics Board establishes specifications and standards for aircraft, aircraft maintenance and overhaul, and prescribes certain operations and communications procedures. It sets requirements for pilots, navigators and other flight personnel, as well as certain conditions under which they may work.

Like passenger carriers, freight operators are required to publish and file with the CAB copies of their tariff and rates. In brief, these tariffs outline various services made available by the carrier, the charges assessed for the same, and indicate rules, regulations and conditions under which these services will be performed.

Of particular interest to an insurance audience is the fact that air freight tariffs contain an outline of the carrier's liability for loss of or damage to cargo. In domestic air transportation, this liability is usually limited to $50 per shipment, or 50 cents a pound. The liability of international air carriers providing service between countries adhering to the Warsaw Convention is limited to $17 per kilo (approximately $7.73 a pound), in accordance with the provisions of that treaty.

In domestic, as well as international transportation, provision is made for increasing the carrier's liability by the payment of an additional charge.

Documentation in Air Freight Service

With respect to documentation, in domestic air freight, the airwaybill is the bill of lading which normally accompanies every air shipment. This is sometimes referred to as an air freight bill of lading or an air bill. While it is not required by government regulation, all carriers in their filed tariffs specify that shipments must be accompanied by "appropriate shipping documents." Neither the CAB nor the carriers have prescribed a uniform airwaybill. Therefore, the domestic freight carriers have a great deal of latitude in the use and preparation of this document. It should be noted that in air transportation there does not exist any negotiable instrument such as is commonly used in the shipping or railroad industries.

The essential information generally inscribed on an airwaybill includes the number of packages, description of goods, weight or dimension, value, name and address of consignor and consignee, type of service, origin and destination, method of payment and the signature of the shipper or his agent and that of the first carrier. In essence, the airwaybill is a contract of carriage, and as a general rule, it outlines the terms and conditions under which the service is to be performed. It usually embodies the complete tariff as part of the contract, including those elements relating to the carrier's liability.

International shipments which are subject to the provisions of the Warsaw Convention, unlike domestic shipments, must be accompanied by an airwaybill prepared in the form and manner prescribed in that Convention. The airwaybill usually provides 17 particulars as outlined in that treaty. The bulk of these items are similar to those usually incorporated in a domestic airwaybill. Inasmuch as the United States and most nations of Western Europe and the Middle East are either signatories or adherents to the Warsaw Convention, the form of airwaybill outlined in that document is most commonly used in North Atlantic air freight traffic.

As you can readily appreciate from some of the operational procedures I've detailed, transatlantic air freight is a costly business requiring a high degree of organization. In this connection Seaboard maintains offices at Washington, D. C.; Gander, Newfoundland; Shannon, Ireland; Paris; Luxembourg; Zurich; Geneva; Frankfurt; Stuttgart; Hamburg, and Athens. The company also has general agents in France, Belgium, Switzerland and Italy.

In addition to our general offices in New York and operations and maintenance headquarters at Idlewild Airport, the company maintains receiving warehouses in downtown Manhattan and at the airport.

While still in its infancy, transatlantic air freight has made great strides since 1947.

Seaboard started operations with one DC-4 in 1947. Its first flight left New York on May 10, 1947, for Geneva, Switzerland, and Milan, Italy. Currently we're operating nine DC-4's and will add a tenth late this spring. Next year, we will take delivery of four Lockheed Super-Constellation freighters.

In almost six years, our aircraft have flown more than 22,000,000 aircraft miles. They have spanned the Atlantic and Pacific Oceans more than 3,700 times.

The further development of this business rests on the freedom and ability of the carrier to bring economic rate levels to the shipping public. Seaboard's research indicates that there are 650 million pounds of commercial freight which move across the Atlantic annually of the type of commodities which can lend themselves to air shipment in aircraft currently in production. Presently, air freight is moving at a rate of about 16 million pounds a year.

Introduction of the Super-Constellations next year will permit our company to establish an economic rate structure which will open the door to the vast air shipping potential. These aircraft, with a gross take-off weight of 65 tons, will lift 18 tons of freight between the United States and Europe. For yardstick purposes, our present DC-4 equipment can lift slightly in excess of eight tons across the Atlantic.

However, to bring transatlantic air freight to the point where poundage moves in billions rather than millions, larger and more economical aircraft will be necessary. This development is not immediately in sight.

Role of Jet Airplanes

With respect to aircraft development in relation to air freight, some of you may be curious as to the role jet airplanes may play in the future growth of this industry. There has been much talk and publicity about the use of jet transports in domestic and international operations. At present, the British are using the Comet jetliner in passenger service between London and South Africa. Plans have been announced for putting a later model in passenger service across the Atlantic some time in 1955.

Barring unforeseen developments, however, I don't believe that turbine-jet transports will be used for freight operations across the Atlantic for at least the next 10 years. Current jet operation involves a sacrifice of payload for fuel requirement. In the foreseeable future, this sacrifice may be worthwhile in a luxury passenger operation where speed and comfort are major considerations. Freight, however, must pay its own way. Payload and operating cost combine to dictate the basic economics of an unsubsidized freight operation.

From a pure viewpoint of economics, turbine-jet transports can not compete favorably on a ton-mile cost basis with conventional freight aircraft currently in production. I believe strongly that the next development in the freight aircraft field will be a turbo-prop aircraft. This type airplane uses turbine power plants to drive propellers. The Super-Constellations Seaboard currently has on order are being built with provision for installation of these new-type power plants.

At the present time, this country's production of this type engine is entirely for military use and it is not known when it will be available to commercial operators.

In closing, let me say that this nation still faces a current situation in which its transatlantic freight performance and development lags behind that of the foreign flag carriers. It is quite possible that the British will have an independent all-freight carrier flying regular schedules across the Atlantic before our own Civil Aeronautics Board certificates an American freight carrier.

We're hopeful, however, that there now prevails a new atmosphere of governmental attitude which truly reflects the spirit of encouragement and development characteristic of the free enterprise system. As this spirit further permeates our governmental structure, we can anticipate that our Federal air transport authority will take positive action to foster the sound and economic development of the international air freight industry.

When this action comes, the United States will be in a position to regain its rightful place of leadership in air trade across the North Atlantic.

G. T. Ashford Opens

RED SPRINGS, N. C.—G. T. Ashford is engaging in a securities business from offices at 434 South Main Street.

Form D. F. Baker Co.

TULSA, Okla.—Donald F. Baker is engaging in a securities business under the firm name of Donald F. Baker & Co., with offices at 2632 East 13th Street.

Edward C. Anness

Edward C. Anness, member of the New York Stock Exchange, passed away March 28th.

Life Companies Show Higher Investment Yield

According to the Institute of Life Insurance, invested life insurance funds earned a higher rate of interest in 1952 than in any year since 1943.

The net rate of interest earned on invested funds of all U. S. life insurance companies was 3.28% in 1952, compared with 3.18% the year before. The low point was reached in 1947, when it was 2.88%.

Not all of the gain in earnings was translated into funds available for policy obligations, however, as Federal income tax payments also rose. The net earning rate after taxes was 3.07%, compared with 2.98% the year before.

Yield Affected by Portfolio Changes

The placement of life insurance funds for investment has always followed the trend in demand for capital funds. This was a factor in the declining earning rate in the Forties, as more and more life policy dollars went into U. S. Government securities. Since the war, as the need for capital funds to finance business and industry has grown, life insurance funds have increasingly moved into corporate securities, with a higher yield rate potential.

In the years since the war's end, the life insurance investment in corporate securities has grown from 24.7% of total assets to 43.7%. At the same time, holdings of U. S. Government securities have declined from 45.9% of total assets in 1945 to 13.7% at the start of this year.

The net rates of interest earned on invested life insurance funds over the past 30 years were reported as follows:

1923	5.18%	1936	3.71%
1924	5.17	1937	3.69
1925	5.11	1938	3.59
1926	5.09	1939	3.54
1927	5.05	1940	3.45
1928	5.05	1941	3.41
1929	5.05	1942	3.40
1930	5.05	1943	3.29
1931	4.93	1944	3.19
1932	4.65	1945	3.07
1933	4.25	1946	2.92
1934	3.92	1947	2.88
1935	3.70	1948	2.96

	Before Fed. Inc. Taxes	After Fed. Inc. Taxes
1949	3.06%	2.98%
1950	3.13	3.00
1951	3.18	2.98
1952	3.28	3.07

Before 1949, the rates were calculated after deducting only such Federal income taxes as were deducted by the individual companies in determining their net investment income. Since 1951, a revised reporting basis has been used in the official state reports, giving rates slightly lower than they would have been on the old basis.

Texas Group IBA Receives Nominees; Convention to Go "Western" May 6-9

DALLAS, Texas—The Nominating Committee, of the Texas Group, Investment Bankers Association, has selected the following members as nominees on the regular ticket for the 1953-54 year:


R. R. Gilbert, Jr.


Edward Rotan


W. Wallace Payne


Hugh D. Dunlap


Thomas Beckett


Chas. B. White


John D. Williamson

Chairman: R. R. Gilbert, Jr., First National Bank, Dallas.

First Vice-Chairman: Edward Rotan, Rotan, Mosle & Moreland, Houston.

Second Vice-Chairman: W. Wallace Payne, San Antonio.

Secretary-Treasurer: Hugh D. Dunlap, Binford, Dunlap & Reed, Dallas.

Committeemen: Joseph R. Neuhaus, Underwood, Neuhaus & Co., of Houston (three years); W. Lewis Hart, Austin, Hart & Parvin, San Antonio (two years); Thomas Beckett, Jr., First Southwest Company, Dallas (one year).

Ex-Officio: Chas. B. White, Chas. B. White & Co., Houston; John D. Williamson, Dittmar & Company, San Antonio.

Of the above nominees, W. Lewis Hart and Thomas Beckett, Jr. are carry-overs from the present Executive Committee from three- and two-year committeemen to two- and one-year committeemen, respectively. Chas. B. White, representative to the National Board of Governors, and John D. Williamson, past Group Chairman, will be Ex-Officio members.

This slate will be voted on at the 18th Annual Meeting of the Texas Group to be held in Brackettville on May 6-9, 1953. The officers so elected will take office at the adjournment of the next annual meeting of the Investment Bankers Association of America to be held in the fall.

Members of the Nominating Committee were: R. S. Hudson, Hudson, Stayart & Co., Dallas; Wm. F. Parvin, Austin, Hart & Parvin, San Antonio; Neil T. Masterson, Chas. B. White & Co., Houston; Winton A. Jackson, First Southwest Company, Dallas; and R. E. Whitlock, James C. Tucker & Co., Austin.

The San Antonio chapter will be host at the 1953 convention May 6-9 at the Fort Clark Ranch.

Several hundred investment bankers, together with their wives, are expected to attend the four-day "convention" on the historic old ranch at Brackettville, Texas, near San Antonio according to John P. Henderson, M. E. Allison & Company, Convention Chairman of the San Antonio group I. B. A.

Formality will take a back seat during the entire gathering. "There will be no longwinded speeches, no fixed and rigid program, no immovable time-table. There will, however, be plenty of informal discussions and exchanging of experiences" according to Mr. Henderson.

For this unusual meeting, the Fort Clark Ranch, which for nearly a century was a famous cavalry post, is ideal. Now a combination "dude" and working ranch, Fort Clark offers all the familiar outdoor activities, including golf, horseback riding, fishing, tennis, swimming and skeet shooting. The ranch is already known far and wide for its cuisine, and appointments are so modern that the ranch even boasts a landing field for private planes. Fort Clark Ranch may also be reached by rail, via the Southern Pacific main line to Del Rio; by air over the Trans-Texas Airlines to Del Rio, or by bus or automobile from San Antonio or Del Rio.

Tariff for the three-day gathering (Wednesday afternoon, May 6 through Saturday morning, May 9)—food, refreshments, lodging, entertainment and side trip to Old Mexico—is $75 per person. The program scheduled is as follows:

Wednesday, May 6—Cocktail party, 6:30 p.m., Fort Clark Ranch, honoring the Texas Group Chairman, John D. Williamson and the National President, Ewing T. Boles, The Ohio Company, Columbus, followed by dinner at 8.

Thursday, May 7—Ranch-style breakfast, followed by the general business session. Lunch. Trip to Ciudad Acuna in afternoon. Shopping tour, attendance at a real bullfight, followed by dinner (no bull) and colorful Mexican entertainment in the patio of La Macarena. Return to Fort Clark Ranch about midnight.

Friday, May 8—Ranch-style breakfast. Choice of golf, swimming, fishing, baseball tennis, bicycle or horseback riding. Lunch. More golf, swimming, riding, etc., etc. In the evening, a chuck-wagon barbecue to be followed by dancing under a canopy of stars in a Texas sky.

Saturday, May 9—Ranch-style breakfast and checkout.

Reservations should be made with Milton Halpern, Rauscher, Pierce & Co., Inc., San Antonio, not later than April 21.

Members of the Convention Committee are John P. Henderson, M. E. Allison & Co., Chairman; Mr. Halpern, registration and reservations; Edward H. Keller, Texas National Corp., transportation; Lewis Hart, Austin, Hart & Parvin, and Walter Mathis, Dittmar & Company, entertainment; Edward T. Volz, Rauscher, Pierce & Co., golf and recreation, and William G. Hobbs, Jr., Russ & Company, cantina.

Continued from page 3

How Uruguay's Gold-Certificate Market Works

bars marketable are those of one kilogram. All types of coins appear on our market at one time or another. Gold trade is in the hands of the banks and exchange offices, enterprises which deal freely in the purchase and sale of notes, gold coins and bars, etc.

Q It is reported that gold may be held for absentee owners in Tangier, South Africa, the United Kingdom, Mexico, and — subject to certain conditions—Canada and Switzerland. Has Uruguay all the advantages which those places may have for American citizens wishing to own gold abroad? Has Uruguay any advantages not possessed by those other places? (Extra safety in case of a World War III? Greater political stability than some other countries? Possibility of anonymous ownership, such as is not offered in Mexico?)

A There are no discriminatory laws in Uruguay for foreign owners and depositors. Therefore they receive the same treatment as Uruguayan nationals. There is no income tax. The deposits can be registered under a number or fictitious name. An atmosphere of political stability prevails in Uruguay which gives the depositors the greatest security for their deposits. Finally, Uruguay, because of its exceptional characteristics, has been chosen as a country of refuge by important capitalist groups. It should be pointed out, moreover, that the movement of gold is especially favored by the decree of Aug. 11, 1952.[1] This decree establishes an exceptionally liberal system for gold.

Q What assurance is offered the customer that his gold is always there waiting for him or subject to his orders? (Audit? Assay certificate? Reputation of the Banco La Caja Obrera?)

A The Banco La Caja Obrera is the second - ranking private bank of Uruguay. It was founded in 1905 and plays an important part in Uruguay's commercial and industrial activities. It has an important network of correspondents abroad. The bank believes that its declaration that the gold is deposited at the disposition of its owner is sufficient guaranty for the latter, but it permits the amount of gold to be checked at the cost of the interested party.

Q What about the danger of foreign (Argentine) invasion of Uruguay? (Some Americans regard rambunctious Argentina as a threat to its smaller neighbor.)

A This problem does not exist. It has been a special topic of discussion during the last year because of diplomatic friction. Uruguay is protected by its friendship with Brazil and the United States and because of its strategic position acts as a center of balance between the two most powerful countries of South America. The disagreements with Argentina are of no importance. It must be especially pointed out that Argentina has no territorial claims on Uruguay.

Q How would an American go about placing an order for a Uruguayan gold certificate? Would payment be made to some correspondent bank in the USA? How would the buyer know the price of gold on the date of purchase?

A If the American client already has gold abroad he can send it to Uruguay for the Banco La Caja Obrera. The only formalities required for clearance are the bill of lading and the consular invoice. Our bank takes care of all procedure connected with clearance. If gold is to be bought locally the client will have to send his order by mail. The bank will then inform him of the price of gold. The payment can be credited to any of the following correspondents of the Banco La Caja Obrera in the United States:

American Express Co., New York; American Security & Trust Co., Washington; Anglo California National Bank, San Francisco.

Bankers Trust Co., New York; Bank of America, San Francisco; Bank of the Manhattan Co., New York; Brown Brothers Harriman & Co., New York.

Central National Bank of Cleveland, Cleveland; Chase National Bank, New York; Chemical Bank & Trust Co., New York; Citizens National Trust & Savings Bank, Los Angeles; Colonial Trust Co., New York; Corn Exchange Bank Trust Co., New York; Credit Suisse, New York.

Fidelity-Philadelphia Trust Co., Philadelphia; First National Bank in St. Louis, St. Louis; First National Bank of Boston, Boston; First National Bank of Chicago, Chicago; First National Bank of Philadelphia, Philadelphia.

Girard Trust Corn Exchange Bank, Philadelphia; Grace National Bank of New York, New York; Guaranty Trust Co., New York.

Hanover Bank, New York; Hibernia National Bank, New Orleans.

Industrial Trust Co., Providence; Irving Trust Co., New York.

J. Henry Schroder Banking Co., New York.

Manufacturers Trust Co., New York.

National Shawmut Bank, Boston.

Philadelphia National Bank, Philadelphia.

Rhode Island Hospital National Bank, Providence.

Second National Bank of Boston; Swiss Bank Corporation, New York.

Tradesmens National Bank and Trust Co., Philadelphia.

The Contelburo furnishes gold quotations in Montevideo and makes it possible for United States residents to be informed of the price of gold in Uruguay. In case of purchase we can supply the client with the Contelburo quotations.

Q The facsimile certificate shows blank lines to enter the details of three transfers (signatures, etc). How is this handled when anonymity is desired?

A If the buyer wishes to remain anonymous the certificate can be made out to bearer. For those clients who desire greater security, our bank has a system of impersonal accounts which may be used in this case. We have a leaflet which explains this service. If an impersonal account is opened at our bank transfers can be made by using this impersonal designation.

Q How does one go about selling a gold certificate? Does FIDUSA or the Banco La Caja Orbera undertake always to make a market for such certificates? If so, at what price? What charges must the certificate-buyer bear? (Buying commission? Storage? Selling Commission?)

A Our bank is actively engaged in trading on the local gold market and maintains close relations with firms which deal in gold on foreign markets. The Banco La Caja Obrera undertakes to sell the certificates. There is only one custody commission, US $7.00 per kilogram. No sales commission is collected. Moreover, the selling of gold for certificates is strictly the Montevideo market price and no banking commissions are added.

Q How do such charges compare with those of the Societe de Banque Tangero-Suisse, as reported in the *Commercial and Financial Chronicle* of Aug. 21, 1952?

A Taking as a basis the price of US $37.50 per ounce or US $1,205.65 per kilogram of gold the calculation of the commission

1 This decree (translated) was published in Mr. Bratter's article in the "Chronicle" of Nov. 6, 1952.

Selling Rate for Gold Coins and Fine Gold on the Montevideo Market and Quotations of the Dollar and the Swiss Franc in Terms of the Uruguayan Peso

Date (1952)	Chilean		Mexican		British		Dutch		Gram of fine gold		US dollar (selling)	Swiss franc (selling)
	Pesos	US$	Pesos	US$	Pesos	US$	Pesos	US$	Pesos	US$		
Aug. 8	63.30	23.50	148.20	55.00	28.80	10.70	21.15	7.85	3.32	1.23	2.70	62.75
Aug. 22	64.25	23.45	148.25	54.10	29.30	10.70	21.50	7.85	3.37	1.23	2.75	64.00
Sept. 1	64.80	23.35	149.00	53.70	29.70	10.70	21.80	7.85	3.42	1.23	2.78	64.55
Sept. 10	67.20	23.45	152.15	53.10	30.65	10.70	22.50	7.85	3.52	1.23	2.87	66.70
Sept. 19	69.00	23.50	154.00	53.50	31.40	10.70	24.05	8.20	3.61	1.23	2.94	67.65
Oct. 1	64.60	23.40	143.25	51.00	29.55	10.70	22.85	8.20	3.36	1.22	2.76	64.20
Oct. 10	64.60	23.30	142.90	51.50	29.90	10.80	22.60	8.15	3.38	1.22	2.785	64.90
Oct. 20	64.30	23.30	141.60	51.30	29.80	10.80	22.50	8.15	3.37	1.22	2.76	64.20
Oct. 31	63.05	23.20	139.00	51.00	29.45	10.80	22.25	8.15	3.33	1.22	2.73	63.50
Nov. 10	63.65	22.90	141.20	50.80	30.05	10.80	22.65	8.15	3.39	1.22	2.78	64.15
Nov. 20	61.30	22.50	137.90	50.60	29.45	10.80	22.20	8.15	3.30	1.211	2.73	63.40
Dec. 1	60.70	22.40	136.05	50.30	29.25	10.80	22.10	8.15	3.29	1.213	2.71	63.10
Dec. 10	61.15	22.40	138.15	50.60	29.50	10.80	22.25	8.15	3.29	1.204	2.73	63.30
Dec. 19	62.15	22.60	143.00	52.00	29.40	10.70	22.40	8.15	3.33	1.21	2.76	64.25
Dec. 31	62.00	22.60	142.75	52.00	29.35	10.70	22.35	8.15	3.36	1.221	2.75	64.15

Montevideo, January 2, 1953.

for four years will compare as follows:

Banco La Caja Obrera

US $7.00 per kilogram during four years	US $28.00
3 per mil stamps on US $1,205.65	3.62
	US $31.62 or 2.62 per cent of the cost

Societe de Banque Tangero-Suisse

Premium and commission for the first year: US $3.00 per ounce*	US $36.17
US $5.00 commission during three years	15.00
	US $51.17 or 4.24 per cent of the cost

*In the article referred to the writer reported that the buyer of gold in quantities of 12.5 kilos or more must pay the Tangier bank a premium of 2%, which includes the bank's commission and storage for the rest of the calendar year during which the purchase is made as well as the entire following year. For subsequent years the owner pays the Tangier bank US $5 annually to cover storage and insurance. With gold selling at US $37.50 per ounce, 2% would be only US $0.75 and this might cover anywhere from one to two years storage and insurance. It would therefore appear that this figure of US $3.00 contains an error.—HMB.

Q The Tangier bank will move a customer's gold from Tangier to any other place requested by the customer. Does the Banco La Caja Obrera offer equivalent facilities and on an equivalent basis?

A The decree of Aug. 11, 1952 allows the free export of gold. The bank undertakes to transact these operations provided that the regulations effective in the country of destination do not oppose such operations.

Q The Tangier bank is in close touch with prices on gold markets in Switzerland, Paris, the Near East, etc. Thus the customer is assured by the bank that the price the customer pays or receives is the current price? What are the circumstances in Montevideo? Is your bank equally in close touch with the gold markets and prepared to protect the customer in this regard?

A Our bank receives daily information by telegraph of the gold quotations of the different markets. As a rule we add to the gold purchase statements a bulletin of daily prices on individual markets.

Q Assuming that an American citizen holds gold anonymously in Uruguay at a time when the U. S. Government nationalizes the gold held abroad by American citizens or other residents of the U. S. A.: would the U. S. Government be able to learn through the Uruguayan Government what gold was held in Uruguay for the account of residents of the U. S. A.? Or, the U. S. Government knowing of cases where American citizens held gold in Uruguay, under Uruguayan law could the U. S. Government seize such gold under its nationalization order? (When the U. S. nationalized gold in 1933 it omitted gold held abroad not because American law denied it the power, but for various other reasons, among these being the uncertainty whether all foreign countries would recognize the U. S. Government's right to take the gold.)

A In this case the principle of banking secrecy always prevails. The bank is in no case obliged to declare the ownership of gold it holds on deposit. Moreover, United States laws are not effective in Uruguay. The bill for the Law concerning the General Budget of Expenditures for 1953 refers to impersonal accounts and provides expressly for "banking secrecy" for these accounts.

Joins Marache, Dofflemyre

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Homer P. Moore is with Marache, Dofflemyre & Co., 634 South Spring Street, members of the Los Angeles Stock Exchange.

J. W. Leason With Montgomery, Scott

Montgomery, Scott & Co., 120 Broadway, New York City, members of leading security exchanges, announces that J. Walter Leason, research specialist in petroleum and public utilities, is now associated with them.

Before joining Montgomery, Scott, Mr. Leason was Manager of the Research Department of Shields & Company, where, among other research studies, he wrote "The Five-Dimensional Study of Leading Companies in the Petroleum Industry," now in its second edition. Earlier in his career, Mr. Leason was public utility research specialist for Salomon Brothers & Hutzler. He was also analyst in charge of the reorganization of the Cities Service Company for the Securities and Exchange Commission.

Faroll Co. Admits Levin and Freeman

CHICAGO, Ill.—Faroll & Company, 209 South La Salle Street, members of the Midwest Stock Exchange, have admitted William Levin and Sidney Freeman to partnership in the firm. Mr. Freeman is manager of the firm's unlisted trading department.

Ellinwood to Address Municipal Bondwomen

David M. Ellinwood, Manager, Municipal Bond Department, Moody's Investors Service, will be speaker for the fifth meeting of the Municipal Bondwomen's Club of New York educational program on April 16. Mr. Ellinwood's topic will be "Ratings." The meeting will be held at the 30 Broad Street office of the Chemical Bank & Trust Company, at 5:30 p.m.

Courts Adds to Staff

COLUMBUS, Ga.—Claude Duke has been added to the staff of Courts & Co., 19 East 12th Street.

Rejoins Woolfolk & Shober

(Special to THE FINANCIAL CHRONICLE)

NEW ORLEANS, La. — James A. Lindsay has rejoined the staff of Woolfolk & Shober, 839 Gravier Street, members of the New Orleans Stock Exchange. Mr. Lindsey has recently been with Renyx, Field & Co., Inc.

Nelson Burbank Co. Formed

(Special to THE FINANCIAL CHRONICLE)

READING, Mass.—Nelson Burbank is engaging in the securities business from offices at 127 Wakefield Street under the firm name of Nelson Burbank Company. Mr. Burbank was formerly connected with Vance, Sanders & Co.

Continued from first page

As We See It

straight flung words, but stripped to their bones many of the current comments carry such an implication even if they do not use the words. What we have been doing is to devote our energies in very substantial part to the production and shipment abroad of a variety of goods and services for which we get nothing and expect to get nothing in return—except, so we have hoped, some added protection from the menace of an imperialistic communism. We have been spending another significant portion of our time and energy in building plant and facilities for the production of goods which for the most part can be effectively used only for defense. Further drains on our time and energy have been made and are still being made by the output of war materiel itself—to say nothing of the time spent by the youth of the land learning the arts of war.

Post-Defense Worry

Now we are confronted—so we hope, at least—with the possibility of being relieved in part from these burdens, and we keep asking ourselves what will keep business going; how can we find employment for all of our workers; how can we keep our peacetime goods factories busy; how can our farmers find markets for all their output; in short, how can we avoid a post-defense depression? Most of us will well remember that these same questions filled the air during the latter days of World War II, and the early post-war months, and few will need to be reminded that instead of going into a depression we entered into a period of boom and inflation which only paused in 1949 before the Korean war broke out to bring a return—although on a much reduced scale—of the artificial boom of war or semi-war times.

But post-Korean conditions would be vastly different from post-World War II situation, we are told, and so they would. There exists today no such vacuum to be filled with ordinary peacetime goods—houses, appliances, automobiles, and dozens of other things. There are other important differences, too, but must we really admit that war or near war is almost essential if we are to prosper?—for such is implied in any assertion that deep and lasting depression will, or is likely to, follow the cessation of hostilities and the easing of armament burdens. For our part, we are not prepared to make any such admission.

Problems of Adjustment

It is clear enough, of course, that the act of turning from war to peace is certain to present certain problems of adaptation and adjustment. There must be shifts in employment. Some change in the production processes must be made. Producing for the civilian market involves adaptation to civilian tastes and whims, and selling techniques are required. Demand which came automatically from government must now be replaced with demand which possibly will need cultivation. More care and skill will be required to reach sound conclusions as to what is and is not likely to be wanted and in what amounts by the time preparations have been completed to produce. These and other problems of readjustment must be faced, but it is unthinkable that the American people—all the American people—can, working halfheartedly as they so often now do, or for that matter working with a real will, can produce more of the things they want than they can use. If such were the case, either we have reached a strange state of wantlessness, so to speak, or we should be amazingly well off—with the need only of adjusting the required labor among the people so that all could share not only in the abundance produced but in the leisure now possible by reason of the lack of need to produce tools of destruction.

The fact is that if we are faced with serious difficulties upon the cessation or reduction in armament outlay, difficulties which transcend mere readjustment and realignment, the cause would have to be sought either in lack of initiative, resourcefulness and vigor among the people or in the errors of the past which have created obstacles to prosperity which must now be removed or in some way surmounted. There is no denying that such obstacles strew our path, obstacles which owe their existence to long years of New Dealism, to four years of dreadful war and as dreadful mismanagement, and to succeeding years in which little or no progress was made or even attempted in getting our own house in order.

Still Suffering From New Dealism

We still are suffering from the existence of innumerable laws and regulations which hem business in on all sides. We still have a tax system which renders it virtually impossible for the young, energetic businessman with ambition to proceed as his father and grandfather did in a free country to meet the needs and requirements of his fellow citizens and make a profit in doing so. We have an agriculture which has been stimulated artificially to produce without much thought of markets. We still have a banking and credit system badly inflated with Treasury deficits. These and many other similar conditions are our real problems.

Demand for Credit Outrunning Supply

April "Monthly Bank Letter" of the National City Bank of New York, lays heavy corporate financing, along with demands for mortgage and consumer financing, as creating demand for credit in excess of supply.

The April issue of the "Monthly Bank Letter," published by the National City Bank of New York, discusses current credit conditions and finds that despite accumulation of insurance company and pension reserves and a rising trend of savings, the demand for credit in all categories in exceeding the supply, and the actual and prospective volume of new bond offering is pressing tightly against available credit.

According to the "Monthly Bank Letter":

"The current business surge is dependent, marginally, on the spending of borrowed money; and the associated credit demands have tightened the money market, firmed money rates, and depressed bond prices to new lows for the postwar period. Foreign gold withdrawals, in progress since December, and borrowings by corporations to help cover their heavy March 15 tax payments, have played parts bringing pressure on the credit supply. But the main seats of pressure at the present time are the volume of bond flotations, actual and prospective, and the demands for mortgage and consumer financing. April and May are months of seasonal reduction in bank loans to business but the developing expectation is that the Treasury, entering the market for deficit-financing, will absorb any slack that appears.

"Yields on corporate bonds, which held comparatively stable during 1952, have risen about ⅛% on the average since the year-end State and municipal bonds, which suffered major readjustments in August, September and February, now yield on the average nearly ¼% more than at the year-end and a full ½% more than in March, 1952. Twenty-year U. S. Government bonds, paying 2½%, traded during the last week of March as low as 93⅛, down 2⅜ points from the year-end and 3½ points from the level prevailing a year ago; the yield to a buyer has risen from 2.70% a year ago and 2.79% at the year-end to 2.94%.

"Apart from the general pressure of credit demands, the decline in long-term governments during March represented an adjustment to reports that the new Administration was considering tapping the long-term market for a part of the funds required to finance the current deficit and meet maturities of Series F and G Savings bonds. The general assumption in the market is that it will take a 3¼% rate to attract much buying interest against the competition of the mortgage, corporate and municipal bond markets. The market for long-term governments has been conspicuously thin; offerings have been limited by the reluctance of holders to accept losses and broad buying interest has been discouraged by the unattractive yields available.

"In the mortgage market many lenders are shifting emphasis toward conventional mortgages paying 4½% or better and away from the 4¼% FHA insured mortgage. Veterans' mortgages paying 4% can be placed only at considerable discounts. Among short-term money rates, the minimum rate on prime 4-6 months' commercial paper was moved up one-eighth to 2⅜% during March. The banks' prime commercial loan rate, unchanged to 3% since December, 1951, has become more selective.

Demand Excessive to Supply

"The accumulation of insurance company and pension reserves and a rising trend of savings deposits give large resources for the absorption of bonds and mortgages. Nevertheless, the pace of credit demand is excessive to the supply. For example, State and local governments have been borrowing at double the rate of early 1952. No one expects such a rate to be sustained; nevertheless, a year's total surpassing the record $4 billion figure for 1952 seems to be assured by prospective bond issues to finance highway and turnpike construction, subsidized housing, school, and other building programs. Corporate bond issues have set out at a rate which, for the full year, could produce a total rivalling the record $7.7 billion 1952 figure.

"The individual citizen is also a heavy borrower, principally for home building, fitting up his home, and getting a new car. With the end of real estate credit regulations last September, and the open winter along the heavily-populated Eastern seaboard, mortgage credit demands have been developing strongly and another $6 billion expansion in mortgage indebtedness on urban homes appears to be shaping up. There are signs of stringency in the supply of mortgage funds, and acquisitions of mortgages by the Federal National Mortgage Association ("Fannie Mae") have been slowed to reduce the burden on the Federal budget; otherwise an even larger figure might be in the making. Consumer instalment credit, freed from regulation last spring, has been expanding at a rate of $3½ billion or 26% a year. This expansion is a key element in the strength of demands for automobiles and household equipment.

The Danger

"The question many people ask is, if business is so good why do anything to disturb it? The instalment credit figures give an illustrative answer. Unless incomes—and with them prices—are constantly inflated, the buildup in indebtedness claims a rising share of the consumer's income, subjecting his spending to more rapid curtailment when adversity strikes. While consumer instalment indebtedness today is no more than 6.8% of total personal incomes after tax—a figure that was equalled in 1941—a rising percentage measures a rising vulnerability to collapse of buying. The problem of public policy is to spread prosperity out in time, not to let optimism carry to excess and burn itself out in a speculative spree. This applies to the whole area of credit which, because of its fluidity and elasticity, is easily subject to abuse.

