As We See It

Efforts on the part of Washington commentators to determine and to explain the current status of what is labeled "the Eisenhower program," are the center of attention almost everywhere. The Washington scene is hardly unprecedented, but it certainly is giving rise to a medley of conflicting and confusing diagnoses. On more than one occasion of late the citizen has found in his daily newspaper an account which would leave the reader with the impression that those who

would for one reason or another cripple or wholly destroy the President's plans are rapidly gaining in strength and are likely in the end to leave the White House impotent and embarrased; on the same day in another part of the same edition of the same newspaper, he has discovered "stories" or analyses by equally well known correspondents saying that all that this is apparently threatening the President's program is no more, or certainly a little more, that sound and fury

Continued on page 37

More "Picketing" Comments

Starting on page 2 of this issue we present more excerpts of opinions received in connection with the "Chronicle's" symposium on the question of whether the Taft-Hartley Act should be amended with respect to picketing. As was true of commentaries previously published, those appearing in today's issue represent views of individuals prominent in industry, finance, governmental and labor circles. The symposium, the "Chronicle" believes, should be extremely helpful in clarifying thinking on one of the most important public issues of the day.

Progress and Prospects Of Electric Power

By BAYARD L. ENGLAND

Retiring President, Edison Electric Institute President, Atlantic City Electric Company

Retiring Edison Electric Institute President reports on developments of past year in electric power industry. Forecasts an adequate power supply ahead, despite rapidly increasing demands, and holds electric industry's progress has become synonymous with national progress. Calls for a sound water resources development policy, and pleads for fair competition from government monopoly business. Concludes "by our example today of better performance under free enterprise there will be assurance of a free society tomorrow."

Today the electric industry in the United States has great opportunities and along with those opportunities much greater responsibilities. Much has been said about the way our industry has been undermined by the same economic policies and the 20 years of attacks by proponents of government power. But I, for one, believe we grew strong, we recognized our weaknesses and are facing the future with a greater depth of understanding because of these opposing forces. I suspect that the answer to "cheap government power" is cheaper, more reliable, less political, more businesslike, and more imaginative private power. Our companies have never been financially stronger, service-wise more capable and earnings-wise more attractive than they are today. I want to touch upon a few matters that I feel are worthy of attention.

Why Do We Have Conventions?

The questions are sometimes asked why do we have conventions and whom should we send to them? We refer you to the next to last page and the article beginning there.

Atomic Power and the Electric Industry

By WALKER L. CISLER

President, The Detroit Edison Company Chairman, Edison Electric Institute Power Survey Committee

After praising work of Atomic Energy Commission, Mr. Cisler points out we are reaching point where atomic fuels for electric power may be possible on commercial basis, and competitive industry should play part in bringing its vast capabilities into being. Says it is responsibility of electric utilities to determine how atomic fuels may fit into generation of electric power, and reviews technical, engineering, economic and financial problems involved in this development. Gives data on energy resources of atomic fuels.

In discussing the use of atomic fuels for the generation of electric power, it is most appropriate first to recognize the part which the Atomic Energy Commission, and particularly its present Chairman, Mr. Gordon Dean, have had in bringing this new development to its present position in so short a time. The Commission came into being in November, 1946, and on Jan. 1, 1947 assumed a complex organization hastily built up as a wartime activity and devoted almost entirely to military matters. It was any both within and without that wartime group that came under the Commission who fervently believed the atomic energy development should continue under rigid secrecy and control of the military authorities.

In the intervening years the Commission has discharged its responsibilities wisely and well. It recognized the fact that inevitably atomic energy must be an important factor in the future of the electric industry.

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The Security I Like Best

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

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If you are looking for: A Senior Preferred security of a deep rooted aristocrat, in a following position: With par value $100 and book value $64; pays $6 per share, and has the hard to be found amount of $45 per share, whose current and asset value is $74 and has other attractive features. Buy The Al- bemarle Paper Manufacturing Company Preferred at $85 per share.

Albemarle is a marginally good company. It is fully integrated from forest, wood and supplies source material to customers manufacturing a long list of end products. Its manufacturing break-even point is around a low 60% of capacity. Timber reserves, vital to a paper company are adequate to meet all present or foreseeable future needs. The profitability of the company today is such that the company is guaranteed sustained. If not, perpetual supply of raw material is necessary. It does not measure its reserves by comparing them with the size of states, as some giant companies do, but Albe marle's are large. They are economically located within easy reach of its plants, and all the in the South where trees become merchantable in 15-20 years. Some Virginian lands have been cut over three times. Should the new method for making chemical pulp that eats wood consumption up to 90% materialize, this reserve would be automatically doubled.

Plants are (1) Brown's Island, manufacturing bleached and printed Kraft, wrapping, converting and specialty Kraft papers. (2) Hollywood, manufacturing absorbent and cover paper, plain and colored, and other specialties. (3) Riverside, manufacturing asphalt, lam bined, waxed, saturated and other waterproofed Kraft papers. This mill houses the company's multi- wall sack operation. (4) Halifax, manufacturing Kraft, sulfate pulp, and covering specialties.

Albe marle is strategically located with regard to raw material and to markets, and, there fore, with no economic control. Independent of either rails or trucks they use both production and delivery to customers can be made within a few hours. Recent years $56,000,000 modernization and expansion program has been completed.

New paper mill building at Halifax houses a new and most modern Beloit Fourdrinier, one of widest and fastest in the industry, producing a high quality sheet of paper at a low unit cost. The start of operations, January 15, 1935, about doubled the paper making capacity of the entire company. A wise man once said that three things enter into the success or failure of an undertaking—men, methods and money and the greatest of these was men. Albe marle has top flight management. President Gottwald is a classic example of management that has come through. He has traveled the road all the way from laborer to Chief Executive and a large Stockholder. The new outlook of the company is largely due to his inspiration. He is a leader and co-worker, and, in going to the top, has increased the amount of an outstanding record.

The company was organized in 1887 and until recently earnings were cyclic and every few years it had to sell up and down with other paper manufacturing companies. But such highly cyclical business of the paper industry are not likely to be repeated. There have been many new uses for paper discovered in recent years, there has been such an increase in sales of paper products that the total and growing demand for the paper stock. So long as growing demand for paper continues to be expanding, stock is likely to be the favorite of those who are interested in security of income.

THE HERALD 2510 Pennsylvania Ave., Washington, D.C.
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By DEPARTMENT STORES

David McKay Company, Inc.

Dept. 5 225 Park Avenue, New York 10, N. Y.
Restrictive Credit Policy

And The Banking Outlook

By Fred F. Florence

President, National Bank, Dallas, Texas

Prominent Southern bankers, in appraising prevailing situations, say there is logical reason to believe good business conditions will continue for at least six months, but warns current "easy money" policy of Federal Reserve is likely to be more effective at a more cautious pace, since drastic changes have produced an unfavorable psychological reaction. Calls attention to unevenness of our economic growth and advocates exercising a close, strict, and careful screening of credits. Adds business also should re-examine its own financial structure.

The over-all international situation set to make us do it in Russia of our advantages to overcome. And many investors believe that our actions are likely to be more cautious pace, since drastic changes have produced an unfavorable psychological reaction. Calls attention to unevenness of our economic growth and advocates exercising a close, strict, and careful screening of credits. Adds business also should re-examine its own financial structure.

Among the most important of our national security laws is the Bank of England. President Eisenhower has very strongly against the position that the American public is our most "easy money" policy of Federal Reserve is likely to be more effective at a more cautious pace, since drastic changes have produced an unfavorable psychological reaction. Calls attention to unevenness of our economic growth and advocates exercising a close, strict, and careful screening of credits. Adds business also should re-examine its own financial structure.

We should be cautious that we are not overlooking the serious problems of overproduction, high levels of prices and the inflationary pressures. This is the time for banks to be cautious that they are not overlooking the serious problems of overproduction, high levels of prices and the inflationary pressures. This is the time for banks to rejuvenate the economy and increase the economic activity.

The American Banking Association has been emphasizing the need for careful and prudent banking practices and for a return to sound banking principles. The Association has recommended that banks maintain adequate reserves, avoid over-issuance of loans, and be cautious in making new loans.

The current economic conditions suggest that banks should continue to maintain their current level of reserves and not undertake new lending until the economy has reached a more stable condition. The Association also recommends that banks be careful in their investment policies and avoid buying high-risk securities.

The economy needs a cautious and prudent approach to avoiding over-issuance of loans and maintaining adequate reserves. The Association has stated that banks should be cautious in their investment policies and avoid buying high-risk securities. The economy needs a cautious and prudent approach to avoiding over-issuance of loans and maintaining adequate reserves. The Association has stated that banks should be cautious in their investment policies and avoid buying high-risk securities.

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Aggregate industrial production, last week suffered a slight set-back but continued to be moderately higher than the level of a year ago and close to the near-recenj peak attained in re-

turn to the war year. In each of the past two weeks, but output is expected to rebound sharply this week.

The Ministry of Labor will not herald a decline in the steel market, states "The Iron Age," national metalworking weekly, the current week. All signs point to a very high level of business through the third quarter if it adds, with perhaps a moderate de-

cline (not a recession) in the last three months of this year. Con-

sumer demand still is strong enough to support production of more than 110 million tons of steel in 1953. The previous high for the industry was 105.2 million tons produced in 1951.

