

OWNER EQUITY  
IN EDISON FIRM  
IS 400 MILLIONCompany's Shares  
Are Widely Held

BY THOMAS FURLONG  
The investment of shareholders in Commonwealth Edison company is worth about 400 million dollars at today's market price. Ownership is divided in 13,732,000 share units held by 116,000 men, women, trusts, schools, insurance companies, institutions, and others.

The number of shareholders has doubled in 10 years as the large holdings of a few years ago of the Chicago and New York banks have been gradually liquidated. At one time the banks held about 20 percent of the stock. The largest individual ownership block today is less than 1.2 percent of the total stock. About two-thirds of the shareholders live in Illinois, more than a third in Chicago.

The market's appraisal of the value of the company corresponds closely with the book value of the stockholder's interest shown in the company balance sheet. The aggregate book value of the stock is slightly more than 404 million dollars, or \$29.43 a share. The stock closed yesterday on the New York Stock exchange at \$29 a share.

**Capital Structure Is Simple**  
The capital structure of Edison is a model of simplicity for a large public utility. This has been brought about by a comprehensive program of financial reorganization initiated in 1936 under the direction of the late James Simpson, then chairman, and carried to completion by the present management. Under this program there has been a reduction in debt, preferred stocks, and minority interests in subsidiaries of nearly 200 million dollars.

As a result the company's capitalization today consists of \$343,300,000 of stock (13,732,000 shares of \$25 par value) and 280 millions of funded debt (all first mortgage 3 per cent bonds). There remains \$220,415 in minority interests in the process of retirement.

This capital structure gives the company a favorable debt ratio. Debt represents only 41 per cent of the capital and stock 59 per cent. Properties of the company are carried on the books at a gross value of \$773,632,000 (original cost or less). After allowing for depreciation reserves the net property investment is \$559,678,000.

**Little Entirely Written Off**  
The company has little property in use today that has been entirely written off through provision for depreciation. With a depreciation rate of 3 per cent annually it requires 33½ years to write off property entirely. The experience of the company has been that most of its facilities are obsolete and have to be replaced before they are fully depreciated.

The stock of the Edison company has a stable market. The highest price at which it has been quoted in the last 18 months was \$36.25 compared with its current price of \$29. The recognized financial strength of the company and the character of the management combine to give the stock a high rating.

All the directors of the company are Chicago residents. This has been the case throughout the company's history. The chairman and chief executive officer is Charles Y. Freeman who has occupied the position since the death in 1939 of James Simpson.

**Other Edison Directors**  
Other directors of the company and their principal affiliations are: A. Watson Armour, chairman of the National Aluminate corporation and a director of Armour & Co. and the Northern Trust company; Leopold E. Block, chairman of Inland Steel company; Britton L. Eust, president of Public Service Company of Northern Illinois (a subsidiary company); Walter J. Cummings, chairman of the Continental Illinois National Bank and Trust company; Edward J. Doyle, president of Edison; Stanley Field, president of the Natural History Museum and director of Marshall Field & Co.; Solomon A. Smith, president of the Northern Trust company; Albert H. Wetten, president of Albert H. Wetten & Co. (real estate).

(This is the concluding article of a series of five on the Commonwealth Edison company. The city council is studying a renewal of the company's franchise which expires Sept. 18.)

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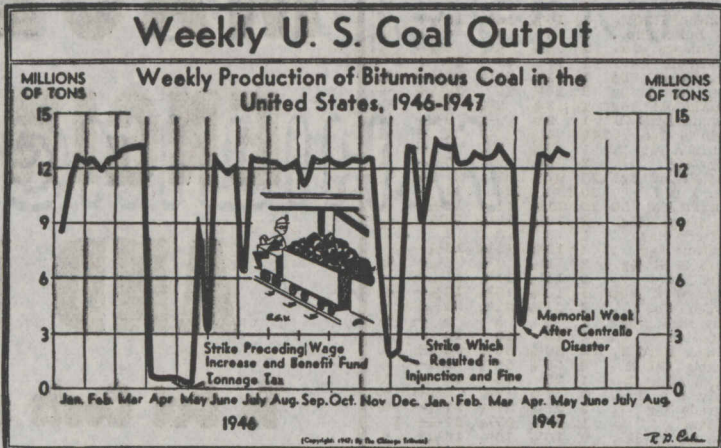
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Permit Trade  
with Japs to  
Revive Aug. 15

Washington, June 9 (AP)—International trade with Japan will be reopened to private business on a limited scale on Aug. 15, the state and war departments announced tonight.

This announcement of resumption of international trade with Japan, which on the eve of the second World War had an import-export value listed at about 1.3 billion dollars, followed the return of the United States trade mission from conferences with Gen. MacArthur and his headquarters staff in Tokyo.