"The obvious remedy lies in tightening up the supply of credit. The government can achieve this directly as far as its own credit-granting agencies are concerned. The curtailment of "Fannie Mae's" activities, and the decision to let the Reconstruction Finance Corporation expire, are constructive moves toward this end. Apart from such measures, brakes can be applied through discount rate advance and public debt reconstruction."

Hugh H. Foss Joins National Securities

Hugh H. Foss will join the National Securities & Research Corporation, 120 Broadway, New York City, as Assistant Vice-President on April 6, 1953, Henry J. Simonson, Jr., President announced today.

Hugh H. Foss

Mr. Foss has been with Lennen and Mitchell, Inc., and Lennen and Newell, Inc., New York City, as Account Executive for The Dorothy Gray Ltd., Tide Water Associated Oil Company and Swedish-American Line Accounts.

Edward Renier Opens Own Office in Chicago

CHICAGO, Ill. — Edward P. Renier is opening offices at 208 South La Salle Street and will conduct his own investment business under the name of Comstock & Co. Mr. Renier has recently been associated with H. M. Byllesby and Company, Incorporated in their trading department. In the past he was a partner in the former firm of Comstock & Co.

George Elected Director

Rowland H. George has been elected a director of The American Metal Company, Limited, to fill the vacancy left by the death of Mr. Norman Hickman. Mr. George is a member of the investment firm of Wood, Struthers & Co.

It was also announced that the following executives of the Company were elected Vice-Presidents: Thomas W. Childs, Herbert S. Cohen, Hugo de Neufville, Ernest T. Rose, Hans A. Vogelstein and Jean Vuillequez.

Steiner, Rouse & Co. to Admit New Partner

Robert N. Rinaldi will acquire a membership in the New York Stock Exchange on April 16th and will be admitted to partnership in Steiner, Rouse & Co., 25 Broad Street, New York City, members of the New York Stock Exchange.

New Hooker Fay Branch

OAKLAND, Calif. — Hooker & Fay, have opened a branch office at 405 Fourteenth Street under the direction of Bernard S. Fontaine and Graves D. Hudson, Jr.

Well Spoken, Sir!

"The Communists have many weapons in their locker, some of which we are inclined to overestimate, but there is one which is disturbing and may reach truly destructive effects—they have proved themselves capable of disseminating a sort of corrosive, divisive influence among free people of the world and indeed among the people of the United States. We have developed a tendency to lose faith and hope in ourselves.

John J. McCloy

"We are beginning to suspect too many of our government servants — too many of our neighbors—and we are inclined to follow some of the methods of the totalitarians in doing so.

"Tolerance and objectivity do not mean we should countenance subversion or the occlusion of thought which communism entails, but it does involve the abhorrence of innuendo, of one-sided presentation of the facts, and of televised hearings that the totalitarians have followed as an essential part of their pattern.

"If the liberals had been more expressive when the so-called Congressional investigations of the Nineteen Thirties were studiously violating personal rights and when business was the target there would have been less likelihood of excesses in this day and age."—John J. McCloy, formerly U. S. High Commissioner for Germany.

We are glad that one of Mr. McCloy's deserved standing has spoken in this way.

Balanced Budget, Tax Cut Feasible This Year!

William A. McDonnell, President of First National Bank in St. Louis, and a director of U. S. Chamber of Commerce, says a double job can be done by Congress by middle of this year.

Expectation of a balanced Federal budget and personal income tax reductions by the middle of this calendar year was voiced by William A. McDonnell, President, First National Bank in St. Louis, and a director of the Chamber of Commerce of the United States.

Wm. A. McDonnell

Stating that personal income taxes are scheduled to drop about 10% on Dec. 31, 1953, Mr. McDonnell contends there is an opportunity for even earlier relief.

"While arguments proceed in Washington and around the country as to whether budget balancing or tax cutting should come first, the fact is overlooked that both actions can and should be taken at the same time," he said.

By stripping the Federal budget of some of the technical language and red tape procedures which make it a mystery to the ordinary taxpayer, and by allowing for some sensible cuts in Federal agency spending, the full opportunity for Congress to do a double job becomes apparent, according to the St. Louis banker, who bases his estimate on a budget and tax study made by the Chamber of Commerce of the United States. He noted that while several of the tax increases voted after the outbreak of the war in Korea are due to expire in the next 12 months, the Chamber's board of directors has recommended earlier relief for individual taxpayers.

"This means that the majority of business men are willing to let all the increased taxes on business operations, and so-called excess profits, on sales, and on corporation incomes run to their expiration date in order that the tax on personal incomes, which affects everybody, can get first attention," he said. "It is extremely important, however, that all forms of taxes be reduced soon," he added.

"The workingman's wife cannot buy clothes for the children or furnishings for the home with money her husband must pay in taxes.

"The farmer cannot replace his equipment with money to which the tax collector lays claim.

"A business cannot grow normally when the earnings which it would plow back are sharply reduced after present corporate taxes have been met.

"Savings siphoned off by taxes cannot be employed in the private investment that is essential to expanding employment and production."

In its study, the Chamber reported that Federal, State and local taxes combined will take about $90 billion, or 30% of the national income this year; that they amount to all the wages, salaries, rent, interest and dividends received by all the American people from Jan. 1 to April 22 of this year. Such taxes, the Chamber said, are undermining the productive efficiency of the nation.

At the same time, Mr. McDonnell said, it is just as important that unnecessary or postponable Federal spending be reduced enough so that the nation can balance its budget while maintaining strong national defense.

"There is a growing awareness that when the government must borrow each year to cover the difference between its income and its outgo, the dollar is not as strong as it could be. It will not buy as much. And America has always preferred the strong dollar."

The method by which the budget can be "overbalanced" enough to provide an early reduction in personal income taxes was outlined by the Chamber as follows:

Begin with the fiscal 1954 budget submitted in January by Mr. Truman, which indicated a deficit of $9.9 billion.

Subtract $3.3 billion which represents interest that the government pays to its own agencies and to its own trust funds. No money actually changes hands and the transactions cost the taxpayers no cash except for the salaries of those doing the clerical work. In technical terms, this is called reducing the $9.9 billion "administrative" budget to a $6.6 "cash" budget.

Add $1.5 billion to Mr. Truman's estimate of Federal income. His income estimates were traditionally low by about that amount. This would cut the potential deficit from $6.6 billion to $5.1 billion.

Hold foreign aid spending to $5 billion, which is as much as has been spent in any recent year. This would cut $2.6 billion from Mr. Truman's $7.6 billion foreign aid figure and reduce the potential deficit to $2.5 billion.

Trim $2.5 billion from the $25.4 billion which Mr. Truman requested for civilian government agencies. The Chamber studied 600 budget items in arriving at a schedule of cuts which it said would total $2.2 billion "without impairing scheduled deliveries of essential goods and services." Such a saving would reduce the potential deficit to about $0.3 billion.

This amount, plus enough more to provide tax relief this year, should come out of the military budget, the Chamber said, and while it did not make any specific recommendations for reducing military spending, the Chamber pointed out that many authoritative sources have stated that military spending could be cut from $2 billion to $5 billion, and that "there are authoritative reports from Capitol Hill that the Defense Department is working toward cuts of $4 billion."

Gordon With Carreau Co.

Carreau & Company, 63 Wall Street, New York City, members of the New York Stock Exchange, announce that Samuel M. Gordon has become associated with the firm as a registered representative and manager of the mutual funds department.

To Manage Uptown Branch For Auchincloss, Parker

Auchincloss, Parker & Redpath, members of the New York Stock Exchange, announce that William H. Cummings has been named manager, and Fred E. Richard, assistant manager, of the firm's mid-town office at 41 East 42nd Street, New York City.

Oscar F. Kraft Adds

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Joseph A. Healy has been added to the staff of Oscar F. Kraft & Co., 530 West Sixth Street.

Continued from page 12

For a Tough and Realistic Foreign Policy!

sort of breakdown as its political system.

The establishment of barriers to trade between countries behind the Iron Curtain and the free world outside; nationalistic and inflationary policies of some Latin American countries which have temporarily largely removed them from the world markets; abandonment of the "gold standard" and the resort to managed currencies with loss of convertibility; expropriation and restrictions against foreign investors which have dried up the free flow of capital; the enormous increase in productivity of United States industry without comparable progress by other trading nations; are just a few of the major economic changes which the world has undergone, but they serve to illustrate why things cannot be just as they used to be.

To try to reestablish the world as it was before would be useless. What we must do is analyze the world as it is now and as we hope it will be, and fit our own behavior into the changes which have taken place and in those which are likely to come. We must prepare to play the same game of world trade that went on before but with a new set of protagonists and possibly some new rules.

Two things should be understood. First, the world's economic ills cannot be cured overnight, but only through a planned program lasting over the years and faithfully carried out. Second, the burden does not rest solely upon the United States, but requires the cooperation of other nations who will share in the results.

Since, however, the United States is the most productive nation in the Western World, it follows that our actions in relation to world trade probably have a more important effect than those of any other single country. That is why so much attention is being given, and should be given, to a reexamination of the trade policies of the United States.

* * *

From the early days of the Republic until the First World War, protectionism was a basic dogma of American policy. Introduced in the days of Alexander Hamilton, when we were a young undeveloped country, this policy seemed to serve us well. The protective devices helped our infant industries to grow and at the same time furnished the largest source of revenue to the Federal Government. (Those were the happly days before Income Tax!) They did not constitute an important obstacle to international trade because Great Britain from the middle of the Nineteenth Century until World War I, followed a free trade policy of which we were beneficiaries.

Since the beginning of the century the productive efficiency of the United States has far outdistanced the rest of the world. The effects of the two wars and the ensuing break up of great empires has contributed to placing upon our shoulders the responsibility of world leadership. I think it is fair to say that our protectionist policies have interfered with our exercise of leadership: In the past 20 years liberal tendencies have expressed themselves in the lowering of many of our tariffs. Nevertheless, there have also been reversals of that trend, especially through the use of import quotas. Although protectionism has been in retreat for some time, we have not yet succeeded in persuading the world that it is our national policy to open more widely our market to foreign goods.

Of late the issue has been pointed up by the realization that our foreign trade has again fallen into the pattern of sizable annual export surpluses financed, in effect, through our foreign aid programs. Thus, the world obtains dollars with which to pay for our excess exports by means of additional tax burdens shouldered by the American public.

But the era of grants-in-aid is drawing to a close. Our taxpayers are restive under the heavy burdens imposed upon them; and even the foreign recipients of our aid are increasingly anxious to earn their upkeep through their own efforts rather than to stay indefinitely upon our dole. Should grants-in-aid of various kinds be discontinued, other things remaining the same, a sharp decline in our exports would unavoidably ensue, bringing in its wake depression and unemployment to important sectors of our economy.

Even now our exports could be larger—thereby our exports surpluses—if they were not artificially held down by restrictive trade policies, of foreign countries discriminating against American goods. We object to these policies, yet their existence reduces the amount of foreign aid needed to balance our international accounts. If we want, at one and the same time, to reduce the burden for our taxpayers, to eliminate discriminations in world trade, and to maintain a thriving export business, we must overcome our traditional abhorrence to imports.

Actually, we have done a great deal of tariff cutting in recent years. As a result of bilateral negotiations pursuant to the Trade Agreements Act and of other negotiations under the General Agreement on Tariffs and Trade, the average ad valorem equivalent of duty on U. S. imports has been reduced about 50% since 1934. The concessions have applied to a very large majority of our dutiable imports.

But there are two flaws in any credit we can take for this. The reductions I have mentioned are based on the very high Smoot-Hawley Tariff Act of 1930; and the reductions are not embodied in any law. They are the result of Executive Agreements made pursuant to the Trade Agreements Act and the General Agreements on Tariffs and Trade. The Trade Agreements Act will expire on June 12, of this year, but even if it is continued there are many loopholes which can result in cancelling tariff concessions.

Also, notwithstanding the reductions which have been negotiated to date, there are more than 3,500 duties still in effect. Almost 500 of these are at rates exceeding 50% of the value of the article and several hundred exceed 25%. Some of the rates on commodities which we badly need are almost prohibitive.

You may be surprised to realize that we have heavy duties on raw materials which are not available at all or are in very short supply in the United States. For example, the duty on manganese is 20 cents per pound and on vanadium 50 cents per pound. We have a tariff on nickel which is imported from Canada.

Then again, there are duties on items in the production of which the United States leads the world. An example of this is the automobile which we can produce more cheaply than any other country, but which is protected by a duty of 10%. The automobile manufacturers have said they do not need or want this duty, but it remains.

How can the situation be met in a way which will not cause any severe dislocation of our economic structure?

In the **first** place by further reductions in our tariff rates. Various proposals in that direction have either been formulated lately or are being prepared by business organizations, including the United States Council of the International Chamber of Commerce.

In the **second** place, by limiting the use of import quotas—a device alien to our free enterprise economy. In the **third** place, by streamlining our customs procedures and eliminating administrative measures which obstruct the entry of foreign goods into our market far beyond the restrictive effects of tariff rates themselves. In the **fourth** place, by substituting a sensible valuation procedure for imported goods for the present procedure which often conceals prohibitive rates by basing them upon the American market price and not upon the foreign sales price of the imported goods. **Finally,** by repealing the Buy American Act and similar legislation which interferes with purchases of foreign-made goods by the U. S. Government.

We should remember that the United States changed from a debtor to a creditor nation long ago. Since the end of World War II, our exports have outrun imports by about five billion dollars annually. During the same time, foreign economic aid has amounted to about 40 billion dollars. To sum it up, our export surplus has been financed by the American taxpayer. At the same time the taxpayer, as a consumer, has been required to pay high prices for many goods because of the tariff.

There is a lot of "malarky" spoken for and aganist our tariff policy, and much of the discussion seems more emotional than objective. I do submit, however, that a rational lowering of duties and the elimination of obsolete trade barriers would create a feeling of confidence abroad in the purposefulness of our foreign economic policy. If that resulted, the modest program I have outlined will be sufficient to bring about a balance between our imports and exports on a high level for both.

A program along these lines would fall far short of establishing free trade in the United States. Free trade is obviously neither a practical possibility not politically feasible. Certainly, we cannot destroy industries, for example, which are important to national defense and which have been built up and continue to exist through tariff protection. We cannot impose on other industries, even those less important to defense, the shock of removing all protection without at least providing some time in which to accomplish the change.

* * *

I have been quite frank in suggesting what the United States might do toward improving the economic foundation of its foreign policy.

It is equally important that our friends abroad put their own houses in order. There has been an unfortunate tendency in some foreign countries to regard the postwar problems as something the United States should solve. Sometimes this is so aggravated as to infer that the problems are of our making.

Certainly we should have the right to expect that Europe will work toward economic integration. European contries might also examine into their use of available manpower; they could usefully seek an improvement in manufacturing methods and work toward an increase in productivity. I think it fair to say that if many of our import duties which are criticized overseas were entirely removed, there would be little increase in sales of the articles affected because of the superior efficiency of the American economy. Goods must be produced at competitive world prices.

An encouraging development in Western Europe was the proposal by the Dutch Government for the creation of a customs union, or free trade area in Western Europe. The plan was made public on Feb. 24 of the year, when the Foreign Ministers of the Six Schuman Plan countries met in Rome to discuss the European Defense Community. It is significant that it was submitted at a conference dealing primarily with military matters. The Government of the Netherlands has made it clear to the other members of the Schuman Plan group that it could not envisage a European political organization which would not involve far-reaching measures of economic integration. This is the kind of thinking which, if acted upon, will revitalize European economy.

The authors of this Dutch plan have realized that a complete and immediate abolition of all tariff and trade barriers within Europe would be unfeasible. Therefore, they have worked out detailed provisions for a supra-national tariff authority which would supervise and faciliate the transition to a single European market. Under their plan, the custom union treaty would contain an "escape" clause, allowing member countries to slow down the removal of trade barriers if "fundamental disturbances" of their economies were threatened. They could not use this escape clause, however, without explicit permission from the supra-national authority.

The foreign ministers of the Six Schuman Plan countries approved this plan in principle and have asked their experts to give it detailed study with a view to implementation. I hope that this bold initiative will not suffer the fate of so many other good plans which have been proposed for Europe!

West Germany, interestingly enough, maintains stoutly that economic unity can be obtained only through the elimination of all financial and economic controls, customs barriers, cartels and all forms of trade discrimination.

* * *

It is my own view, also, that unless and until the economies of the Western European countries are geared closer than at present—they will not achieve the political and military integration needed to defend themselves from aggression.

* * *

I wish to turn now to another subject which has attracted considerable attention recently in the United States and is being discussed in lively fashion abroad. I refer to what is commonly called East-West Trade, in other words, trade between the countries behind the Iron Curtain and those outside it.

For some years now, we have been asking friendly countries not to trade with the Iron Curtain, and particularly not to sell strategic materials. In fact, we have a law, the Battle Act, which forbids economic assistance to any country which does ship strategic materials within the Iron Curtain. This is not a simple problem because much of the trade of Europe and some parts of Asia has historically taken place with countries now under Russian domination. Italy formerly obtained coal from Poland and Eastern Germany; Britain got timber for her mines from Russia; Japan received most of her raw materials from China, and naturally all of these countries sold products to nations now in the Soviet orbit.

We have asked our friends to cut off the trade in strategic materials, and generally I think they want to comply. But there is no clear understanding of what are strategic materials, and we have not always been able to make available other sources of supply.

So long as a state of hot or cold war exists between Russia, her satellites, and the rest of the world, trade between these areas will be restricted by one side or the other. The Russians, for their part, do not want to trade except for strategic materials which they need, and these our side is not willing to let them have.

This poses a serious problem for every trading nation, but most serious of all perhaps for Japan. Japanese economic strength was founded on obtaining raw materials principally from China and Korea, and on selling most of her exports there. If Japan cannot trade with Red China, where will she sell and where will she buy?

Obviously, even a free trade policy by the United States would not solve this problem directly. We could not expect the United States to replace China as a source of raw materials for Japan or to any large extent as a market for Japanese products. This is so because Japanese industry could not compete with ours and because we do not have exportable raw materials in volume of the type and at the prices the Japanese require.

The case, however, is not hopeless. Before the war I spent some time in the Far East, and recently I completed a round-the-world survey trip which took me through that area. I was struck by the great changes which are taking place, and by the further changes which I think are underway. With the independence of India and Pakistan from Britain, and of Indonesia from the Netherlands, we may expect a re-casting of trade patterns so that the Japanese, over the years, will develop a trade with southeast Asia as busy as they ever had with China.

This is an example of the way trade adapts itself to changed conditions if given time and encouraged. You will remember from your history books that in the Middle Ages the Turks overran the Near East, and invaded Eastern Europe. They cut off the ancient caravan routes from Africa and Europe to the Far East, on which medieval people depended as a source of essential spices and other products. This interruption of trading patterns probably led to the voyages of Columbus and Magellan and to the discovery of the Americas.

At any rate, I believe that profound changes are taking place and will take place in the trade patterns of Asia. If we want a strong Japan to offset the threats we now face in Asia, we should help these changes take place. If we do not, we can expect the Russians to make overtures to Japan which the latter will find it difficult to resist.

As a matter of fact, I think that our foreign economic policy has been centered too much on Western Europe, to the exclusion of Asia. I do not urge that we lose interest in Europe, because that is important, but while barricading the front door of the Russian house we should not overlook the back.

Another facet of this matter of East-West trade is that the roots of some of the European dollar problems lie in Asia and in Latin America. Historically, the European countries have not earned their dollars by direct sales to the United States. They have earned them by selling to Asian and Latin American countries, which in turn sold in the United States—what was called "triangular trade." The United States needs many raw materials which come from Asian and Latin American sources, whereas it does not need, to anything like the same extent, the manufactured products of Europe. If European productivity could be improved so that their sales to Asia and Latin America could be enlarged, many of their dollar problems would disappear.

* * *

Another step by which the present unbalance in U. S. trade can be corrected is the revival of foreign investments. This is a thorny path, however, which must be opened up by the foreigners, not by us.

One hundred years ago the United States was an under-developed country, generously endowed with natural resources, a small population, very little industry, and no capital. Most of the capital which built our railroads and steel mills, and which opened up our mines and established our factories came from the European countries which then were more advanced industrially than we. In the ordinary course of business some of these investments were lost, but our law permitted free use and transfer of the proceeds to those which succeeded. Consequently, these investments proved of advantage both to the Europeans who made and profited by them, and to the Americans who developed their resources.

Europeans also at one time exported capital to Latin America, Africa and Asia. To some extent, this export of capital took place under the colonial schemes of Britain, France and the Netherlands. The flow of investment has been cut off, both because European countries no longer are in a position to export capital, and because many under-developed areas of the world have followed practices unfriendly to foreign investments. in the general revolt against colonialism, countries which badly need capital have resorted to expropriations, restrictions and anti-foreign laws which discourage investments.

The United States now is the greatest source of capital which could be invested in the development of other lands. But the experiences of the last 20 years have largely discouraged the American investor.

In my travels I am constantly being asked why American capital is not available for development of this or that industry abroad. The answer I am forced to give is that the American investor has been badly singed and he is unwilling to be burned again.

There is a tendency in our anxiety to assist some countries to use government funds for projects which private companies could and would finance if assured of proper treatment. This has only encouraged foreign countries in the belief that they can obtain capital without imposing on themselves the discipline of borrowers. I submit that our Government should scrupulously avoid such commitments in the future, thus relieving the American taxpayer of the burden and promoting a better "climate" for foreign loans.

There are huge areas in the world with vast natural resources. These areas are sadly needed to relieve the pressure of populations in many developed countries. Furthermore, many of such lands already have populations living in poverty whose lot could be greatly improved by wise development.

* * *

I hope you will not be disappointed in my failure to propse any miraculous cures for our problems in Korea, in foreign aid, in taxes or any of the other big worries which beset us. What I have tried to bring out is that the present world political and economic situation is not completely unprecedented; and is the result of a long series of causes building up over many years. I do not believe that there are any quick or easy panaceas. The road to the sort of political and economic world in which Americans will enjoy living is a long one.

I have tried, in my remarks today, to outline some of the situations which must be solved if we are to achieve that goal and be relieved of the heavy burdens we are now carrying. I hope that everyone here—that everyone in America — will give serious thought to these problems, and that we can unite on a long-term foreign political and economic policy which will gradually achieve their solution. This policy should be directed fundamentally by the enlightened self-interest of the United States. Too often in the past, our actions have been governed either by hard-boiled self-interest of special groups or by soft-boiled sentimentality of do-gooders.

Not only must the citizens of the United States think clearly about these problems, but also must the citizens of other nations, whose fortunes are entwined with ours. As a matter of fact, the members of the International Chamber of Commerce have been so impressed with the importance of this point that the central theme of the Biennial Congress of the ICC, which will be held in Vienna in May will be: "World Trade Is Everybody's Business."

Since America is unable through the pressure of events to sit placidly on the sidelines of history it follows that she must take the lead in contributing to world security and in organizing and maintaining a peaceful world. Only in such a world can she realize the ideals in which she professes to believe.

This is not new doctrine. It was held by statesmen who helped found our Republic. When Jefferson became Secretary of State he wrote to Lafayette: "I think with others that nations are to be governed with regard to their own interests, but I am convinced that it is their interests in the long run to be grateful, faithful to their engagements even in the worst of circumstances, and honorable and generous always."

Public Utility Securities

By OWEN ELY

Niagara Mohawk Power Corporation

Niagara Mohawk Power Corp. probably sells more industrial power than any other private U. S. utility; last year, with cheap hydro power obtained from Niagara plus efficient steam power, it sold nearly 10 billion kwh. to some 3,400 industrial customers. This was over 7% of all the private industrial power sales in the country. While the company used to be considered a hydro company, it has been putting in a great deal of steam generating capacity so that now hydro supplies only about 37% of total capacity (including some power purchased under contract). By 1954 the construction of nearly 400,000 kw. added steam capability will further reduce the ratio.

Niagara has enjoyed good, though not phenomenal, growth. Since 1948 electric revenues have increased from about $122 million to nearly $166 million, or a gain of over one-third; and gas revenues, aided by increased availability of natural gas, have increased from $16 million to nearly $27 million, or about two-thirds.

Niagara Mohawk Power emerged from the old Niagara Hudson Power System, and merged with its large operating subsidiaries in October, 1950. Dividends on the new common stock were paid at the rate of $1.40 from Jan. 5, 1950 to Sept. 30, 1951, since which date the rate has been $1.60. Earnings on outstanding shares have been as follows:

1952	$1.92	1949	$1.94
1951	2.05	1948	1.59
1950	1.96		

In February this year the company sold $25 million general mortgage 30-year bonds and 1 million shares of common stock. While this issue of additional common in the ratio of a little less than 1-for-10 will temporarily dilute share earnings, the management is confident that they will be able to report about $2 a share on the increased number of shares in the calendar year 1953—despite the fact that another wage increase may be in the offing. Water conditions at the hydro plants were bad last fall, but with the recent record rainfall are much improved. Under the present set-up, variation in weather conditions might mean a swing of about 10c either way in share earnings, it is estimated.

The upstate industrial area served by the company continues to benefit by record-breaking industrial activity, and no letdown seems indicated over the near-term future. The company is spending about $70 million for construction this year, but the recent sale of $25 million bonds and $27 million common stock will probably take care of this. Next year's program might be around $55 million but the management is hopeful that it can avoid equity financing (with resulting earnings dilution) in 1954.

The Public Service Commission is expected to permit the company to reduce its depreciation reserve by some $16-$18 million. This would have the effect of increasing the common stock equity to around 36% (excluding intangibles). It would also increase the rate base, thus permitting a higher rate of earnings. The PSC is also expected to permit current depreciation accruals to be reduced by about $1 million a year, which would increase share earnings about 9c a share. However, the company was not fortunate enough to obtain a $2 million local rate increase at Buffalo, which it had requested from the PSC; the commission prefers to have rates regulated on an overall system basis.

Despite unfavorable weather conditions, earnings of the gas division are also expected to show a decided improvement in 1953. The pipe-line from which it receives natural gas is asking for a 13% increase but this is suspended until July when it can be put into effect under bond. While the company hopes to absorb some of this increase, it may prove necessary to ask for an offsetting rate increase. The estimated supply of gas is adequate now and with additional house-heating customers, gas revenues are expected to gain about $6 million in 1953. Completion of the pipeline to Watertown and conversion of customer facilities in that town, expected by September, will almost complete system conversion to natural gas. Restrictions have been lifted on some 20,000 heating customers, and the company has requested lifting of restrictions on additional sales, which would permit a further gain of about 20,000.

The management of Niagara is hopeful that, under the new Administration, it will be permitted to proceed with the huge Niagara River Power Project to construct an additional 1,132,000 kw hydro capacity at Niagara Falls, using an ingenious method of diverting and storing water so as not to spoil the scenic beauty of the Falls. Niagara Mohawk and four other New York State utilities have proposed to work jointly in the financing and construction of this project, providing Congress will pass enabling legislation. It now appears likely that the New York State Power Authority will be permitted to proceed with the separate St. Lawrence River Power Project to develop some 570,000 kw of firm capacity; Niagara expects to obtain some of this power for retailing.

Bank and Insurance Stocks

By H. E. JOHNSON

This Week—Insurance Stocks

Geyer & Co., 63 Wall Street, New York, specialists in insurance stocks, have recently issued their annual "Insurance Stock Analyzer." The report covers the 1952 operations and figures from year-end statements of 70 of the major fire and casualty companies.

Taking the conventional statements, Geyer & Co. have compiled a great deal of pertinent information not normally available to the usual stock investor on the different companies and presented it on a basis which is comparable. The tabulations include details on capitalizations, net premiums written and sources of premium income as between the different insurance lines. Also presented is information about dividend payments, asset values and the breakdown of investments between bonds, preferred stocks and equities.

Some of the more interesting details revealed by the "Analyzer" are that the Insurance Company of North America was the first of the group to commence business, starting over 160 years ago in 1792. Providence-Washington commenced shortly after in 1799. The North River Insurance Company, however, has the longest dividend record with consecutive payments going back 114 years. Hanover Fire and Continental Insurance have each maintained payments for 100 years.

Of the 70 companies, Insurance Company of North America has the largest capital funds totaling $260 million. Hartford Fire is larger in terms of total resources with $583 million as compared with the $568 million of Insurance Company of North America.

Concerning diversification of assets and investments, the tabulation shows that American Automobile Insurance had 68.2% of its total resources invested in government bonds at the end of 1952, the largest percentage for the group. St. Paul Fire & Marine was heavily concentrated in state and municipal securities with 56.3% of assets invested in these obligations.

As to common stock holdings, The Fidelity-Phenix Fire Insurance Company with 51.2% of its assets invested in equities led the list. The Continental Insurance Company with 47.9% of assets in common stocks was second in this group.

In addition to comparable data on all 70 companies as well as many other interesting and significant facts, the report gives a breakdown of the 1952 consolidated earnings and a comparison of the final results with those of 1951. As has been the practice for the past several years, Geyer & Co. in estimating the year's results has made an allowance for the Federal tax saving as a result of the increase in acquisition expenses which are deductible for tax purposes. This saving is deducted in arriving at the adjusted underwriting profit. It is believed that this method presents a more accurate estimate of the underwriting operations from year to year.

In the tabulation below, 24 of the major insurance companies covered in the "Insurance Stock Analyzer" have been selected and are shown with a breakdown of the 1952 operating results:

	Under-writing Profit	Net Acquis. Exp. Incurred on Unearn. Prems.	Adjust. Under-writing Profit	Net Invest. Income	Oper. Profit before Taxes	Federal Income Taxes Incurred	Operating Earnings after Taxes 1952	Operating Earnings after Taxes 1951
Aetna Insurance Co.	$2.19	$0.81	$3.00	$4.50	$7.50	$2.62	$4.88	$2.51
Agricultural Ins. Co.	2.22	0.80	3.02	2.71	5.73	1.92	3.81	2.79
American Insurance	0.97	0.17	1.14	2.08	3.22	0.92	2.30	2.01
Boston Insurance	0.52	0.60	1.12	2.09	3.21	0.54	2.67	1.93
Continental Insur.	1.72	0.45	2.17	4.90	7.07	1.90	5.17	3.23
Federal Insurance	5.58	0.86	6.44	4.19	10.63	4.14	6.49	4.89
Fidelity-Phenix	2.26	0.52	2.78	5.25	8.03	2.33	5.70	3.17
Fire Assoc. of Phila.	—0.37	1.46	1.09	5.85	6.94	0.82	6.12	4.34
Fireman's Fund	1.51	0.40	1.91	3.46	5.37	1.64	3.73	3.54
Firemen's Insurance	—0.22	0.79	0.57	3.04	3.61	0.58	3.03	2.41
Glens Falls	0.59	1.19	1.78	3.66	5.44	0.92	4.52	2.90
Great American	0.92	0.19	1.11	3.14	4.25	1.10	3.15	2.17
Hanover Fire	2.46	0.52	2.98	3.09	6.07	1.56	4.51	2.87
Hartford Fire	5.79	0.87	6.66	7.83	14.49	4.47	10.02	9.23
Home Insurance	0.55	0.31	0.86	2.89	3.75	0.81	2.94	2.98
Ins. Co. of No. Amer.	3.03	0.73	3.76	4.84	8.60	2.27	6.33	4.87
National Union	0.06	1.11	1.17	3.57	4.74	0.59	4.15	4.02
New Hampshire Fire	—0.49	1.59	1.10	2.97	4.07	0.04	4.03	5.11
North River Insur.	1.81	0.01	1.82	2.12	3.94	1.49	2.45	2.49
Northern Insurance	3.31	1.64	4.95	4.28	9.23	2.08	7.15	3.88
Pacific Fire	7.22	1.05	8.27	4.82	13.09	4.89	8.20	7.14
Phoenix Insurance	1.56	1.64	3.20	5.66	8.86	1.68	7.18	5.92
St. Paul Fire & Mar.	1.23	0.24	1.47	1.71	3.18	0.76	2.42	1.97
Security Insurance	0.74	0.44	1.18	2.72	3.90	1.02	2.88	1.66
Westchester Fire	1.57	0.01	1.58	1.71	3.29	1.12	2.17	2.14

Attitude of Reserve Board on Standby Controls

Chairman Martin of Federal Reserve tells Senate Banking and Currency Committee "essential as appropriate fiscal and monetary measures are at all times, they may need to be supplemented by direct restraints under emergency conditions."

Appearing before the Senate Banking and Currency Committee on March 30 at a hearing on bills to provide standby economic controls, Wm. McC. Martin, Jr., Chairman of the Board of Governors of the Federal Reserve System, upheld the principle of allowing market forces, operating within a framework of proper fiscal and monetary policies, to correct imbalances in the monetary and credit field, but added that under certain emergency conditions direct controls may be needed.

W. McC. Martin, Jr.

In his statement to the Committee, Chairman Martin said:

"In the present international situation there is, of course, the ever present possibility that an emergency might arise. It might then be highly desirable to be able to put into effect promptly certain of the controls which are contemplated in the bills which you are considering.