Steel wage negotiations by streamlined committees are reach-

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sumer demand still is strong enough to support production of more than 110 million tons of steel in 1953. The previous high for the industry was 105.2 million tons produced in 1951.
Outlook for Money Rates
And Fixed Income Securities

By ROGER F. MURRAY*
Vice-President, Bankers Trust Company, New York

Forecasting no change in monetary policy unless business hits a lull, Mr. Murray finds current rate in bond yields attractive to fixed income investors, while the incentive to buy equities has been substantially reduced. Finds government bonds in generous supply, with likelihood of increase in long-term issues at a time when bond buying range, and, because of closing of gap between bond and stock yields, fixed income securities are gaining in favor.

Hardly more than two years have elapsed since the Treasury and the Federal Reserve reached their historic accord of March 1951, yet more bond market history has been compressed into this period than into the preceding decade. The past four months have set a particularly telling piece in the unfolding of an erratic, at times disorganized, but extremely interesting market for fixed income securities, as comparison, the stock market has been a well-behaved, orderly, and thoroughly dull affair.

The principal questions suggested by current events include:
1. Why have the changes been so great, so rapid, and so difficult to predict?
2. What is being paid and demand factors suggest for the outlook?
3. What will be the part played by the monetary authorities?
4. What are the implications for the various categories of fixed income securities, namely, Government securities, municipalities, corporate bonds, and preferred stocks?
5. Finally, how do fixed income securities look in comparison with equities?

*Admirably by Mr. Murray at the American Economic Association's Annual Meeting, New York, June 4, 1952.

The Bond Market Has Become A Cash Market

We have been unable to find a time during the last thirty years when, apart from war panic and money crisis situations, we have witnessed so abrupt a change in bond prices. What occurred in the public utility new issue market between January and May is without precedent for periods of steady economic activity. High quality bonds, those usually rated AA, sold for as much as 1/2 point in January, 14/20 of a point in February and March, 2/50 early in April, and as high as 3/50 in May. During the same period, the longest marketable Government securities declined from 5 points to increase their yields by about 0.35% and the representative index of municipal bond yields rose by about 0.75%.

The explanation for the rapid rise in bond yields is to be found in the changed character of the bond market. For the most of the year 1951, there was a fair amount of elasticity in the market because everyone knew that central bank credit was available when necessary to meet an expansion in the demand for investment funds. In the 1920's, individual bond buyers had been in the habit of looking for a strong investment banking system for the distribution of new issues. Also, the commercial banks were a factor at times and their expansion of credit provided the market with a degree of elasticity. Salesmanship and bank credit combined to bring out the supply of fixed income securities so effectively that bond yields were in a stable or declining trend despite the increasing demand for investment funds from private sources.

In the 1930's, there was no problem of selling the small demand for money, and yields declined almost automatically. The framework of frozen for World War II was followed by fixed private investment activity quickened by the bond market. However, only a modest increase in rates was permitted. Virtually indefinite expansion was provided by the bond market by the well-known pegging operations of 1938 and 1946. The flow of savings, therefore, continued to be supplied to meet a vigorous expansion in plant and equipment outlays, working capital requirements, and real estate mortgage debt. However, as the Federal Reserve stood ready to buy long-term Government bonds at any amount to fixed prices, the third institution, which had accumulated much larger holdings than they really wanted, could comfortably meet private borrowing demands and readily make commitments for months ahead.

The withdrawal of support from the Government securities market came in two distinct steps, which accounts for the change in the bond market decline. After the second accord between the Treasury and the Federal Reserve, the only temporary support was given the bond market by a reduction of the Federal Reserve's purchases of long-term issues. However, the Federal Reserve continued to provide the market with funds by purchasing short-term securities from time to time. During the balance of the year, the credit situation was made a little tighter than it otherwise would have been. For the reason of a $0.8 billion increase in the Federal Reserve's monetary base in May, the bond market was eased to the extent of about $0.6 billion of net credit to the financial system.

This easing of the money markets was discontinued in July, and no steps were taken to assist Treasury refunding operations until mid-May when modest purchases of bills were started. Meanwhile, the outflow of gold and the increase in currency in circulation were reducing bond reserves. So far this year, the Federal Reserve has followed the Committee's distillation market forces to restrict credit, thereby complementing the announcements made by the Treasury.

Since there is no reservoir of individual bond buying, since the commercial banks are not pushing for additional credit, and since the policy of the monetary agencies is designed rather than expansionary, the bond market is now facing a distinctly smaller market. There has been successful competition in financing in which bank credit was employed but it is not immediately available. The bond market, however, has relied on the proceeds of the bond market to supply its needs. The government's gross thrust system, composed of the public issues of the Federal Reserve, tax exempted savings banks, savings and loan associations, and mortgage banks. We know that these institutions are gathering small savings at a rate which may cause a decrease in assets of $12 billion this year. While these institutions have been tremendously effective on the bond market during this period, they cannot respond quickly nor is there any important elasticity in the first few weeks or months.

Consequently, the rapidity of bond market changes, the lack of continuity, and the relatively poor orderly conditions which have prevailed at times can all be recognized in terms of the actual operations of a cash market. The size of the market would have been taken place, however, must be attributed to an additional factor: the aggregated willingness of the Federal Reserve and the Treasury to move the market front in carrying out the return to a free market. While the Treasury was first prepared to consider any decision to get on with extending the maturities of the debt, Federal Reserve officials were emphasizing the fact that this operation would have to be handled in the form of market support.

The notion that new issues would resume early in the year as to whether the program would be, accompanied by the new money before the June tax collection period, and the willingness of corporate financial officers needed and they went right to work. Only the new money to help keep the whole year's new-money offerings from coming to market before the middle of the year. In May, the Treasury was asked to carry out a "open-mouth policy" of the authorities and the government response which it evoked from borrowers and lenders alike. A predominantly strong basis market was bound to reach sharply. Once confidence was restored, the dealers' dealings spread to all sectors of the market and the results were a very large new financing required pricing at a new level.

Where Will Supply and Demand Go?

Between June 1951 and the end of 1952, bond prices fluctuated within a relatively narrow range, the fluctuations with intermediate rallies and declines reflecting the changing flow of new corporate borrowing. A precarious equilibrium was gradually established in the market. Toward the end of the year, the Treasury borrowing at long-term. Under these circumstances, the offering of an $1 billion new 10-year 3% Treasury bond to the public for the limited supply of funds had the anticipated effect on the rate of Treasury bond buying. Thus now, we may observe the Treasury adding a portion of its very large requirements to the eager bidding for nonbank funds. As a result, the competition has been rough. Sarafied with government securities during the war, no smaller nor larger margin than the thrift agencies have had a real appetite only for corporate obligations. The reason is simple. They have, therefore, a good spread as at the Federal Reserve as against the payoff of the shorter-term funds. This is probably why theyprefer other outlets to govern-

1 A Bolts are not the only competitors, of course. Hous-

ing and Business Administration, the Federal Government's credit, and offered to yield up to 5% fully tax exempt stocks. These new issues, for example, the tax-exempted 30-year 3% bond, offered in a $2 billion lot to 4% on FHA insured and VA guaranteed bonds. In New York, the government also has margin in itself to compete for nonbank funds.

The period of high demand for funds is for instance to be considered, and to be unresponsive to the Treasury's offerings.

In summary, as long as private demand stays high and the Treasury is prepared to supply funds, long-term rates with time to rise. Ultimately the supply of domestic capital market will determine the Treasury's ability to carry out its plans. Taking into account the size of the Federal Reserve, the state and municipal financing, and the relative mortgage volume, it would appear that the financial system can maintain a fairly close balance between the aggregated demand for funds, and the Federal Reserve for long-term funds. This approach has the following advantage: it is consistent with the postulated acceleration of the demand for Treasury securities because of the congested new issue calendar.

In my opinion, 1953 is likely to be a year of relatively strong demand, some decline, in this aggregate demand, and will support the Treasury and the Federal Reserve. The bond market will be able to predict, but we perhaps we can make some educated surmises.

The actions of the Treasury and the Federal Reserve since the first of the year are entirely consistent with a program of the right size which has been designed to postpone, if possible, a rise in the level of capital goods activity to next year or the year after, when a backing in this area might be highly desirable from the standpoint of the activities of the Federal Reserve and the Treasury be quite effective in checking any possible further tax rebate or other measures to develop.

The various measures which have been taken to keep lower interest rates and to compete with private corporate borrowers and market have actually been employed by the Treasury. They seem drastic only by the height of the peak of extremely easy money policies during the past twenty years. The Treasury's undertaking raising interest rates as its primary objective of creating a capital market in what had been in having higher rates in effect because the Treasury has had to permit rates to be determined to be lower, the level of capital market in a period of peak economic activity. The price for money set by a market is a matter of consequence, for it determines the rate of interest.

The new Administration has been quite explicit in stating its views on this matter and to take all useful measures available to the Treasury at any time begin. High on the list of these measures, ranking perhaps just below the willingness to ease in the credit situation. The monetary authorities are fully
prepared, therefore, to reverse completely the restrictive policies of recent months if a downturn in business activity should become visible. In the light of the more lenient, but loose, policies they will not reverse present policies simply on the basis of a forecast, nor will they continue with the substantial cash deficit. I would suggest that these measures, although loans will be the most reliable guide to the future price level, will certainly be necessary. If the seasonal rise which usually occurs in the fall is more moderate than expected, we should look for some relaxation of the present procedures. On the other hand, if the rise tends to exceed seasonal proportions, we should be prepared to see the Federal Reserve and the Treasury working together to control the money market tight enough to enable us to draw on our reserve capacity which, by the end of the war, had reached 27%.