The mission, composed of representatives of the departments of state, treasury, war, and commerce, the Reconstruction Finance corporation, and the United States Commercial company, presently handling Japanese exports, was headed by Brig. Gen. George Eberle, deputy chief of the civil affairs division in the war department. The group flew to Tokyo May 8.

**400 Representatives Admitted**  
The mission reported that the first step toward normal trade relations with Japan would be accommodations in Japan for 400 private trade representatives in the main industrial and commercial areas.

These representatives will be allocated among the allied nations on a percentage basis by the inter-allied trade board of the far eastern commission in Washington. MacArthur's headquarters reserved the right to pass upon each representative.

While Japan remains in the status of an enemy nation, controls will be maintained over commercial arrangement by SCAP (supreme commander allied in the Pacific) agencies, but many of these will be relinquished at the earliest possible date.

**Banking Service First**

Prior to the expected influx of representatives of shoe concerns, toy merchants, silk houses, producers of raw cotton, garment manufacturers, and medical establishments of the United States, Britain, Latin America, Europe, and Asia, international business services, such as banking, communications, and insurance will be permitted immediate entry.

The mission said that initially no foreign exchange rates will be established. This is not deemed practicable until a flow of trade has been set up. It is expected that trade at first will be largely on the barter basis.

Official pricing will be determined by SCAP commodity specialists based upon world market standards but this will not prevent individual traders from discussing prices with the Japanese producers.

Kraft Reduces Prices  
on Dressing Products

Kraft Foods company yesterday announced a price cut of about 20 per cent at the wholesale level of its complete line of dressing products, including mayonnaise, salad dressing, French dressing, sandwich spread, and similar items. Kraft attributed the cut to recent sharp reductions in the costs of fats and oils.

Two Producers Reduce  
Prices of Tires and Tubes

Akron, O., June 9 (AP)—Slashes of 4 to 25 per cent in retail prices of certain tire and tube items were announced today by Goodyear Tire and Rubber company. United States Rubber company announced tire price cuts of 4 to 11 per cent.

HOUSE GROUP HEARS  
TRUMAN HOMES PLAN  
SUPPORTED, ASSAILED

Washington, June 9 (AP)—The budget bureau today recommended, and business interests opposed, President Truman's plan to put most federal housing agencies under one roof and one director. The proposal was sent to Congress May 27. Unless senate and house both turn it down beforehand, it becomes effective automatically 60 days from that date.

The house expenditures committee heard Frederick J. Lawton, assistant budget director, testify the plan would promote efficiency and reduce duplication in federal housing activities.

That position was challenged by the Chamber of Commerce of the United States, the American Legion, the National Association of Home Builders, the National Association of Real Estate Boards, and the Commerce and Industry Association of Metropolitan New York.

Thomas S. Holden of the New York group said the "vague, general terms" of the Presidential plan "boiled down to national planning for all the housing activities of the United States; in other words, nationalization of the home building industry."

JONES PREDICTS  
BUSINESS PEAK  
'FOR SOME TIME'

Washington, June 9 (AP)—Jesse Jones, former secretary of commerce, told congressmen today that business should be good "for quite some time," and said, "I do not believe we can talk ourselves into a depression."

He warned, however, of "some clouds on the horizon, international-wise, that could affect our economy." The one federal loan administrator, who in 12 years loaned upward of 50 billion dollars in government funds, listed several reasons why he thinks business should continue to prosper.

Among them is the "urgent necessity of construction work of every character, public and private throughout the country."

Jones outlined his views in a statement requested by Rep. Wolcott (R., Mich.), chairman of the house banking committee. The committee is studying legislation to extend the lifetime of the Reconstruction Finance corporation, which Jones formerly headed.

Jones said the RFC should be kept in existence but should "revert to its original purpose of domestic emergency lending" now that the war emergency is over.

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Conservative  
Farm Loan  
Policy Urged

Washington, June 9 (AP)—A national farm real estate conference urged today that banks and other money lenders adopt a conservative policy toward loans backed by farm mortgages.

The conference was held at the request of President Truman, who has said a continuing boom in farm land prices could wreck agriculture. It offered no other specific recommendation beyond a voluntary program of cautioning both lenders and borrowers as to the dangers of the situation.

**Charge Government Is Factor**  
Attended by representatives of government and private lending institutions, farm organization leaders, and department of agriculture officials, the meeting heard contentions that the government itself thru its own "liberal" policies is contributing to high land prices. In a statement read to it, H. W. Nowell, vice president of the Equitable Life Assurance Society of New York, said commercial banks have been encouraged to make excessive loans by the "liberal redaction" policy of the federal reserve system.