"The Bills in Relation to the Federal Reserve: Senator Capehart's bill, S. 753, would (1) reenact, on a standby basis, authority to regulate consumer credit in the same flexible form as originally enacted in the Defense Production Act of 1950; (2) reenact, on a standby basis, the President's authority to regulate real estate construction credit in the same flexible form contained in the Defense Production Act of 1950 (applying only to new construction); (3) continue without change until June 30, 1954, the Government program of guaranteed loans for financing of defense contracts (the V-Loan Program); and (4) prohibit voluntary programs or agreements for the restraint of credit. The other proposals in S. 753 involve matters which do not fall primarily within the Board's province.

"Senator Capehart's other bill, S. 1081, provides that the President, after consulting the proposed National Advisory Council, might freeze prices, wages and rents at the levels then prevailing for a period of 90 days. It does not contain provisions relating to credit controls.

"Consumer and Real Estate Credit: The Board is not seeking authority to reinstitute at this time regulation of consumer credit or real estate credit. It is true that both consumer and real estate credit have expanded rapidly in the last year and that some of this credit has been extended on extremely easy terms. Delinquencies and repossessions, painful though they may be, will operate at some point to correct unsound terms and to cause sellers and lenders to adopt safer credit policies. The Board feels that market forces will eventually assert themselves to bring about readjustments provided they operate within a framework of proper fiscal and monetary policies.

"At the same time, the Board recognizes that there may be emergencies when it may be helpful to supplement general fiscal and credit policies by more direct restraints. If Congress decides to enact legislation to give emergency powers to the Board in the fields of consumer and real estate credit, the Board recommends that the powers be granted without the limitations upon terms that have previously seriously hampered administration of this kind of regulation. S 753 provides the authority on this flexible basis. The Reserve System, because of its responsibility for monetary policy, is the logical medium for administering such a law, and has had considerable experience with this type of regulation.

"The Board also recognizes that, if an emergency arose in which controls over prices, wages and rents were necessary as provided for by the 90-day freeze bill, S. 1081, consumer and real estate credit controls might well be needed to supplement other emergency measures. Accordingly, if legislation along the lines of S. 1081 were to be favorably considered by Congress, provisions authorizing consumer and real estate credit controls for a temporary period in an emergency might appropriately be included in such legislation.

"In this connection it may be mentioned that under the Trading with the Enemy Act of 1917 the President has broad authority in time of war or national emergency over payments or transfers of credits by banking institutions, and it is believed that the President could utilize this authority in order to regulate consumer or real estate credit in a national emergency. However, we recognize that some might question the legal basis of such action under the 1917 law, and, in any event, we feel that use of this authority should be avoided except as a last resort.

"Voluntary Credit Restraint: It is noted that these bills do not provide for an extension of this authority. While there are limits to its effectiveness as a means of credit restraint, under emergency conditions it can be a useful adjunct to a comprehensive regulatory program."

Upholds Henry Ford 2nd Trade Policy

Citizens Conference on International Economic Union, whose Chairman is Louis H. Pink, sends appeal to Congress for action to produce more trade and less aid to underdeveloped nations.

More trade and less aid to underdeveloped nations along the lines of the realistic trade policy recently advocated by Henry Ford 2nd is recommended by the Citizens Conference on International Economic Union whose Chairman is Louis H. Pink, former Superintendent of Insurance of New York, in an appeal to Congress in the form of a four-page brochure just issued. The appeal is signed by 26 directors of the Conference, most of them economists and university professors.

Louis H. Pink

The Conference urges the adoption by Congress of sound comprehensive trade legislation to carry out the intentions of the International Trade Organization which the United States originally promoted. In the interim and until a fundamental trade and tariff law can be enacted, continuation of the Reciprocal Trade Agreements Act scheduled for renewal in June is recommended. The Conference, however, urges elimination of the "peril points" and escape clauses inserted in 1951 which permit the President to increase tariffs upon the demand of special interests and which deny foreign nations the security of a continuing policy. Other recommendations include the Customs Simplification Bill and repeal of the Buy American Act.

Advocating trade as the best possible "protection" for American workers, the Conference states: "We must buy as well as sell so that other countries can acquire American dollars with which to purchase our goods. Thus our industries will be kept healthy and our workers fully employed. Adequate legislation to carry this out is the great challenge before Congress."

While favoring even more aid for underdeveloped nations the Conference asks the United States to stop lending and giving to those countries where trade will fill the gap and provide the necessary American dollars.

According to the Conference, Congress has a unique opportunity to create a bipartisan foreign policy embracing economic measures which will go to the roots of our economic problems, aid other nations to achieve sound economies, and set an example for mature and enlightened economic world planning for multilateral trade. Urging a trade policy to eliminate unnecessary tariff restrictions, the Conference maintains that Congress now has a chance to enact historic legislation which will go far to stabilize and protect our own economy and promote trade and peace throughout the world.

Wilfred Perham Joins Townsend, Dabney Co.

Wilfred B. Perham

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Wilfred B. Perham has become associated with Townsend, Dabney & Tyson, 30 State Street, members of the New York and Boston Stock Exchanges. Mr. Perham was formerly with Coburn & Middlebrook, Incorporated.

Waddell & Reed Adds

(Special to THE FINANCIAL CHRONICLE)

SCOTLAND, Ga. — Elbert D. Clegg is now with Waddell & Reed, Inc.

Hugh T. Kearns Joins American Securities Corp.

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill. — Hugh Kearns has become affiliated with American Securities Corporation, 111 West Monroe Street. Mr. Kearns was previously with Coffin & Burr, Incorporated and prior thereto with Doyle, O'Connor & Co. Inc. specializing in public utility and industrial stocks.

Continued from page 5

The State of Trade and Industry

ments noted. Private building in the month rose "considerably more than seasonally" to $1,700,000,000. Public construction last month increased 12% to $725,000,000. The gain was less than usual for the month and reflected a lag in Federal awards, the Departments stated.

The number of corporations that were granted new charters during the month of February displayed the usual seasonal decline from the normally active opening month of the year, but it continued to exceed last year's level, as it has for more than a year, Dun & Bradstreet, Inc., reported. New businesses incorporated in February amounted to 7,947, a drop of 16.1% from 9,468 in January, but a gain of 11.3% over the 7,138 in February, 1952.

For the first two months of this year, the number of new stock company formations reached a total of 17,415. This was 12.4% more than last year's figure of 15,495; it was larger than any previous year since 1948, which had a total of 18,873 incorporations for the two months' period. Thirty-nine states reported gains over a year ago for the cumulative period.

Steel Output Scheduled This Week at 98.3% of Capacity

Demand for steel, as a whole, is strong, but there are some exceptions worth watching, says "Steel," the weekly magazine of metalworking, the current week. It's impossible to say now whether they are merely isolated instances and temporary or whether they are forerunners of things to come.

A segment of the steel business where they are most in evidence is the warehouses. While they haven't been able to get as much steel as they would like, they have fared pretty well under the government's Controlled Materials Plan, this trade weekly states. Also, with warehouse prices for steel being higher than mill prices, some mill quantity buyers who have been going to warehouses for additional supplies are calling there less frequently. Now, Boston warehouses are not placing orders to the extent of their allotments on some products, including small cold-finished bars, strip, light plate and wire, and a wider range of alloys. On more and more products, inventories of Boston warehouses are coming into balance. All the while, the demand for steel from the Boston warehouses is brisk, continues this trade magazine.

In the New York area, warehouses are taking in an increasing volume of steel, although not in sizes to balance inventories, while at St. Louis, warehouse inventories, now estimated at 60% of capacity tonnagewise, are the best rounded since World War II. Deliveries from mills are improving, while demand at warehouses is softening. Warehousemen and consumers are watching inventories closely, it notes.

In the San Francisco area, warehouse stocks, although far below normal, are in better balance than they were and in Seattle, warehouse competition is increasingly keen. Although inventories are unbalanced they are building up.

Reflecting the improved position of warehouses, the National Production Authority's warehouse section closed. As warehouses' needs of steel become filled, the pressure on mills will lessen and steel for other buyers will be more readily available it concludes.

The American Iron and Steel Institute announced that the operating rate of steel companies having 93% of the steelmaking capacity for the entire industry will be at an average of 98.3% of capacity for the week beginning April 6, 1953, equivalent to 2,216,000 tons of ingots and steel for castings. In the week starting March 30, output totaled 2,190,000 tons with the operating rate at an average of 97.1% of capacity. For the like week a month ago the rate was 101.3% and production 2,284,000 tons. A year ago when the capacity was smaller actual output was 1,294,000 tons, or 62.3%.

Electric Output Cut by Easter Holiday

The amount of electric energy distributed by the electric light and power industry for the week ended April 4, 1953, was estimated at 8,018,761,000 kwh., according to the Edison Electric Institute.

The current total was 55,760,000 kwh. below that of the preceding week when output totaled 8,074,521,000 kwh. It was 799,930,000 kwh., or 11.1% above the total output for the week ended April 5, 1952, and 1,282,917,000 kwh. in excess of the output reported for the corresponding period two years ago.

Car Loadings Advance 2% in Latest Week

Loadings of revenue freight for the week ended March 28, 1953, totaled 715,337 cars, according to the Association of American Railroads, representing an increase of 14,195 cars, or 2% above the preceding week.

The week's total represented a decrease of 10,150 cars, or 1.4% below the corresponding week a year ago, and a decrease of 40,098 cars, or 5.3% below the corresponding week in 1951.

U. S. Auto Output Rose 54% Above Like 1952 Week

Passenger car production in the United States last week advanced slightly above the previous week and was 54% higher than corresponding period last year, according to "Ward's Automotive Reports."

It aggregated 140,134 cars compared with 139,276 cars (revised) in the previous week. This was 54% more than the 91,074 cars turned out in the year ago week.

Total output for the past week was made up of 140,134 cars and 31,535 trucks built in the United States, against 139,276 cars and 31,594 trucks the previous week and 91,074 cars and 25,208 trucks in the comparable 1952 week.

Canadian factories turned out 7,711 cars and 2,775 trucks last week, against 7,940 cars and 2,939 trucks in the preceding week and 6,297 cars and 3,089 trucks in the comparable 1952 week.

Business Failures Ease Slightly

Commercial and industrial failures dipped slightly to 171 in the week ended April 2 from 188 in the preceding week, according to Dun & Bradstreet, Inc. Casualties were less numerous than in 1952 and 1951 when 185 and 195 occurred, respectively, and continued far below the prewar total of 295 recorded in the comparable week of 1939.

Failures involving liabilities of $5,000 or more declined to 151 from 158 a week ago, but remained even with last year's level of 150. A sharper drop among small casualties, with liabilities under $5,000, brought their toll down to 20 from 30 in the previous week and 35 a year ago.

Failures in retail trade, down to 85 from 101, and manufacturing, down to 33 from 38, accounted for most of the week's decline. Little change took place in wholesaling or commercial service failures. Construction casualties increased to 23 from 16 last week. Construction, wholesaling, and service had more failures than in the similar week of last year. There was a slight year-to-year decline in retailing failures and a sharp drop in manufacturing.

Seven of the nine geographic regions reported decreases in failures during the week; the West North Central States had a rise to nine from two and the South Atlantic toll remained steady at eight. Casualties in the Middle Atlantic and Pacific States dipped one in each area, bringing their totals to 72 and 45, respectively. Somewhat sharper declines prevailed in the East North Central States, down to 13 from 20, and in the East South Central, down two from 10. Despite the week's general decline, five of the nine major geographic regions had more failures than last year: the West North Central, South Atlantic, West South Central, Mountain and Pacific States. Meanwhile, notable declines from 1952 appeared in the East North Central and Middle Atlantic Regions.

Wholesale Food Price Index Turns Sharply Lower

A general downward movement in foods last week brought a sharp dip in the Dun & Bradstreet wholesale food price index. The index for March 31 fell to $6.32, from $6.41 on March 24, marking a drop of 1.4% in the week. It compared with $6.40 on the corresponding date a year ago, or a decrease of 1.3%.

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

Wholesale Commodity Price Index Depressed by Peace Overtures

Considerable easiness developed in most commodities last week as the result of new Communist peace proposals. The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., showed a further decline to 279.89 on March 31, from 282.06 a week earlier. At this time a year ago it stood at 301.78.

Grain markets which had trended lower during most of the week, suffered substantial losses at the close, due to heavy selling induced by Korean developments.

Early weakness in wheat stemmed from increased receipts coupled with less active demand, both export and domestic. Weakness in corn was influenced by increased offerings, liberal reserve stocks and continued marketing of CCC surplus corn. Rye and oats moved irregularly lower in sympathy with wheat and corn. Average daily purchases of all grain and soybean futures on the Chicago Board of Trade last week totaled 35,400,000 bushels, against 34,200,000 the preceding week, and 33,700,000 a year ago.

Liquidation, prompted by renewed peace overtures, resulted in sharp declines in most foods as the week closed.

New business in hard wheat bakery flours continued quiet with only scattered bookings from bakers and jobbers whose stocks were running extremely low. Hand-to-mouth buying also prevailed in other flours; shipping directions continued to lag. The cocoa market was irregular and closed on a weak tone after fluctuating nervously during the week. Trading in both the actual and futures markets was only moderate. Warehouse stocks were reported at 72,009 bags, down slightly from 72,281 last week, and compared with 97,861 a year ago. Roasters showed little interest in green coffee offerings. The Santos 4 grade at 58¾ cents, showed a further drop of 2 cents a pound in the week. Lard moved lower in sympathy with grains and vegetable oils. Livestock markets ran counter to the general trend. Both cattle and hogs were firmer as active demand met with somewhat smaller offerings.

Cotton prices moved in a narrow range last week. Both inquiries and offerings decreased as sales in spot markets fell to the lowest level for any week thus far this season. Some liquidation was prompted by a revival of peace talk, while other bearish influences such as lagging exports, slowness in textiles, and prospects of larger plantings, continued in evidence. Reported sales in the ten spot markets last week totaled 69,000 bales, compared with 94,500 the previous week, and 125,300 in the corresponding week a year ago.

Stocks of cotton at the mills were reported at the lowest in over one and a half years.

Entries of the staple into the Government loan program for the week ended March 20 totaled 26,760 bales, compared with 25,400 bales a week earlier. For the current season through March 20 loan entries totaled 2,058,000 bales, and repossessions 168,000 bales, leaving 1,890,000 bales still in the loan. Rains hampered field work over much of the eastern part of the belt last week, but generally good progress was reported in most western areas.

Trade Volume Lifted Slightly in Peak Easter Season

Retail trade rose slightly in the period ended on Wednesday of last week as the Easter shopping season rose to a peak. Although heavy rains in New England and parts of the East dampened consumers interest slightly, most retail merchants were confident of surpassing the sales figures of the 1952 Easter season, thus setting a new record. The earlier arrival of Easter in 1953 enabled most stores to chalk up sizable gains over the levels of a year ago.

Merchants relied more heavily on easy credit terms to attract shoppers than they did a year ago. Some apprehension prevailed about tardy payments by purchasers.

The total dollar volume of retail trade in the week was estimated by Dun & Bradstreet, Inc., to be from 5 to 9% higher than that of a year ago. Regional estimates varied from the comparable levels of a year ago by the following percentages: New England and East +3 to +7; Midwest +5 to +9; South +6 to +10 Northwest +4 to +8; Southwest +7 to +11, and Pacific Coast +5 to +9.

The interest in apparel rose to its seasonal peak last week as shoppers thronged stores in search of Easter finery.

Apparel merchants in most parts of the nation scored wide gains over the year-ago levels.

Reduced-price promotions were much less common than during the 1952 pre-Easter season. Shoppers in some sections were disappointed by scanty stocks of dresses and short coats.

Food stores noted a quickening in consumer demand the past week as preparations were made for the Easter festive fare. Despite many price dips, most stores had larger receipts than in the similar week a year ago. In rising demand were confectionery, baked goods, hams, poultry and eggs. Supermarkets steadily expanded their share of total food sales volume. The recent rises in wholesale coffee prices were registered in most retail stores last week; retailers were apprehensive about growing consumer resistance.

Most household goods were neglected in the week as shoppers turned their attention to their wardrobes. However, most items remained in larger demand than they were a year ago. Most popular were decorating materials, clock-radios, phonograph records and equipment.

Trading activity in many wholesale markets slowed slightly in the week as a seasonal decline combined with buyers' uneasiness induced by the Communist peace overtures. However, as during the past several months the total dollar volume of wholesale trade remained slightly larger than that of a year earlier. Buyers were increasingly apprehensive about extending their commitments beyond the needs of the immediate future.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, for the week ended March 28, 1953, increased 11% from the level of the preceding week. In the previous week an increase of 16% was reported from that of the similar week of 1952. For the four weeks ended March 28, 1953, an increase of 12% was reported. For the period Jan. 1 to March 28, 1953, department store sales registered an increase of 6% above 1952.

Retail trade in New York last week (the final week of Easter shopping) saw sales volume come within striking distance of the level of the corresponding period in 1952.

According to the Federal Reserve Board's index department store sales in New York City for the weekly period ended March 28, 1953, registered no change from the like period of last year. In the preceding week an increase of 10% (revised) was reported from that of the similar week of 1952, while for the four weeks ended March 28, 1953, an increase of 4% was recorded. For the period Jan. 1 to March 28, 1953, volume declined 1% under that of 1952.

With Eppler, Guerin

FT. WORTH, Tex. — John P. Livingston and Hayden E. Brashier are now associated with Eppler, Guerin & Turner, Fort Worth National Bank Building.

Miltimore Elected Dir.

Louis D. Miltimore, partner in Kidder, Peabody & Co., New York City, was elected a director of Thatcher Glass Manufacturing Company, Inc. to fill a vacancy created by the death of S. G. H. Turner.

With Coburn Middlebrook

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Norman P. Singer is now with Coburn & Middlebrook, Incorporated, 75 State Street.

Mutual Funds

By ROBERT R. RICH

BOTH AMERICAN business and the stock market appear to have gone far toward "refueling in the air" during the past 12 to 18 months—each making its own adjustments without any over-all disturbance.

"Sixty per cent of the individual industries have separately had their own major correction since early 1951," Distributors Group states, "yet on an over-all basis, production and national income have been well maintained. Two-thirds of the stocks listed on the New York Stock Exchange either have declined by from 20% to 50% in that period or have participated very little in the market advance since 1949, yet because of the advances made by other stocks, stock market indexes have held at a high level."

Recovery appears to have begun—both in business volume and in stock prices—for many of the companies and industries that have had setbacks. While the picture is not yet conclusive, it appears quite possible that the economy is largely "refueled"; that a "rolling adjustment" of common stock prices may well supply the correction normally provided by a more general price decline.

DELAWARE Fund on Monday reported gross sales of $1,030,000 for the first quarter of 1953 for an increase of 20% as compared with average sales in the preceding six months.

The fund closed the March quarter with total net assets of $15,405,000. This represented a 17.4% increase over the total of $13,026,000 12 months previously.

The fund had $600,000 in cash or its equivalent on March 30, last, according to W. Linton Nelson, President, and was using this cash to take advantage of current market weakness.

"This weakness," Mr. Nelson said, "could last for some time, possibly as long as it will take the Government to examine this latest Communist proposal to exchange wounded and sick prisoners, and to assure itself that this is not another diabolical trick of the Communists—or at least, as long as it may take for a considerable number of nervous investors to realize that business activity and dividends will continue for many months at current levels.

"We say again, as we have many times before," he continued, "we do not believe we dare diminish our rearmament efforts until we have re-established our military capacity to a level which will leave no reasonable doubt of its condition or intention to use it, if necessary, in the mind of anyone. The recent charges of scandal over arms shortages are the best evidence we can think of to confirm our belief that this rearmament program on which we are embarked is nowhere near completion."

PORTFOLIO changes made by the Calvin Bullock managed Nation-Wide Securities Company, Inc., during its quarter ended February 28, 1953 included purchases of 2,000 shares of Louisville Gas & Electric Company; 2,000 shares of Newberry (J. J.) Company; and 4,000 shares of Pacific Lighting Company.

Sales of stocks included 1,000 shares of Shamrock Oil & Gas Corporation; 1,400 shares of Socony-Vacuum Oil Company, Inc.; 2,000 shares of Southern Pacific Company, and 4,400 shares of Wisconsin Electric Power Company. Eliminated from its portfolio were Beatrice Foods Co.; C.I.T. Financial Corporation; Equitable Gas Company; United Fruit Company and Washington Gas Light Company.

TOTAL NET assets of The George Putnam Fund of Boston increased to $63,750,000 as of March 31, 1953, compared with $54,800,000 a year ago, and $61,500,000 at the year end. Net asset value on March 31, 1953, amounted to $18.72 on 3,408,895 shares, compared with $18.80 on 2,917,005 shares a year ago, and $19.12 on 3,215,833 shares at the year end.

Investors purchased more shares of The Putnam Fund during the first quarter of 1953 than in any previous three-month period, according to a statement by George Putnam, Chairman of the Trustees. First quarter purchases approximated $4,158,000, 60% more than the first quarter of last year.

Mr. Putnam also announced that a new registration statement has been filed with the Securities and Exchange Commission covering the sale of an additional 1,000,000 shares of the Fund.

INVESTORS Diversified Services, Inc. has opened its first divisional office in the Hawaiian Islands, it was announced by Grady Clark, Vice-President and general sales manager.

Jack Stoller, a native of New York, graduate of the University of Connecticut and a U. S. Navy gunnery officer in the Pacific theater during World War II, has been named zone manager representing I.D.S. in Honolulu and throughout the Hawaiian Islands, where he has maintained his own accounting firm since the end of the war.

RICHARD S. PORTER, former administrative officer in the Securities and Exchange Commission Division of Corporate Finance, has joined the executive staff of Investors Diversified Services, Inc., as an Assistant Vice-President, it was announced by Robert W. Purcell, President.

Mr. Porter is a native of New Britain, Connecticut and a graduate of Dartmouth College. He has been a member of the SEC staff since 1935, excepting for a two-year military leave during which he served as a U. S. Navy liaison officer in the Southwest Pacific.

BRIEFLY: In the six months ending Feb. 28, **Texas Fund** increased net assets from $9.6 to $12.1 million, with net asset value per share 4% higher at $5.40 and with unrealized appreciation of $1,900,338. **Fund added** commons of Arizona Public Service, Central Louisiana Electric, Public Service of New Mexico and Houston Oil. . . . **"To the best of its knowledge," American Business Shares** reports to distributors that, **"it is** the most stable of the larger balanced funds, with 50% of net assets in U. S. and other high-grade bonds; **its return** to investors from net investment income is about the same as that of other balanced funds; **spread between** bid and asked prices is lower than that of other balanced funds sold through dealers; **and management** fee, at ⅜ of 1%, is as low as any of the balanced funds and lower than most. . . . **Commonwealth has merged** its multiple purchase program and dividend reinvestment service applications. Present dividend reinvestment holders **can now count** them as multiple purchase accounts. Minimum initial is $50, with subsequent payments of $25. . . . **Eaton & Howard's** "hot" Balanced Fund and Stock Fund now pay quarterly dividends in amounts approximating net income for quarter under new policy. **Previously**, December dividend was swollen with some of the year's accumulation. . . . **"The market will** continue on its present course of high selectivity which has dominated it for past two years," states General Securities. Fund, now at $326,000, purchased Columbia Gas and Consolidated Grocers during quarter ending Feb. 28. . . . **Chemical Fund** reports activity over past months in chemical industry has shown a marked up-turn indicating that many of the companies in Chemical Fund's portfolio will show earnings for 1953 placing them in excess tax bracket. **Result:** If excess profits is permitted to expire or is reduced, Fund states, reported earnings to stockholders **should materially benefit. . . . The average** Selected American Investment Plan has been in force 3.2 months, started with an initial cash purchase of $326.36 and an initial deposit of 50.47 shares that had been purchased previously. During its short life, average plan has had additional cash purchases of $178.29 (including dividends reinvested) and has also deposited a small number of additional shares, now holding 93.16 shares. **Six per cent** of plans were started with minimum annual purchase of $250 and the minimum annual intention of $200 in future purchases. **More than 28%** were started with initials of plus $500. **65% were started** with cash investments and 35% with shares already owned. **. . . On Selected's plan,** one salesman sold 14 plans in 30 days, has total of 34 with purchase intentions of $15,000 annually. . . . **Ed Hale,** our Boston reporter who has desk space with Vance, Sanders & Company, **asked how our mental attitude** was a little while ago. Ed **picked the wrong day** to ask that question, so he **then** said, "If you're a **pessimist,** at the present level of stock prices as measured by the D-J Industrials, the earnings on these stocks could decline 37% from present levels before stocks would be selling at a price-times-earnings ratio equal to the 1935-39 average. **On the other hand,"** he remarked, "if you are **optimistic tomorrow**, then, if the stocks in the D-J industrial average sold on the same price-times-earnings ratio basis as they did for 1935-39, they would have to increase from present levels to about the 450 level." Mr. Hale is the Wise Man of Wall Street you've heard about, who looks both ways before he crosses the 'Street to the 'Change.

Tri-Cap Merger Is Final Step In Unifying Plan

The merger of Capital Administration Company, Ltd. into Tri-Continental Corporation, the country's largest diversified closed-end investment company, became effective Wednesday evening, April 8, 1953, according to Francis F. Randolph, Chairman of the Board and President of both companies. Holders of Capital Administration securities may present them for exchange for securities of Tri-Continental, in accordance with instructions furnished by the corporation.

The new capitalization of Tri-Continental will consist of $18,060,000 of debentures, 405,370 shares of $6 cumulative preferred stock, 4,174,104 shares of common stock and 3,271,247 warrants.

Mr. Randolph described the merger of Capital Administration as the final step in long range plan for the unification and simplification of Tri-Continental. This plan was initiated in 1948 with the merger of General Shareholdings Corporation and advanced in 1951 when Selected Industries, Incorporated was merged.

As a result of the mergers and increased market values of portfolio securities, Tri-Continental's gross assets have risen from about $48,000,000 at the beginning of 1948 to approximately $178,000,000 on April 8, 1953.

Under the merger terms, Tri-Continental will assume the debenture obligations of Capital Administration. Shareholders of Capital's $3 cumulative preferred will receive, for each share, one-half share of Tri-Continental $6 cumulative preferred. Each share of Capital's class A common will be converted to one and one-half shares of Tri-Continental common plus one warrant, and each share of Capital's class B common will be converted to one-fifth share of Tri-Continental common plus one-half warrant.

In addition, Capital's class A common will receive $1.48—and the class B, $0.38—in capital gains. The Treasury Department has ruled that no taxable gain or loss can be realized by Capital's shareholders on the conversion. Tri-Continental's interest in Capital's class B is cancelled. Allocation of asset values were made on price data of Dec. 31, 1952.

CLOSED-END NEWS

THE NET ASSET value of The Lehman Corporation for the nine months ended March 31, 1953, amounted to $149,544,481, equivalent to $72.02 per share on the 2,076,562 shares of capital stock outstanding, it was reported today by Mr. Robert Lehman, President, in the Interim Report to Stockholders. The corresponding net asset value on June 30, 1952, the end of the corporation's previous fiscal year, was $71.57 per share.

The net ordinary income for the nine months ended March 31, 1953, amounted to $3,206,880, as compared with $3,341,133 in the corresponding period of the previous year. Net realized profit on investments at the end of the same period amounted to $4,861,144, compared to $3,971,569 for the corresponding period of the previous year.

During the three-month period, the corporation purchased stocks at a total cost of $2,085,103, as against total proceeds from securities sold of $2,176,248. The corporation's U. S. Bond and Cash and Receivables amounted to $18,-593,385, or 12.4% of net assets on March 31, 1953, against $18,-082,821, or 11.8% three months ago. Common stocks constituted 83.5% of net assets on March 31, 1953, as against 84.7% on Dec. 31, 1952.

New additions to the portfolio during the quarter were 34,100 shares of Simpsons Limited and 10,000 shares of Colgate-Palmolive-Peet Company. Chief increases were 5,000 shares of Northern Pacific Railway Company and 5,000 shares of National Cash Register, increasing both of these holdings to 15,000 shares. Sold were 19,320 shares of Duquesne Light Company; 9,000 shares of Philip Morris Co., Limited, leaving 5,000 shares in the portfolio; 32,113 shares of Columbia Gas Systems, Inc.; and 6,400 shares of Marathon Corporation, leaving a balance of 10,000 shares in the portfolio.

EARNINGS of The United Corporation for the first quarter of 1953 amounted to $1,036,268, equal to 7.4 cents per share on the 14,-072,149½ shares of common stock outstanding, Wm. M. Hickey, President, announced yesterday. These earnings compared with 1952 first quarter earnings of $867,243, or 6.2 cents per share. Included in the 1953 earnings were profits on the sale of securities amounting to $218,383, or 1.6 cents per share. In the 1952 first quarter such profits amounted to only $15,759, or 0.1 cent per share.

The net asset value of United stock on March 31, 1953, was $72,-738,177, or $5.17 per share based on indicated market quotations for investments owned. On the same basis the net asset value was $72,811,001, or $5.17 per share on Dec. 31, 1952 and $70,798,922, or $5.03 on March 31, 1952.

Comparative first quarter income figures are as follows:

	1953	1952
Income—		
Dividends	$965,833	$1,011,541
Interest	14,964	10,868
Profit from sale of securities	218,383	15,759
Total income	$1,199,180	$1,038,168
Expenses other than taxes	80,964	86,415
	$1,118,216	$951,753
Taxes other than Fed. income tax	13,948	12,510
Provision for fed. income tax	68,000	72,000
	$1,036,268	$867,243
Earnings per share (14,072,149.5 shs. outstanding)	7.4¢	6.2¢

Mr. Hickey also stated that on March 31, 1953, The U. S. Court of Appeals for the District of Columbia Circuit affirmed the Securities and Exchange Commission's Order of June 26, 1951, approving the company's final plan for transformation into an investment company.

IN THE REPORT of General American Investors Company, Inc., Frank Altschul, Chairman of the Board, stated that as of March 31, 1953 net assets were $51,747,-607. After dividends of $249,772, the decrease for the three months was $720,017.

Net assets, after deducting $6,-200,000 Preferred Stock, were equal to $25,30 per share of Common Stock on the 1,800,220 shares outstanding, as compared with $25.70 on Dec. 31, 1952.

Net income from dividends, interest and royalties for the period, after expenses and state and municipal taxes, was $300,834. Net profit from the sale of securities for the three months was $37,693.

Net assets as of March 31, 1953 and Dec. 31, 1952, with securities valued at market, were as follows:

	Mar. 31, 1953	Dec. 31, 1952
Cash and Receivables (less liabilities)	$242,863	$341,665
U. S. Treasury Securities	7,004,225	7,701,670
Other Securities and Miscellaneous Investments		
Bonds	1,285,000	1,290,000
Preferred Stocks	30,000	30,375
Common Stocks:		
Railroad	814,000	757,750
Public Utility	5,906,800	5,524,300
Oil and natural gas	21,420,750	21,779,500
Industrial and other	15,050,750	15,051,950
Miscellaneous oil and gas investments	242,219	246,414
	$51,996,607	$52,723,624
Deduction for state and municipal taxes on appreciation, if realized	249,000	256,000
Total	$51,747,607	$52,467,624

Following is a list of the principal holdings:

Par Value		Market Value
$7,000,000	U. S. Treasury Certificates	$7,004,225
1,000,000	Missouri Pacific RR. Co. First and Ref. 5%	1,105,000
Shares		
41,000	Amerada Petroleum Corporation	7,359,500
10,000	Superior Oil Company	5,850,000
118,000	United Gas Corporation	3,363,000
80,000	Electric Bond & Share Company	2,160,000
22,000	Skelly Oil Company	1,760,000
63,000	Interprovincial Pipe Line Company	1,386,000
15,000	Signal Oil and Gas Company Class A	1,305,000
20,000	Thompson Products	1,140,000
23,000	Gulf Oil Corporation	1,115,500
20,000	International Paper Company	1,070,000
20,000	Pittsburgh Consolidation Coal Company	1,050,000

Walter D. Dunbar With Kohlmeyer & Co.

(Special to THE FINANCIAL CHRONICLE)

NEW ORLEANS, La.—Walter D. Dunbar has become associated with Kohlmeyer & Co., 217 Carondelet Street, members of the New York Stock Exchange. Mr. Dunbar was formerly active as an individual dealer in securities.

Two With Davies

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Lewis J. Day and Marvin Wong have become affiliated with Davies & Co., 425 Montgomery Street, members of the New York and San Francisco Stock Exchanges. Mr. Wong was previously with Stone & Youngberg.

Continued from page 2

The Security I Like Best

J. P. O'ROURKE

J. P. O'Rourke & Co., Chicago, Ill.

Lloydminster Development Company, Ltd.

A vast majority of so-called "small investors" today want a low-priced security that over a reasonable period of time will show some appreciation in price.

John P. O'Rourke

Where else, on this continent, should we look for this type of investment but to our Canadian neighbors. More and more people talk of the many natural resources of Canada. The greatest magnet of such resources is the magic word "OIL."

Companies with both American and Canadian sponsorship have sprung up in recent years and many more will follow along as drilling for oil becomes more active.

The provincial Governments of Saskatchewan, Alberta and British Columbia make it a simple problem for wealthy and influential groups to acquire leases. An oil lease, unless it is proven, is more of a handicap than an asset. Also a lease is an expense item until it is developed, and oil or gas is found.

After looking at many newly-formed Drilling Companies, Development Companies and kindred ilk, I would say the important item — and something you must have to be successful — is experienced management. For the number of situations capable of successful development there is nowhere near enough experienced groups available for this work.