Before we were able to bring reserves as high as normal, the reserve capacity would be of little value. The time is rapidly approaching when the reserve capacity will be needed. It is also necessary to consider the effect of inflation, which will be very much lower for the Treasury.

Following World War II, however, the inflation was so severe that we found it necessary to seek rate increases. The prosperous industry was in the fortunate position of not having to offset a tendency of inflation, by increasing sales.

An address by Mr. Hartman before the Twenty-First Annual Convention of the Edison Electric Institute, Atlantic City, N. J., June 4, 1953.

Building Up Utilities Profits
By J. R. Hartman* Vice-President, The Cincinnati Gas & Electric Company Chairman, Commercial Division General Committee Edison Electric Institute

As we expand our systems and replace units of generation or distribution with new ones at a higher cost, the investment per unit of capacity will rise.

Hold Off Rate Increases
It is our responsibility to analyze the situation most carefully to determine what steps can be taken to increase the return on the investment before resorting to further rate increases.

Certain economies can be effected in the performance of all departments to be sure that all operations are being conducted in the most efficient manner in view of our increased output. Much has already been done along these lines and it is not our purpose to discuss this phase of the question.

The developments which have taken place tend to increase those cost factors which are influenced by regulation. For example, output much less than those which are influenced by market demand.

In most cases the incremental additional investment in distribution system to serve desirable new loads from existing lines is relatively low. On the other hand, the average distribution and transmission operating cost is also low.

Increased sales of energy for such uses that do not adversely affect the system load factor and can be produced at a constant rate and at lower cost than from the present system will be profitable to the investor.

Then, too, as we carry on an aggressive sales program to encourage the use of appliances, we will realize owning of these appliances on the many benefits which they receive from them. The only situation in which increased use of our service does not lead to improved customer good will is that in which an inadequate job has been done. If a store owner relies but installs only half as much light as he should or installs air conditioning equipment of inadequate size, dissatisfaction may follow and increased use of energy of this type of situation, however, is also possible.

*有很大比例 of the所提的 this type of situation.
Dealer-Broker Investment Recommendations & Literature

It is understood that the firms mentioned will be so interested parties the following literature:

Aircraft Manufacturers—Analysis—E. F. Hutton & Company, 61 Broadway, New York 6, N. Y.

American Stock Exchange—Booklet discussing associate membership, eligibility, cost and capital requirements, and outlining commission plan. Available to associate members—Department of Admissions and Outside Supervision, American Stock Exchange, 15 Trinity Place, New York 6, N. Y.

Area Resources—In Utah, Idaho, Wyoming and Colorado—Booklet—Utah Power & Light Co., P. O. Box 889, Department K, Salt Lake City, Utah.

Beverage Stocks—Analysis—Thomson & McKinnon, 11 Wall Street, New York 5, N. Y.

Election of President—Voting data on 80 companies—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y.


High Dividend Payers—Leaflet—Bache & Co., 36 Wall Street, New York 5, N. Y.

Inside Story of Outside Help—Booklet describing Ebasco services—Ebasco Services, Incorporated, Department 2 T, 2 Rector Street, New York 6, N. Y.

Over-the-Counter Index—Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Industrial Average and the non-listed or over-the-counter industrial stock used in the National Quotation Bulletin Averages, both as to yield and price level since Jan. 1, 1932, 10-yr. period—National Quotation Bureau, Inc., 46 Front Street, New York 4, New York.

Utility Stock Analyzer—Complete data on 75 public utilities—Geyer & Co., Incorporated, 63 Wall Street, New York 5, N. Y.

Winnin in Wall Street—Bulletin—Heacock—$2.50—Dept. 5, David McKay Company Inc., 225 Park Avenue, New York 17, N. Y.

Aervana Manufacturing Company—Analysis—Hecker & Co., 60 Broad Street, New York 6, N. Y.

Alabama Gas Corporation—Bulletin—Leaf Bros., 25 Broad Street, New York 4, N. Y.

Badger, Hardware, and Starches—Memorandum—The Milwaukee Co., 207 East Michigan Street, Milwaukee 3, Wis.

Brothers, Inc.—Bulletin—Eliene & King, Libaire, Stout & Co., 50 Broadway, New York 14, N. Y.

Canada Southern Oil Limited—Bulletin—Leason & Co., Inc., 38 South La Salle St., Chicago 3, Ill.


Electric Bond & Share—Review—Ira Haupl & Co., 111 Broadway, New York 6, N. Y. Also available is a brief review of Transamerican.


General Petroleum Corporation—Analysis—Burnham & Company, 15 Broad Street, New York 5, N. Y. Also available is analysis of New Superior Oils of Canada Limited.

Graham Pacific Motors Corp.—Bulletin—DePaquale Co., 55 William Street, New York 5, N. Y.

Jones Paper.—Data in current issue of "Stock Bulletin"—Nikko Securities Co., Ltd., 4, 1-chome, Marunouchi, Chiyoda-ku, Tokyo, Japan. Also available are a brief data on Allnomaio, Meldensha and Nippon Oil.

Luso Oil Co.—Memorandum—Remphill, Noyes & Co., 15 Broad Street, New York 6, N. Y.

McQuay, Inc.—Report—Loecri & Co., 225 East Mason Street, Milwaukee 2, Wis.

Miami Copper Company.—Review—Sutro Bros. & Co., 129 Broadway, New York 5, N. Y.


Mountain Fuel Supply Co.—Special Analysis—P. F. Fox & Co., 129 Broadway, New York 5, N. Y.


New York State Electric & Gas—1932 annual report—New York State Electric & Gas, 62 Henry Street, Binghamton, N. Y.

Public Service Co. of New Hampshire—Analysis—Ira Haupl & Co., 111 Broadway, New York 6, N. Y.


Seismograph Service Corporation—Analysis—Schneider, Bernet & Hickman, Southwestern Life Building, Dallas 1, Minnesota.

Sterling Drug Inc.—Analysis—Eastman, Dillon & Co., 15 Broad Street, New York 5, N. Y.

Telephone & Telegraph Analysis—Hill Richards & Co., 62 South Street, Los Angeles 14, Calif.

Utah Basin Oil Corporation—Information—W. D. Nebra & Co., Pacific National Life Building, Salt Lake City 10, Utah. Also available is information on Ute Royalty and English Oil.


THE MARKET AND YOU

By WALLACE STEETE

Investor dissatisfaction with the long-range outlook continues to be made evident. The action of the market indicates that they just cannot see anything exciting over the second half of 1933 and, perhaps even longer ahead. Profits have been phenomenal in every which has advanced enough to make cash look more attractive than stocks, but those which developed these swings in the first place have not changed by significant proportions, but the fear that the general outlook will shift sufficiently for the worse to depress profits appears to have mounted sharply.

Consumers are Optimistic

The factors in the outlook for the remainder of the year are too many to be responsible, and which it can control, have remained on a stable to rising trend. Purchases by ultimate consumers are still high, and with the Bank debit ratios still below the level of general business activity as high as it was at the top of the seasonal peak last December, quite a remarkable accomplishment. If nothing else besides the growing fear of the consumers are scared, investors must be looking elsewhere for the reasons motivating their steady increase against the price structure.

Tax Picture Depressing

There is only one other place to look, and that is Washington. The expression of confidence in the new Administration is likely to have a wide recovery of last November and December, and has been taken back virtually in its entirety. There seems nothing constructive ahead which investors firmly can count upon to help them. General taxes are not going down, and neither is there anywhere in sight any relief from the intolerable burden of double taxation on corporate earnings before taxes which can be paid by the share owners. After Korean armistice, what can follow but continued tension on the international scene; in any event in sufficient quantity to force armament spending on a sustained wartime basis indefinitely ahead. International aid evidently is to be continued at the rate of many billions annually, to the distress of the taxpayer, without any relief in sight.

Contrary Seasonal Selling

Thus the psychology of the marketplace continues adverse. Even the rail shares were dumped last week, drily, really against the strongest upward trend of net earnings, both at hand and in prospect, of any group in the whole market. Admittedly, the psychological fears over the statistical background is further unusual at this season of the year, for the buying from a bottom in midsummer constitutes one of the few favorable situations, which really can be counted upon to produce a good strong uptrend. The fact that the selling has been contra-erotic adds weight to gravity of the situation.

Further Decline Probable

In the face of adverse market forays, there are at least two excellent reasons why the long-range outlook is not likely to be anything but for further decline. The first is the clear statistical evidence that for the past two years any recovery has been made only with the greatest difficulty, and in the face of a market which is still making low records, there seems little prospect of any change in this trend. The second is that the gains of the past several weeks, at the moment count about all, is not likely to be anything but for further decline. The first is the clear statistical evidence that for the past two years any recovery has been made only with the greatest difficulty, and in the face of a market which is still making low records, there seems little prospect of any change in this trend. The second is that the gains of the past several weeks, at the moment count about all, is not likely to be anything but for further decline. The first is the clear statistical evidence that for the past two years any recovery has been made only with the greatest difficulty, and in the face of a market which is still making low records, there seems little prospect of any change in this trend. The second is that the gains of the past several weeks, at the moment count about all, is not likely to be anything but for further decline.
Generating Interest in Utilities

By IRA U. COBELEIGH

Author of "Winning in Wall Street"

Some topical power house comment on the suitability of electric equities for market defense.