On the floor of the house, Rep. Cooley (D., N. C.) assailed the conference as "a deliberate effort to drive down the value of farm land and to frighten the public."

Saying farm land prices have not kept abreast of other prices, he asked why farm owners should be asked to "for slaughter of the value of their investments."

**Asks Resignation of Duggan**  
He said farmers should demand the resignation of Ivy W. Duggan, governor of the farm credit administration, on the ground that Duggan instigated the conference.

"Ivy Duggan is poison ivy to the farmers," said Cooley. Opening the conference, which was held behind closed doors, Secretary of Agriculture Anderson urged all lenders to adopt what he said was the government's policy of making loans based only on the normal or long term, earning capacity of farms.

Anderson said creditors should not use the present "abnormal" foreign demand for food, with accompanying high prices for farm products, as a basis for determining the long term mortgage value of a farm.

ASKS USE OF U. S.  
SURPLUS GOODS  
TO AID GERMANY

Boston, June 9 (AP)—A. M. Creighton, chairman of the board of the Federal Reserve bank of Boston, today advocated shipping of American surplus production to Germany as an incentive to increased production in agriculture and industry there. He said such a plan would eventually cut down United States food shipments to Germany and would encourage the German people and help to eliminate the threat of communism in central Europe.

STOCK MARKET  
DRIFTS LOWER  
IN SLOW TRADETurnover Is Only  
550,000 Shares

New York, June 9 (AP)—Steels, motors, and coppers led a slow decline in today's stock market. Prices drifted aimlessly most of the session, as early gains for some railroads disappeared and moderate selling affected other sections of the list. Losses exceeded gains substantially at the close.

Many leaders finished at lows for the day with losses ranging to about 2 points. Transactions were among the lightest of the year at 550,000 shares. Of 862 issues traded, 396 declined and 245 gained.

**Stock Average Is Off 6.3**  
Commission houses said buying enthusiasm was chilled by nervousness over labor disruptions and foreign situations. The delay in Presidential action on the tax bill added another uncertain element. Earnings and dividends, along with hopes for a summer recovery, aided some issues.

The Associated Press 60 stock average dipped 0.2 to 61. American Telephone was prominent on the downside, closing off 2 points at 162, United States Steel at 64½, % lower, Goodyear 1 at 42, Kennecott % at 42½, General Motors % at 55½.

Texas Pacific Land Trust rose 1½ to a new 1947 high of 23½. Pacific Telephone, down sharply on a dividend reduction last Friday, recovered 3½ points to 100.

**BOND PRICES ARE LOWER**  
New York, June 9 (AP)—The bond market drifted lower today in one of the slowest full sessions in the last 30 years. Sales were \$2,190,000 against the low point of \$1,934,550 for the period, recorded Aug. 19, 1940, and compared with \$2,555,000 last Friday.

Railroad issues generally held steady, but a few showed variations of more than a point. United States government issues were unchanged to 2-32 lower in over the counter dealings.

**CHICAGO PRICES UNEVEN**  
Prices closed uneven yesterday on the Chicago Stock exchange in turnover of 17,000 shares. Most active issues included Armour down ¾, American Telephone and Telegraph down 1½, Socony-Vacuum up ¼, and Laclede Gas, and Automatic Washer unchanged.

Court Orders Completion  
of Transit Sale by Aug. 31

BY WILLIAM SHINNICK  
Judge Michael L. Igoe of federal District court yesterday ordered the Chicago Transit authority to pay for and take over for operation the surface and elevated systems Aug. 31. He made it clear, however, that he was in no way responsible for the further delay (July 31 had previously been proposed by the authority) and that addition time was requested by the authority board.

Later Judge Igoe indicated Aug. 31 would be a deadline and that the plan to merge and operate the two systems as one under municipal ownership would be obsolete after that date.

**95 Millions to Be Borrowed**  
The authority to complete the transaction must borrow 95 million dollars, 75 millions to buy the surface lines, 12 millions for the L, and the rest for use as working capital. The sale of the properties was made April 22 and has been court approved subject to raising of the money on revenue bonds.

A brief discussion of the money to be distributed to the holders of surface lines' A bonds and purchase money bonds took place.

The A's have suffered most in recent months while the lines have been losing money. These bonds were to be paid from treasury cash. This cash has been depleted and the A bondholders, informed in 1945 they would get \$695 per \$1,000 bond, will have to accept \$495 or less.

**Attorneys Express Disappointment**  
Attorneys for the A's and purchase money bondholders told the court they were disappointed by the proposed payments but were not calling now for an election of the holders on the new sum offered.