Western Canada is a vast country, and oil or gas seems to be everywhere, waiting in the ground for the experienced man, not only to bring it to the surface, but to arrange for sale and transportation; and of equal, if not more importance, the maintenance and upkeep of wells after completion of the drilling.

It takes much time to review the many producing situations in Canada, and to arrive at a favored few is not easy. The largest oil situation, and about the most active in Western Canada, is Imperial Oil, a subsidiary of Standard Oil of New Jersey. Among the leaders in Canadian Oil operation is Canadian Superior Oil of California, now in their fourth year of operation, Calgary & Edmonton, Amurex now in their second year since formation, Pacific Pete, Royalite Oil, British American Oil Company, Home Oil Co., Ltd. Most of the large American Oil Companies also have subsidiaries working in Western Canada.

If you are of an analytical mind it will probably pay you to check through the smaller little-known producing companies, always keeping a windward eye for satisfactory management; not overly extended capitalization; and drilling in a proven area where distribution facilities are workable. If the company you select is built on a solid base, extra capital, as needed for expansion is available, and should be quickly supplied.

Such a company, in my opinion, is Lloydminster Development Company, Ltd. of Lloydminster, Saskatchewan. Their 1952 report of operations shows 27 wells, oil or gas, wholly owned in the heavy oil area of middle western Saskatchewan. Mr. O. C. Yates, President of Lloydminster Development Co., Ltd., brought in one of the first gas wells in this area some 20 years ago. With his partners they formed the Lloydminster Gas Company, which today still has the gas franchise for Lloydminster. In 1946 this group formed the Development Company. All gas discovered is sold to the Gas Company and the oil produced by Lloydminster Development Company drilling is sold to the refineries in the town of Lloydminster. The Development Company have plans for drilling 25 or 30 wells during 1953. Gross revenue for 1952 (their 3rd year of operation) was $137,000, and 1953 gross is estimated at $275,-000, based on the number of wells owned at the end of 1952. The wells drilled in 1953 should increase further gross revenue for this year over the estimate of $275,000. Price of the stock since late 1952 has ranged from 1 to 2⅛. Capitalization — December 31, 1952 was 2,000,000 shares authorized, $1.00 par, with 665,000 shares outstanding. Bonds outstanding, $153,000 — 5½% S. F. first Mortgage, due June 1, 1966.

Securities Salesman's Corner

By JOHN DUTTON

One Call Sale!

There are times when you can make a sale on your first call. There is no difference in the procedure of what goes on between the salesman and the prospect whether the sale takes place during the first call or after many interviews. If you can establish confidence and find out what your prospect **wants** you can do business the first time you meet just as well as the second or third. Here is a case history of a one call sale.

This prospect answered an advertisement offering a service in regard to taxes. He mailed his list in for analysis and after the work was completed he was mailed the proper information that he had requested. He telephoned his thanks and when he did so a brief conversation ensued. The salesman that handled this lead made an appointment for the following day which was a Saturday morning.

When he called the prospect ushered him into his living room, pulled up an easy chair and proceeded to light his pipe. The salesman took notice that this man was ready for a prolonged opportunity to do some talking. He led him on. He asked some questions. Then he noticed that the prospect's wife was hovering near by. He asked if she would like to join. She did for a few moments and left for her household chores. The monologue continued and the prospect finally covered almost everything from his past career to his views on religion. Finally, after almost two hours had passed he said, "My, I didn't realize how much you've had to listen to. You've come way out here to talk to me about investments and you have had hardly a chance to say a word."

This was the salesman's cue. Here is where he made the sale. He replied, "I've been listening to your very interesting conversation Mr. Jones and, quite frankly, I've wanted to do so. It is always a help to me to know what my clients want, what they are thinking, and what is on their minds. In this way we can understand each other better and we can work together so that our business relations are mutually beneficial. Now that you have told me these things I am sure that if we some day do some business that it will be done to your satisfaction." The prospect replied, "That's the first time in my life I've ever met a salesman who had sense enough to keep quiet and let me do some of the talking. Now let's look at my Willys Overland. I have three hundred shares of it and I think it's time to sell it. What do you think?

Arrangements were made to sell the Willys Overland the following Monday morning. A reinvestment naturally followed. In addition, the entire account is now under the watching care of the salesman who so well entrenched himself with this customer in one call that all he has to do from now on is to give service and handle the account properly.

Some time ago I headed up a column by quoting a saying that I noticed on the wall of a business firm's reception office. It went something like this:

"They say Samson slew one thousand Philistines with the jaw-bone of an ass. Every day 10,000 sales are killed with the same weapon."

Schlafly Nolan Stock To Be Offered at $4

Subject to SEC approval, L. H. Rothchild & Co., New York, plans to publicly offer an issue of 150,-000 shares of common stock (par 25 cents) of Schlafly Nolan Oil Co., Inc., at $4 per share.

Schlafly Nolan Oil Co., Inc., organized in Delaware on Feb. 18, 1953, proposes to engage in the exploration for oil and gas and the development of prospective oil and gas properties in Illinois, Indiana and Kentucky.

Our Reporter on Governments

By JOHN T. CHIPPENDALE, JR.

The conjecture and speculation in money market circles as to the impact of Red peace overtures in the Korean situation on the Treasury's immediate financing program has now been eliminated. The uncertainty was removed, for the moment at least, as a result of the announcement from Washington late yesterday (Wednesday) of its intention to raise $2,000,000,000. Half of this total, according to advices, is to be obtained via the sale of a 3¼% 30-year bond, and the balance will be made available by increasing the amount of the weekly bill offerings. Holders of maturing F and G bonds have the option of exchanging them for the new 3¼% bonds or cashing them in.

* * *

Developments in Korea, needless to say, had a marked effect upon the intermediate and long-term government market again last week. It seemed as though the longer end of the list was about to make that final plunge downward to levels that would have fully discounted the issuance of a 3¼% Government obligation for new money, when the news broke about changes that could take place in Korea, and up went prices of these securities very sharply. It has been a very professional market both on the upside as well as the downside, with volume extremely light. The possibility that negotiations in Korea might bring to an end the war there brought information from so-called top Treasury officials that there might be a deferment as well as changes in the financing which had been under consideration. This brought about a good sized rally in prices of the intermediate and long governments.

Treasury Eying Korea

The peace maneuvers in Korea led many to believe that financing by the Treasury was some distance away. The so-called well informed sources seemed to have pretty well hedged themselves but at the same time left the door ajar by indicating that the sudden turn of events in Korea might have an important influence upon what the Treasury might do. It was recognized, of course, that a decision had to be made for taking care of the maturing series F and G bonds, and the opinion most widely held was that the financing would involve a 3¼%, 30-year bond.

The unexpected developments in the international situation, which is always a conditioning factor in any calculations that are made concerning the money markets or the economy as a whole, seems to have slowed down if not halted for a time at least some of the talk about what the Treasury was going to do about raising new money to take care of its needs until the end of the present fiscal year. It had been rumored and even stated in no uncertain terms in some quarters that the Treasury would offer a 30-year 3¼% obligation for new money. The amount of the new offering, according to some of the supposedly well informed "open mouth" operators, would be in the vicinity of $1,500,000,000. This sum seemed to represent a compromise between what had been rumored about previously, namely that either $1 billion or $2 billion of new money would be raised by the Treasury.

Effect of Peace

An ending of the war in Korea will have a marked effect upon the whole economy because the balance which has been maintained fairly well in spite of the boom threat could be thrown entirely out of gear. The adjustment which many followers of the money markets have been looking for later in the year would most likely come at a much earlier date with a ceasing of the fighting in Korea. Also, it is felt in some circles that the economic adjustment might be sharper and more pronounced if there were to be a quick ending of the war.

If the economy were to be thrown out of balance on the downside, as some contend might be the case with the stopping of hostilities in Korea, the kind of financing which the Treasury will do as well as the amount to be borrowed will be entirely different than would be the case if the economy were in the throes of a boom.

North Offers Fletcher Smith Studios Stock

E. M. North & Co., New York, are offering for public subscription 299,000 shares of Fletcher Smith Studios, Inc., common stock (par 10 cents) "as a speculation" at $1 per share.

The net proceeds are to be used to pay for expansion of the Fletcher company's facilities, and any remainder added to working capital.

The company produces commercial films for industrial use, entertainment and advertising films for theatres and television.

Joins Hannaford Talbot

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Clarence F. Anderson and James H. Shaw have become associated with Hannaford & Talbot, 634 South Spring Street. Mr. Anderson was formerly with Standard Investment Company of California and Edgerton, Wykoff & Co. Mr. Shaw was with Pacific Coast Securities Co.

Justheim Petroleum Offering Completed

The recent offering by Hunter Securities Corp., New York, of 1,068,480 shares of common stock (par 5 cents) of Justheim Petroleum Co., a Nevada corporation, at 20 cents per share has been completed, all of said shares having been sold.

The net proceeds are to be used to pay for drilling expenses and acquisition of new properties, and for working capital.

With Kerr & Bell

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Marie E. Schneider has joined the staff of Kerr & Bell, 210 West Seventh Street, members of the Los Angeles Stock Exchange.

Two Join Vance, Sanders

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Philip B. Anderson and Charles E. Stankard have become connected with Vance, Sanders & Co., 111 Devonshire Street.

Continued from first page

Outlook for Federal Tax Changes

fervor of the reformer in the actions of the executive branch, there soon grew a good deal of impatience with the Congress whenever there was delay, or more rarely, objection to the passage of recommended provisions of law.

Erstwhile Tax Philosophy

This attitude existed in the tax field, as well as in all others. There was very apparent a tendency to use the Federal system of taxation as a direct means of accomplishing social and economic change. You will recall that there was a positive recommendation by the executive that an arbitrary maximum of $25,000 income per year be set for any individual. This move made alarming headway. It was stopped by the courageous and currently unpopular stand of a small group of Members of Congress.

Then, when the Administration was balked in this effort, what did it do? It insisted on income tax rates in its recommendation to Congress that gave practical effect to the $25,000 limitation so that, I am told, a net income of $30,000 was almost the top attainable figure, regardless of gross income, during the first half of the 40's.

This is but one illustration of the way in which the government sought to use the taxing system for something entirely foreign to its proper function—a tool in the hands of economic and social planners to work economic and social changes. Without appraising the worth of such economic or social changes, it is appropriate to point out that the accomplishment of such goals should not depend upon the use of the tax laws. The natural effect of this was very harmful, because it undermined the good judgment and sound thinking and basic governmental philosophy of the persons who used it.

"Roadblocks to Refunds"

How many of us remember the situation where the government collected substantial amounts of taxes illegally, stalled court tests of their legality, fought against courts enjoining their collection until they could be tested, sought to take away the right of the taxpayer to sue collectors with the right to a jury trial, and then, after taxes were held to be unconstitutionally enacted and void, placed every roadblock imaginable in the way of making refunds to those from whom they had been illegally taken?

How many of us remember instance after instance when an allegation of fraud was asserted in order to toll the running of the statute of limitations?

How many of us became morally certain from time to time that a threat of criminal prosecution was used in the same way to cause a settlement of liability that had been barred by the statutes?

"End Justified the Means" Policy

These things happened because the government considered itself as the champion of a social order it considered desirable, and it soon believed that in the enforcement of its aims, the end justified most any means. A philosophy grew up that was strange in the United States. It became the fashion to think that the government could do no wrong.

Our historic attitude that the government is for the protection of the citizen gave way to a new concept that the government was the "boss."

I wish to insert here the statement that many thousands of employees of the government, including that part of it concerned with the collection of taxes and litigating tax cases, did not succumb to this new philosophy, but undeniably it was the basic attitude of government, and it too largely prevailed in the collection of revenue.

New Regime's Tax Concept

As part of this new concept there developed the idea that when Congress failed to pass an income tax law in the precise terms desired by the policy-makers in the government, it just hadn't quite understood what the government wanted it to do, or when Congress desired to make a change that the policy planners didn't like Congress must be humored but must not be permitted to "get away with it." So what was done? The fervor and zeal that caused the government to try to use the tax laws as a tool in carrying out economic and social changes was too often utilized, after Congress failed to accept the dogma, to rewrite the law under the guise of issuing regulations.

Careful Study Before New Tax Legislation

No matter what I may say to you here today I want to make this point perfectly clear.

Whatever suggestions we make to Congress for tax legislation will be the result of the most careful possible study in an effort to determine what is for the good of the entire nation. When we do make those recommendations it is within the power of Congress to do with them as it may see fit. Congress has that full responsibility. *What we cannot get Congress to pass by law we will not get by regulation.*

Taxation For Revenue Only

Now you may ask what is the purpose of all of this talk about what I have called improper exercise of the taxing power. Why point out that there has grown up a dangerous departure from the theory of taxation for revenue only? Does this mean that I am about to suggest that this Administration does not realize the need for continuing high taxes? Does it mean that the Treasury Department and the Bureau of Internal Revenue will not do an effective job of tax collection and enforcement? Does it mean that the Department of Justice will not vigorously prosecute the criminal cases that are turned up in the course of the collection process?

Not at all. It doesn't mean any of these things.

What it does mean is that there will be a change in attitude—a change in approach.

A Fair Tax Structure

In the first place, rates and forms of taxation that are recommended will not be tailored to fit a social philosophy or to favor or hurt any special economic group. They will be recommended on the basis of their place in a system of taxation that is best calculated to strengthen the sound economy upon which the well-being of all of our citizens depends.

Now you may be interested to know how this will be done.

Marion Folsom's Job

Mr. Marion Folsom, who has had a distinguished career as a businessman after leaving your sister state of Georgia upon graduating from its great university, and who has distinguished himself as a consultant both for Congress and for national foundations as well as for his grasp of economic principles, has as his responsibility as Under Secretary of the Treasury the study and recommendation of changes in our overall tax structure. This is intended to be very largely a policy-making task. What kind of taxes can best produce the revenues we need? What rates are most productive, with the least discouragement to the development of our expanding economy upon which the prosperity of every citizen depends? What inequities exist that should properly be eliminated? How can they best be cured? The response that is given to these questions will call for a prodigious effort, but it is one which is being undertaken with vigor and enthusiasm.

This is obviously not a one-man job. The Under Secretary will have as regular and full time consultants and assistants in this tax planning field two experts—one of whom is Mr. Dan Throop Smith, a distinguished member of the faculty of the Harvard Business School. He has been working with Mr. Folsom for two months in the field of economic and policy activities. He heads the Analysis Staff.

The other—Mr. Kenneth W. Gemmill, a tax practitioner of wide and varied experience from the Philadelphia Bar—joined us on Wednesday of this week. He heads the Legal Advisory Staff of the General Counsel's office, which staff was formerly known as the Office of the Tax Legislative Counsel. Mr. Gemmill is the lawyer on the team of three headed by Under Secretary Folsom.

Taxpayer's Views Welcomed

This group is always receiving individuals and committees who come with suggestions to offer relating to changes in the tax laws. Every suggestion that comes in is sent by them to their respective staffs for study and analysis. Individual expressions of opinion and group recommendations alike are considered and weighed in the planning done by Mr. Folsom and his aides.

This same group, together with other members of the General Counsel's office, including the Chief Counsel of the Bureau of Internal Revenue and other members of the Analysis Staff of the Treasury, will give the same kind of study to the issuing of new, and the changing of old, regulations.

There is almost a continuous flow of requests—you might say sometimes demands—for changes in regulations. I imagine it is safe to assume that if no one is clamoring for a change then an existing regulation may be allowed to stand.

Whenever we get a complaint as to the validity of a regulation a careful study is made as to the justice of the criticism, and you can rest assured that no comment of substance is lightly brushed aside.

Reviewing Regulations

In addition to the task of reviewing rulings and regulations that are especially called to our attention, it will be the problem of the Bureau and of the Treasury to initiate studies on matters that in the past have been the subject of policy decisions not clearly justified by applicable statutes. This will be a voluntary effort without any pressure from the outside.

Both in the field of planning and in the field of revisions, Under Secretary Folsom and his assistants are being greatly aided by conferences and discussions held by the Joint Congressional Committee on Internal Revenue of which Mr. Colin Stam is the Chief of Staff. The experience and advice of Mr. Stam and his assistants are invaluable in the work that is being done in this direction.

Treasury Cooperation With Congress

As a matter of fact, we have a situation in Washington today in which there is excellent cooperation between the majority members of the Senate Finance Committee, the House Ways and Means Committee, the Joint Congressional Committee on Internal Revenue, the Bureau of Internal Revenue, and the Treasury Department, so that any changes in legislation that seem desirable or necessary to correct past errors should stand a good chance of receiving favorable consideration.

Frankly, there have been times in recent years when the tension between the Treasury and the Bureau on the one hand, and the members of their own majority in Congress on the other hand, were quite marked. Under those circumstances it was at times difficult to get good legislation. We hope this is a matter of the past.

Of course, I do not mean to indicate that the members of these important committees and the tax policy advisors in the Treasury will always see eye to eye. But I do say that the desire to cooperate is marked, and we in the Treasury will continue to do everything possible to foster it.

Two Bills in Congress

In two matters quite recently I found that there was some surprise expressed in Congress at the views I voiced on two bills pending in the Senate. They were both designed to meet insistent demands of taxpayers. They both, according to my views, fitted into our American system of law. Nevertheless, it was something of a surprise that we expressed approval of legislation that appeared to meet requests from the taxpayers' side.

The first of these is the bill that would give the taxpayer the right to file suits for refund against the U. S. in the judicial district of his residence and to have a jury trial in such a case. This proposal obviously would merely give to the taxpayers of every district the right that now exists in favor of taxpayers in the district where the director lives or can be found, since, of course, under existing laws taxpayers can sue the director in the district of the director's residence and have a jury trial there. It has seemed traditional for the government to oppose this type of proposal, but we felt in the Treasury that it accords taxpayers a type of equal treatment that they are entitled to.

The other of these is the bill that would allow appeals to the Courts of Appeals of cases involving Sections 711, 721 and 722 of the World War II excess profits tax law. There was considerable opposition to the allowance of such an appeal by those who thought that the questions arising under these sections were too complicated or too involved for an ordinary Court of Appeals to understand. Our position was that in any trial under our system of justice there should be a right of appeal to an appellate tribunal even in a complicated case, especially since the Appellate Court reviews only errors of law and does not reverse on disputed facts or the exercise of discretionary powers.

I think that both of these bills have an excellent chance of passage at this session of Congress.

We recognize that a proposal is not necessarily wrong merely because taxpayers ask for it.

The Administration of the Internal Revenue Bureau

This same attitude is a mark of the administration of the Bureau of Internal Revenue under the new Commissioner, T. Coleman Andrews. Commissioner Andrews has repeatedly said "Let's remember, the taxpayer may be right."

At a testimonial dinner recently given in honor of Commissioner Andrews, Under Secretary Folsom said "You may have read that Commissioner Andrews is a 'taxpayer's man.' That is as it should be. The laws of the land under which the Bureau is operated chart its administrative course, but it is good to know that the action of the Commissioner's hand will be tempered with the sincere desire to consider the problems of those whom we all serve — the nation's tax-payers."

Once again I hasten to interject that this attitude is not one of softness, but rather one of fairness. Mr. Andrews hopes to see the administration of the collection of taxes placed on a more sound basis, but once it is certain what is owed no one could be more persistent or insistent on an effective and energetic policy of tax collection than is he. We all feel — that is, Under Secretary Folsom and his aides, the General Counsel of the Treasury, and the Commissioner of Internal Revenue —that the most serious problem that is faced by the Treasury and the Bureau of Internal Revenue and, therefore, one of the most serious problems that is faced by your government, is that of the preservation of America's unique system of voluntary assessment and payment of taxes.

As Mr. Andrews recently said "The voluntary-assessment plan can be made to work only in a country whose people are inherently honest and patriotic. Fortunately, honesty and love of country are among the strongest traits of the American people; but fundamentally human beings appear to be pretty much the same the world over, in that it does not take much of the kind of corruption and favoritism that recently has been brought to light to cause even those citizens who are honest to wonder whether the only way that they can get justice is to do a little cheating themselves."

To prevent the breakdown of our system, therefore, it is absolutely esential that complete faith and confidence be reestablished not only in the honesty and integrity of the tax collection service, but also in the justice and fairness of the government's attitude toward the taxpayer. It is also essential that the matter of certainly be stressed. In this respect all of us in the tax field of the Federal government are seeking ways in which the same questions do not have to be continually raised with the possibility that different answers will be made in successive years. To the extent that is possible, an effort will be made to decentralize the authority to make decisions, and to expedite the closing of tax cases. This will be part of a system that will make it possible for such decisions once made to be final.

This plan of decentralization is being considered in a major scale in the Treasury itself. Studies are being made to determine means by which problems relating primarily to administration of the tax program may be placed with more finality in the Bureau itself rather than being reserved for decision in the Treasury Department. To the extent that it seems workable, it is desired that those functions relating primarily to the administration of the tax laws shall be delegated to the Bureau of Internal Revenue, whereas the problems affecting the policy or philosophy underlying a program of taxation will be retained in the Treasury Department. There is currently much discussion as to the respective functions of the Treasury and the Bureau in this regard. It is one of the questions which is receiving careful consideration by Treasury officials. Whatever solution is worked out will, it is hoped, result in a businesslike administration based upon objective interpretations of the acts of Congress and on regulations honestly designed to carry out the intent of Congress, rather than regulations and interpretations reflecting a philosophy or policy not laid down by law.

For all of the officials of the Treasury Department from the Secretary on down, I can assure you that no group of officers or employees of the government has ever been more desirous of achieving an efficient, honest and businesslike administration of the tax laws than are those now charged with that function. To the extent to which we fail to meet this exacting obligation, we would appreciate your calling us to task. We assure you that you will receive a respectful and interested audience.

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After Defense Spending, What—?

of other businesses as we consider this question.

It would be in order, I think, to modify the title slightly — "After Defense Spending" says **"After."** There is implied, you see, that defense spending is not only going to taper off, but cease. Obviously, as we all know, this is not to be the case. Our considerations under the topic will therefore have regard for a diminution, or easing off, of defense expenditures — not their entire elimination.

"Government" Spending vs. "Defense" Spending

There is another modification that might well be made in the title to our remarks. The topic as stated refers to "defense" spending. Actually, it would be well for us to give consideration to the tapering off of "government" spending, not merely defense spending. In the attempts presently being made within the various agencies and departments of the Federal Government to curtail expenditures and to shrink budgets, our own Department of Commerce, for instance, has succeeded in presenting a modified budget, cutting off some $169 million, or approximately 15% of the Truman budget. A substantial part of these proposed reductions is not what would ordinarily be interpreted as being "defense" items. Nevertheless, the curtailment of these would - have - been expenditures, even though not for defense purposes, contribute their share to over-all curtailment of government expenditures, and it is this tapering-off process to which we should primarily concern ourselves as we consider the topic assigned. It should be noted that defense expenditures constitute approximately 60% of the total expenditures of government. Obviously, therefore, the lion's share of curtailment must find lodgment in the defense portion of the Federal Budget. It is appropriate, therefore, that we give special consideration to this defense portion of the sliding - off - expenditures problem.

Adding together the amount of the unexpended balances July 1, 1950, to the figures representing new obligational authority enacted for the years 1951, 1952 and 1953, we arrive at a grand total for expenditure for national security of $208.5 billion. As of Dec. 31, 1952, there were approximately $110 billion of this sum left unexpended. To these figures are to be added whatever the obligational authority is to be in the current budget for the fiscal year 1954. Assuming a new defense budget of say $50 billion, this means we have somewhere between $150 and $160 billion for national security "still in the works." The gross national product for the year 1952 was $365 billion. In other words, the amount of defense "still in the works," including appropriations yet to be made for fiscal '54, total only a little over 40% of the turn out of goods and services by the American people in one year. No denying, of course, that this is a sizable figure and a sizable percentage. Nevertheless, it may, I think, help give us better perspective to wrestle with this problem to recognize head-on that a lot goes on within our economy than just the defense portion of it.

Sound Diagnosis Needed

I am perfectly aware of the fact that it is current conversation these days to consider what is going to happen when these government expenditures slide downward. It is a fine and appropriate thing when businessmen and others should thus direct their attention to this problem. It would be my earnest plea, however, that consideration of this problem be made in the same vein that a businessman would consider any other problem which confronts him day by day—not in a furtive, half-scared manner, but in a fully confident, straight-forward manner. The way to solve any problem is to marshal the facts relating to it, examine them carefully, and then come up with a sound diagnosis as to what should be done to meet that particular problem. This same formula should be applied in considering this question of the sliding-off of government expenditures.

The Declining Business Portents

Those who tend to read into the question of a slackening-off of government expenditures ominous signs which portend a sharp business decline would include these various arguments, I suppose, in making their case.

(1) They would claim that the plant and equipment investment account, which has been high in recent years, cannot go forward at the same rate. This contention might reasonably be true within limits. Nevertheless, one may reasonably suspect that those who make too strong a case for this particular point may be giving emphasis too much to that portion of plant and equipment investment which has been constructed for military or military-related purposes. There may quite reasonably be a tendency on the part of these individuals to overlook the terrific influence upon our economy and need for continuing expansion of plant and equipment by the ever increasing wants, never satisfied, of 159 million American citizens.

(2) Those who fear the impact of the decline of government expenditures will also point to the "catching up" in the residential construction field. Here again, there is undoubtedly room for support to this position. Nevertheless, to get a true picture of this factor of our economy, it would be necessary to make a careful study of our figures of population growth, new marriages, new births, and trace the wave of these population increases to see the impact upon the house construction market as the result of the rapidly increasing number of new households being formed. Furthermore, it should not be overlooked as families expand in size the need for those families for more space and better accommodations puts constantly increasing pressure upon the house construction industry for more and more homes.

(3) There are those, also, who concern themselves with the possibility of consumers' durable goods being down somewhat in demand. It is true as will be pointed out later on that psychology plays an important part in the operation of our markets. It is, therefore, also true that the buying of consumers' durables and other goods will be affected by individual and mass psychology. Nevertheless, in general, it should be recognized in a crystal clear fashion that the wants of our people are absolutely insatiable. It is impossible to consider an American nation of 159 million people as having everything they want. Therefore, given the right kind of atmosphere, and given a steady degree of purchasing power, it is a dead certainty that there will be a continued expression of the desires on the part of our people to satisfy those unsatisfiable wants. Out in the Pacific Northwest whence I come, it is interesting to note the manner in which increasing consumption of electrical power has come to be an accepted fact. I do not have before me at the moment the quantities of electrical energy consumed per person, but I know that the per capita consumption of the Pacific Northwest is very high. There the consumption of electrical energy is doubling every few years. The people in that area have come to take for granted that household "musts" include a complete array of electrical gadgets, the like of which no one ever dreamed a few years ago. These represent new products and they represent the never ending desire of people to have things which will add to their comfort if they have the opportunity to buy them.

The Psychological Factors

(4) Those who would predict a possible downturn as the result of the tapering off of government funds will point to the lessening of the aggressive spirit on the part of businessmen and promoters of new business ventures. They point out that business initiative tends to be dulled by a super-spirit of caution as there develops a leveling-off, or perhaps a slight downturn in the business curve. If we are to have a dynamic economy, a free enterprise system, not a regimented economy, it is to be expected that we will have ups and downs of this sort as well as ups and downs in the volume and intensity of the spirit of initiative and aggressiveness. To say this, however, is not to mean any ominous prediction. It is again only a matter of looking a situation squarely in the face as one would look squarely at any problem as he wrestles out answers to it.

(5) Reference has already been made to the factor of psychology. Those who would predict a possible downturn might well make a pretty good case with respect to this factor. It has been touched upon in the point noted just above. It may well be expanded, however, so as to include many others than merely those businessmen whose initiative might be dulled somewhat below their normal aggressive spirit. All people, no matter what their walks in life, may be affected either by fear in mild or more than mild degree and by cupidity. It is characteristic of any downturn that a sense of uneasiness tends to develop and it is also characteristic of any downturn that there are those who figure "I can buy it cheaper in six months" and, therefore, through a sheer spirit of cupidity, there is a tendency to aggravate any downward turn. Here again this is a characteristic of a free economy. That it has elements of danger, we should

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frankly admit. But to recognize this as one of the factors of a free economy and to deal with it as we would with any other factor or problem relating to our economy is, at least, part of the way to solve the problem it poses. We have a need for an ever-expanding quantity of economic education so that all of our people, no matter what their walks in life may be, may have a better understanding of what their responsibility is toward helping make our economy operate more smoothly and more profitably.

(6) As a further point to be mentioned to suport those who might be concerned about a downturn would be to point out that the history of our economy has shown that we have periodic "downs" as well as "ups." No one living today can possibly tell whether we have learned enough about our economy to keep it within bounds and thus avoid violent downturn or not. I would repeat, however, what has been suggested above: that one of the very best ways we can possibly avoid these sharp declines is to face up squarely to the problems that are posed and then, as a result of economic education which will give us a better understanding as to what our responsibilities are, to discharge these responsibilities and thus make our own contribution toward helping avoid the violent declines which have been characteristic of our business cycles in the past.

(7) Perhaps one of the strongest arguments which those who fear a decline might offer, is the threat that two or more of our major industries might happen to get into a condition of decline simultaneously. Obviously, this sort of occurrence **could** have sharp and adverse effects upon our economy.

Offsets to Business Downturn

As against these points which have been noted briefly as being reasons for the threat of a possible business downturn as government expenditures taper off are some strongly clinching arguments on the other side of the ledger. Let us review some of them briefly.

(1) **Built-in Props:** It is not unlikely that economic measures, such as unemployment insurance, social security benefits, etc., may have some beneficially restraining influence on any serious decline which might threaten. In listing arguments for possible avoidance of any serious decline, such built-in props might well, I think, be considered, but perhaps only in a relatively minor way. There are others which would undoubtedly have a much more far-reaching influence.

(2) **Reduced Tax Loads:** We should welcome the reduction of government expenditures, defense or otherwise, because of the reductions in the tax burden upon individuals and businesses which would automatically follow.

(3) **Productivity Increase:** Our productivity curve continues steadily to increase. Increase in productivity means increase in "real wages." As real wages increase, purchasing power increases, and thus the ability of consumers to consume the output of our great industrial plant increases.

(4) **Population Growth:** Reference has been made already to the important part that a rapidly growing population plays. Population growth means new marriages, new homes, and all of the great array of home furnishings and equipment which go into those new homes. In this statistic alone is enough assurance to quiet the fears of the most frightened skeptic.

(5) An expanding economy and a rising curve of productivity can accommodate the outlay for defense purposes without serious impairment to the normal operation of our economy. It occurs to me that the topic to these remarks "After Defense Spending, What Will Happen to Manufacturing?" might have as alternate title "Do We Know Our Own Strength?" If we consider that the productivity rate of increase is 3% a year, then in five years, we would have developed an ability to produce 15% more per capita than five years previously. If we consider a gross national output of $365 billion per year, 15% of this figure is nearly $55 billion per year. In a word then, at the present rate of our economic growth in a five year period of time, we would be able virtually to take care of a defense program of present proportions and still not affect our normal domestic economy at all. In a word, our economy has such potential that, barring all-out-war, we are indeed prepared to provide butter **and** guns.

(6) As one of the items noted above in the list being made for the case of him who would predict a serious decline, we refer to the periodic cyclical downturns which we have had in the historic past. This same point might well be put on the plus side of the ledger. After all, if we recognize that this is a part of our economy—is a price, if you please, that we must pay for having the vigorous, dynamic, expanding kind of an economy that we possess—then we should not be too frightened about the possibility of occasional downturns. It is, after all, a part of our system. Why then be frightened about it? The thing we should be concerned about, of course, is that by our very apprehension we do not encourage the development of adverse psychology which will cause a perfectly normal, mild downturn to develop into a serious depression.

(7) It should be noted too, as we are recognizing the basic truth that the needs, the desires and the wants of human beings never have been and never will be satisfied, that somewhat similarly, the needs for the nation as a whole never get fully met. Consider, for example, highways and schools. Our highway system is inadequate and must require tremendous expenditures of money in order to bring it up to a point where it can even come close to meeting the needs of an expanding, increasingly dynamic nation. Perhaps some of these roads will have to be paid for, and perhaps should be paid for, by the users—that is, by the collection of tolls. Otherwise, it might become such a burden upon the Federal Treasury that the job could not, and perhaps should not be done in that manner. At any rate, irrespective of the manner of financing at this moment, the point is that here is a tremendous need to be filled by the American family as a whole, and certainly the expenditure of the huge sums necessary to meet these needs, would go far toward taking up slack occasioned by the falling off of government expenditures because of the lessening of defense urgencies. Similarly, the school program has been under terrific pressure because of the wave of youngsters who have been coming along into school age of late.

(8) Perhaps one of the most important factors on the side against being unduly apprehensive by the dropping off of defense expenditures, is to be found in an all-out sales program launched and executed by hundreds of thousands alerted, on-their-toes business executives and employers throughout the country. I read recently a statement indicating that the number of salesmen presently employed by business is fewer on a basis proportionate to the present size of our economy than in most other periods of the past. If we are to meet the curtailment of defense expenditures and the problems inherent therein without the slightest question of doubt the businessmen of America must design selling programs with all that that term means of a quality and to an extent that they have never engaged in before in their whole business lives.

Now, of course, it is to be recognized that there are many unpredictables which no one can possibly forecast. What will Russia do tomorrow? What will Mother Nature, as she performs her Acts of God, do tomorrow, and where will her actions be visited and upon whom? How will our people, and the peoples of other nations, react to the various developments which come along from day to day? Everyone has his own share in discharging his specific responsibility to help meet whatever problems arise.