Sustained investment in operating utilities, covering the past 30 years has provided a lot of insulation against economic depression and a measure of security against political revolution. Now the security and stability of the utilities have been hit as a result of market declines, because they have held up well, however, a lot of the factors which were holding them up. This has left them, however, the electric utilities, the answer is a selective one. For example, a utility which has been aggressively raising its electric capacity, and that will have to go up in the future, faces the problem of whether it will be able to finance its expansion. For many companies, these bonds went into the hands of investors, who might be selling because of some additional factor. To sell anything, the utility company must be able to maintain its earnings and dividends at a level which will be attractive to the investor. And as for the dividends, they have been increasing steadily in the past 30 years.

Ira U. Cobeleigh

Jim Dorn appointed by American Secs. Corp.

Joseph W. Dorn is appointed by American Secs. Corp. to the newly created position of Director of Research and Director of Investment Research. Mr. Dorn has been associated with Field, Richards & Co. for the past 10 years as Director of Research and Director of Investment Research.

Wm. Straumanis joins Field, Richards & Co.

CINCINNATI, Ohio—William E. Straumanis has been associated with Field, Richards & Co., Union Central Building, Mr. Straumanis was formerly Vice-President of J. D. Chambers & Co., Inc.

DECA RECORDS INC.

631625 Shares

CAPITAL STOCK

Par Value $0.01 per Share

Subscriptions are being accepted by the company for the purpose of raising capital to finance the proposed expansion of the company's facilities. The subscription price is $9.20 per share. The company has issued 318,625 shares of capital stock to date. The company has an authorized capital of 1,000,000 shares, of which 950,000 shares have been issued. The company is currently engaged in the manufacture and sale of wooden products. The company has a market value of $1,000,000.

Subscription Price to Warrant Holders

$9.20 per Share

Rights, evidenced by Subscription Warrants, to subscribe for these Shares have been issued by the Company to holders of its Capital Stock of record June 9, 1953, which expire at 3:30 P.M., Eastern Daylight Saving Time, on June 25, 1953, as more fully set forth in the Prospectus.

The several Underwriters have agreed, subject to certain conditions, to purchase any unsubscribed shares and, both during and after the subscription period, may offer shares of Capital Stock as set forth in the Prospectus.
Diversion of Stock Block Purchases
To Stock Exchange Considered

By HAROLD J. KING, P.D.

Dr. King examines new rule of New York Stock Exchange designed to tax the disposal of block purchases outside usual auction market procedures.

On June 1 the New York Stock Exchange decided to adopt a new rule regarding block purchases outside usual auction market procedures.

The new rule, which Dr. King examines, is designed to limit the disposal of block purchases outside the usual auction market procedures. It is intended to prevent the use of block purchases for manipulative or deceptive practices, and to ensure that such purchases are made in accordance with established market rules.

The rule applies to block purchases of 10,000 or more shares of a single security, and it is intended to prevent the use of block purchases for manipulative or deceptive practices. It is intended to ensure that such purchases are made in accordance with established market rules.

The new rule is part of a broader package of reforms that the New York Stock Exchange is implementing to strengthen its market integrity and provide greater protection for investors.

The new rule is expected to take effect within the next few weeks, and it is hoped that it will help to prevent the use of block purchases for manipulative or deceptive practices.

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The Price of Gold

BY PHILIP COTNEY
President, Cety, Inc.

Ascertaining revival of free international trade and exchange cannot be attained unless free convertibility of currencies and stabilization of exchange rates are assured, and the gold standard restored, Mr. Cotney lists as problems involved in attaining these objectives: (1) re-establishment of an international currency, (2) the avoidance of a strong deflationary trend of world prices. Says question of “pricing gold as a real issue,” and offers argument for higher gold price. Lays opposition to raising gold price to 20 dollars an ounce, and concludes recommends a price change to 70 an ounce.

I was asked to state that in my speech today I am not expressing the views of either the U. S. or Council of the NAM and still less the views of the U. S. Government. Neither are the opinions I should express those of personal ones, but those of persons I consider the best brains in the science of money and credit.

The price of gold, while it is a very important and loaded with emotionalism in our times, is an issue which arises as a consequence of paper money and wars. It is simply a problem of monetary technique primarily, and of secondary importance. Order. There is no room for such emotionalism.

Some of my friends say that I am overselling a culminating of the dollar. Let me remind them that the dollar has already been developed to a great extent in recent years, and we commend the conclusion and against the trend.

I regret to find that so many people confuse the quest for a worldwide rise in the price of gold, in terms of all national currencies, with that for a developmental of the dollar.

I wish to make clear that a devaluation of the currency is usually designed to take care of the lack of balance between internal prices and world prices, while a worldwide adjustment in the price of gold is aimed at correeting a lack of balance within the structure of world prices, which is very necessary and inevitable after World War I. It is essentially an international issue.

Besides, I can't arrange to the price of $35 an ounce, as some people do, knowing well that this figure was established by former Secretary Morgenthau in, 1941 at a coln at breakfast time.

The short time available for my speech will force me to economize words to be rather dogmatic.

I wish to state clearly that a dollar is an important matter, and in my mind the price of gold is an issue only if we are determined to stop the monetizing of government deficits and to restore the gold standard. Internationally, specifically I am opposed to a change in the gold price, and in this view I am not in the ranks of those who are not so fortunate but the result of

The Price of Gold

Hence, it is necessary to restore the international gold standard and avoid a strong deflationary trend of world prices. A rise in the price of gold would have been if the production of gold had been as it was in 1929, while the production of goods had been doubled or trebled. Such a deflation means reduction of prices and wages and usually produces a political and social reaction.

The Pricing of Gold

Hence, it is necessary to set the price of gold as a real issue, and to determine the dollar level in a manner such as to maintain the balance of trade. But it is impossible to maintain the pre-war balance between gold and paper currencies (once paper money inflation had been stopped and satisfactory reserves made available to gold). The governments of the United States and of Great Britain had the illusion that by an expansion of credit they could maintain or restore the pre-war relationship between these currencies and gold and yet avoid a strong deflationary trend of prices. The illusion was shattered by the 1929 depression, and we wish to express my conviction, shared by Prof. Charles Rist and other economists, that the 1929 depression would not have been so severe or so prolonged as it was, if in 1925 the dollar had been deflated in order to sustain the level of prices reached by the inflation of the monetary means during the war.

International Liquidity

While my main argument for a rise in the price of gold in case of a return to the international gold standard is a general one, I do not wish to say a few words on the international liquidity. The restoration of balanced international trade and payments is determined by the world's monetary policy, which is based on liberal commercial policies, primarily in the countries of the United States. But a country like Great Britain, for instance, should have enough gold reserves to sustain a successful of balancing a deficit in the external balance of payments until either any temporary difficulty has past or until the central bank will have the power to increase the reserves leading again to an equilibrium. This is of course true for all other countries.

It is a fact, however, that the value of world trade has increased enormously since 1938, while the world's gold stocks and current gold currency are more or less the same as in 1953. With a comparison in 1929 as a base as done in some quarters, the international liquidity was then unsecured, and the gold standard was not very strong. In the case of the gold standard, the international trade requires a greater liquidity than in the 1920’s and needs a monetary-credit system, exchange controls, quotas and the compensating longer delays in international payments. The comparison with 1914 is complete. I say a few words about the great change in Great Britain's economic position. The value of world trade, which was about $4 billion in 1938, was about $24 billion in 1951. Over the same period the world production of gold fell from 22 million ounces to 24 million ounces. Excluding Russia, the gold reserves of the central banks of the world rose from $25,970 million to $35,800 million, a rise of 33% as compared to a rise of 20% in world trade. In 1938, the gold reserves of Great Britain covered nine times their monthly imports while in 1951 they covered them only three times.

In October, 1956, the London Times wrote: "the gold reserve needs of the whole world are about $70,000 million, whereas the existing gold resources are only $35,000 million. Only a substantial rise in the price of gold could increase the gold reserve to make them adequate for the needs of international trade. The payments were rising throughout the world prices and wages in terms of dollars have doubled or trebled, and when the monetary means have more than trebled in the domestic markets. The present lack of international liquidity is a direct result of the overstocking of International trade, and a constant instability in the balances of payments. A rise in the price of gold to $70 an ounce would double the currency value of the existing monetary gold resources that of gold outside the United States. Assuming a recovery of gold to the 1940 level, could reach an annual of about $2,500 million as compared to 1913, the annual production of $769 million in 1951 at $35 an ounce. Furthermore, a rise in the price of gold would most probably reinduce hoarders of gold to sell it to their central banks.

Lack of Understanding of "Gold Price" Issue

Why is there such a widespread lack of understanding of the gold price issue among bankers and economists? Professor Charles Rist traces it to the teachings of Ricardo. I venture to advertise this lack of understanding to two intellectual propensities, frequent among English and American bankers and economists, namely, (a) a confusion between money and credit, and (b) a failure to distinguish between the different impact of money versus credit on the long-term movement of prices, in order to analyze some of the arguments against a rise in the price of gold.
What the Security Analyst Wants to Know

By MARVIN CHANDLER
Vice-President, Reis & Chandler, Inc.

Mr. Chandler points out objectives of analysis to ascertain both quantity and quality of a corporation's future earnings, and their relation to price of individual securities. Lists and details every step in the scheme to arrive at this important objective to the analyst: (1) Effect of Growth; (2) Recession Resistance; (3) Regulation; (4) Operating Factors; and (5) Management Ability. Concludes, no matter how uniform statistical analyses may be, it must be based on a wide divergence of opinion among analysts.