Werner W. Schroeder, authority counsel, asked Atty. William R. Morgan, representing B bondholders who were frozen out, to state whether he would make an appeal to the United States Supreme court. Morgan said he did not know, that he had until July 21 to decide. He asserted he would like to know whether the authority had a definite commitment for the 95 million dollar loan.

MAY STEEL OUTPUT  
REACHES PEACE TIME  
HIGH: 7,332,828 TONS

New York, June 9 (AP)—The steel industry turned out a record peace time total of 7,332,828 net tons of steel ingots and steel for castings in May, the American Iron and Steel Institute reported today.

The total output the first five months of 1947 was 35,318,435 net tons, a rate which, if maintained without interruption, would in the year exceed the 1946 peace time high of 68,929,686 net tons by more than 15 million tons. The May operating rate was 94.6 per cent of capacity, compared with 93.8 per cent in April and 52.2 a year ago. It predicted steel operations this week will be little changed from the post-war peak a week ago. The institute estimated operations at 96.9 per cent of capacity.

CAB AUTHORIZES  
7 ALASKAN AIR  
LINES TO MERGE

Washington, June 9 (AP)—The civil aeronautics board today authorized the consolidation of seven air carriers in southwest Alaska into a single operation to be known as Northern Consolidated Airlines.

The corporation will issue 3,200 shares of stock of which Ray Peterson Flying service will receive 1,350, Northern Airways 1,000, Northern Air service 500, Valatka Air service 200, and Jim Dodson Air service 150.

COURT ANNULS  
IGOE'S PLAN ON  
ROCK ISLANDRejects His Claim  
to More Power

The United States Circuit Court of Appeals yesterday ruled that District Court Judge Michael L. Igoe had no right to give himself power to appoint three of five reorganization managers for the Chicago, Rock Island and Pacific railroad. Handling Igoe his second major reversal this year in the protracted case, the appellate judges directed him to expunge from his order confirming the reorganization plan the paragraphs in which he assumed authority to appoint a majority of the reorganization board.

Igoe had supported his action with a contention that ratification of the four manager appointees of the creditor groups would result in a banker-controlled road. The unanimous opinion of the Appeals court said the delegation of appointive powers to which Igoe objected in May had been part of the plan for three years and had been approved by Igoe on previous occasions.

**In Certified Plan in 1944**  
"The article relating to the managers was in the plan as certified to the District court by the interstate commerce commission May 1, 1944," [Continued on page 45, column 1]



## AN OIL EMPIRE

Standard Oil Co. (New Jersey), the largest domestic unit in the oil industry and a leading factor in world petroleum, operates in all important producing and consuming areas of the world. Its larger participation in the development of the vast potential reserves in the Middle East indicates continued world-wide expansion. Company-estimated earnings of over \$5 per share for the current six months assure record earnings for the full year 1947. Jersey, in our judgment, combines favorable yield and investment merit with possibilities for price appreciation.

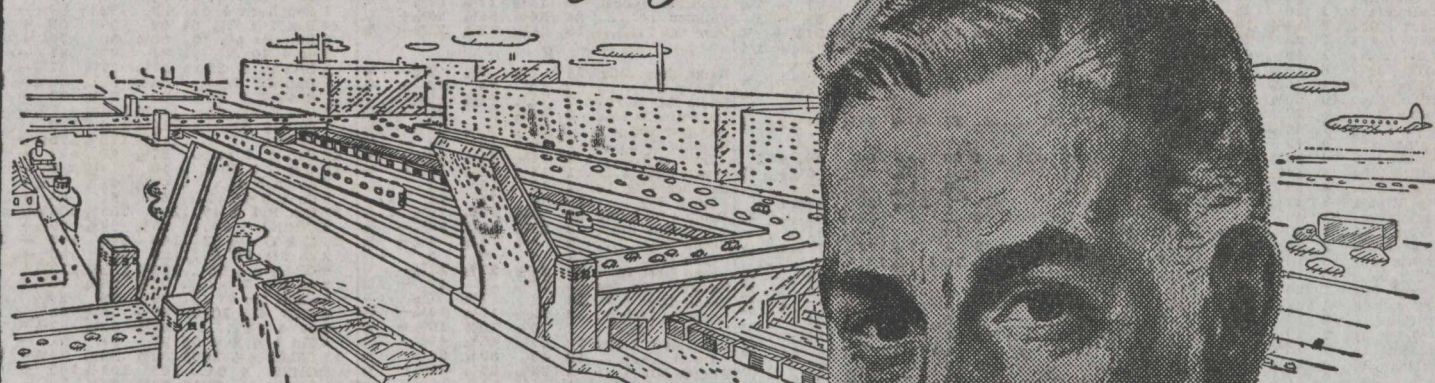
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