Suggestions to Management

Today we are meeting as men directly concerned with management. Therefore, it is appropriate that a few thoughts be expressed as to just what we, as business managers, might do to make our contribution. Here are a few specific suggestions as to what management may be able to do by making a direct contribution toward helping avoid any serious decline which might occur as a result of the tapering off of defense and/or other government expenditures.

(1) First of all, it is important that managers of business, like every other group truly have a better understanding of our economic system. When we realize that only some 7% our our children get any economic education at all, and that what education they do get along these lines, is somewhat antiquated and of not-too-high-degree quality, we must recognize the added responsibility that management has to help make our economic system tick best. Businessmen themselves are too often so wedded to their prejudices that they fail to be objective in the analysis of some of the problems that confront us in the business world today. Take the matter of government debt. There are those, and I have talked with some of them, who somehow or other rather blindly attack government for the big debt as if somehow or other "government" was something apart and detached. Perhaps, before World War I, it might have been well and good for the average businessman to have taken the attitude that government should stand over in the corner and be seen and not heard. That was at a time when the national debt was in the neighborhood of $2 billion. That figure could not have too profound an influence upon the entire national economy. Today, however, when the national debt is approximately $265 billion and has threatened to go higher, no one in his right mind who gives even a moment's thought to the problem can blithely and blandly assume that he is not directly interested in such a situation. Indeed, the very manner in which $50 million of this staggering debt load is refunded by the Treasury, has a profound effect upon each man's business. If those maturing notes are funded within the banking system, that action is inflationary; if financed outside the banking system, it is non-inflationary. Which of the two courses is chosen has a direct and sharp bearing upon each and every man's business. This is merely to illustrate the great importance for businessmen themselves to become increasingly objective, to become increasingly more divested of prejudices which cannot find a proper place in working out the many problems which are bound to confront us day by day.

(2) Management should direct itself towards improving its position in its respective businesses by the adoption of better technological methods.

(3) Management should improve itself by developing a program for better research—economic and marketing research, technological research, health research, etc.

(4) Management should concern itself about how to achieve greater efficiency and economy.

(5) Management should concern itself how it may, as a result of greater efficiency and economy, and other factors, develop lower prices for better goods.

(6) Management should concern itself with design to make its articles for sale increasingly more attractive to a consuming public whose wants can never be wholly satisfied.

(7) Management should concern itself with health conditions within the plant and in such areas as it is appropriate for it to interest itself.

(8) Management should concern itself with better communities. This means that management and its managers should become directly and actively interested in constructive community programs, such as community chest, churches, youth organizations, etc., etc.

(9) Management should constantly concern itself with plans and actions looking toward better working relationships with its employees.

(10) Management should concern itself constantly with programs and actions looking for improved relationships with customers.

(11) Management should constantly concern itself with the development of better relations with the community as a whole.

(12) Management should concern itself with the development of better relationships within its own management force.

(13) And as has already been indicated management most certainly should, in this present period, devote itself to a degree that it has never devoted itself before, toward the development of a sales promotion program of quality and extent which will help not only the given business, but the economy as a whole.

No Need for Peace Panic

"After Defense Spending, What Will Happen to Manufacturing?" Numerous suggestions have been forward-passed to you today primarily that your own thinking on this important subject be stimulated. Most assuredly business is a sensitive thing, and most assuredly the businessman is even more sensitive. But if we get off and take a good objective look at ourselves, why in heaven's name should we be so panicky about peace in Korea for instance, as if that very fact was a calamity in itself. Are we afraid of ourselves? Are we afraid of our own strength? Are we afraid of our ability to produce a lot of things that we consumers—that's all of us—want and can use, instead of manufacturing a lot of destructive instruments of war that do not give the consumer any direct consuming benefit at all?

Let's stop fighting shadows. Let's stop worrying that the best things of life may come our way. One of the best things in life that could possibly come our way is peace, or near-peace, and the diminution of the terrific burden of armaments that we have been obliged to carry. Let's recognize that the curtailment of these terrific expenditures for instruments of destruction do indeed mean lessened budgets. Lessened budgets mean reduced taxes. Reduced taxes mean more money in your business and more money in your private pocket to spend as **you** want to spend those monies, not as government would spend it for you. Is this exactly to be classified as a calamity? Isn't it high time that we do some straight thinking, that we get our perspectives set straight, and that we realize more than we ever have before what a blessing we have in the kind of an economy and productive plant American possesses. I would not be a Pollyanna and make any flat predictions that we will not have future economic adjustments. Of course not. No one in his right mind would make such a silly prediction. There are these unpredictables to which reference has already been made. Nevertheless, if we look at the doughnut more frequently, rather than the hole in the doughnut—if we look at the tremendous potential strength we possess as individuals, as businesses, and as a nation, then it seems to me by facing our problem calmly and intelligently, we should and will make any adjustments that need be made in our national life with a minimum amount of disturbance, and certainly without alarm as to the threat of plunging ourselves into the depths of a depression.

America has the most productive economic system on earth. America has the greatest political system on earth. With a simple faith in Divine Guidance, and with clear-headed determination on the part of all of us, we have no reason to fear the future.

NSTA Notes

SECURITY TRADERS ASSOCIATION OF NEW YORK

Security Traders Association of New York (STANY) Bowling League standing as of April 2, 1953 is as follows:

Team—	Points
Burian (Capt.), G. Montanye, Voccoli, Siegel, Reid	32
Meyer (Capt.), Kaiser, Swenson, Frankel, Wechsler, Barker	31½
Bean (Capt.), Frankel, Strauss, Nieman, Bass, Krassowich	29
Hunter (Capt.), Klein, Weissman, Murphy, Searight	28
Krisam (Capt.), Ghegan, Jacobs, Gannon, Cohen	28
Goodman (Capt.), Smith, Valentine, Meyer, Farrell, Brown	28
Growney (Capt.), Craig, Fredericks, Bies, McGovern	26½
Serlen (Capt.), Gersten, Krumholz, Rogers, Gold	23
Murphy (Capt.), Manson, D. Montanye, O'Mara, Pollack, Gavin	22
Donadio (Capt.), Demaye, Whiting, O'Connor, Rappa, Seijas	19
Leone (Capt.), Greenberg, Tisch, Werkmeister, Leinhard Corby	19
Mewing (Capt.), Bradley, Weseman, Hunt, Gronick, Huff	13½

200 Point Club

Bernie Weissman	223
Will Krisam	211
Charlie Kaiser	211
Jack Manson	207-203

5 Point Club

"Duke" Hunter
Julie Bean
Mike Growney

Indications of Current Business Activity

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

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (percent of capacity)	Apr. 12	§98.3	*97.1	101.3	62.3
Equivalent to—					
Steel ingots and castings (net tons)	Apr. 12	§2,216,000	*2,190,000	2,284,000	1,294,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Mar. 28	6,482,050	6,488,900	6,521,100	6,401,650
Crude runs to stills—daily average (bbls.)	Mar. 28	¶7,000,000	7,099,000	7,090,000	6,590,000
Gasoline output (bbls.)	Mar. 28	22,659,000	23,256,000	23,360,000	21,837,000
Kerosene output (bbls.)	Mar. 28	2,411,000	2,866,000	2,935,000	2,750,030
Distillate fuel oil output (bbls.)	Mar. 28	10,159,000	10,338,000	10,796,000	9,712,000
Residual fuel oil output (bbls.)	Mar. 28	8,863,000	8,944,000	9,017,000	8,846,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Mar. 28	162,878,000	163,324,000	157,612,000	158,816,000
Kerosene (bbls.) at	Mar. 28	18,417,000	18,492,000	20,550,000	16,179,000
Distillate fuel oil (bbls.) at	Mar. 28	59,757,000	59,751,000	68,025,000	48,537,000
Residual fuel oil (bbls.) at	Mar. 28	41,002,000	41,844,000	44,432,000	36,523,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Mar. 28	715,337	701,142	668,805	725,487
Revenue freight received from connections (no. of cars)	Mar. 28	669,172	671,689	656,073	672,296
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	April 2	$342,036,000	$344,055,000	$273,663,000	$345,654,000
Private construction	April 2	158,480,000	233,623,000	127,203,000	191,279,000
Public construction	April 2	183,556,000	110,432,000	146,460,000	154,375,000
State and municipal	April 2	160,207,000	80,644,000	132,430,000	101,826,000
Federal	April 2	23,349,000	29,788,000	14,030,000	52,549,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Mar. 28	8,200,000	8,120,000	8,500,000	9,831,000
Pennsylvania anthracite (tons)	Mar. 28	325,000	524,000	554,000	729,000
Beehive coke (tons)	Mar. 28	137,500	*115,200	121,900	132,400
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Mar. 28	112	109	93	101
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Apr. 4	8,018,761	8,074,521	8,172,952	7,218,831
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Apr. 2	171	188	180	185
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Mar. 31	4.376c	4.376c	4.376c	4.131c
Pig iron (per gross ton)	Mar. 31	$55.26	$55.26	$55.26	$52.72
Scrap steel (per gross ton)	Mar. 31	$44.25	$44.25	$44.25	$42.00
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Apr. 1	30.300c	29.100c	29.500c	24.200c
Export refinery at	Apr. 1	34.750c	34.775c	34.300c	27.425c
Straits tin (New York) at	Apr. 1	119.000c	121.500c	121.500c	121.500c
Lead (New York) at	Apr. 1	13.500c	13.500c	13.500c	19.000c
Lead (St. Louis) at	Apr. 1	13.300c	13.300c	13.300c	18.800c
Zinc (East St. Louis) at	Apr. 1	11.000c	11.000c	11.250c	19.500c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	April 7	94.48	93.94	94.93	97.27
Average corporate	April 7	106.56	106.74	107.80	109.97
Aaa	April 7	109.79	109.97	111.25	114.27
Aa	April 7	108.70	108.70	109.97	112.75
A	April 7	105.86	106.04	106.92	109.24
Baa	April 7	102.30	102.46	103.30	104.31
Railroad Group	April 7	104.66	104.83	105.34	107.09
Public Utilities Group	April 7	106.21	106.21	107.44	109.60
Industrials Group	April 7	109.06	109.24	110.55	113.50
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	April 7	2.89	2.94	2.86	2.68
Average corporate	April 7	3.36	3.35	3.29	3.17
Aaa	April 7	3.18	3.17	3.10	2.94
Aa	April 7	3.24	3.24	3.17	3.02
A	April 7	3.40	3.39	3.34	3.21
Baa	April 7	3.61	3.60	3.55	3.49
Railroad Group	April 7	3.47	3.46	3.43	3.33
Public Utilities Group	April 7	3.38	3.38	3.31	3.19
Industrials Group	April 7	3.22	3.21	3.14	2.98
MOODY'S COMMODITY INDEX	April 7	413.0	414.4	418.7	434.9
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Mar. 28	231,803	207,239	220,319	189,705
Production (tons)	Mar. 28	247,441	247,375	251,149	198,922
Percentage of activity	Mar. 28	94	95	95	84
Unfilled orders (tons) at end of period	Mar. 28	455,688	476,361	437,345	380,443
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	Apr. 3	107.20	107.33	107.84	109.98
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION:					
Odd-lot sales by dealers (customers' purchases)—					
Number of orders	Mar. 21	31,193	29,215	28,073	29,249
Number of shares	Mar. 21	908,548	843,085	806,963	830,857
Dollar value	Mar. 21	$39,800,077	$38,602,107	$36,0[illegible]	$37,[illegible]
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Mar. 21	31,229	29,534	24,821	24,650
Customers' short sales	Mar. 21	156	130	146	131
Customers' other sales	Mar. 21	31,073	29,404	24,675	24,519
Number of shares—Total sales	Mar. 21	874,256	819,250	697,299	684,140
Customers' short sales	Mar. 21	5,221	4,860	5,405	4,181
Customers' other sales	Mar. 21	869,035	814,384	691,894	679,959
Dollar value	Mar. 21	$34,205,705	$32,666,549	$28,364,497	$29,231,928
Round-lot sales by dealers—					
Number of shares—Total sales	Mar. 21	285,870	267,480	193,220	176,350
Short sales	Mar. 21	------	------	------	------
Other sales	Mar. 21	285,870	267,480	193,220	176,350
Round-lot purchases by dealers—					
Number of shares	Mar. 21	302,240	302,770	319,570	311,620
TOTAL ROUND-LOT STOCK SALES ON THE NEW YORK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total Round-lot sales—					
Short sales	Mar. 14	343,160	347,570	206,000	265,040
Other sales	Mar. 14	8,497,950	8,829,340	5,753,150	7,525,650
Total sales	Mar. 14	8,841,110	9,176,910	5,959,150	7,790,690
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS:					
Transactions of specialists in stocks in which registered—					
Total purchases	Mar. 14	888,750	999,650	628,560	785,620
Short sales	Mar. 14	171,890	167,060	107,890	143,260
Other sales	Mar. 14	717,890	759,240	484,930	618,12[illegible]
Total sales	Mar. 14	889,780	926,300	592,820	761,380
Other transactions initiated on the floor—					
Total purchases	Mar. 14	211,920	272,620	133,650	202,100
Short sales	Mar. 14	10,800	13,200	12,500	19,400
Other sales	Mar. 14	197,260	247,780	122,960	234,760
Total sales	Mar. 14	208,060	260,980	135,460	254,160
Other transactions initiated off the floor—					
Total purchases	Mar. 14	296,585	286,200	225,621	280,534
Short sales	Mar. 14	81,970	72,340	32,300	40,470
Other sales	Mar. 14	358,605	384,435	231,015	371,759
Total sales	Mar. 14	440,575	456,775	263,315	412,229
Total round-lot transactions for account of members—					
Total purchases	Mar. 14	1,397,255	1,558,670	987,831	1,268,254
Short sales	Mar. 14	264,660	252,600	152,190	203,130
Other sales	Mar. 14	1,273,755	1,391,455	838,905	1,224,639
Total sales	Mar. 14	1,538,415	1,644,055	991,595	1,427,769
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Mar. 31	109.8	110.0	109.9	111.4
Farm products	Mar. 31	98.0	*99.0	99.1	107.6
Processed foods	Mar. 31	104.7	*105.0	105.5	108.3
Meats	Mar. 31	93.4	*94.7	96.7	111.5
All commodities other than farm and foods	Mar. 31	113.3	113.4	113.2	112.9

*Revised figure. ¶Includes 675,000 barrels of foreign crude runs. §Based on new annual capacity of 117,547,470 tons as of Jan. 1, 1953 as against the Jan. 1, 1952 basis of 108,587,670 tons.

	Latest Month	Previous Month	Year Ago
ALUMINUM (BUREAU OF MINES):			
Production of primary aluminum in the U. S. (in short tons)—Month of January	89,895	83,419	76,934
Stocks of aluminum (short tons) end of Jan.	9,336	7,274	10,190
AMERICAN PETROLEUM INSTITUTE—Month of January:			
Total domestic production (barrels of 42 gallons each)	223,868,000	226,449,000	211,770,000
Domestic crude oil output (barrels)	203,214,000	205,645,000	192,712,000
Natural gasoline output (barrels)	20,617,000	20,769,000	19,035,000
Benzol output (barrels)	37,000	35,000	23,000
Crude oil imports (barrels)	19,098,000	18,685,000	15,123,000
Refined products imports (barrels)	16,078,000	17,423,000	14,343,000
Indicated consumption domestic and export (barrels)	267,935,000	277,738,000	261,965,000
Decrease all stock (barrels)	8,891,000	15,181,000	20,729,000
BUILDING CONSTRUCTION PERMIT VALUATION IN URBAN AREAS OF THE U. S.—U. S. DEPT. OF LABOR—Month of January (000's omitted):			
All building construction	$575,615	*$602,709	$527,413
New residential	312,701	*314,070	297,184
New nonresidential	185,565	*215,612	158,789
Additions, alterations, etc.	77,349	*73,027	71,441
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of February	7,947	9,468	7,138
COKE (BUREAU OF MINES)—Month of Feb.:			
Production (net tons)	6,134,175	*6,767,814	6,355,151
Oven coke (net tons)	5,679,775	6,284,493	5,769,909
Beehive coke (net tons)	454,400	*483,321	585,242
Oven coke stocks at end of month (net tons)	1,996,251	*2,074,702	1,765,363
CONSUMER PRICE INDEX—1947-49 = 100— Month of February:			
All items	113.4	113.9	112.4
Food	111.5	113.1	112.6
Food at home	111.1	112.9	112.6
Cereals and bakery products	117.6	117.7	115.5
Meats, poultry and fish	107.7	110.9	116.7
Dairy products	110.7	111.6	112.7
Fruits and vegetables	115.9	116.7	109.5
Other foods at home	107.3	109.7	105.8
Housing	116.6	116.4	114.0
Rent	121.5	121.1	116.4
Gas and electricity	106.1	105.9	103.8
Solid fuels and fuel oil	123.3	123.3	117.6
Housefurnishings	108.0	107.7	110.0
Household operation	113.5	113.4	110.8
Apparel	104.6	104.6	106.8
Transportation	129.1	129.3	123.7
Medical care	119.3	119.4	114.8
Personal care	112.5	112.4	111.1
Reading and recreation	107.5	107.8	106.6
Other goods and services	115.8	115.9	114.4
FABRICATED STRUCTURAL STEEL (AMERICAN INSTITUTE OF STEEL CONSTRUCTION)—Month of February:			
Contracts closed (tonnage)—estimated	182,184	*271,077	230,832
Shipments (tonnage)—estimated	237,499	*239,892	246,398
HOUSEHOLD WASHERS AND IRONERS — STANDARD SIZE — (AMERICAN HOME LAUNDRY MANUFACTURERS' ASSOCIATION)—Month of February:			
Factory sales of washers (units)	326,604	277,309	255,864
Factory sales of ironers (units)	22,586	24,395	17,630
Factory sales of dryers (units)	57,136	62,260	44,540
FACTORY EARNINGS AND HOURS—WEEKLY AVERAGE ESTIMATE — U. S. DEPT. OF LABOR—Month of February:			
Weekly earnings—			
All manufacturing	$71.42	*$71.51	$66.91
Durable goods	77.43	*77.43	72.16
Nondurable goods	63.16	*63.16	60.12
Hours—			
All manufacturing	41.0	41.1	40.[illegible]
Durable goods	41.9	*41.9	41.[illegible]
Nondurable goods	39.8	*39.9	39.5
Hourly earnings—			
All manufacturing	$1.742	*$1.740	$1.644
Durable goods	1.848	*1.848	1.731
Nondurable goods	1.587	*1.583	1.522
METAL PRICES (E. & M. J. QUOTATIONS)— Average for month of March:			
Copper (per pound)—			
Electrolytic domestic refinery	29.289c	24.968c	24.200c
Electrolytic export refinery	34.451c	34.783c	27.425c
Lead (per pound)—			
Common, New York	13.404c	13.500c	19.000c
Common, St. Louis	13.204c	13.300c	18.800c
Silver and Sterling Exchange—			
Silver, New York (per ounce)	85.250c	85.250c	88.000c
Silver, London (pence per ounce)	74.000d	74.000d	77.000d
Sterling Exchange (Check)	$2.81605	$2.81906	$2.79[illegible]8
Zinc (per pound)—East St. Louis	11.029c	11.483c	19.500c
Tin (per pound)—			
New York Straits	121.442c	121.500c	121.500c
§§New York, 99% min.	120.442c	120.500c	120.500c
Gold (per ounce, U. S. price)	$35.000	$35.000	$35.000
Quicksilver (per flask of 76 pounds)	$198.115	$205.091	$207.000
¶Antimony (per pound) (E. & M. J.)	37.970c	37.970c	53.350c
Antimony (per pound) bulk, Laredo	34.500c	34.500c	50.000c
Antimony (per pound) in cases, Laredo	35.000c	35.000c	50.500c
Platinum, refined (per ounce)	$90.000	$90.000	$90.000
†Cadmium (per pound)	$2.00000	$2.00000	$2.55000
‡Cadmium (per pound)	$2.07500	$2.07500	$2.67500
§Cadmium (per pound)	$2.15000	$2.15000	$2.80000
Cobalt, 97%	$2.40000	$2.40000	$2.40000
Aluminum, 99% plus, ingot (per pound)	20.500c	20.500c	19.000c
Magnesium, ingot (per pound)	26.423c	24.500c	24.500c
**Nickel	60.000c	60.000c	56.500c
MOODY'S WEIGHTED AVERAGE YIELD OF 200 COMMON STOCKS—Month of March:			
Industrial (125)	5.36	5.26	5.54
Railroad (25)	6.07	5.69	5.85
Utilities (not includ. Amer. Tel. & Tel.) (24)	5.16	5.08	5.50
Banks (15)	4.44	4.32	4.41
Insurance (10)	3.29	3.17	3.37
Average (200)	5.36	5.22	5.49
NON-FARM REAL ESTATE FORECLOSURES—FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION—Month of December	1,585	1,435	1,490

*Revised figure. †Based on the producers' quotation. ‡Based on the average of the producers' and platers' quotations. §Average of quotation on special shapes to platers. ¶Domestic, 5 tons or more but less than carload lot boxed. §§Price for tin contained. **F.o.b. Port Colbourne, U. S. duty included.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

• Agricultural Insurance Co. (4/14)
March 25 filed 100,000 shares of capital stock (par $10) to be offered for subscription by stockholders of record about April 14 at the rate of one new share for each three shares held; rights to expire on April 29. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Watertown, N. Y. **Underwriter**—Blyth & Co., Inc., New York.

★ Aid Investment & Discount, Inc.
March 26 (letter of notification) 37,425 shares of common stock (par $1). **Price**—$5.75 per share. **Proceeds**—For working capital. **Underwriter** — Gottron, Russell & Co., Cleveland, Ohio. **Offering**—Now being made.

Aluminium Ltd. (4/24)
March 30 filed 818,657 shares of capital stock (no par) to be offered for subscription by stockholders of record on or about April 24 at rate of one new share for each 10 shares held; rights to expire on or about May 15. **Price**—Not to exceed $37.50 per share (Canadian) or alternately, at the option of each subscriber, the equivalent in U. S. dollars on the date on which the price is determined. **Proceeds**—For expansion program. **Dealer Managers**—The First Boston Corp. and White, Weld & Co. to head group in United States; and A. E. Ames & Co., Ltd. to head group in Canada.

American Reenforced Paper Co., Attleboro, Mass.
March 18 (letter of notification) 1,960 shares of common stock (par $5). **Price**—$15.25 per share. **Proceeds**—To P. T. Jackson, the selling stockholder. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston, Mass.

Arcturus Electronics, Inc., Newark, N. J.
March 27 (letter of notification) 40,000 shares of class A common stock (par one cent). **Price** — 50 cents per share. **Proceeds**—To Delbert E. Replogle, President. **Underwriter**—Gearhart & Otis, Inc., New York.

★ Arkansas-Missouri Power Co. (4/27)
April 6 filed 40,000 shares of 5½% cumulative preferred stock. **Price**—At par ($25 per share). **Proceeds**—To reimburse the company, in part, for property additions and improvements. **Underwriter**—Edward D. Jones & Co., St. Louis, Mo.

★ Arkansas-Missouri Power Co.
April 6 filed 47,413 shares of common stock (par $5) to be offered for subscription by common stockholders of record March 31 at the rate of one new share for each eight shares held. **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans. **Underwriter**—None, but soliciting dealers will be paid a commission.

• Armstrong Rubber Co. (4/28)
March 31 filed $4,000,000 of 5% convertible subordinated debentures due May 1, 1973. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Business**—Manufacturer of tires and tubes. **Underwriter**—Reynolds & Co., New York.

Ashland Oil & Refining Co.
Feb. 27 filed 100,000 shares of cumulative second preferred stock, $1.50 series of 1952 (no par) (convertible prior to June 15, 1962) to be offered for subscription by officers and employees of company and its American and Canadian subsidiaries under a "Restricted Stock Option Plan for Employees." **Price**—Alternate provisions fix the purchase price at 85% and 100%, respectively, of the market value of the stock at the time the options are granted. **Proceeds**—For working capital and used in part for property additions and improvements. **Underwriter**—None.

Atomic Uranium Corp., Denver, Colo.
March 23 (letter of notification) 232,000 shares of common stock (par 10 cents). **Price**—$1.25 per share. **Proceeds**—For exploration. **Office**—Interstate Trust Bldg., Denver, Colo. **Underwriter**—Luckhurst & Co., Inc., New York.

Avco Manufacturing Corp.
March 20 (letter of notification) 11,500 shares of common stock (par $3). **Price** — At market (approximately $8.50 per share). **Proceeds**—To Judson Sayre, who is the selling stockholder. **Underwriter**—None, but E. Lowitz & Co., New York, will act as broker.

★ Bankers Reserve Life Insurance Co., North Birmingham, Ala.
March 31 (letter of notification) 29,728 shares of common stock. **Price**—$10 per share. **Proceeds**—For working capital. **Office**—1729½ Third Ave., North Birmingham, Ala. **Underwriter**—None.

Bearings Co. of America, Lancaster, Pa.
March 9 filed $600,000 of first mortgage 5½% convertible bonds due from 1954 to 1968, inclusive. **Price**—100% of principal amount. **Proceeds**—To retire $303,000 4½% convertible bonds and $74,250 of 4½% class A preferred stock and 5% class B preferred stock and for working capital. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

★ Berry Petroleum Co., Inc., Newton, Kan.
March 30 (letter of notification) 24,000 shares of class A common stock. **Price**—$12.50 per share. **Proceeds**—For drilling expenses. **Office**—1801 Maine St., Newton, Kansas. **Underwriter**—None.

Blackstone Valley Gas & Electric Co. (4/21)
March 19 filed $5,800,000 first mortgage and collateral trust bonds, due March 1, 1983. **Proceeds**—To repay bank loans and for improvements. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Harriman Ripley & Co. Inc.; White, Weld & Co., Kidder, Peabody & Co. and Lee Higginson Corp. (jointly); Estabrook & Co. and Stone & Webster Securities Corp. (jointly); Lehman Brothers; Union Securities Corp. **Bids**—To be received up to 11 a.m. (EST) at 49 Federal St., Boston, Mass.

★ Brazos-Western Oil & Gas Corp., Houston, Tex.
March 27 (letter of notification) 299,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For drilling expenses. **Office** — City National Bank Bldg., Houston, Tex. **Underwriter**—None.

Bristol Oils Ltd., Toronto, Canada
Sept. 25 filed 1,000,000 shares of common stock (par $1). **Price**—Approximately 64.48 cents per share. **Proceeds**—To acquire leases and for corporate purposes. **Underwriter**—None. To be named by amendment.

★ Broad Street Investing Corp., New York
March 31 filed 500,000 shares of capital stock. **Price**—At market. **Proceeds**—For investment. **Underwriter**—None.

Byrd Oil Corp., Dallas, Tex.
Oct. 22 filed $1,750,000 of 10-year 5½% convertible sinking fund mortgage bonds due Nov. 1, 1962, to be offered for subscription by common stockholders at the rate of $100 of bonds for each 28 shares of stock held (for a 14-day standby). Certain stockholders have waived their rights. **Price**—At par. **Proceeds**—To repay $1,014,500 of outstanding notes and for drilling expenses and working capital. **Underwriters** — Dallas Rupe & Son, Dallas, Texas; Carl M. Loeb, Rhoades & Co., New York; and Straus, Blosser & McDowell, Chicago, Ill. **Offering**—Postponed.

★ C.I.T. Financial Corp., New York
April 2 filed 374,500 shares of common stock (no par) to be offered under "Restricted Stock Option Plan for Key Employees" to certain employees of the corporation and its subsidiaries.

★ California Tungsten Corp., Salt Lake City, Utah
March 30 (letter of notification) 1,999,000 shares of common stock. **Price**—15 cents per share. **Proceeds**—For working capital, etc. **Underwriter**—Tellier & Co., New York.

Carver Oil & Gas Co., Inc.
March 23 (letter of notification) 2,042,051 shares of common stock (par one cent). **Price**—12½ cents per share. **Proceeds**—For development of properties, etc. **Office**—c/o Ralph T. Masters, 163 Remsen St., Brooklyn, N. Y. **Underwriter**—Securities National Corp., Newark, N. J.

★ Cascade Natural Gas Corp., Seattle, Wash.
March 30 (letter of notification) 60,720 shares of common stock (no par) to be offered in partial exchange for a maximum amount of 11,400 shares of 8% cumulative convertible stock (par $5) and common stock (par $5) of Northwest Cities Gas Co. **Underwriter**—None.

Central City Milling & Mining Corp.
March 4 (letter of notification) 1,800,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining operations. **Underwriter**—R. L. Hughes & Co., Denver, Colo.

Central and South West Corp.
March 6 filed 606,084 shares of common stock (par $5) being offered for subscription by common stockholders of record April 1 in ratio of one share for each 14 shares held; rights will expire on April 20. **Price**—$20.50 per share. **Proceeds**—To purchase additional shares of common stock of its four principal subsidiaries, who in turn will use the funds to pay for property additions and improvements. **Underwriters** — Blyth & Co., Inc. and Smith, Barney & Co., both of New York.

Clevite Corp., Cleveland, Ohio (4/14)
March 20 filed 200,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Business**—Manufacturers of bearings, bushings, electric components and devices. **Underwriters**—F. Eberstadt & Co., Inc., New York, and Prescott, Shepard & Co., Inc., Cleveland, O.

★ Coast Line Oil Corp., Fort Worth, Tex.
March 30 (letter of notification) 1,200,000 shares of common stock. **Price**—At par (25 cents per share). **Proceeds**—To drill and equip well. **Office** — Suite 404, Fortune Arms, 200 Burnet St., Fort Worth, Tex. **Underwriter**—None.

• Consolidated Gas Co., Atlanta, Ga. (4/20)
March 27 filed 50,000 shares of common stock (par $5). **Price**—$8.50 per share. **Proceeds**—To repay bank loans, to retire $34,700 of debentures of Consolidated Gas Co. of Albany, and for working capital. **Underwriter**—Courts & Co., Atlanta, Ga., and New York, N. Y.

Coronado Copper Mines Corp.
Jan. 23 (letter of notification) 299,970 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To acquire leases, for exploration expenses, to repay loans and for working capital. **Office**—100 West 10th St., Wilmington, Del. **Underwriter**—Charles J. Maggio, Inc., New York.

Detroit Edison Co. (4/28)
March 26 filed $40,000,000 of general and refunding mortgage bonds, series M, due May 1, 1988 (to carry interest at not to exceed 4%). **Proceeds**—For construction program. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; The First Boston Corp.; Coffin & Burr, Inc. and Spencer Trask & Co. (jointly). **Bids**—Tentatively expected to be received up to 11 a.m. (EDT) on April 28

• Detroit Stamping Co., Highland Park, Mich. (4/13-16)
March 20 filed 120,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To certain selling stockholders. **Underwriter**—White, Noble & Co., Grand Rapids, Mich.

★ Detroit Testing Laboratory, Inc., Detroit, Mich.
April 2 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For working capital. **Underwriter**—S. R. Livingstone, Crouse & Co., Detroit, Mich.

★ Eagle-Picher Co.
March 27 (letter of notification) 1,050 shares of common stock (par $10). **Price** — At the market. **Proceeds**—For general corporate purposes. **Underwriter** — Goldman, Sachs & Co., New York.

• East Tennessee Natural Gas Co. (4/13)
March 20 filed $2,144,520 of 5% convertible debentures due May 1, 1968 (convertible into common stock at rate of one share for each $10 of debentures), to be offered for subscription by common stockholders April 10 at rate of $10 of debentures for each five shares of common stock held. Rights to expire about April 27 or 28. **Price**—At principal amount. **Proceeds**—For property additions. **Underwriters**—White, Weld & Co., New York; F. S. Moseley & Co., Boston, Mass.; Equitable Securities Corp., Nashville, Tenn. and Elder & Co., Chattanooga, Tenn.

Ekco Products Co., Chicago, Ill. (4/15)
March 23 filed $5,000,000 of subordinated debentures due April 1, 1973, and 50,000 shares of common stock (par $2.50), the stock to be sold for the account of selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—From sale of debentures, for general corporate purposes. **Underwriter** — Union Securities Corp., New York.

• Emerson Electric Manufacturing Co.
March 18 filed 37,230 shares of common stock (par $4) to be offered for subscription by stockholders at rate of one new share for each 12½ shares held. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes, including acquisition of certain assets of United States Electric Tool Co. **Underwriter** — None. **Offering**—Postponed.

English Oil Co., Salt Lake City, Utah
Jan. 5 filed 3,435,583 shares of common stock, of which 750,000 shares are to be offered publicly, 250,000 shares are to be reserved for officers and key employees and options, and 2,435,583 shares in exchange for oil and gas properties and interests therein. **Price**—At par ($1 per share). **Proceeds**—For acquisition of additional properties and leases. **Underwriter**—J. A. Hogle & Co., Salt Lake City, Utah. **Offering**—No date set.

★ Farmers Underwriters Association, Los Angeles, Calif.
March 26 (letter of notification) 1,284 shares of common stock (par $1). **Price**—$30.45 per share. **Proceeds**—To a selling stockholder. **Underwriter**—Lester, Ryons & Co., Los Angeles, Calif.

• Fedders-Quigan Corp.
March 20 filed 41,338 shares of 5½% cumulative preferred stock, 1953 series, par $50 (convertible into common stock on or prior to May 1, 1953), being offered for subscription by common stockholders of record April 8, at rate of one preferred share for each 35 shares of com-

mon stock held (with an oversubscription privilege); rights to expire on April 23. **Price**—At par. **Proceeds**—For general corporate purposes. **Underwriter**—Allen & Co., New York.