It seems to me that aside from so-called special situation analysis, such as a merger or recapitalization, and short run analysis, all the results which we as analysts search are needed to solve just two major problems: the quantity and quality of future earnings and the quality of future earnings. These are the problems that we need your help on. When they are solved, your job is done but ours is not, for there is no way to know with any reasonable certainty that the prevailing price of your stock is getting more or less future earnings. It is generally considered that he can obtain in any of over a hundred different ways.

The range of disagreement among us is wide. At a recent meeting of the utility group of the New York Stock Exchange, 121 analysts filled out questionnaires to determine their first, second, and third choices for the five most favored utility common stocks. A total of 75 companies were cited, and the one named the most received only nine first votes. I am sure that no matter how uniform our analytical approaches ultimately become, we shall always have a wide divergence of opinion on the attributes of what is currently called a market as a whole, I suspect that that is a fortunate matter.

Questions of Fundamental Electric Rates

With these introductory remarks behind me let me now turn to those situations which it seems to me are of fundamental importance, and in particular the first conclusion as to quantity and quality of earnings, but which we as analysts must need your help in solving. They come under five major headings. There probably are more than five, but these are the most troublesome to me. They are:

(1) The Effect of Growth
(2) The Measurement of Recession Resistance
(3) The Significance of Operating Factors
(4) The Measurement of Regulatory Ability
(5) The Significance of Management Ability

Considering the first of these, I think that growth is a factor that is often oversimplified and sometimes actually always beneficial, for the Pacific Gas & Electric, still growing at a rate of 6% in population of the country, in its own stock, but this growth generally results in increasing per share results for its own merit, and that he may be able to hold down the new plant investment per new customer.

Now how about the second growth, and growth in the utilities industry. It is simple sense for growth as of itself. If it is not possible for a utility if earnings start at the all over level, Why isn't it a fact that no benefit to the shareholder to remain in the business and earning 10% on its common capital, its productive capacity is a common capital double, and if it is earning 10% on the common equity, you know some of the answers to this question. I would like you to tell me who is wiser, tell me why, and especially to tell me whether or not these theoretical explanations was the actual explanation of the continuing policies that have grown the most in the last 20 years.

We know that the allowable earnings rate is not a fixed point out within a range that is not only very narrow, as well as being very common.

We know that the utility have earned less than an allowable earnings rate, but earnings growth has carried them out of that range, although many believe that type of utility needs more to be spent to preserve its earning power.

We know that selling new shares to raise more capital at the market price above the book value of the old shares will raise the capital structure of the company, and the return in terms of earnings on that book value can be compared, assuming that a company is capitalization by the old shareholders represented by 10 shares, on which it is earning 10%, or a little more, will be quoted at $20 per share, is going to be $20 per share.

Increasing - earnings per share are not necessarily attributable to increasing sales, but is frequently produced as a result of management, and for the industry as a whole, I suspect that that is a fortunate matter.

This is not a sketch of short term for sale, or as often it is, a suggestion of how to buy, or sell as the case may be for now. The offering is made only for perspective.

$40,000,000
Northern Natural Gas Company
4% Sinking Fund Debentures

Dated May 3, 1933

Price 102% and accrued interest

The price of the Prospectus may be changed from any of the several sources.

The offering is made only for perspective.

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E. S. Morely & Co.
Weeden & Co.
Baker & Weeks Co.

The Commercial and Financial Chronicle... Thursday, June 11, 1933

Continued on page 43
Building Trends and the Building Materials Industry

By Walter C. Voss

Head of Department of Building Engineers at the National Bureau of Standards

Prof. Voss points out fundamental changes in economics and in technologies of building construction, which comprise reasonable durability, flexibility for multiple use, and development of new means of building. He has brought about new materials, more shop fabrication and mass production practices which reduce unit costs. See increase in building services, such as heating, plumbing, air conditioning, and so on.

In addressing myself to the subject "Building Construction and Their Effects on the Building Materials Industry," I shall try to point out the major tendencies toward fundamental changes in the building industry and economies and limitations of future industries. Believing that these changes are not only possible but desirable, I think this the right time to make them. Now is the time to adopt this new approach, and the results will be far-reaching.

Until quite recently nearly all buildings were finished as a succession of bays and stories involving the use of columns, beams and floor systems which were made of one material on the dimensions of the site, the specific occupancy and the normal economics of structural design. Each project was tied more or less rigidly to the materials of the owner or lessee and the designer rarely questioned these wishes; he made his best showings to concessions such as in order to expedite the progress, although they might have wished to revolutionize the place. I think the owner is aware of his own experience and personnel to formulate his ideas and make a serious attempt to analyze his problems as a whole and in detail.

Architectural Changes

Recently, however, the more fortunate builders, architects and engineers have sought new solutions to problems and projects the principles of reasonable life, flexibility for multiple use, and development of new materials. "Building obsolescence of appearance, services, etc." is increasing and involves divorce from restrictive size, story height, site features, structural and equipment for specific occupancies. The thought is being given to the combination of buildings and occupancy and use to combine two or more such occupancies into types that such a use is possible. There is a period of building life in a given location. Insanely, as much as the nature of the building would vary with the use type, it follows that building life would have living over various periods. New design practice, the building must be analyzed in order to determine whether one or more such occupancies are necessary for the original use of building, for instance, and the assurance of the owner's use (moderate) and modernization and change within the life of the structure. Such planning requires an analysis on several recent projects has resulted in the abandonment of either the site or the original concept of use. The country is full of "white elephants," which are either some corporation or leading or a complete lack of initial consideration of these elements.

New Materials

As a result of the challenge of the new use, many new materials have been developed. Many of our old materials have been subjected to special study to make them applicable for buildings for standardization, ease of installation and cost. There is a very definite trend away from heavy ornamental wainscots, partitions, and floor systems and the use of lighter weight panels of materials. The new process of building on panels of materials and the result of the introduction of these materials, plastering is rapidly declining in use and the structure is being erected more expeditiously, more cleanly, and more economically from a structural point of view. Contractors costs as for efficient forms for concrete, staggings for masonry work and wages of some of our highest paid tradesmen are being reduced. Site labor is being lessened by fiberboard and with sufficient repetitive use of new materials, practices can and are reducing unit costs.

This approach is only now gaining momentum, and manufacturers are developing more modular panels and assemblies to meet the new concept. Designers are coming into these materials to fit their demands for more of the same. This has been the trend for some time in building construction, and since the 18th century, all less economic materials and practices will disappear as the standardization of heavy concrete, brick, stone, masonry, and metal is achieved. The only other alternative would be depressed wages and this would destroy the very essence of prosperity. It seems that someone's

Building Rationalization, Air Conditioning, and Heating

the Federal Reserve Bank of St. Louis

Walter C. Voss

I may stimulate discussion, in which I hope will integrate my concepts of this problem with your duties in guiding and economical and financial structure. These changes are not only possible but desirable, and interdependent and involving as many separate and distinct matters as I am that the trend is to be made even in new applications and use of these.

Baltimore, August 1

Daniel W. McQuade

 priced publication.

HOGUE CONFERENCE

Los Angeles, Cal.—Partners and Managers of J. A. Hogle & Co.'s Los Angeles, Beverly Hills, Riverside and San Diego offices held a regional meeting which this week at the California Club.

J. D. Hogle, E. M. Part

ther Conference, which was Manager of the Denver office, were principal speakers at the meeting, conducted by C. J. Ca

American Gas and Electric Company

Common Stock

Par Value $1 per share

Price $29 per share

The First Boston Corporation

Union Securities Corporation

Dredge & Co.

Eastman, Dillon & Co.

Glore, Forgan & Co.

Hempill, Noyes & Co.

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Paine, Webber, Jackson & Curtis

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Hallagan & Co.

Lee Higginson Corporation

Chicago, Ill.—G. A. S. Hogle & Co.'s Los Angeles, Beverly Hills, Riverside and San Diego offices held a regional conference which this week at the California Club.

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This advertisement is neither an offer nor a solicitation of offers to buy any of these securities. The offering is made only by the prospectus.

NEW ISSUE

June 10, 1953

800,000 Shares

American Gas and Electric Company

Common Stock

Par Value $1 per share

Price $29 per share

Each of the Prospectuses may be obtained from any of the underwriters, excluding the undersigned, only those in which such underwriters are not as underwriters or dealers in which such Prospectuses may legally be distributed.

Globe, Pierce, Wiley & Co.

American Securities Company

American Gas and Electric Company

Common Stock

Par Value $1 per share

Price $29 per share

The First Boston Corporation

Union Securities Corporation

Dredge & Co.

Eastman, Dillon & Co.

Glore, Forgan & Co.

Hempill, Noyes & Co.

Hornblower & Weeks

Kidder, Peabody & Co.

Merrill Lynch, Pierce, Fenner & Beane

Paine, Webber, Jackson & Curtis

Smith, Barney & Co.

Ticcker, Anthony & Co.

Hallagan & Co.

Lee Higginson Corporation
Coal As Seen Main Source of Energy for Electric Power Expansion

C. N. Phillips, Director of Research, Ebasco Services, Inc., tells delegates at Edison Electric Institute Convention that future load growth is to be met in electric steam stations using coal, and “steam-electric power must be the main reliance of the future.”

Located, in effect, at a mine-mouth plant—a large, low-cost, low-rainfall, low-cost, low-cost fuel supply.

(2) The unit costs of transmission and distribution were lowered where large blocks of power were transmitted to these factors, combined with high load-fac-

(3) Long-distance transmission and transmission of raw fuel into closer competition.

(5) Where long distance transmission is indicated, rail competition and the financing costs of the transmission lines determine the balancing economies.

(6) The use of types of financing similar to those employed by groups of companies to provide capital to construct large power plants and transmission lines to serve atomic plants would extend the limits of economic transmission distances.

N. Y. Municipal Club 20th Field Day

Members of The Municipal Bond Club of New York and their guests will travel to Westchester County, N. Y., April 12, for the Club’s 20th Annual Field Day. Rev. W. C. Phillips, Jr., General Chairman of the Field Day Committee, announced that the Club expects to exceed 325, Copies of the Program are free to members.

The Daily Bond Crier, lamp-

luminous for the future.” Mr. Phillips stated. “So far good management, technological improvements, improved operations and interconnections of the business volume have enabled the electric companies to be the one major industry, where any material increase in the price of the product. Continuation of this success will require every possible improvement in efficiency and economy.

To emphasize the extent and scope of the industry and its responsibilities to the nation, Mr. Phillips pointed to the tremendous growth of the electric energy load to date and to the prospective requirements in 1952 as indicated in the report of the President’s Materials Policy Commission.

“...the generation of every kilo-
"The Daily Bond Crier," lamp-

The Security I Like Best

John F. Egann Visitor In New York City

John F. Egann, Vice-President of the First California Co. of San Francisco, Calif., will be in New York for a week calling on dealers, brokers and bankers.

With Samuel B. Franklin

LOS ANGELES, Calif.—Ather-

Continued from page 2

Mr. Phillips further detailed the functions of one of his best investments of the future.

The Almiera Paper Company has an old plant, but their new outlook on life and viewed their future with great enthusiasm. Preferred stock is my favorite se-

Continued from page 2

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LOS ANGELES, Calif.—Ather-
A New Look at Utility Regulation

By EUGENE S. LOUGHLIN

President, Nat'l Ass'n of Railroad and Utilities Commissioners
Chairman, Connecticut Public Utilities Commission

Assessing a new and fresh look at the regulatory processes for utilities is long overdue, Mr. Loughlin reviews development of public utility regulation, and concludes: good regulation or a favorable regulatory climate—not too stringent or too generous—can be the key factor in utility management. Held better, not more regulation is the key to progress and calls for mutually cooperative attitude by companies, Commissions, and customers to cement a stronger utility structure.

There is probably no more striking demonstration of the success of the American system of government than the solution of the social and economic problems of our public utilities through the invention of the machinery of regulation. There is probably no more cogent demonstration that an enlightened people can cope with their most serious social threat to their most cherished institutions.

The history of the scope and history of the regulatory movement is great that to deal success- fully and clearly with it in this limited time demands that I confess myself to only the most salient aspects. The interests of this discussion are complicate, however, are sufficiently broad and its familiar with the subject sufficiently intimate that these nec-

ary omissions, I am sure, will be road between the lines.

I have long turned over in my mind the thoughts which I leave with you today concerning the work being honored by the National Association of Railroad and Utili-
ties Commissioners with the duties of its principal executive office. I have dedicated myself to making these thoughts known to the public, and to responsible men in the industry, in government and in the investment field. My purpose is a clear and simple one. It is to dramatize the over-
whelming influence which utility regulation—as an instrument of government and as a force of eco-
nomics—has in our society and the crying need to improve and revitalize this institution.

My remarks will highlight some of most striking characteristics, always with the purpose that through an increased awareness we can improve upon the system. I think in my personal conviction that a new and fresh look at the regula-
tory process is long overdue. Furthermore, it is in the best in-

terest of all the parties—the public, the industry, and the investor.

Development of P.U. Regulation.

This thing called regulation by organized independent regulatory agencies was the result of the re-

actions of independent people to the excesses of capitalistic liberali-

sm developing out of the funda-

mental change in political and economic philosophy following the Middle Ages. From the original reaction to economic oppression, the institution of regulation has matured and its powers have gone far beyond the thought of that stage. Regulation today has posi-
tive powers of initiative as well and can probably be considered indispensable to the English speak-

ing world. During the course of the development of our economic society, various industries and utili-

cations, complex in character and with manifold internal prob-

lems, have from time to time come to assume such significance in our national life that a measure of social control of them has become essential. This form of social control was devised in a manner fundamentally consistent with the slow and intricate evolution of the American economic system and with the processes of democratic government. One of these industries in the public utility industry which is affected with the public interest. The control of this institution is vested in the public utility com-

mission which has built up a whole body of admin-

istrative law.

The regulatory agency came into being as a result of a single compre-

hensive, philosophical concept, complete in detail, but yet a process of empirical growth.

The regulatory process in this country traces its beginnings from the early experience our people had with what was at that time a business bearing the typical economic characteristics of the utility as we know it today.

That business, of course, was the railroad. Students of the move-
mend back to my own state. As early as 1833, Connecticut had granted a special railroad charter and created a special commission to ensure compliance with its terms. In 1848, Connecticut passed a permanent commission for that purpose. This first permanent railroad commission to be estab-

lished. Although fundamentally unlike and weaker than the 1869 Massachusetts commission, it was nevertheless charged with the duty of supervision and was di-

rected to report its investigations to the Legislature and to make recommendations concerning com-

pliance with changes in the law and on safety matters.

Of course, the report day com-

mission with its comprehensive powers and responsibilities be-

tongs with enactment of statutes in Wisconsin and New York in 1897. The change in emphasis from the almost vindictive and punitive Granger States railroad commissions of the 1870's to the modern commission, consisting of its complementary and pervasive responsibilities of ensuring sound and efficient utility service at reason-

able rates, was a gradual and constant change in the philosophy.

But the tedium of history has a place only of background in this presentation. Like all background, however, we would lose perspec-

tive unless we think of it. It does much to explain the presen-

t condition of the institutions. The growth exemplifies the close iden-

tity this social phenomenon has with all our American institutions.

The importance, then, of sound regulation in the public generally to the industries it regulates, to the investor, small and institu-
tional, and the men who serve them is simply that it has suc-

ceded in preserving for America a free and privately-owned utility and transportation system. It is not without significance that only in America, where regulation has developed to the highest refine-

ment, of any system in the world, is the railroad transportation system still in private hands. My personal belief is that the government reforms will have a most momentous effect on the regulated utility industry in an overall view of the regulation under which it oper-

ates. More valuable than recovered taxation, more important than labor laws, more far-reaching than changes in National Power policies, would be the de-

velopment of better regulation of utilities, properly divided between Federal and State responsibilities, to the point of strengthening pub-

lic and investor confidence. For, without sound regulation there can be no healthy regulated company and without good corpora-

tion health, the service to the public will suffer.

A Century of Change

I have touched on the fact of the growth of the regulatory proc-

ess. What has been the re-

sult of this century of change? Has it been progressive in an abundant measure, the technique and tools of performance, and stayed to be an institution have been perfect?

But, has that progress kept pace with the jet-like speed with which it is? The regulatory development crowded the heads of another as this expansion expanded the bigness of the glistening oil lamp in the dark of the cabbage tube? In many cases the answer is "No."

At the outset of an evaluation, we are met by two of the most basic elements in any regulatory

Continued on page 40

Land of Opportunity

The territory pictured here, served by the transmission system of Gulf States Utilities Company, covers the heart of the great Gulf Coast. The mouth of the 359-mile

across South-Central Louisiana and Southeastern Texas extends over 200,000 square

miles of land abundantly rich in natural resources. Fertile rice lands, cotton farms, sugar

plantations, ranches, forests, oil and gas fields, rivers, bay-

ous and the Gulf of Mexico make this a land of untold wealth in agricultural and industrial opportunity.

Gulf States supplies electric service to 222 thriving cities and towns and the rich rural area along the Gulf Coast between Houston, Texas and New Orleans, Louisiana. The important cities of Baton Rouge and Lake

Charles in Louisiana and Beaumont, Orange, Fort Arthur, Navasota, Huntsville, and

Correre in Texas are among those served. Natural gas is also distributed by the company in Baton Rouge, and water is served to two cities in the system.

This, the fastest growing area in the United States, offers unlimited opportunities for

industry. Here is an ideal year-

round climate, excellent rail and air trans-

portation facilities, water transportation with world outlets; large supplies of oil, sulphur and salt; adequate amounts of low cost electric power, cheap natural gas for fuel, and the necessary native manpower to make just the combination a new industry or relocating industry is looking for.
Moore on Picketing

I hope as a responsible citizen, let me set down what I consider to be controlling principles affecting the right of picketing.

Picketing is a form of freedom of communication and the price we pay for this freedom as for other freedoms in a democracy is that some people’s interests may be adversely affected. Moreover, the picketing itself is designed to protect a vital interest of the workers—their interest in decent wages and working conditions. These interests deserve, I suggest, high priority in any scale of social and moral values in a democracy.

Moreover, picketing which has as its purpose the announcement of the fact that a so-called third party employer is profiting by the sub-standard labor conditions of another employer is also a socially defensible activity. I use the term “third party” because, in context, the third party in these situations is not really neutral at all. Let me use as an example, a situation in which an enterprise is selling goods produced under sweatshop conditions. The enterprise is, we may say, owned by the union whose standards are being undermined by the sale of these products. The owners of the enterprise are profiting by the existence of these sub-standard conditions. There is, therefore, in these situations a definite union of interest between the non-union employer and the distributer of the non-union product. The latter is clearly not neutral.