● **Federal Electric Products Co.** (4/27-30)
March 31 filed 220,000 shares of common stock (par $1) and $2,000,000 of 6% subordinated income debentures due 1968 (with warrants attached to purchase an additional 120,000 shares at prices ranging from $7.50 to $17.50 per share. **Price**—For common stock, $7 per share; and for debentures, at 100% of principal amount. **Proceeds**—To repay loans. **Business**—Manufacture of devices for control of low voltage electrical energy. **Underwriter**—H. M. Byllesby & Co., Inc., Chicago, Ill.

First Securities Corp., Philadelphia, Pa.
Jan. 21 (letter of notification) 600,000 shares of common stock (par one cent) which includes 22,190 shares being reoffered to the previous purchasers. **Price**—25 cents per share. **Proceeds** — For expansion of business and for working capital. **Underwriter** — First Securities Corp., Philadelphia, Pa.

★ **Fisher Brown Co., Inc., Dallas, Tex.**
March 30 (letter of notification) 250,000 shares of common stock. **Price**—At par ($100 per share). **Proceeds**—For working capital. **Office**—2218 S. Harwood St., Dallas, Tex. **Underwriter**—None.

Fitchburg Gas & Electric Light Co.
March 6 filed 23,698 shares of capital stock (par $25) being offered to stockholders of record March 26 at rate of one new share for each five shares held (with an oversubscription privilege); rights to expire April 13. **Price**—$46 per share. **Proceeds**—For construction program. **Underwriter**—None.

● **Flock Gas & Oil Corp., Ltd., Calgary, Can.** (4/27)
March 19 filed 800,000 shares of common stock (par 20 cents). **Price**—$2 per share. **Proceeds**—For development of properties now held by it, for acquiring and holding reservations and leases or participating therein, for exploration and drilling expenses, etc. **Underwriter**—Peter Morgan & Co., New York.

● **General Telephone Co. of the Southwest**
March 12 filed 50,000 shares of $5\frac{1}{2}$% cumulative preferred stock. **Price**—At par ($20 per share). **Proceeds**—For property additions. **Underwriter**—None, but Mitchum, Tully & Co., Los Angeles, Calif., will act as dealer-manager.

Grand Bahama Co., Ltd., Nassau
Feb. 3 filed $1,350,000 20-year 6% first mortgage convertible debentures due March, 1973, and 1,565,000 shares of class A stock (par 10 cents). **Price**—Par for debentures and $1 per share for stock. **Proceeds** — For new construction. **Business** — Hotel and land development. **Underwriter**—Gearhart & Otis, Inc., New York.

★ **Greenfield Tap & Die Corp., Greenfield, Mass.**
March 30 (letter of notification) 4,000 shares of common stock (no par). **Price**—At market (approximately $23.50 per share). **Proceeds**—To Donald G. Millar. **Underwriter**—Tucker, Anthony & Co., Boston, Mass.

Guardian Chemical Corp., Long Island City, N. Y.
March 3 (letter of notification) 36,325 shares of common stock (par 10 cents). **Price**—$2.75 per share. **Proceeds**—For working capital. **Underwriter**—Batkin & Co., New York. Letter to be withdrawn.

H & B American Machine Co., Chicago, Ill.
March 27 (letter of notification) 30,000 shares of common stock (par 25 cents). **Price**—At market (estimated at $2.50 per share). **Proceeds**—To five selling stockholders. **Office**—122 South Michigan Ave., Chicago, Ill. **Underwriters**—May & Gannon, Boston, Mass.; and Walston & Co., San Francisco, Calif.

● **Hilo Electric Light Co., Hilo, Hawaii**
March 2 filed 25,000 shares of common stock being first offered to common stockholders of record March 10 at rate of one new share for each three shares held; then to employees; any unsubscribed shares to be offered to public. Subscription rights will expire on April 27. **Price** — At par ($20 per share). **Proceeds** — To repay bank loans. **Underwriter**—None.

● **Independent Plow, Inc., Noedesha, Kan.** (4/14-15)
Feb. 26 filed 100,000 shares of participating convertible class A stock (par $5), to be offered for subscription by common and preferred stockholders at rate of one share of class A stock for each $3\frac{1}{4}$ shares of preferred and/or common stock held. **Price** — $6.50 per share. **Proceeds**—To repay balance of RFC loan ($192,311); to redeem outstanding preferred stock ($86,341); and for working capital. **Underwriter**—Barrett Herrick & Co., Inc., New York.

Inspiration Lead Co., Inc., Wallace, Ida.
Jan. 26 (letter of notification) 2,000,000 shares of common stock. **Price**—15 cents per share. **Proceeds**—For mining expenses. **Office**—507 Bank St., Wallace, Ida. **Underwriter**—Mine Financing, Inc., Wallace, Ida.

Inter-Mountain Telephone Co.
March 20 filed 142,500 shares of common stock-voting (par $10) to be offered for subscription by common stockholders of record March 30 at rate of one new share for each three shares held. (Southern Bell Telephone & Telegraph Co. and Chesapeake & Potomac Telephone Co. of Virginia, own, respectively, 32.8% and 12.2% of the presently outstanding common stock of Inter-Mountain); rights expire about April 28. **Price**—To be supplied by amendment. **Proceeds**—To reduce short-term notes. **Underwriter**—For 78,336 shares—Courts & Co., Atlanta, Ga., and New York, N. Y.

International Glass Fibres Corp., Baltimore, Md.
March 6 (letter of notification) 61,960 shares of class A common stock (par $1). **Price**—$1.37½ per share. **Proceeds**—For working capital. **Office**—10 Light St., Baltimore 2, Md. **Underwriter**—None.

Interstate Fire & Casualty Co., Bloomington, Ill.
March 26 filed 28,000 shares of capital stock (par $10) to be offered for subscription by stockholders of record April 1 at the rate of 1 3/11 shares for each share held. **Price**—$16.50 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—None.

★ **Island View Camp, Inc., Pottsboro, Tex.**
March 30 (letter of notification) $238,400 of 10-year 6% debenture bonds and 5,960 shares of common stock (par $5) to be offered in units of $40 principal amount of debentures and one share of stock. **Price**—$50 per unit. **Proceeds**—To build and equip camps with cabins, boats, etc. **Address**—Route No. 1, Pottsboro, Tex. **Underwriter**—None.

Ispetrol Corp., New York
Oct. 29 filed 49,500 shares of common stock. **Price**—At par ($100 per share). **Proceeds**—To finance purchase of crude oil for Israeli enterprises and to purchase crude oil and oil products for resale in Israel. **Underwriter**—Israel Securities Corp., New York.

Israel Industrial & Mineral Development Corp.
Oct. 6 filed 30,000 shares of class A stock. **Price**—At par ($100 per share). **Proceeds**—For industrial and mineral development of Israel. **Underwriter** — Israel Securities Corp., New York.

Israel Overseas Corp. of New York
Feb. 17 filed 16,000 shares of capital stock par $1 and $3,400,000 of 20-year debentures to be offered in units of eight shares of stock and $1,700 principal amount of debentures. **Price**—$2,500 per unit. **Proceeds**—For general corporate purposes. **Underwriter**—None.

● **Jersey Central Power & Light Co.** (4/14)
March 16 filed $8,500,000 of first mortgage bonds due 1983. **Proceeds**—For construction program. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly); Equitable Securities Corp.; The First Boston Corp.; Salomon Bros. & Hutzler; Glore, Forgan & Co.; Kidder, Peabody & Co.; Harriman Ripley & Co. Inc. **Bids**—To be received up to 11 a.m. (EST) on April 14 at 67 Broad St., New York 4, N. Y.

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NEW ISSUE CALENDAR

April 13, 1953
Detroit Stamping Co. — **Common**
(White, Nobel & Co.)
East Tennessee Natural Gas Co. — **Debentures**
(Offering to stockholders—underwritten by White, Weld & Co. and associates)
Texas Electric Service Co. — **Bonds & Preferred**
(Bids 11:30 a.m. EST)

April 14, 1953
Agricultural Insurance Co. — **Common**
(Offering to stockholders—underwritten by Blyth & Co., Inc.)
Clevite Corp. — **Common**
(F. Eberstadt & Co. Inc. and Prescott, Shepard & Co., Inc.)
Independent Plow, Inc. — **Class A**
(Offer to stockholders—Barrett Herrick & Co., Inc.)
Jersey Central Power & Light Co. — **Bonds**
(Bids 11 a.m. EST)
New Orleans Public Service Inc. — **Bonds**
(Bids noon EST)
Second National Bank of Philadelphia — **Common**
(Offering to stockholders)

April 15, 1953
Bangor & Aroostook RR. — **Bonds**
(Bids to be invited)
Ekco Products Co. — **Debentures**
(Union Securities Corp.)
Lorillard (P.) Co. — **Debentures**
(Lehman Brothers and Smith, Barney & Co.)
Lorillard (P.) Co. — **Common**
(Offering to stockholders—underwritten by Lehman Brothers and Smith, Barney & Co.)
Southern Co. — **Common**
(Bids 11:30 a.m. EST)
Texas-New Mexico Ry. — **Equip. Trust Ctfs.**
(Bids noon EST)

April 16, 1953
New York, New Haven & Hartford RR. — **Equip. Trust Ctfs.**
(Bids to be invited)
Oklahoma Gas & Electric Co. — **Common**
(Offering to stockholders—underwritten by Merrill Lynch, Pierce, Fenner & Beane)

April 20, 1953
Consolidated Gas Co. — **Common**
(Courts & Co.)
Maremont Automotive Products, Inc. — **Common**
(Hallgarten & Co.; Straus, Blosser & McDowell; and McCormick & Co.)
Union Wire & Rope Corp. — **Common**
(Offering to stockholders—underwritten by P. W. Brooks & Co., Inc.)

April 21, 1953
Blackstone Valley Gas & Electric Co. — **Bonds**
(Bids 11 a.m. EST)
Louisiana Power & Light Co. — **Preferred**
(Bids noon EST)
Mechanical Handling Systems, Inc. — **Common**
(Kidder, Peabody & Co.)
Merrill Petroleums Ltd. — **Common**
(White, Weld & Co.; and Wood, Gundy & Co., Ltd)
New York Wire Cloth Co. — **Common**
(Alex. Brown & Sons)
Savannah Electric & Power Co. — **Preferred**
(The First Boston Corp.)

April 22, 1953
Chicago, Burlington & Quincy RR. — **Equip. Trust Ctfs.**
(Bids to be invited)
Southern Pacific Co. — **Equip. Trust Ctfs.**
(Bids noon EST)

April 23, 1953
Chicago Great Western Ry. — **Bonds**
(Bids to be invited)
Schlafly Nolan Oil Co., Inc. — **Common**
(L. H. Rothchild & Co.)
Shield Chemical Corp. — **Common**
(Peter W. Spiess & Co.)

April 24, 1953
Aluminium Ltd. — **Common**
(Probably First Boston Corp. and A. E. Ames & Co., Ltd.)

April 27, 1953
Arkansas-Missouri Power Co. — **Preferred**
(Edward D. Jones & Co.)
Copeland Refrigeration Corp. — **Common**
(Baker, Simonds & Co.)
Federal Electric Products Co. — **Debs. & Common**
(H. M. Byllesby & Co., Inc.)
Flock Gas & Oil Corp., Ltd. — **Common**
(Peter Morgan & Co.)
Radio Condenser Co. — **Common**
(Hemphill, Noyes & Co.)
Southwestern States Telephone Co. — **Preferred**
(Central Republic Co., Inc.)

April 28, 1953
Armstrong Rubber Co. — **Debentures**
(Reynolds & Co.)
Detroit Edison Co. — **Bonds**
(Bids 11 a.m. EDT)
Washington Gas Light Co. — **Common**
(Offering to stockholders—underwritten by The First Boston Corp. and Johnston, Lemon & Co.)
Wisconsin Public Service Corp. — **Preferred**
(Bids 10:30 a.m. CDT)

April 30, 1953
Central Foundry Co. — **Common**
(Offering to stockholders—underwriter to be named)
Jasco, Inc. — **Common**
(Bids 3 p.m. EDT)
National Ceramic Co. — **Common**
(Bids 2 p.m. EDT)
St. Anne's Oil Co. — **Common**
(Sills, Fairman & Co. and H. M. Byllesby & Co., Inc.)

May 4, 1953
Montana Power Co. — **Debentures**
(Bids 11:30 a.m. EDT)

May 5, 1953
Southern Bell Telephone & Telegraph Co. — **Debs.**
(Bids to be invited)
Wisconsin Public Service Corp. — **Bonds**
(Bids 10:30 a.m. CDT)

May 6, 1953
Long Island Lighting Co. — **Preferred**
(W. C. Langley & Co.; Blyth & Co., Inc.; and The First Boston Corp.)

May 8, 1953
Gulf States Utilities Co. — **Common**
(Offering to stockholders—bids to be invited)

May 12, 1953
Alabama Power Co. — **Bonds**
(Bids 11 a.m. EDT)
Lone Star Gas Co. — **Preferred**
(Offering to stockholders)
Philadelphia Electric Co. — **Preferred**
(Bids to be invited)

May 15, 1953
Central Power & Light Co. — **Bonds**
(Bids to be invited)

May 18, 1953
Texas Power & Light Co. — **Bonds & Preferred**
(Bids 11:30 a.m. EDT)

May 19, 1953
Metropolitan Edison Co. — **Bonds**
(Bids 11 a.m. EDT)
Pacific Gas & Electric Co. — **Bonds**
(Bids 11 a.m. EDT)
Southern Natural Gas Co. — **Bonds**
(Bids to be invited)

May 25, 1953
Philadelphia Electric Co. — **Bonds**
(Bids to be invited)

May 26, 1953
Consolidated Natural Gas Co. — **Debentures**
(Bids 11:30 a.m. EDT)
Government Employees Corp. — **Common**
(Offering to stockholders—no underwriting)

June 2, 1953
Texas Utilities Co. — **Common**
(Bids to be invited)

June 4, 1953
General Public Utilities Corp. — **Common**
(Offering to stockholders—no underwriting)

June 9, 1953
Gulf Power Co. — **Bonds**
(Bids 11 a.m. EDT)

June 23, 1953
New York Telephone Co. — **Bonds**
(Bids to be invited)
Pennsylvania Electric Co. — **Bonds**
(Bids 11 a.m. EDT)

Aug. 3, 1953
Denver & Rio Grande Western RR. — **Equip. Trust Ctfs.**
(Bids to be invited)

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● Jewel Tea Co., Inc.
March 17 filed 141,757 shares of common stock (par $1) being offered for subscription by common stockholders of record April 8 at rate of one new share for each eight shares held; rights to expire April 23. **Price**—$33.50 per share. **Proceeds**—For working capital, etc. **Underwriters**—Lehman Brothers and Goldman, Sachs & Co., both of New York. **Offering** — Expected to be made today (April 9).

Jewel Tea Co., Inc.
March 25 (letter of notification) 9,000 shares of common stock (par $1). **Price**—Estimated at $32 per share. **Proceeds** — For general corporate purposes. **Office** — Jewel Park, Barrington, Ill. **Underwriter**—None.

Junction City (Kan.) Telephone Co.
March 3 (letter of notification) $206,000 of 4½% first mortgage bonds, series A, due Feb. 1, 1977. **Price**—100% and accrued interest. **Proceeds**—For general corporate purposes. **Underwriter**—Wachob-Bender Corp., Omaha, Nebraska.

Kentucky Utilities Co.
March 9 filed 208,057 shares of common stock (par $10) being offered for subscription by common stockholders 10 shares held; rights to expire on April 13. **Price**—$18.50 per share. **Proceeds**—For new construction. **Underwriters**—Blyth & Co., Inc., New York; J. J. B. Hilliard & Son, Louisville, Ky.

Liberty Fabrics of New York, Inc.
March 24 (letter of notification) 1,356 shares of 5% cumulative preferred stock (par $10). **Price** — At market (about $6.60 per share). **Proceeds**—To Maurice Goodman, Vice-President. **Underwriter**—None, but Dreyfus & Co., New York, will act as broker.

★ Little Valley Oil Co., Salt Lake City, Utah
March 30 (letter of notification) 75,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To drill well. **Address** — P. O. Box 1284, Salt Lake City, Utah. **Underwriter**—None.

★ Long Island Lighting Co. (5/6)
April 6 filed 100,000 shares of cumulative preferred stock, series C (par $100). **Price** — To be supplied by amendment. **Proceeds** — To repay bank loans and for new construction. **Underwriters**—W. C. Langley & Co., Blyth & Co., Inc. and The First Boston Corp.

Lorillard (P.) Co. (4/15)
March 25 filed $22,500,000 of 25-year debentures due April 1, 1978. **Price** — To be supplied by amendment. **Proceeds**—To reduce bank loans. **Underwriters**—Lehman Brothers and Smith, Barney & Co., both of New York.

● Lorillard (P.) Co. (4/15)
March 25 filed 356,573 shares of common stock (par $10) to be offered for subscription by stockholders of record April 14 on basis of one new share for each seven shares held; rights to expire April 28. Warrants are expected to be mailed about the middle of April. **Price**—To be supplied by amendment. **Proceeds** — To reduce bank loans. **Underwriters**—Lehman Brothers and Smith, Barney & Co., both of New York.

Louisiana Power & Light Co. (4/21)
March 19 filed 60,000 shares of cumulative preferred stock (par $100). **Proceeds**—To retire 59,422 shares of $6 preferred stock presently outstanding. **Underwriters**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc. and Equitable Securities Corp. (jointly); W. C. Langley & Co. and The First Boston Corp. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Union Securities Corp. **Bids**—To be received up to noon (EST) on April 21 at Two Rector Street, New York, N. Y.

Macmillan Petroleum Corp., Los Angeles, Calif.
March 24 (letter of notification) 400 shares of capital stock (par $5). **Price**—$160 per share. **Proceeds**—To Raymond S. Macmillan and Sheldon M. Batterson, two selling stockholders. **Underwriter**—Lester, Ryons & Co., Los Angeles, Calif.

Marathon Corp., Menasha, Wis.
March 20 filed 614,872 shares of common stock (par $6.25) to be offered in exchange for stock of Northern Paper Mills on the basis of six shares for each share of Northern common stock and five shares for each share of Northern preferred stock. **Underwriter**—None.

● Maremont Automotive Products, Inc. (4/21)
March 30 filed 230,000 shares of common stock (par $1), of which 20,000 shares are to be issued by the company and balance by certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Underwriters**—Hallgarten & Co., New York; and Straus, Blosser & McDowell and McCormick & Co., both of Chicago, Ill.

Mathieson Chemical Corp., Baltimore, Md.
March 6 filed 350,000 shares of common stock (par $5) to be offered under the company's "Restricted Stock Option Plan to Certain Officers and Other Key Employees" of the company and its subsidiaries. **Proceeds**—For general corporate purposes. **Underwriter**—None.

McCarthy (Glenn), Inc.
June 12 filed 10,000,000 shares of common stock (par 25 cents). **Price**—$2 per share. **Proceeds**—For drilling of exploratory wells, acquisition of leases and for general corporate purposes. **Underwriter**—B. V. Christie & Co., Houston, Tex. **Dealer Relations Representative**—George A. Searight, 50 Broadway, New York, N. Y. Telephone WHitehall 3-2181. **Offering**—Date indefinite.

McQuay, Inc., Minneapolis, Minn.
March 25 (letter of notification) $200,000 of 5½% debentures due April 1, 1978, and 10,000 shares of common stock (par $1) to be offered in units of one $500 debenture and 25 shares of stock. **Price**—$600 per unit. **Proceeds**—To enlarge plant. **Office**—1600 Broadway, N. E., Minneapolis, Minn. **Underwriter**—None.

Mechanical Handling Systems, Inc., Detroit, Mich. (4/21)
March 31 filed 120,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To purchase common stock of The Louden Machinery Co. **Business**—Manufacture and sale of conveyors in industrial and commercial applications. **Underwriter**—Kidder, Peabody & Co., New York.

● Merrill Petroleums Ltd., Alberta, Canada (4/21)
March 31 filed 1,000,000 shares of common stock (par $1), of which 400,000 shares are to be offered in the United States and 600,000 shares in Canada. **Price**—To be supplied by amendment. **Proceeds**—For drilling and exploration activities. **Underwriters**—White, Weld & Co., New York; and Wood, Gundy & Co., Ltd., Toronto, Ont., Canada.

Merritt-Chapman & Scott Corp.
March 3 filed 121,322 shares of common stock (par $12.50) being offered for subscription by common stockholders of record March 27 at rate of one new share for each five shares held; rights to expire on April 14. **Price**—$21 per share. **Proceeds**—For working capital and general corporate purposes. **Underwriter**—None.

Mex-American Minerals Corp., Granite City, Ill.
Nov. 3 filed 113,000 shares of 6% cumulative preferred stock (par $5) and 113,000 shares of common stock (par 10 cents) to be offered in units of one share of each class of stock. **Price**—$6 per unit. **Proceeds**—For working capital. **Business**—Purchase, processing, refining and sale of Fluorspar. **Underwriter** — To be supplied by amendment.

★ Micro-Moisture Controls, Inc., Miami, Fla.
March 27 (letter of notification) 299,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For expansion program and working capital. **Underwriter**—McGrath Securities Corp., New York. **Offering**—Now being made.

Mid-Gulf Oil & Refining Co.
Nov. 10 (letter of notification) 400,000 shares of common stock (par five cents). **Price**—60 cents per share. **Proceeds**—To acquire additional properties. **Office**—927-929 Market St., Wilmington, Del. **Underwriter**—W. C. Doebler Co., Jersey City, N. J.

● Middle South Utilities, Inc.
March 20 filed 475,000 shares of common stock (no par) being offered for subscription by common stockholders of record April 8 at rate of one new share for each 14 shares held (with an oversubscription privilege); rights to expire April 28. **Price**—$23.25 per share. **Proceeds**—For investment in the common stocks of its System operating companies and to repay all or a portion of sums which have been borrowed for such investment. **Underwriter**—None.

★ Montana Power Co. (5/4)
April 2 filed $18,000,000 sinking fund debentures due 1978. **Proceeds**—To repay $12,000,000 bank loans and for new construction. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Smith, Barney & Co., Blyth & Co., Inc. and Lee Higginson Corp. (jointly); Lehman Brothers; Union Securities Corp. **Bids**—Expected to be received up to 11:30 a.m. (EDT) on May 4.

Morgan (J. H.) Gas & Oil Co.
March 26 (letter of notification) 1,600,000 shares of common stock (par five cents). **Price**—Six cents per share. **Proceeds**—To drill wells. **Office**—209 Phillips Petroleum Bldg., Salt Lake City 1, Utah. **Underwriters**—A. P. Kibbe & Co. and Harrison S. Brothers & Co., both of Salt Lake City, Utah.

Mountain States Tel. & Tel. Co.
March 6 filed 390,931 shares of common stock being offered for subscription by common stockholders of record March 27 at rate of one new share for each four shares held; rights to expire April 29. American Telephone & Telegraph Co. (parent) now owns 1,351,203 shares (86.41%) of presently outstanding capital stock. **Price**—At par ($100 per share). **Proceeds**—For property additions and improvements. **Underwriter**—None.

National Marine Terminal, Inc., San Diego, Calif.
March 10 (letter of notification) 30,000 shares of 6% preferred stock. **Price**—At par ($10 per share). **Proceeds**—For general corporate purposes. **Office**—U. S. National Bank Bldg., San Diego 1, Calif. **Underwriter**—Wahler, White & Co., Kansas City, Mo., and associates.

New Orleans Public Service Inc. (4/14)
March 12 filed $6,000,000 of first mortgage bonds due 1983. **Proceeds**—For construction program. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Kidder, Peabody & Co. and Stone & Webster Securities Corp. (jointly); Equitable Securities Corp.; Union Securities Corp. **Bids**—To be received up to noon (EST) on April 14, at Two Rector St., New York 6, N. Y.

★ New York Wire Cloth Co. (4/21)
April 6 (letter of notification) 11,300 shares of common stock (par $1) of which 4,668 shares are for account of company and 6,632 shares for account of selling stockholder. **Price**—$15 per share. **Proceeds**—To company, for working capital. **Underwriter** — Alex Brown & Sons, Baltimore, Md.

Northlands Oils Ltd., Canada
Nov. 21 filed 1,000,000 shares of capital stock (par 20¢ — Canadian) and subscription warrants for 600,000 shares, of which the stock and subscription warrants for 400,000 shares are to be offered in units of 100 shares of stock and subscription warrants for 40 shares. **Price**—$52 per unit. **Proceeds**—For drilling of additional wells and to purchase producing wells. **Underwriter**—M. S. Gerber, Inc., New York. Financing may be revised.

Oklahoma Gas & Electric Co. (4/16)
March 19 filed 241,195 shares of common stock (par $10) to be offered for subscription by common stockholders of record April 16 at rate of one new share for each 10 shares held (with an oversubscription privilege); rights to expire on May 5. **Price** — To be supplied by amendment. **Proceeds** — For construction program. **Underwriter**—Merrill Lynch, Pierce, Fenner & Beane, New York.

Packard-Bell Co., Los Angeles, Calif.
March 18 filed 100,000 shares of capital stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—For expansion and working capital. **Underwriters**—Paine, Webber, Jackson & Curtis, Boston and New York; and Shearson, Hammill & Co., New York.

Palestine Economic Corp., New York
March 6 filed 100,000 shares of common stock (par $25). **Price**—$28 per share. **Proceeds** — For development of Israel industry, etc., and for working capital. **Underwriter**—None.

Paradise Valley Oil Co., Reno, Nev.
Aug. 20 filed 3,000,000 shares of capital stock. **Price**—At par (10 cents per share). **Proceeds**—To drill six wells on subleased land and for other corporate purposes. **Underwriter**—None, with sales to be made on a commission basis (selling commission is two cents per share). **Office**—c/o Nevada Agency & Trust Co., Inc., Cheney Bldg. 139 N. Virginia St., Reno, Nev.

Pennant Drilling Co., Inc., Denver, Colo.
March 23 (letter of notification) 42,507 shares of common stock (par $1). **Price**—$1.30 per share. **Proceeds**—To Morris Replin, the selling stockholder. **Underwriter**—Peters, Writer & Christensen, Inc., Denver, Colo.

Peruvian Oil Concessions Co., Inc., Dover, Del.
Jan. 16 filed 9,000,000 shares of common stock (par $1). **Price**—$1.10 per share. **Proceeds**—For general corporate purposes. **Business**—Plans to produce and sell petroleum and its products from lands to be held under concession from the Peruvian Government. **Underwriter**—None.

★ Plume & Atwood Manufacturing Co., Waterbury, Conn.
April 2 (letter of notification) 13,500 shares of common stock (no par) to be offered for subscription by stockholders. **Price**—$16 per share. **Proceeds**—For plant expansion and equipment. **Office**—470 Bank St., Waterbury, Conn. **Underwriter**—None.

Radio Condenser Co., Camden, N. J. (4/27)
March 31 (letter of notification) 27,000 shares of common stock (par $1). **Price**—$11 per share. **Proceeds**—From sale of stock (together with $1,500,000 from sale of 4½% serial notes due to May 1, 1963 to Provident Mutual Life Insurance Co. of Philadelphia), for expansion, retirement of $80,000 debt and for working capital. **Underwriter**—Hemphill, Noyes & Co., New York.

Resort Airlines, Inc., Miami, Fla.
March 6 (letter of notification) 724,687 shares of common stock (par 10 cents) to be offered for subscription by stockholders on a pro rata basis. **Price**—20 cents per share. **Proceeds**—For working capital. **Address**—Box 242, International Airport, Miami 48, Fla. **Underwriter**—None.

Robot Corp., Los Angeles, Calif.
March 24 (letter of notification) 40,000 shares of capital stock. **Price**—At par ($1 per share). **Proceeds**—To purchase equipment. **Office**—924 Van Nuys Bldg., Los Angeles, 14, Calif. **Underwriter**—Edgerton, Wykoff & Co., Los Angeles, Calif.

Savannah Electric & Power Co. (4/21)
April 1 filed 23,000 shares of cumulative preferred stock (par $100). **Price**—To be supplied by amendment. **Proceeds**—To retire $700,000 of 5% cumulative preferred stock, $300,000 of bank loans and for new construction. **Underwriter**—The First Boston Corp., New York.

Schlafly Nolan Oil Co., Inc., Mt. Vernon, Ill. (4/23)
March 25 filed 150,000 shares of common stock (par 25 cents). **Price**—$4 per share. **Proceeds**—To purchase and sell leaseholdes, royalties and producing properties, to prospect for oil and gas and to develop and operate producing properties. **Underwriter**—L. H. Rothchild & Co., New York.

Security Oil Co., Denver, Colo.
March 5 (letter of notification) $250,000 of series A 1953, five-year 10% debenture bonds. **Price**—At par (in denominations of $25 and multiples thereof). **Proceeds**—To drill wells. **Office**—501 Empire Bldg., Denver, Colo. **Underwriter**—Underwriters, Inc., Denver, Colo.

★ Shadel (Chas. A.) Sanitarium, Inc.
March 25 (letter of notification) 12,000 shares of common stock (par $1). **Price**—$15 per share. **Proceeds**—For new construction. **Office**—628 Central Bldg., Seattle, Wash. **Underwriter**—None.

● Soil-Tone Corp., Plymouth, N. C.
March 27 (letter of notification) $150,000 of 6% contingent interest debentures due 1968 (convertible at any time at rate of 500 shares of common stock for each $1,000 debenture); and 150,000 shares of common stock (par $1). **Price**—At par or principal amount. **Proceeds**—To enlarge plant. **Underwriters**—McGinnis & Co., New York, and Stein Bros. & Boyce, Baltimore, Md.

Southern Co. (4/15)
March 13 filed 1,004,869 shares of common stock (par $5) to be offered to common stockholders of record April 16 on the basis of one new share for each 17 shares held (with an oversubscription privilege); rights to expire on May 7. **Price**—Expected to be named by the company

on April 13. **Proceeds**—To increase investments in subsidiaries. **Underwriters**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc.; Equitable Securities Corp. and Union Securities Corp. (jointly); The First Boston Corp.; Lehman Brothers; Morgan Stanley & Co.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly). **Bids**—Tentatively expected to be received at 11:30 a.m. (EST) on April 15 at 20 Pine St., New York 5, N. Y.

Southern Indiana Gas & Electric Co.
March 3 filed 114,167 shares of common stock (no par) being offered for subscription by common stockholders of record March 25 at rate of one new share for each six shares held; rights to expire on April 10. **Price**—$24.50 per share. **Proceeds**—To repay bank loans and for new construction. **Underwriter**—Smith, Barney & Co., New York.

● **Southwestern States Telephone Co. (4/27)**
March 16 filed 60,000 shares of cumulative preferred stock (par $25). **Price**—To be supplied by amendment (expected to be at par with a yield of somewhat better than 5¼%). **Proceeds**—For construction program. **Underwriter**—Central Republic Co. (Inc.), Chicago, Ill.

★ **Standard Oil Co. (Ohio)**
April 1 filed $2,700,000 of interests in Sohio's Employee's Investment Plan together with 45,000 shares of common stock (par $10) and 9,000 shares of preferred stock of company underlying said interests which are to be offered to eligible employees of Standard and its subsidiaries.

Telecomputing Corp., Burbank, Calif.
March 24 (letter of notification) 5,639 shares of capital stock (par $1), of which 4,639 shares are for account of the company and 1,000 shares for account of Ward W. Beman. **Price**—$15 per share. **Proceeds**—For working capital. **Underwriter**—Hill Richards & Co., Los Angeles, Calif.

Texas Electric Service Co. (4/13)
March 9 filed $7,000,000 of first mortgage bonds due 1983 and 100,000 shares of cumulative preferred stock (no par). **Proceeds**—For new construction. **Underwriters**—To be determined by competitive bidding. Probable bidders: (1) For stock, Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Kuhn, Loeb & Co.; Union Securities Corp.; Harriman Ripley & Co. Inc.; The First Boston Corp.; Glore, Forgan & Co. (2) For bonds, Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., Lehman Brothers and Blyth & Co., Inc. (jointly); Salomon Bros. & Hutzler; Union Securities Corp.; The First Boston Corp.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Hemphill, Noyes & Co. and Drexel & Co (jointly). **Bids**—To be received up to 11:30 a.m. (EST) on April 13 at Two Rector St., New York 6, N. Y.

★ **Texas-Okla Oil & Gas, Inc., Dallas, Tex.**
March 27 (letter of notification) 1,200,000 shares of common stock (par 10 cents), of which 1,000,000 shares are to be offered by the company and 200 000 shares by Boland Wright Williams. **Price** — 25 cents per share. **Proceeds**—To develop properties. **Office**—1605 First National Bank Bldg., Dallas, Tex. **Underwriter**—None.

Texas Western Oil Co., Inc., Houston, Tex.
March 24 (letter of notification) 250,000 shares of capital stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To drill wells. **Office** — 116A City National Bank Bldg., Houston, Texas. **Underwriter** — Walter Aronheim, 82 Beaver St., New York.

★ **Transwestern Oil Co., Inc., Hays, Kan.**
March 20 (letter of notification) 1,200 shares of common stock. **Price**—At par ($25 per share). **Proceeds**—To acquire oil and gas properties. **Address** — Box 308, Hays, Kansas. **Underwriter**—None.

★ **Tri-Boro Finance Co., Inc., No. Attleboro, Mass.**
March 30 (letter of notification) $140,000 of 7% subordinated debentures due 1963. **Price**—At par (in denominations of $100 each). **Proceeds**—For working capital. **Office**—11 So. Washington St., No. Attleboro, Mass. **Underwriter**—None.

● **Union Wire Rope Corp. (4/20-23)**
March 30 filed 100,000 shares of capital stock (par $5), of which 50,000 shares are to be offered for subscription by stockholders at rate of one new share for each 10 shares held (with an oversubscription privilege); 33,300 shares will be sold to one subscriber; and the remaining 16,700 shares to be offered publicly together with any unsubscribed shares. **Price**—To be supplied by amendment. **Proceeds**—For expansion program and working capital. **Underwriter** — P. W. Brooks & Co., Inc., New York.

United Minerals Corp., Salt Lake City, Utah
March 13 (letter of notification) 250,000 shares of 5% cumulative convertible preferred stock (par $1) being first offered to present stockholders during the period from March 28 to April 18 in 5,000 units, each unit to consist of 50 shares of this stock and 50 shares of common stock (par 10 cents) of United Sulphur & Chemical Co., Inc. **Price** — $50 per unit. **Proceeds** — For erection of sulphur plant. **Office**—518 Felt Bldg., Salt Lake City 1, Utah. **Underwriter**—Greenfield & Co., Inc., New York.

United Utilities, Inc., Abilene, Kan.
March 10 filed 319,122 shares of common stock (par $10) being offered for subscription by common stockholders of record March 31 at the rate of one new share for each 2½ shares held; rights to expire on April 14. **Price**—$16 per share. **Proceeds**—To acquire a two-thirds stock interest in Investors Telephone Co. **Underwriter**—Kidder, Peabody & Co., New York.

★ **Uvalde Rock Asphalt Co., San Antonio, Tex.**
March 27 (letter of notification) 3,000 shares of common stock to be offered for subscription by present stockholders on a pro rata basis. **Price** — At par ($100 per share). **Proceeds**—For plant facilities. **Office**—Frost National Bank Bldg., San Antonio 5, Tex. **Underwriter**—None.

Vault Co. of America, Davenport, Iowa
March 2 (letter of notification) 10,000 shares of common stock. **Price** — $10 per share. **Proceeds** — For working capital. **Underwriter**—A. J. Boldt & Co., Davenport, Ia.

★ **Vectron, Inc., Waltham, Mass.**
March 30 (letter of notification) 1,079 shares of 6% cumulative callable convertible preferred stock (par $100) and 512 shares of class A common stock (no par). **Price**—For preferred, $130 per share; and for class A, $65 per share. **Proceeds**—For working capital. **Office**—400 Main St., Waltham, Mass. **Underwriter**—None.

Victoreen Instrument Co.
Feb. 12 (letter of notification) 15,000 shares of common stock (par $1). **Price**—At market (approximately $5.25 per share). **Proceeds**—To E. A. Benson and R. F. Shima, the two selling stockholders. **Underwriter**—Barrett Herrick & Co., Inc., New York.

★ **Waltham Watch Co., Waltham, Mass.**
March 17 (letter of notification) voting trust certificates representing 25,000 shares of common stock (par $1). **Price**—At market (about $2 per share). **Proceeds**—To Teviah and Goldbert Sachs, the two selling stockholders. **Office**—Crescent Street, Waltham, Mass. **Underwriter**—None.

Warren (J. C.) Corp., Freeport, N. Y.
March 25 (letter of notification) 5,065 shares of capital stock (par $1) to be offered for subscription by stockholders at rate of one new share for each four shares held; unsubscribed shares to be offered to noteholders. **Price** — $9 per share. **Proceeds** — For working capital. **Office**—21 Hanse Ave., Freeport, N. Y. **Underwriter**—None.

★ **Washington Gas Light Co. (4/28)**
April 8 filed 84,734 shares of common stock (no par) to be offered for subscription by common stockholders of record April 27 at rate of one new share for each 10 shares held. **Price**—To be supplied by amendment. **Proceeds**—For new construction. **Underwriters**—The First Boston Corp., New York; and Johnston, Lemon & Co., Washington, D. C.

West Coast Pipe Line Co., Dallas, Tex.
Nov. 20 filed $29,000,000 12-year 6% debentures due Dec. 15, 1964, and 580,000 shares of common stock (par 50 cents) to be offered in units of one $50 debenture and one share of stock. **Price** — To be supplied by amendment. **Proceeds**—From sale of units and 1,125,000 additional shares of common stock and private sale of $55,000,000 first mortgage bonds, to be used to build a 1,030 mile crude oil pipeline. **Underwriters** — White, Weld & Co. and Union Securities Corp., both of New York. **Offering**—Expected in the Spring of 1953.

West Coast Pipe Line Co., Dallas, Tex.
Nov. 20 filed 1,125,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—Together with other funds, to be used to build pipeline. **Underwriters**—White, Weld & Co. and Union Securities Corp., both of New York. **Offering**—Expected in the Spring of 1953

★ **West View Shores Marina, Inc., Earleville, Md.**
March 26 (letter of notification) 2,900 shares of preferred stock and 6,000 shares of common stock. **Price**—For preferred, $100 per share; and for common, 10 cents per share. **Proceeds**—To develop yacht club. **Office**—West View Shores, Earleville, Md. **Underwriter**—None.

● **Wisconsin Public Service Corp. (4/28)**
March 30 filed 30,000 shares of cumulative preferred stock (par $100). **Proceeds**—For new construction. **Underwriters**—To be determined by competitive bidding. Probable bidders: The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane; Kuhn, Loeb & Co. and A. C. Allyn & Co., Inc. (jointly). **Bids**—To be received up to 10:30 a.m. (CDT) on April 28.

● **Wisconsin Public Service Corp. (5/5)**
March 30 filed $8,000,000 first mortgage bonds due May 1, 1983. **Proceeds**—To repay $6,300,000 bank loans and for new construction. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Union Securities Corp.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Beane and Salomon Bros. & Hutzler (jointly); Harris, Hall & Co. (Inc.); Carl M. Loeb, Rhoades & Co. **Bids**—Scheduled to be received up to 10:30 a.m. (CDT) on May 5.

Prospective Offerings

Alabama Power Co. (5/12)
March 30 company filed an application with SEC, for the issuance and sale of $18,000,000 first mortgage bonds due 1983. **Proceeds**—For construction program. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); Morgan Stanley & Co.; Kuhn, Loeb & Co.; Union Securities Corp., Equitable Securities Corp. and Drexel & Co. (jointly); Lehman Brothers; The First Boston Corp.; Harriman Ripley & Co., Inc. **Registration**—Planned for April 10. **Bids**—Tentatively expected at 11 a.m. (EDT) on May 12 at office of Southern Services, Inc., 20 Pine St., New York, N. Y.

★ **American Gas & Electric Co.**
April 6 it was announced company plans to issue and sell 800,000 additional shares of common stock (par $5). **Proceeds**—To be invested in operating subsidiaries. **Underwriters** — To be determined by competitive bidding. Probable bidders: First Boston Corp.; Union Securities Corp.; Blyth & Co., Inc., and Goldman, Sachs & Co. (jointly). **Registration**—Expected about middle of May. **Bids**—To be received early in June.

Arkansas Power & Light Co.
Feb. 2 it was announced company may issue and sell, probably in June, 1953, about $18,000,000 of first mortgage bonds. **Proceeds**—To repay bank loans and for new construction. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers and Stone & Webster Securities Corp. (jointly); The First Boston Corp.; White, Weld & Co., Blyth & Co. Inc., Equitable Securities Corp. and Central Republic Co. (jointly); Merrill Lynch, Pierce, Fenner & Beane and Union Securities Corp. (jointly).

Arkansas Power & Light Co.
March 20 it was announced that company may consider refunding the outstanding 47,609 shares of $7 preferred stock (no par) and 45,891 shares of $6 preferred stock (no par), both called at $110 per share. **Underwriters**—To be determined by competitive bidding. Probable bidders. Blyth & Co., Inc, and Equitable Securities Corp. (jointly); W. C. Langley & Co., and The First Boston Corp. (jointly); Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Beane (jointly); Union Securities Corp.

● **Atlantic Refining Co.**
March 27 it was announced that proposed debenture issue later this year will be around $60,000,000. The exact nature and timing of the financing are still to be determined. Stockholders will vote May 5 on increasing authorized debt from $75,000,000 to $150,000,000. **Proceeds**—To be used to help pay for a $100,000,000 construction program for 1953. **Underwriters**—Smith, Barney & Co. may head group.

★ **Bangor & Aroostook RR. (4/15)**
March 31 it was announced RFC plans sale of $1,675,000 of this company's collateral trust 4% bonds due July 1, 1961. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.

Central Foundry Co. (4/30)
March 16 directors voted to offer rights to present preferred and common stockholders to subscribe for additional common stock in the ratio of one share of common stock for each four shares of either common or preferred stock held. **Underwriter**—To be named later. Fred J. Young of F. J. Young & Co., New York is a director.

Central Illinois Public Service Co.
March 26 it was reported that the company may about mid-July sell about $6,000,000 additional common stock (first to common stockholders). **Underwriter**—The First Boston Corp., New York.

★ **Central Louisiana Electric Co., Inc.**
March 26 it was announced stockholders on April 16 will vote on authorizing a block of the authorized common stock for issuance and sale locally in the parishes in which the facilities of the company are located, such stock not to exceed $300,000 in aggregate market value. They will also vote on approving issuance of securities convertible into shares of any class of capital stock.

Central Power & Light Co. (5/15)
March 23 company filed an application with SEC for authority to issue $8,000,000 first mortgage bonds, series E, due May 1, 1983. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., Harriman Ripley & Co. Inc., and Stone & Webster Securities Corp. (jointly); Union Securities Corp.; Kuhn, Loeb & Co.; Kidder, Peabody & Co.; Lehman Brothers and Glore, Forgan & Co. (jointly); Merrill Lynch, Pierce, Fenner & Beane and Salomon Bros. & Hutzler (jointly); The First Boston Corp. **Bids**—Tentatively expected to be received on or about May 15.

★ **Chicago, Burlington & Quincy RR. (4/22-23)**
Bids are expected to be received by this company on April 22 or April 23 for the purchase from it of $7,020,000 equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Kidder, Peabody & Co.

● **Chicago Great Western Ry. (4/23)**
March 17 company asked ICC permission to issue and sell $6,000,000 collateral trust bonds due 1978, to be secured by $9,000,000 4% first mortgage bonds due in 1988. **Proceeds**—To pay off $3,000,000 of notes and for working capital. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane. **Bids**—Expected about April 23.

● **Cincinnati Gas & Electric Co.**
March 31 it was revealed the company plans to raise $35,000,000 through sale of new securities (mostly bonds). **Proceeds**—For new construction. **Underwriters**—To be determined by competitive bidding. Probable bidders for bonds: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Kuhn, Loeb & Co. and Salomon Bros. & Hutzler (jointly); Blyth & Co., Inc., and The First Boston Corp. (jointly); Union Securities Corp.; Glore, Forgan & Co. and White, Weld & Co. (jointly); W. C. Langley & Co.; Lehman Brothers; Harriman Ripley & Co., Inc.; Merrill Lynch, Pierce, Fenner & Beane. Previous equity financing was underwritten by Morgan Stanley & Co. and W. E. Hutton & Co.

● **Columbia Gas System, Inc., N. Y.**
April 6 company applied to SEC for authority to issue and sell 1,700,000 shares of common stock (no par).

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This is in addition to the proposed issuance later in the year of $40,000,000 of new debentures. **Proceeds**—To repay bank loans and for construction program. **Underwriters**—To be determined by competitive bidding. Probable bidders: For stock, Merrill Lynch, Pierce, Fenner & Beane, White, Weld & Co. and R. W. Pressprich & Co. (jointly); Morgan Stanley & Co. For debentures, Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Offering**—Of stock expected in May.

Consolidated Natural Gas Co. (5/26)
March 13 it was announced company is planning to issue and sell $40,000,000 of debentures due 1978. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. and The First Boston Corp. (jointly); White, Weld & Co. and Paine, Webber, Jackson & Curtis (jointly). **Bids**—Expected to be received at 11:30 a.m. (EDT) on May 26. **Registration**—Tentatively planned for about April 17.

● Copeland Refrigeration Corp. (4/27)
March 31 stockholders approved an increase in the authorized common stock (par $1) to 725,000 shares from 650,000 shares, thus paving the way for an offering of 75,000 new shares. **Proceeds**—For re-tooling purposes and working capital. **Underwriter**—Baker, Simonds & Co., Detroit, Mich.

Delaware Power & Light Co.
Feb. 24 it was announced stockholders on April 21 will vote on approving a proposal to increase the authorized preferred stock from 200,000 shares to 300,000 shares (par $100). Probable bidders for any new preferred stock financing may include Blyth & Co., Inc. and The First Boston Corp. (jointly); White, Weld & Co. and Shields & Co. (jointly); Lehman Brothers; W. C. Langley & Co. and Union Securities Corp. (jointly); Morgan Stanley & Co. Stuart Cooper, President, said it is possible that common stock may be sold later in the year.

● Denver & Rio Grande Western RR. (8/3)
Bids are expected to be received by the company on or about Aug. 3 for the purchase from it of $3,300,000 equipment trust certificates due semi-annually from Nov. 1, 1953, to May 1, 1968, inclusive, and on or about Oct. 1 of a like amount of said certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Kidder, Peabody & Co.

Detroit Edison Co.
March 24 it was announced company plans to issue an unspecified amount of convertible debenures due 1963 (about $55,000,000 to carry an interest rate not exceeding 4%) which may first be offered for subscription by stockholders. **Proceeds**—To retire bank loans and to meet construction costs. **Meeting**—Stockholders on April 14 will vote on authorizing the new debentures. **Underwriter**—None.

Eastern Utilities Associates
Feb. 20 it was announced company plans sale of $7,000,000 collateral trust mortgage bonds due 1973. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Estabrook & Co. and Stone & Webster Securities Corp. (jointly); The First Boston Corp.; White, Weld & Co. and Kidder, Peabody & Co. (jointly); Glore, Forgan & Co. and Harriman Ripley & Co. Inc. (jointly). **Bids**—Tentatively expected in April.

● El Paso Natural Gas Co.
March 25 it was announced company plans to place privately $120,000,000 of first mortgage bonds and sell publicly 200,000 shares of preferred stock (probably in April) and $25,000,000 debentures. **Underwriter**—White, Weld & Co., N. Y.

★ General Public Utilities Corp. (6/4)
April 6, A. F. Tegen, President, announced that the company plans to offer about $16,000,000 of common stock (approximately 568,756 shares) to its stockholders about June 4 on a 1-for-15 basis. There are 8,531,329 shares (par $5) presently outstanding. **Proceeds**—For investments in subsidiaries. **Underwriter** — None. Merrill Lynch, Pierce, Fenner & Beane, New York, acted as clearing agent in previous stock offer.

Government Employees Corp., Washington, D. C.
March 18 stockholders authorized an issue of 3,000 shares of preferred stock (par $100) to carry a cumulative dividend rate not to exceed 6% annually. The management states that, under present plans, these shares will be issued as the growth of the corporation warrants.

Government Employees Corp. (5/26)
March 18 directors authorized an offering of 12,000 shares of common stock (par $5) to stockholders of record April 28 at rate of one new share for each five shares held (not taking into account 3,000 shares to be issued as a stock dividend on May 26); rights are to expire on June 24. Subscription warrants are to be issued on the latter date. **Price**—$15 per share.

Gulf Life Insurance Co., Jacksonville, Fla.
March 21 E. L. Phillips, Jr., President, and others sold about 150,000 shares of capital stock for a reported price of $17,400,000 to an investment banking group headed by Equitable Securities Corp. and R. S. Dickson & Co., who plan to offer a part thereof in two or three months.

Gulf Power Co. (6/9)
Jan. 28 it was reported company plans issuance and sale of $7,000,000 of first mortgage bonds due 1983. **Proceeds**—For construction program. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; The First Boston Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Beane, Salomon Bros. & Hutzler and Drexel & Co. (jointly); Union Securities Corp.; Equitable Securities Corp.; Lehman Brothers. **Registration**—Planned for May 8. **Bids**—Tentatively expected at 11 a.m. (EDT) on June 9.

Gulf States Utilities Co. (5/8)
March 26 it was announced company has filed an application with the FPC proposing the issuance of 781,042 shares of common stock (no par) to be offered for subscription by common stockholders on the basis of one new share for each four shares held on or about May 8. **Proceeds**—For new construction. **Underwriters**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Beane and Lehman Brothers (jointly); Stone & Webster Securities Corp.; Carl M. Loeb, Rhoades & Co.

● High Voltage Engineering Co., Cambridge, Mass.
Feb. 18 it was reported company plans early registration of $800,000 4%-6% convertible subordinate debentures due 1967 and 20,000 shares of common stock to be offered in units of a $1,000 debenture and 25 shares of common stock. **Price**—$1,000 per unit. **Business**—Company was organized in 1947 to design, develop and manufacture X-ray machines and other equipment. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston and New York.

★ Jasco, Inc. (Del.) (4/30)
Bids will be received up to 3 p.m. (EDT) on April 30 for the purchase from the office of Alien Property, 346 Broadway, New York 13, N. Y., of its 50% ownership (5 shares) in this corporation. The other 50% interest is held by Standard Oil Development Co., a subsidiary of Standard Oil Co. (New Jersey).

Lone Star Gas Co. (5/12)
March 25 it was announced company plans to offer 183,300 shares of cumulative convertible preferred stock (par $100) for subscription by its common stockholders at rate of one share of preferred stock for each 30 shares of common stock held. **Proceeds**—To finance construction program. **Registration**—Expected to be filed about April 22 to become effective May 12.

● Long Island Lighting Co.
March 24 it was announced that company this summer plans to issue and sell some additional common stock to be followed in November by an issue of first mortgage bonds (this is in addition to 100,000 shares of series C preferred stock, par $100, registered with the SEC on April 6). **Proceeds**—To repay bank loans and for new construction. **Underwriters** — (1) For common stock, probably Blyth & Co., Inc. and The First Boston Corp. (jointly). (2) For bonds to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Blyth & Co., Inc. and The First Boston Corp. (jointly); W. C. Langley & Co.; Smith, Barney & Co.

Louisiana Power & Light Co.
March 20 it was announced company may issue and sell in June $12,000,000 of first mortgage bonds. **Underwriters** — To be determined by competitive bidding Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., Lehman Brothers and A. C. Allyn & Co., Inc. (jointly); Blyth & Co., Inc; White, Weld & Co. and Shields & Co. (jointly); Salomon Bros. & Hutzler; W. C. Langley & Co., The First Boston Corp., and Glore, Forgan & Co. (jointly); Merrill Lynch, Pierce, Fenner & Beane and Kidder, Peabody & Co. (jointly); Harriman Ripley & Co., Inc.; Equitable Securities Corp.

Mansfield Tire & Rubber Co.
March 17 it was reported early registration is expected of 200,000 shares of common stock. **Proceeds**—To selling stockholders. **Underwriter**—A. G. Becker & Co., Inc., Chicago, Ill.

● Metropolitan Edison Co. (5/19)
Feb. 11 it was reported company plans to issue and sell $8,000,000 of 30-year first mortgage bonds due 1983. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. and Salomon Bros. & Hutzler (jointly); White, Weld & Co.; The First Boston Corp.; Kidder, Peabody & Co. and Drexel & Co. (jointly); Harriman Ripley & Co., Inc. and Union Securities Corp. (jointly); Blyth & Co., Inc. **Bids**—Tentatively scheduled to be received up to 11 a.m. (EDT) on May 19. Registration expected on April 14.

Michigan-Wisconsin Pipe Line Co.
March 24 it was reported this company is considering permanent financing of its $20,000,000 bank loans which mature July 1, 1953. If competitive, bidders for bonds may include: Halsey, Stuart & Co. Inc.; Glore, Forgan & Co.; The First Boston Corp.; Harriman Ripley & Co., Inc.

Minneapolis-Honeywell Regulator Co.
March 11 it was announced stockholders will on April 28 vote on increasing authorized common stock from 3,440,000 to 3,950,000 shares and the preference stock from 160,000 to 210,000 shares. **Underwriter**—Probably Union Securities Corp., New York.

Mississippi Power & Light Co.
March 20, E. H. Dixon, President of Middle South Utilities, Inc., announced that refunding of Mississippi Power & Light Co.'s $6 preferred stock (no par), of which 44,476 shares are now outstanding, may be considered. This issue is callable at $110 per share. **Underwriters**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc., and Equitable Securities Corp. (jointly; W. C. Langley & Co., and The First Boston Corp. (jointly); Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Beane (jointly); Union Securities Corp.

★ Missouri Public Service Co.
March 31, F. J. Green, President, announced that company plans to issue and sell $1,500,000 of equity securities and about $3,500,000 of first mortgage bonds and serial debentures. **Proceeds**—To finance 1953 construction program. The latter may be placed privately.

Mobile Gas Service Corp.
March 6, Maurice White, President, announced that, after proposed two-for-one split-up to be voted upon April 24, the company will offer to its stockholders 40,000 shares of additional common stock on a one-for-five basis. **Proceeds** — For construction program. **Underwriters** — To be named later.

Monongahela Power Co.
Dec. 11 it was announced company plans issuance and sale near the middle of 1953 of $10,000,000 first mortgage bonds. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co. and the First Boston Corp. (jointly); Kuhn, Loeb & Co.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Glore, Forgan & Co.; Lehman Brothers; Equitable Securities Corp.; Union Securities Corp. and Salomon Bros. & Hutzler (jointly); Merrill Lynch, Pierce, Fenner & Beane; Harriman Ripley & Co., Inc.

Montana-Dakota Utilities Co.
March 25 it was announced company has applied to Federal Power Commission for authority to issue 293,103 shares of common stock (par $5) to be offered for subscription by common stockholders at rate of one new share for each five shares held. **Price**—To be in relation to market price shortly before the offering. **Proceeds**—To repay $5,250,000 short-term loans and for new construction. **Underwriter** — Blyth & Co., Inc. and Merrill Lynch, Pierce, Fenner & Beane, both of New York.

★ National Ceramic Co., Trenton, N. J. (4/30)
March 29 it was announced that sealed bids will be received on or before April 30 by Surrogate of Mercer County, at Trenton, N. J., for the purchase of a majority stock interest in this company. Bids will be opened by the court at 2 p.m. (EDT) on May 1.

★ New England Electric System
April 3, Irwin L. Moore, President, announced that the company is planning to offer to its common stockholders additional common stock on the basis of one new share for each 10 shares held (with an oversubscription privilege). **Proceeds**—For expansion program. **Underwriters**—May be determined by competitive bidding. Probable bidders: Blyth & Co., Inc., Lehman Brothers and Bear, Stearns & Co. (jointly); Merrill Lynch, Pierce, Fenner & Beane, Kidder, Peabody & Co. and White, Weld & Co. (jointly).

New Jersey Power & Light Co.
Feb. 11 it was announced company plans issue and sale of about $5,500,000 first mortgage bonds due 1983. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Union Securities Corp. and White Weld & Co. (jointly); The First Boston Corp. and Kidder, Peabody & Co. (jointly); Carl M. Loeb, Rhoades & Co.; Equitable Securities Corp.; Kuhn, Loeb & Co., Lehman Brothers and Goldman, Sachs & Co. (jointly); Merrill Lynch, Pierce, Fenner & Beane. **Offering**—Probably in June.

★ New York, New Haven & Hartford RR. (4/16)
Bids will be received by the company on April 1 for the purchase from it of $3,300,000 equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Kidder, Peabody & Co.

New York Telephone Co. (6/23)
Feb. 26 company applied to New York P. S. Commission for permission to issue and sell $35,000,000 of refunding mortgage bonds, series G. **Proceeds**—To repay bank loans and for construction program. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Beane and Glore, Forgan & Co. (jointly); Kuhn, Loeb & Co. **Bids**—Tentatively scheduled to be received on June 23. **Stock Offering**—Company also plans to issue and sell to American Telephone & Telegraph Co., its parent, 700,000 additional shares of common stock (par $100).

Northern Natural Gas Co.
Feb. 27 it was announced company has informed the Nebraska State Railway Commission that it proposes to make an offering of 548,100 additional shares of common stock (par $10) to its common stockholders on the basis of one new share for each five shares held. **Proceeds**—To repay short-term loans and for new construction. **Underwriter**—None. **Offering**—Expected in May.
Feb. 27, H. H. Siert, Treasurer, announced that following the proposed offering in May of 548,100 shares of common stock to stockholders, the company plans to issue and sell $40,000,000 of new debentures. **Proceeds**—To repay bank loans and for construction program. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; The First Boston Corp. and Kidder, Peabody & Co. (jointly).

★ Northern Pennsylvania Power Co.
April 6 it was reported company may issue later this year $1,500,000 of first mortgage bonds. **Proceeds**—For expansion program. **Offering**—May be placed privately.

Northwest Natural Gas Co.
March 23 it was reported that this company plans to finance its proposed 1,300-mile pipeline from Canada to the Pacific Northwest by the issuance and sale of $66,000,000 of 4½% first mortgage pipeline bonds to insurance companies and other institutional investors and $9,000,000 of 5% debentures and 1,400,000 shares of common stock at $10 per share publicly in the United States and Canada. **Underwriter**—Morgan Stanley & Co., New York.

Oklahoma Natural Gas Co.
Feb. 24 it was announced that the directors were considering authorizing an offering of a sufficient number of shares of new common stock (par $7.50) to raise $4,000,000. This would follow proposed stock split of present authorized 1,639,884 shares of $15 par value into 3,279,768 shares of $7.50 par value. Proceeds would be used for the company's construction program. Underwriters will be determined by competitive bidding. Probable bidders: Stone & Webster Securities Corp.; Shields & Co.; Lehman Brothers and Harriman Ripley & Co., Inc. (jointly). **Offering**—Expected in June.

Ormond Corp., Albuquerque, N. M.
March 10 it was announced company plans to register with the SEC an issue of stock, which will be offered nationally. **Office**—5003 Central Avenue, N. E., Albuquerque, N. M.

★ **Omaha National Bank, Omaha, Neb.**
April 6 it was announced stockholders have approved an increase in authorized capitalization from $4,000,000 to $5,000,000, par $20 per share, in order to pave the way for an offering to stockholders of 20,000 new shares at $40 per share on a one-for-ten basis, following which a stock dividend of 30,000 shares will be paid on a basis of one new share for each 7⅓ shares held.

Pacific Gas & Electric Co. (5/19)
March 25 it was reported company plans to issue and sell $65,000,000 of 35-year bonds. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; The First Boston Corp. **Bids**—Tentatively scheduled to be received up to 11 a.m. (EDT) on May 19.

● **Pennsylvania Electric Co. (6/23)**
April 1 it was reported company plans to issue and sell in June about $12,500,000 first mortgage bonds due 1983 and a like amount later on. **Proceeds**—For construction program. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Kidder, Peabody & Co.; The First Boston Corp.; Equitable Securities Corp. **Bids**—Tentatively set for 11 a.m. (EDT) on June 23. **Registration**—Expected on May 12.

Philadelphia Electric Co. (5/12)
March 24, it was announced company plans to issue and sell $15,000,000 of preferred stock. **Proceeds**—For new construction and to repay bank loans. **Underwriter**—May be determined by competitive bidding. Probable bidders: Morgan, Stanley & Co.; W. C. Langley & Co. and Glore, Forgan & Co. (jointly); The First Boston Corp.; Union Securities Corp. **Bids**—Tentatively scheduled to be received on May 12.

Philadelphia Electric Co. (5/25)
March 24, H. P. Liversidge, Chairman, announced that company plans to issue and sell $30,000,000 of bonds (in addition to $15,000,000 of preferred stock announced above). **Proceeds**—To repay bank loans and for new construction. **Underwriters**—May be determined by competitive bidding. Probable bidders; Halsey, Stuart & Co. Inc.; Drexel & Co. and Morgan Stanley & Co. (jointly); Kuhn, Loeb & Co. and Union Securities Corp. (jointly); White, Weld & Co.; The First Boston Corp. **Bids**—Tentatively scheduled to be received on May 25.

★ **Pittston Co.**
April 7 it was announced stockholders on May 6 will vote on approving a $20,000,000 financing program, which may involve the private placement of $2,000,000 of preferred stock and the sale, partly public and part privately of $6,000,000 of collateral trust notes and $12,000,000 of collateral trust bonds.

● **Public Service Co. of Indiana, Inc.**
April 6, Robert A. Gallagher, President, announced that stockholders have approved an increase in the authorized preferred stock (par $25) from 800,000 shares to 1,400,000 shares. Plans for future sales of this stock are now being formulated. **Proceeds**—For expansion program. **Underwriter**—Blyth & Co., Inc., handled previous financing.

Public Service Co. of Oklahoma
March 2 it was reported company may issue and sell 40,000 shares of new preferred stock (par $100). **Underwriters**—To be determined by competitive bidding. Probable bidders: Glore, Forgan & Co.; Smith, Barney & Co.; Kuhn, Loeb & Co.; Harriman Ripley & Co., Inc. and Central Republic Co. (Inc.). **Proceeds** — For additions and improvements.

Public Service Electric & Gas Co.
Feb. 25 it was announced company plans issuance and sale in June of $50,000,000 of first refunding mortgage bonds. **Proceeds**—To repay bank loans and for new construction. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. and Lehman Brothers (jointly); Morgan Stanley & Co. and Drexel & Co. (jointly); The First Boston Corp.

★ **Republic National Bank of Dallas (Texas)**
April 1 it was announced stockholders on April 14 will vote on approving an increase in authorized capital stock from 1,050,000 shares (par $20) to 2,000,000 shares (par $12), and on issuance of 1,750,000 shares of the new stock in exchange for the present outstanding stock on a five for three basis. The remaining 250,000 shares (par $12) are to be offered for subscription by stockholders at $30 per share on basis of one new share for each seven shares held after stock split. The proceeds will be used to increase capital by $3,000,000 and surplus by $4,500,000. **Underwriters**—Walker, Austin & Waggener, The First Southwest Co. and Dallas Rupe & Son, all of Dallas, Texas.

St. Anne's Oil Co., Midland, Tex. (4/30)
March 28 it was reported that registration is expected about April 10 of 250,000 shares of common stock. **Price**—$5 per share. **Underwriters**—Sills, Fairman & Harris and H. M. Byllesby & Co., Inc., both of Chicago.

San Diego Gas & Electric Co.
March 23 it was announced company plans to issue and sell additional securities to help take care of its $17,550,000 expansion program for 1953. **Underwriters**—For any preferred or common stock: Blyth & Co., Inc. Probable bidders for bonds: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Kuhn, Loeb & Co.; The First Boston Corp.; White, Weld & Co. and Shields & Co. (jointly); Union Securities Corp. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Salomon Bros. & Hutzler.

★ **Sears, Roebuck & Co., Chicago, Ill.**
April 6 it was announced company plans to raise about $50,000,000 by offering shortly to its stockholders about 1,000,000 shares of capital stock (no par). On April 27, stockholders will be asked to increase authorized capital stock to 27,500,000 shares from 25,000,000 shares (24,167,840 shares outstanding at Jan. 31, 1953, with 478,673 shares reserved for issuance to employees under a stock option plan). **Proceeds**—To be utilized for general business purposes. **Underwriter**—None.

Second National Bank of Philadelphia (4/14)
March 25 it was announced company plans to offer to its stockholders of record April 14 the right to subscribe on or before April 24 for 25,000 additional shares (par $10) on the basis of one new share for each four shares held. **Price**—$20 per share. **Proceeds**—To increase capital and surplus.

Shield Chemical Corp. (4/23)
March 26 it was reported company plans to issue and sell about $300,000 of common stock. **Proceeds**—For working capital. **Underwriter**—Peter W. Spiess & Co., New York.

Southern Bell Telephone & Telegraph Co. (5/5)
March 23, F. J. Turner, President, revealed that the company plans to issue and sell $30,000,000 of 24-year debentures to mature May 1, 1977. **Proceeds**—For additions and improvements to property. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Tentatively scheduled to be received on May 5.

Southern California Edison Co.
March 11, William C. Mullendore, President, stated that company is considering selling $25,000,000 of first mortgage bonds and $15,000,000 of preferred stock. **Proceeds**—For 1953 construction program. **Underwriters**—May be determined by competitive bidding. Probable bidders for bonds: Halsey, Stuart & Co. Inc.; The First Boston Corp. and Harris, Hall & Co. (Inc.) (jointly); Blyth & Co., Inc.; Kuhn, Loeb & Co. Probable bidders for preferred: The First Boston Corp. and Harris, Hall & Co. (Inc.) (jointly).

● **Southern Natural Gas Co. (5/19)**
March 28 it was reported that approximately $30,000,000 of first mortgage bonds will be publicly offered. This is in addition to an additional $30,000,000 to be raised through sale of convertible debentures to be offered for subscription by common stockholders. Proceeds will be used for new construction. Probable bidders for bonds: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; The First Boston Corp., Blyth & Co., Inc. and Kidder, Peabody & Co. (jointly). **Bids**—For bonds, expected to be received on or about May 19.

★ **Southern Pacific Co. (4/22)**
Bids will be received by the company at Room 2117, 165 Broadway, New York 6, N. Y., up to noon (EST) on April 22 for the purchase from it of $10,000,000 equipment trust certificates, series II, to mature in 10 equal annual instalments. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Kidder, Peabody & Co.