One of the most alarming tendencies, in my view, in the labor relations field is the substantial upsurge to which the Taft-Hartley law and, even more, state, legislature action, and other restrictions on the right of peaceful picketing. Perhaps the most significant undercurrent in the present attempt to raise the Taft-Hartley law has been the use of pre-emptive strikes in low wage areas to secure the right to mine that Taft-Hartley law to enacted more stringent prohibitions against peaceful picketing than are contained in the Taft-Hartley law itself. The end run around the law’s efforts is clear. It is to provide a means of denying public employees by way of strikes against union activity. In this setting the picketing versus property issue is a transparent fraud. The real issue focuses on the drive to isolate these low wage areas from union activity.

Implementing the legislative anti-picketing drive is the increasingly promiscuous issuance of injunctions restraining peaceful picketing by state and local authorities. The judges in these courts are making law on picketing based on their private economic philosophies. Indeed the state injunction in labor disputes is being vived as the chief weapon against unionism and this, too, is making law is making a shambling out of the right of picketing. The restraints which these state courts are putting on picketing via the injunction are patently designed, once again in the history of our country, to destroy a legally protected self-help weapons of working people. Ironically, these restraints are being enforced precisely in the areas where union organization is occurring, to raise union working standards.

It is my belief that when picketing becomes mob violence, completely blocking the entrances to a place of business, when people are put on strike, goes on strike, place of business, when people are put on strike, go on strike, are the case, the pickets throw stones through mobile windows and generally terrorize a neighborhood, immediate action should be taken by the more regularly constituted peace officers to completely disband all pickets.

Proper presentation of the facts is one thing. Violence and coercion are something else entirely. We have seen Communist-dominated picket lines become unruly, even a throwing, automobile up-setting, skull-cracking mobs so often in our county have too many instances of officers of the law, both city and county, turning their backs on mob violence at its worst. People who are paid to enforce the law and do not do so either lack the courage or moral cowardice should be summarily dismissed. We have thousands of law-abiding, honest, bodied men of integrity and courage in this country who are perfectly willing to put their lives on the line for enforcing the law at the existing salary rates. But the people occupying the jobs who are being protected by these union are almost always the apathy or the fear of the job. This evil situation should be straightened out forthwith.

HON. WM. J. BRYAN DORN
U. S. Congressman from Chi¬cago, Ill. Congress...

I believe that in no case should any plant be picketed during a strike by a majority vote of the Union membership involved. The fact that one boss, this long, is not the will of the Union picketing a plant under any cir¬cumstances. Picketing does to a cer¬tain extent impinge on prop¬erty rights and civil liberties. A union’s existence should be strong enough to stand and have members to such an extent that picketing would not be necessary. We ought to be picketing our mind, is an em¬phasis of weakness and lack of trust in our unions is not in¬teresting among the workers of a strike.

I would not go so far as to outlaw picketing, but I do think a law should be passed by the Congress to define the place of the plant by the workers involved.

G. T. BAKER
President, National Airlines, Inc., Miami 45, Florida

I believe I understand the thinking of both those who favor and those who oppose amending the Taft-Hartley Act to make picketing illegal. To my knowledge, the issue has ever been fairly and satisfac¬torily settled by a picket line. It is my firm conviction that La¬bor and Management can and must be partners in the continuing operation and promotion of the vast indus¬tries of the land. In all of our lives are seen in the light of what has been con¬duced in this country, either le¬gally or otherwise, for the best part of a half century. It has not been altered or changed any in this land. It may, however, be that the Congress will be better in the long run a part of our own life as an employee in its form or another.

I do not believe that any self¬righteousness or any working man’s rights the idea of doing so-called “picket duty” either.

There has been too long a history of the idea of doing so-called “picket duty” either.

We have been too long a history of the idea of doing so-called “picket duty” either.


While I am not in any sense a labor expert, nevertheless as an individual I have always felt that the practice of picketing is one of the most un-American actions in which our countrymen engage. I do not feel that it is necessary to place an adequate notice in a prominent publication to plants or business institutions. Those who are thus served with such a picketing notice, view themselves as they see it in their re¬lationship to the picketing situa¬tions. After all, the issues bet¬ween a union and a business are so complex that they should be settled at the conference table. Were I a business man, I should make me feel degraded and small while ceasing to help build forces of weather with a sign on my back. Furthermore, the pick¬ing which can be conducted by a picket line does the unions more harm than good. When such a picket line is estab¬lished in the public, I feel that they be not per¬mitted to pre¬vent or even exist. It is both an in¬hibitor of our people to picketing.

C. A. NORRIS
President, Alaska Juniper Gold Mining Co., San Francisco 4, Calif.

I have always regarded picketing as being a national disgrace. If union people do not care to continue work under the conditions of employment, they have a right to strive by means of a strike, and they should be per¬mitted to present or even exist. It is both an in¬hibitor of our people to picketing.

C. A. Norris

The Commercial and Financial Chronicle... Thursday, June 11, 1953

Continued from page 3

For Pleasure...

There’s the Florida of “Super Colossal” vacations where more people are coming into the...all year round...than anywhere else on earth. So any time the spirit moves you...

Come on down...

There’s more to Florida than meets the eye...

Florida Power & Light Company
Mr. Wolder discusses various aspects of Federal taxation that have come before the courts, among which are: (1) filing amended returns; (2) restraining collection of taxes; (3) property in joint names for estate tax purposes; (4) using a trust for $5,000 annual gift evasions; (5) disallowance of tax deduction for excessive compensation; (6) loss carrybacks in relation to prior year frauds and deficiencies; (7) educational expenses of practicing professional men, and (8) travel expenses between home and business. Calls attention to tax changes now under consideration.

What are the most recurrent type of cases which come before the United States Tax Court? A study of 9,000 petitions filed in the last 12 months reveals that:

(a) The Commissioner disallowed deductions for business and non-business expenses in 1,900 cases. Of these, 430 involved travel expenses, 215 involved entertainment expenses and 280 medical expenses.

(b) Dependency credits was involved in 1,100 cases.

(c) Partnership issue was raised in 1,100 cases.

(d) Capital gain and loss issue in 600 cases.

(e) Depreciation issue, in 500 cases.

"Material prepared by Mr. Wolder for an address before the Washington Bar Association, Tax Section, White Plains, New York, June 6, 1933.

Another type of case which is very frequent, is the right of a taxpayer to deduct as a bad debt loss resulting on a loan to a closely held corporation of which he is an active officer employee, as well as a stockholder.

No Right to File Amended Returns

There is nothing in the Internal Revenue Code which says anything about an amended income tax return. Nor is there any right which a taxpayer may to file an amended return. The Courts have consistently held that the first return of the taxpayer is the taxpayer's return. It would be my opinion, however, that if an amended return is filed before the original due date of the return, then both returns will be read together, and the amended return given consideration. In other words, a calendar year taxpayer, who has until March 15 to file a final returns, files on Jan. 30, and then files an amended return on Feb. 18. I would say the amended return is timely filed. If it is filed after March 15, it is not timely; but the Commissioner of Internal Revenue may in his discretion accept it as one Court pointed out, if amended returns could be retroactive effect even though not timely filed, a false original return could be corrected years later by an amended return. Or, an irrecoverable election made on original return would be modified by the amended return.

If the purpose of the amended return is to reduce the tax assessed on the original return or to exercise a revocable right of election, make sure to file a timely claim for refund. The food claim is the proper procedure.

Restraining the Collection of Taxes

Constantly cases come before the Court in which the collection of taxes is sought to be restrained by injunction. The Internal Revenue Code specifically states that no suit for the purpose of restraining the assessment or collection of any tax shall be maintained in any Court. There are a few statutory exceptions, such as the posting of a surety bond, or where the Commissioner presents evidence which makes a deficiency assessment other than a jeopardy assessment. It should be kept in mind, however, that the Judge will under certain extraordinary and exceptional circumstances, issue an injunctive relief, notwithstanding the statutory restrictions. Each case depends on its own facts. Injunctive relief will not be granted on the general principles of equity. The taxpayer who seeks must not only show that his property will be mortgaged, and indissoluble oppression with out adequate remedy at law.

This provision about not restraining the collection of taxes has been held by the courts as applying only to the taxpayer, the one who is supposed to owe the tax. A third party who claims title to the property which the government seeks to lien, seize or sell, can obtain a restraining order.

The mere fact that a tax is barred by the statute of limitations or is invalid is not sufficient ground, standing alone, for granting a restraining order. But where the imposition of tax would have destroyed the taxpayer's business, ruined it financially and inflicted a misfortune from which there would be no adequate remedy in law, the Supreme Court has held such facts to be sufficient.

The unfortunate thing, when a taxpayer is sold out by an innocent tax which is eventually proved to be a delinquent or uncollectible, is that the taxpayer cannot recover the full value of the property from the government, but only the amount the government realized on the sale. There is no condition that the government must sell for full value.

Property in Joint Names for Estate Tax Purposes

It may be said as a general proposition that the property in names of any other people, still are under the impression that if the property do not have to pass to person as a gift, it will be administered as part of their estate. For example, there are a number of cases which do not have to be included in their estate for Federal estate tax purposes. To accomplish this incorrect result is not correct. If the property, for example, is put property in joint names with my wife, there is nothing in the law, the Supreme Court has held, establish such facts to be sufficient.