Southwestern Gas & Electric Co.
Feb. 25 it was reported company later this year may issue and sell 50,000 shares of cumulative preferred stock (par $100). **Underwriters** — May be determined by competitive bidding. Probable bidders: White, Weld & Co. and Kidder, Peabody & Co. (jointly); W. C. Langley & Co and Paine, Webber, Jackson & Curtis (jointly); Harriman Ripley & Co. Inc.; Merrill Lynch, Pierce, Fenner & Beane and Union Securities Corp. (jointly); Lehman Brothers; Blyth & Co. Inc., and Stone & Webster Securities Corp. (jointly).

★ **Tennessee Gas Transmission Co.**
March 27 it was reported company expects to do some debt financing this Fall (under $50,000,000) to replace short-term bank loans and that additional common stock may be issued in exchange for producing properties or sold to raise cash for such a transaction. Probable bidders for bonds: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp. and White, Weld & Co. (jointly). Latter group underwrote last equity financing.

Texas Illinois Natural Gas Pipeline Co.
Feb. 24 it was announced that company will issue and sell bonds and common stock in the ratio of 75% and 25%, respectively. It is anticipated that Peoples Gas Light & Coke Co. will subscribe for about 67% of the common stock and for any additional shares not subscribed for by other stockholders or their assignees. Proceeds would be used for expansion program.

Texas-New Mexico Ry. (4/15)
Bids will be received by the company up to noon (EST) on April 15 for the purchase from it of $960,000 equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

● **Texas Power & Light Co. (5/18)**
Feb. 26 it was reported company may sell about $5,000,000 of first mortgage bonds. **Proceeds**—For new construction. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., Blyth & Co., Inc., Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); The First Boston Corp.; Union Securities Corp.; Hemphill, Noyes & Co. and Drexel & Co. (jointly); White, Weld & Co.; Lehman Brothers; Salomon Bros. & Hutzler. **Bids**—Tentatively expected to be received up to 11:30 a.m. (EDT) on May 18. **Registration** Scheduled for April 13.

● **Texas Power & Light Co. (5/18)**
Feb. 26 it was reported company is planning issue and sale of $7,000,000 of cumulative preferred stock. **Proceeds**—For additions and improvements. **Underwriter**—May be determined by competitive bidding. Probable bidders: Union Securities Corp., Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); White, Weld & Co.; The First Boston Corp.; Kuhn, Loeb & Co., Lehman Brothers and Salomon Bros. & Hutzler (jointly). **Bids**—Expected to be received up to 11:30 a.m. (EDT) on May 18. **Registration**—Tentatively scheduled for April 13.

Texas Utilities Co. (6/2)
Feb. 26 it was announced company plans to sell additional common stock (no par) sufficient to raise about $15,000,000 of new money. **Proceeds** — To increase investments in subsidiaries. **Underwriters**—To be determined by competitive bidding. Probable bidders: The First Boston Corp., Blyth & Co., Inc., First Southwest Co., Rauscher, Pierce & Co., Inc. and Dallas Union Trust Co. (jointly); Union Securities Corp.; Lehman Brothers and Bear, Stearns & Co. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Goldman, Sachs & Co. and Harriman Ripley & Co., Inc. (jointly). **Bids** — Tentatively scheduled to be received on June 2.

Toledo Edison Co.
March 20 it was announced stockholders will vote April 21 on increasing the authorized common stock from 5,000,000 to 7,500,000 shares and amend the articles of incorporation so as to provide that the limit on the amount of unsecured indebtedness that the company may create, without consent of majority of the preferred stockholders shall be 20% (instead of 10%) of the aggregate of company's secured indebtedness and capital and surplus. Charles E. Ide, President, stated that the management has no present plans to issue new common shares. The First Boston Corp. and Collin, Norton & Co. handled latest common stock financing. Probable bidders on any bonds: Halsey, Stuart & Co. Inc.; The First Boston Corp. and Glore, Forgan & Co. (jointly); Equitable Securities Corp.; Kidder, Peabody & Co., White, Weld & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Union Securities Corp.; Smith, Barney & Co.

United Gas Corp.
Feb. 11 it was reported company may issue and sell in June approximately $20,000,000 of common stock to common stockholders on a 1-for-15 basis and $30,000,000 of debentures. **Proceeds**—For 1953 construction program. **Underwriters**—For stock, none. For debentures, to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co., White, Weld & Co. and Equitable Securities Corp. (jointly); The First Boston Corp., Harriman Ripley & Co., Inc. and Goldman, Sachs & Co. (jointly).

Walworth Co.
March 25 stockholders voted to increase authorized common stock from 1,900,000 shares to 2,500,000 shares and to grant directors right to issue all or part of increased stock without prior offering to stockholders; also to reserve part of the additional shares for issue upon conversion of convertible 3¼% debentures due May 1, 1976. **Underwriter**—May be Paine, Webber, Jackson & Curtis, New York and Boston.

West Texas Utilities Co.
March 2 it was reported that company plans issuance and sale of 100,000 shares of new preferred stock. **Underwriters** — May be determined by competitive bidding. Probable bidders: Stone & Webster Securities Corp.; Harriman Ripley & Co., Inc.; Union Securities Corp.

Western Light & Telephone Co., Inc.
March 18 it was announced that company proposes to increase the authorized preferred stock (par $25) from 250,000 shares to 400,000 shares and the common stock to 700,000 from 500,000 shares. The additional shares will be issued only as funds are needed. **Underwriter**—Harris, Hall & Co., Inc., Chicago, Ill.

Wisconsin Public Service Corp.
March 17 it was reported that the company may, late this year or early in 1954 issue and sell some common stock to round out its financing program. **Underwriter**—May be The First Boston Corp. and Robert W. Baird & Co. (jointly).

★ **Woodley Petroleum Co.**
March 31 it was announced company plans issue and sale of 50,000 shares of convertible preferred stock (par $50) and $2,500,000 of debentures. Stockholders on May 5 will vote on authorizing 100,000 shares of the new preferred stock. **Proceeds**—To finance exploration and marketing program of company's subsidiary. **Underwriter** — A. G. Becker & Co., Inc., Chicago, Ill.

★ **Worcester Gas Light Co.**
April 2 it was announced company has applied to the Massachusetts Department of Public Utilities for authorization to issue and sell $3,000,000 of 20-year first mortgage bonds. **Proceeds**—To retire bank loans, etc. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; First Boston Corp.; Blyth & Co., Inc.

Continued from page 14

Background and Forces In Current Prosperity

rise in your assets just to keep up with the cost of living. In other words, Standard & Poor's Index of 420 Industrial Stocks increased from 78 in 1938 dollars to 215 in 1953 dollars; but in terms of 1938 dollars the increase would have been only from 78 to 114.

There is a popular belief that when business declines stock prices will decline and that when business increases stock prices will increase. Actually, there is not necessarily any fixed relation between the trends of these two indexes. In fact, during these 15 years there have been only seven years in which the trend of stock prices was the same as the trend of business, and there have been eight years where the trends were opposite.

Current Investment Situation

The yields on common stocks are just as good today as they were 15 years ago. To be exact, Standard & Poor's Index of yields on Industrial Common stocks was 5.45% in April, 1938 and is now 5.53%. That is to say, even at today's stock prices, you can buy just as much income with each $1,000 you invest as you could at the low point for stock prices 15 years ago.

In fact, in relation to bond yields, stock yields are even more favorable today than they were 15 years ago. Industrial bonds of "A" grade yielded 3.84% in April, 1938 and now yield only 3.20%. Common stocks gave 44% more yield than bonds 15 years ago but now they give 73% more. Not only in relation to yields but also in relation to earnings, stock prices cannot be called high at present. For the year 1938, industrial stock prices sold at an average of 19.3 times earnings. On March 25, 1953 the prices of industrial stocks averaged only 10.3 times earnings estimated for 1952. Furthermore, the present ratio between earnings and stock prices is more favorable than the average of the last 15 years. The average ratio for these years was 11.6, compared with a current ratio of 10.3.

Of course, earnings are higher after 15 years of increasing prosperity, as is shown in the first column of Table II. Therefore, it would be logical for stock prices to sell lower in relation to earnings than they did during the period of low earnings in 1938.

However, following this line of logic would indicate that stock prices should be higher in relation to book values during a period of prosperity than they were during a depression. Accordingly, it is interesting to see from Table II that the ratio between stock prices and book values was exactly the same in 1952 as it was in 1938. Also, in relation to the 15-year average, stock prices are not really high by comparison with book values. It is significant that book values of stocks in general have increased 114% between 1938 and 1952.

New money is flowing into the stock market in large amounts. The laws of New York, New Jersey and Pennsylvania concerning trust funds have been changed within the last three years to permit investments in common stocks up to certain limits. Also, the laws of New York and other States have been changed to permit savings banks and life insurance companies to invest in common stocks. More and more corporations are setting up pension funds and profit-sharing funds; and there is an increasing tendency for these funds to be invested in common stocks. Mutual funds are taking the savings of the people and investing them largely in common stocks. The new money coming in from these sources is believed to exceed $1 billion annually. This influx of new money into common stocks is likely to continue. Because the supply of common stocks is limited, these new demands for stocks may result in bidding up the prices. This influence is already very evident in the prices of famous high quality stocks which are the favorites with trustees.

Liquid asset holdings of individuals are now about four times as great as they were in 1938. These liquid asset holdings include currency, demand deposits, time deposits, savings and loan shares and U. S. Government bonds. Also, the liquid asset holdings of individuals is higher in relation to the value of all stocks listed on the New York Stock Exchange than was the case in 1938. Individuals may convert some of their liquid asset holdings into common stocks in the next few years; but it is also possible that they may prefer to convert some holdings of common stocks into liquid assets. This question will depend on public psychology which is difficult to predict.

Aside from the question of current influences on the trend of stock prices, it is important to remember that the long-term trend in prices of industrial stocks has been strongly upward. Between 1871 and 1953 the upward trend has been about 3.3% a year compounded annually. Few people realize how strong this trend really is. For example, if $1,000 had been invested in a general list of industrial stocks in January, 1871 and if dividends received had been reinvested annually, the market value today would be $1,430,000.

Conclusion

Some of the basic causes for the past 15 years of increasing prosperity are waning. Stock prices are high in relation to stock prices in earlier years but not high in relation to dividends, in relation to earnings or in relation to net worth per share. There are good reasons why stock prices might be lower next year and also good reasons why they might be higher. During the next decade the level of stock prices is likely to be much lower at some time than at present, and also much higher at some time than at present. Accordingly, investors who held more than a normal amount of common stocks during earlier years of low stock prices should have already reduced their holdings to a normal proportion. Each investor should know what his normal proportion in common stocks is in view of his own personal circumstances. This is a time when each investor should have only his normal proportion in common stocks, no more and no less.

TABLE I

	(1) Gross Natl. Product (Billions)	(2) Bank Dep. & Currency (Billions)	(3) Ratio, Money Supply to G.N.P.	(4) Cost of Living 1947-49 = 100	(5) Index of Indust. Prod. High-Low	(6) Millions of People Employed	(7) Weekly Wages of Factory Workers
1938	$85	$61	72%	60.3	101- 81	44	$22.30
1939	91	68	75	59.4	124- 98	46	23.86
1940	101	73	72	59.9	140-114	48	25.20
1941	126	82	65	62.9	176-143	50	29.58
1942	162	102	63	69.7	223-181	54	36.65
1943	194	126	65	74.0	247-227	54	43.14
1944	214	154	72	75.2	244-230	54	46.08
1945	215	180	84	76.9	236-162	53	44.39
1946	213	171	80	83.4	183-152	55	43.82
1947	235	175	74	95.5	192-176	58	49.97
1948	262	176	67	102.8	195-186	59	54.14
1949	257	177	69	101.8	191-161	59	54.92
1950	280	184	66	102.8	218-180	60	59.32
1951	328	193	59	111.0	223-212	61	64.93
1952	343	203	58	113.5	233-193	61	68.17
March 25, 1953	*360			*113	*239		
15-Year Average	207	142	70	83.30	181	54	44.43
1952 ÷ 15-Yr. Avg.	1.74	1.43	0.83	1.36	1.18	1.13	1.54
1952 ÷ 1938	4.07	3.32	0.81	1.88	2.34	1.39	3.06

TABLE II

	(8) Corporation Earnings (Millions)	(9) Industrial Stock Price Average Dow-Jones High-Low	(10) Industrial Stock Price Average Standard & Poor's Average	(11) Book Value Index	(12) Price/Book Val. Ratio 9 ÷ 11 Median	(13) Earnings Per Share S. & P.	(14) Price/Earns. Ratio 10 ÷ 13 Median
1938	$2.300	158- 99	90.1	102	1.26	4.36	19.3
1939	5,000	155-121	94.8	106	1.30	6.70	14.1
1940	6.400	152-111	87.9	109	1.21	8.43	10.4
1941	9,400	133-106	80.4	114	1.05	9.20	8.7
1942	9,400	119- 92	71.3	120	0.89	6.77	10.5
1943	10,600	145-119	94.1	125	1.06	6.69	14.1
1944	10,800	152-134	101.7	131	1.09	6.74	15.0
1945	8,500	195-151	123.3	135	1.28	7.07	17.5
1946	13,900	212-163	143.4	142	1.32	8.80	16.3
1947	18,500	186-163	128.0	148	1.18	14.10	9.1
1948	20,700	193-165	130.6	163	1.10	19.40	6.7
1949	16,300	200-161	127.6	176	1.03	19.92	6.4
1950	21,200	235-196	156.4	191	1.13	24.30	6.4
1951	18,700	276-239	192.2	203	1.27	21.10	9.1
1952	17,100	292-257	203.9	*218	*1.26	*20.90	9.7
March 25, 1953		288	215.2				10.3
15-Year Average	12,587	187-152	121.7		1.16	12.33	11.6
1952 ÷ 15-Yr. Avg.	1.36	1.62	1.68		1.09	1.69	0.84
1952 ÷ 1938	7.44	2.06	2.26		1.00	4.48	0.50

*Estimated.

General Credit Pref. Stock at $3.75 a Sh.

John R. Boland, of New York City, is publicly offering at $3.75 per share an issue of 79,800 shares of participating preference stock (par $1) of General Credit, Inc., Washington, D. C.

The net proceeds from the sale of these shares will be added to the working funds of the company.

General Credit, Inc., incorporated in Delaware Feb. 21, 1935, is engaged in the business of automobile time sale financing in and about Washington, D. C.

The participating preference stock is entitled to cumulative dividends at rate of 30 cents per fiscal year payable quarterly. Additional dividends, if declared for any fiscal year, shall be distributed one half to holders of participating preference stock, as a class, and one half of holders of common stock, as a class. There are no redemption or sinking fund provisions and no pre-emptive rights.

Goodbody Adds to Staff

(Special to The Financial Chronicle)

DETROIT, Mich. — Leslie C. Anderson has become associated with Goodbody & Co., Penobscot Building. He was previously with the Detroit Bank.

Two With Waddell & Reed

(Special to The Financial Chronicle)

KANSAS CITY, Mo.—Walter A. Schramm and John P. Waller are with Waddell & Reed, Inc. 1012 Baltimore Avenue.

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Observations . . .

taining at least defensively the ability to throw the atom bomb from Asiatic as well as European bases.

The Market Implications

Translated to market terms, this latter skeptical appraisal of international amity is sufficiently plausible to induce the retention of a sizable portion of one's funds in equities.

In individual industries, the aviation issues provide a good example of a favorable medium for hedging through diversification with a minor portion of one's funds. It is, of course, true that in the event of real "peace" they would fare very badly through cut-backs midst what would then turn out to be gross over-expansion of plant. But under a future of continuing tension, short of bilateral complete disarmament, the aviation armament-companies would actually be favored. This would result either through maintenance of their current high activity during a possible business recession affecting most other industries, or via a stretch-out of their orders which would distinctly improve their long-term investment quality, or both.

Similarly many of the rail stocks, which are peace-vulnerable, particularly in view of their low price-earnings ratios midst the present armament-economy, provide a useful market sector, to preserve a protective stake in its possible-probable continuation.

On all-over portfolio policy the two political alternatives dictate hedging through diversification between cash-equivalent and equities; as well as between the armament and defensive issues.

Conflicting Factors in the Civilian Economy

On the non-political front (insofar as it can be segregated) of business and the civilian economy, is the future even more two-sided and hence hedge-demanding investmentwise. Toward the attractiveness of the fixed-interest investment side there are: the general trend toward overall deflation; already-incipient wage-cutting; evidences of over production; apparent maturing of the long business boom; and the availability of big capital gains cashable by the bulls.

On the other hand, there are numerous counteracting elements whetting the appetite for equities. There is the possible resumption of secu'ar inflation particularly if and when it becomes necessary to resort to pump-priming. Also important as a bullish factor is the tax outlook. Reduction of the corporate income levy, while de-flationary on the economy generally, will greatly improve the company gross carried down to net income; while lowering of the individual's tax rates will automatically increase the advantage of stock-ownership through the holder's raised take-home dividend pay. And over-all there is the gambling chance that present earnings and hence the favorable earnings- and dividend-yields will be maintained and thus sustain the existing floor of market value.

In the case of bonds, the recently raised yields importantly increase their attraction, while lower individual income taxation would reduce their advantage. In equities too, the *pro* and *con* factors exert conflicting pressures on particular categories of issues.

* * *

Thus, considered realization of the conflicting foreseeable influences as well as imponderables in all spheres, surely makes indispensable the investor's use of hedge-providing diversification. Such diversification should be effected doubly: first between bonds and common stocks, and again among issues within each of those security categories. Through such simple strategy the investor may save his skin in this market *War of Nerves*.

Joins F. I. du Pont Staff

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif. — Leonard J. Smith has become associated with Francis I. du Pont & Co., 317 Montgomery Street. He was previously with Stewart, Eubanks, Meyerson & York.

A. M. Kidder Adds

(Special to The Financial Chronicle)

MIAMI, Fla.—Joseph L. Barton is now with A. M. Kidder & Co., 139 East Flagler Street. He was formerly with Frank D. Newman & Co.

Our Reporter's Report

The new issue market is churning about in an effort to adjust itself to the changes that have taken place since the turn of the year. The period has been one of distinctly firmer money trends and has brought yields on A and AA rated bonds up to a range of 3.55% to 3.80%.

The market, however, is apparently no more confused or badgered than the investment bankers charged with the task of working out the basis on which their particular groups bid for new issues as they are offered.

As one of their number observed, these meetings to work out last minute details and decide the bid, reoffering price and yield for a given issue, are rather drab affairs at the moment.

Participants are obviously reluctant to make firm suggestions and there is considerable looking from one to another before the ice is broken and the meeting gets down to the business in hand.

It develops, too, that there is no little disposition to "drop out" if this can be done gracefully. An impelling force in that direction, it appears, is the restricting influence of "carryovers" which some firms find on their shelves.

This makes for a tendency to keep from tieing up further capital pending the working off unsold issues in hand.

Treasury Holds Key

Investment interests in general area waiting anxiously for some word from the Treasury on its plans for the near-term future. It had been expected that the Federal exchequer would be inclined to undertake a really substantial program looking toward long-term refunding of some of its floating debt and possibly a new money issue.

But the turn of events which holds promise of early peace in Korea has thrown a new element into the situation. It had been expected that the Treasury would have made known a general outline of its plans by this time.

Now there is a tendency to expect that officials may be disposed to re-examine the situation and perhaps take care of its needs in smaller bites.

Working Propositions

The several small new utility bond issues brought to market this week were recognized right off by the groups which took them down, as business which would require a bit of real selling activity.

Not that the securities failed to measure up to scratch, but rather because of the current state of indecision in investment quarters generally. Yields appeared cut to pattern but investor resistance is the rule at the moment.

Meanwhile Allied Chemical & Dye Corp.'s 3½s brought to market a week ago, priced at 99 to yield 3.56%, continued in brisk demand being quoted at a premium of 1½ points.

"Rights" and Market's Drop

Whether or not the readjustment in the equity market brought about by the moves for a Korean truce will seriously affect plans of companies projecting additional stock issues remains to be seen.

But it has caused at least one prospect, Emerson Electric Manufacturing Co., to postpone its proposed offering of 37,230 shares of $4 par common. This operation had been scheduled for April 14, but officials feel it would be "unwise" to go ahead. Directors will meet April 13 for another look at the situation.

The roster shows a number of such projects, chiefly for public utility companies, are currently in the cards unless plans are changed.

$30 Million Bonds of Los Angeles County Offered to Investors

Bank of America National Trust & Savings Associations heads a group offering $30,000,000 Los Angeles County, Cal., Flood Control District 2¾% bonds, due May 1, 1954 to 1983, inclusive. The bonds are priced to yield from 1.25% to 2.90%, according to maturity.

Included in the offering group are: The Chase National Bank; The National City Bank of New York; Bankers Trust Co.; Harris Trust and Savings Bank; J. P. Morgan & Co. Incorporated; Blyth & Co., Inc.; Smith, Barney & Co.; American Trust Company, San Francisco; Continental Illinois National Bank and Trust Co. of Chicago; Chemical Bank & Trust Co.; The Northern Trust Co.; Lazard Freres & Co.; Drexel & Co.; R. H. Moulton & Company; Glore, Forgan & Co.; C. J. Devine & Co.; Merrill Lynch, Pierce, Fenner & Beane; The First National Bank of Portland, Oregon; Security-First National Bank of Los Angeles; Seattle-First National Bank; R. W. Pressprich & Co.

The Philadelphia National Bank; California Bank, Los Angeles; Equitable Securities Corp.; Heller, Bruce & Co.; John Nuveen & Co.; Harris, Hall & Co. (Inc.); Bear Stearns & Co., Mercantile Trust Co., St. Louis; Schoellkopf, Hutton & Pomeroy, Inc.; Lee Higginson Corporation; Reynolds & Co.; Dean Witter & Co.; J. Barth & Co.; Laidlaw & Co.; Trust Company of Georgia; L. F. Rothschild & Co.; Bacon, Stevenson & Co.; Laurence M. Marks & Co.; Francis I. du Pont & Co.; Kean, Taylor & Co.; W. H. Morton & Co. Inc.; Coffin & Burr Inc.; Roosevelt & Cross Inc.; Dominick & Dominick; Hornblower & Weeks; and Chas. E. Weigold & Co. Inc.

With First Boston Corp.

CLEVELAND, Ohio — Ambrose S. Hotaling has joined the staff of The First Boston Corporation, Union Commerce Building.

Joins Blyth Staff

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Henry L. Rice has become affiliated with Blyth & Co., Inc., 215 West Sixth Street. He was previously with Union Bank & Trust Company of Los Angeles.

With Roman & Johnson

(Special to THE FINANCIAL CHRONICLE)

FT. LAUDERDALE, Fla. — Charles E. Coltrin has become connected with Roman and Johnson, 235 Southeast Fifth Avenue.

Standard Inv. Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Michael C. Niccoli has rejoined Standard Investment Company of California, 210 West Seventh Street. Mr. Niccoli has recently been with Adams-Fastnow Company.

Continued from page 8

Dealer-Broker Investment Recommendations & Literature

Kaiser Aluminum & Chemical Corp.—Analysis—H. Hentz & Co., 60 Beaver Street, New York 4, N. Y. Also available is a brief analysis of **Cluett, Peabody & Co.**

Lion Oil Company—1952 annual report—Public Relations Department. Lion Oil Company, 811 Lion Oil Building, El Dorado, Ark.

Mead Johnson & Co.—Memorandum—Glore, Forgan & Co., 135 South La Salle Street, Chicago 3, Ill.

Mexican Gulf Sulphur — Analysis — Garrett and Company, Fidelity Union Life Building, Dallas 1, Tex.

Mexican Gulf Sulphur—Circular—George B. Wallace & Co., 15 William Street, New York 5, N. Y.

Mining Corp. of Canada, Ltd.—Memorandum—Greenshields & Co., Aldred Building, Montreal, Canada.

New York Fire Insurance Company—Analysis—J. R. Williston, Bruce & Co., 530 West Sixth Street, Los Angeles 14, Calif.

Ohio Edison Co.—1952 annual report—L. I. Wells, Secretary, Ohio Edison Co., 47 North Main Street, Akron 8, Ohio.

Pan American World Airways—Analysis—John H. Lewis & Co., 63 Wall Street, New York 5, N. Y.

Providence Washington Insurance Company—Analysis—Boenning and Company, 1606 Walnut Street, Philadelphia 2, Pa.

Public Service Co. of New Mexico—Memorandum—Josephthal & Co., 120 Broadway, New York 5, N. Y.

St. Regis Paper Co.—Memorandum—Hirsch & Co., 25 Broad Street, New York 4, N. Y.

Serrick Corp.—Memorandum—Sills, Fairman & Harris, 209 South La Salle Street, Chicago 4, Ill.

Southern Natural Gas Company—1952 annual report—Secretary, Southern Natural Gas Company, Watts Bldg., Birmingham, Ala.

Sun Life Assurance Co. of Canada—Connecticut General Life Insurance Co.—Lincoln National Life Insurance Co.—24-year financial comparision—Allen & Company, 30 Broad Street, New York 4, N. Y.

Taylor Oil & Gas Co.—Memorandum—Rauscher, Pierce & Co., Mercantile Bank Building, Dallas 1, Tex.

Trade Bank (N. Y.)—Bulletin—J. R. Williston, Bruce & Co., 115 Broadway, New York 6, N. Y. Also available is a bulletin on **Title Guarantee.**

Western Maryland Railway Co.—Bulletin—Vilas & Hickey, 49 Wall Street, New York 5, N. Y.

Washington . . . And You

Behind-the-Scene Interpretations from the Nation's Capital

WASHINGTON, D. C.—There is an excellent chance that a thorough Congressional study will be made, beginning this year, of the assets and liabilities of government corporations and other forms of business enterprise.

Impetus for this idea is reported at the Capitol to come from Rep. Jesse P. Wolcott (R., Mich.). Mr. Wolcott is the individual who first broached to the Eisenhower Administration this year the project of liquidating the RFC and turning its assets, as they are realized in liquidation, back to the Treasury.

Wolcott is also Chairman of the Congressional Joint Committee on the Economic Report, whose majority heretofore has occupied itself with such projects as giving a scholarly respectability to the "Welfare State" and whose "liberal" staff director has used the Committee as a device to oppose conservative enterprises, such as the proposed constitutional amendment to limit taxation by the Federal government.

While private research organizations have made studies of the assets and liabilities of government business enterprises, it is a subject to which neither Congress nor any Administration heretofore has given any attention of any consequence.

The alert Mr. Wolcott has given a sign of his thinking, although minute as government figures go, in his amendment to the scheme backed by the Administration to increase by $500 million the insurance authority of FHA for Title I (modernization) loans. The Wolcott amendment provided that $8.3 million of the original Federal capital for the creation of Title I should be recaptured to the Treasury. After analysis of the surplus of capital under Title I, the Administration readily agreed that this capital was not needed, and accepted the Wolcott amendment.

How Big a Kitty? How Much Liability?

There are two broad phases to the subject of the assets and liabilities of government business enterprises.

Conceivably if the government could shed itself of other agencies like the RFC, it would bring about a return to the Treasury of substantial capital. The possibilities are numerous. Thus, any number of REA electric "cooperatives" are substantial utility companies, well-established, capable under private ownership of earning a good profit. If the government could face the hollering of the cooperative lobby, any number of these organizations could be sold without too great trouble for cash.

The other side of the problem is the vast contingent liability which the government has incurred, both legally and morally, on its many guarantees. Thus, if there ever were a terrific deflation in the values of urban homes, the guarantees of FHA, the VA, and (indirectly) the Federal Savings and Loan Insurance Corp., could under dire circumstances amount to something between 50% and 66% of the outstanding total of urban real estate mortgages debt.

On the other hand, there are some government corporations whose liquidation would be impossible without closing out an accepted public function. An outstanding example in this classification is the Federal Deposit Insurance Corp., which is nominally a government agency, but whose capital was contributed entirely by insured banks, the government investment therein having been repaid with interest.

There are other agencies, such as those under the Farm Credit Administration, where the government capital has been substantially diminished, and eventually will be returned in full to the Treasury.

Freeze Bill Will Be Amended

One thing which can be put down in the book as a certainty is that the Capehart "90-day freeze bill" will be amended in many serious respects if it is passed by both Houses and is presented to the President for approval.

Those who have actually read the Capehart bill (S. 1081) remark that it is "one of the sloppiest bills ever written," and marvel that the spokesmen for the Administration, despite their desire to avoid hurting Senator Capehart's feelings, have not come forward to catch some of the holes in the bill.

For instance, in theory as it is widely understood, and as explained by its advocates, is that the Capehart bill is supposed to provide a 90-day "freeze" of all prices, wages, service charges, and rents only in the event of a grave national emergency.

Actually, as written, the bill empowers the President to impose the 90-day freeze at any time some of the ambitious bureaucrats in the Federal establishment are able to sell a President of the desirability of the project. All that the bill provides, as it is written, is that the President, after consulting with the "National Advisory Council," is "authorized and directed" . . . "whenever he shall find and declare that the exercise of such authority is necessary in the interest of national security and stability," to impose the freeze.

In other words, a President is not limited to any definable national emergency other than one he discovers or legally finds in his unfettered discretion. Furthermore, a President is not required to take the advice of the so-called "National Advisory Council." He may only consult with this council. Even if the council is opposed to controls, a President may order them not withstanding.

All that a President of the United States is required under the Capehart bill to do, before imposing rigid controls over the economy in peacetime, is to sit down and "consult" with the National Advisory Council. He could talk about the weather, dismiss the Council and issue these far-reaching Executive orders.

Sets Different Procedure In Case of War

That the bill definitely intends to empower a President of the United States to impose the freeze (and put the onus on on Congress to try to undo it if it can) short of a genuine war or grave national emergency, is further emphasized by a separate section of the Capehart bill.

This further section declares that the President may impose the 90-day freeze "without prior consultation with the National Advisory Council **in the event a state of war exists.**" (emphasis supplied)

There are other evidences of "sloppiness" in the writing of the Capehart bill, lawyers at the Capitol note. Thus, the name, "National Advisory Council," exactly duplicates the "National Advisory Council" now in existence to coordinate foreign financial policy of the United States with the foreign policy of the Administration.

So broad is the control language of the Capehart bill, the President could control monetary policy absolutely, and in effect negate any wishes of the Federal Reserve System, it is asserted.

Is a Controller's Dream

As under consideration this week in the Senate Banking Committee, the second Capehart bill is the dream for power of the control-minded officials.

There is not to be found an opponent of the Capehart bill who suspects in the least that President Eisenhower knows about, or has been advised of, these implications in the language of the Capehart bill.

Actually, the language of S. 1081 appears sloppy to observers only in relation to its professed purpose of empowering President Eisenhower, an avowed skeptic of controls and a believer in their use only in wartime, to use controls in case of actual war.

If on the other hand, S. 1081 is viewed as an effort of some one unknown to foist a vast peacetime control power in the hands of government, to be used in an inflationary period without war, it then does not appear to be sloppy, but clever indeed.

If the Capehart bill as pending in committee were made law, it would empower any future President, in a period of sharply rising prices not necessarily induced by war, to clamp a tight 90-day control lid. In practical politics, the Congress of the future would have a tough time, once controls were enacted under such circumstances and the cost of living was rising, refusing to go along with legislation continuing controls beyond the 90-day period allowed.

CIO Favors Credit Control

The CIO, in a supplementary statement filed with the Senate Banking Committee, opposes the "flexible credit policy" of the Federal Reserve System, and voluntary credit restraint. Instead it wants the Federal government directly to control credit along the lines proposed by John D. Clark, former Vice-Chairman of the Council of Economic Advisers, in the event of a new period of inflation. The CIO would have government securities supported in the market and direct Federal control over bank lending deal with the inflation in the money supply thereby created.

(This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.)

BUSINESS BUZZ

"I understand he's in charge of frozen assets!"

Business Man's Bookshelf

Cellulose: The Chemical That Grows—William Haynes—Doubleday & Company, Inc., Garden City, N. Y.—cloth—$4.00

Credit and Collection Principles and Practice—New Sixth edition Albert F. Chapin — McGraw-Hill Book Company, Inc., 330 West 42nd Street, New York 36, N. Y. —cloth—$6.00

Free Market and Free Men — Chamber of Commerce of the United States, Washington 6, D. C. —paper—50c (quantity discount)

Pension Planning: A Survey—Robert E. Sibson — Commerce Clearing House, Inc., 522 Fifth Avenue, New York 36, N. Y.—paper—$2.00

Political Handbook of the World: 1953—Edited by Walter H. Mallory and Joseph Barber — Harper & Brothers, New York City—cloth—$3.75

Regulations Concerning Dealings in Gold and Foreign Exchange in Belgium and the Grand Duchy of Luxembourg — Supplement No. 3—Bank for International Settlements, Basle, Switzerland—paper.

Stock Exchange Official Year Book, 1953, Volume 1, containing special chapters on Government, Municipal and County Finance including dominion, colonial and foreign with summaries of the German and Japanese Debt Settlement plans — Thomas Skinner & Co., Ltd., 330 Gresham House, Old Broad Street, London, E. C. 2—price for two volumes, £7 5s.

Tax and Expenditure Policy for 1953—Research and Policy Committee of the Committee for Economic Development — Committee for Economic Development, 444 Madison Avenue, New York 22, N. Y.—paper