Thus, a husband will take property in the joint names of his wife and others, and a person will create a bank account in joint names with will sell for full value, create so-called "Totten Trust" bank account. It should be clearly known, that the property in the joint names or a tenancy by the entirety was created, then the decedent's estate will be taxable to the decedent's interest in the property at the time of his death. While he claimed ownership, he paid the entire consideration for the asset, then its value will be included in his estate and, if he paid only part of the purchase price, then his estate will be taxed only on his proportionate share. Now one of the ways to get around this is to do something about it while the decedent is alive. And, if it can be shown by deeds or other appropriate instruments, that the decedent's lifetime owned title to the asset in the other party in whose joint name the asset is, then the decedent's estate would be taxable to that interest. This can be accomplished by creating a tenancy in common instead of a joint tenancy or a tenancy of the entirety. Of course, this is a problem which everyone must deal in his own private way; and so long as there is compliance with the requirements of the gift tax laws, there is no problem.

Using a Trust for the $5,000 Annual Gift Exclusions

Gift tax laws provide that each person is allowed gifts of $5,000 in the aggregate totaling $30,000 in any single year. When the donor spouse joins in the gift the amount becomes $60,000, free of tax. Thus, the gift of property transferred. In addition to the $5,000 annual gift, gift of $3,000 or more of actual, free of gift of free of gift tax so long as gift of a so-called "future interest" is made. In other words, a man could make gifts of $3,000 each to his wife, his three children, and five grandchildren each year, or a total of $37,000 each year free of tax.

Continued on page 38
Urban Mortgage Lending
And Municipal Bonds

By MORTON BODFISH
Chairman, Board of Directors
United States Savings and Loan League

Mr. Bodfish calls attention to mutual interests of mortgage lenders and municipal finance officers in supporting real estate values and in expanding tax-base of urban areas. Looks for
downward readjustment in building and predicts Federal Savings and Loan Associations, therefore, will, when given authority by mu-
icipal bonds, thus providing for them an additional chan-
el of investment. Stress need of good local government, and foresees no likelihood of collapse in real estate values
such as occurred in the 1930s.

In the savings and loan busi-
ness, the great bulk of our assets
are in institutions located in urban rea-
as we have many problems and opportu-
nities in common. Our sav-
ings and loan institutions have enjoyed a remarkable growth in re-
cent years, they are holding an ever-
rising proportion of the sav-
ings in this country and they are
today responsible for pre-
suming any other group of mortgage lenders combined.

Our institutions have, in short, become a far more significant part of the financial structure of many communities and, for this, they are a
very specific way—by virtue of the
fact that about 80% of our
loans are invested in home mort-
gages—we have a great and abid-
ing interest in the future of real
estate in our communities. Real
state is, of course, among the major sources of revenues to the municipalities which you men

*An address by Mr. Bodfish before the
Annual Convention of the United States Savings and Loan Association, Miami, Fla.,
June 1, 1953.

represent, although its importance will vary from community to
community.

Today I would like to go over
some of the ground which serves
as a common meeting place be-
tween yourselves and the savings and
loan associations of the coun-
try. There are a number of impor-
tant interest relations be-
tween the men who handle the
finances of the government of a
community, and the men who run
the institutions which have charge of
much of the savings and home
financing done within a com-

Stable Realty Values

The first important point of mutual interest is the stabiliza-
tion of real estate within the com-

This means, for your purposes,
that from 1944 or 1955 on,
we will be able to expand at a substantially higher rate than today. It means, too, that instead of an
annual expenditure of nearly $10
billion for new residential build-
ing, as we will have in 1952 and
1953, the overall amount spent between 1954 and 1960 will be roughly
between $72 and $73 billion.

This is the picture as it looks today, and based on the economic
circumstances currently in sight. It could, of course, be changed radically by events in the coming year or by disrup-
tion of the government, whose influence on the housing business is so con-
siderable—to say the least.

Funds for Local Government

A second great point of mutual
interest is clearly seen in the
first, and that is the provision of
regular and increasing funds for
functioning of local government.
I need not dwell on the plight of
real estate during the years of the Depression. The bot-

THE DELAWARE RIVER VALLEY

Industrial History is being made in the Delaware River Valley
where much of the nation's history was written. In the "Valley" from
Trenton, New Jersey, to Lewes, Delaware, are more than 8,000 manu-
ufacturing plants and over 5,000,000 residents. Many of the "name"
corporations of the United States are located in this area. Others are
planning to move here and many of those already in the "Valley"
have expanded their facilities. Geared to an ever increasing industrial
tempo, the productive capacity of our Delaware River Valley will
contribute immeasurably to the continued growth of southern New
Jersey and the progress of a strong and healthy nation.

A color film of the area is available for bookings. Write: Public
Relations Department.

ATLANTIC CITY, NEW JERSEY

The Commercial and Financial Chronicle...Thursday, June 11, 1953
that an alert and interested citizenry holds the key to better munici-
pal government. In one sense, too, it may be said that the inter-
est and enthusiasm of the public at large is also necessary for those career civil servants who are responsible for the conduct of their work. Admittedly, arousing public interest in local government has been a problem since the beginning of the Depression and later because of World War II and its aftermath, the attention of the American people has been largely turned to Washington. The trend toward ever-greater centralization may be blamed principally on a continuous period of national crisis; however, all honesty would have us admit this trend has been intensified by the surrender of some responsibilities by the states and cities.

In preparing for this speech, I happened to run across some sta-
tistics which I am sure will inter-
est you as much as they did me. They showed that prior to the Depression, the expenditures of state and local governments were more than three times as great as those of the Federal Government. Today, that ratio has been almost exactly reversed. The Federal Government has expenditures running in excess of three times those of the states and municipalities. It is possible that we are now at the inflection point of the curve and I am confident that all those who believe in the ultimate survival of the local and self-government will salute such a change. In a few months, President Eisenhower will appoint a special Commission which will look into the broad question of whether Federal aid is extended to states and municipalities. I am hopeful that out of this Commission and its findings will come a num-
ber of recommendations which will serve to help dismantle the vast apparatus of Federal Govern-
ment and return some appropriate functions and financial support to states and communities. I am con-
vinced, just as I am sure you must be, that the men in the state and local government are able to administer the public funds just as effectively and efficiently as the men in Federal Government are.

Praises Flexible Policy of Federal Reserve

Merris A. Schapiro, New York bank analyst, says action of Federal Reserve in supplying credit to banking system through purchases of Treasury bills makes it apparent that Treasury will do major part of its financing.

Speaking in Philadelphia on June 4 at a luncheon meeting of Philadelphia analysts, Merris A. Schapiro, bank analyst who heads M. A. Schapiro & Co., Inc., New York City, declared that the Federal Reserve's ac-
tion during recent days demonstrates the reality of the situation and demonstrates that its policies continue to be effective. "It is now ap-
parent," he said, "that the Treasury has taken a major portion of its financing at the commercial banks. And, clearly, the Treasury's new elections must have been given the highest priority in the best interests of the United States."

A "hands off" policy in a free market on the part of the Federal Reserve would represent an ex-

treme position, as undesirable as a pegged market, Mr. Schapiro told financial analysts. He said that the prospect of the Treasury being forced to compete for funds at the banks in a so-called "free" market would cause the entire money market to go into a recession, with conse-
quences unsettling for the econ-
omy.

Continuing, Mr. Schapiro told the Philadelphia analysts that: "The most important factor in the situation, of course, is the dis-
appointing inability of the Ad-

m inistration to balance the budget and to finance itself. And, because of the state of the market, the Treasury must be forced from further long-term financing. Hence the necessity for the Treasury to do financing at the banks."

Federal will continue to make funds available for the banking system's requirements during the second half of this year, a period made critical because of the unex-
pectedly large government deficit.

"One effect of this flexible pol-
icy will be to avert the Treasury an otherwise still higher interest rate on each successive issue of-

erred. In addition, business will be enabled to obtain its own es-

tablishes new system. "In view of the Federal Re-

serve's policy, the question again arises as to whether it might not be timely to lower reserve re-

quires in New York and Chi-

cago. With deposits in a declin-
ing trend, there is general agree-
ment among New York City banks that the existing reserve require-
ments are becoming 'more dis-

criminating.'"

Shearson, Hammill Branch

LA CROSSE, Wis.—Shearson, Hammill & Co. have opened a branch office at 125 North Fourth St. under the management of Charles O. Larson. Mr. Larson was formerly with Shearson, Hammill & Co. and was pre-

tiously an analyst in the "Chronic-

lee" of May 21.

With Winslow, Douglas

Winslow, Douglas & McEvoy, 120 Broadway, New York City, brokers of the New York and American Stock Exchanges, have announced that John de Braganca has become associated with the firm.

Woodcock, Hess Co. NYSE Member Corp.

Keith Funston, President of the New York Stock Exchange, wel-

come officials of Woodcock, Hess & Co., Inc. on June 8. The Phila-

delphia firm is the first corpora-

tion ever to gain admittance to membership in the 181-year his-

tory of the New York Stock Ex-

change. Exchange members re-


cently voted to change the Con-

stitution which had required membership to partnership firms only.

Officials of Woodcock, Hess & Co. who were present included Arleirth P. Hess, Chairman of the Board; Harold P. Woodcock, Presi-

dent; William Z. McLear, Execu-

tive Vice-President, and William M. Hess, a director. The Stock Exchange membership is held in the name of William M. Hess. His father, the firm's Chairman, will complete 31 years of activity in the securities business next Au-

Cleveland Analysts to Hold Fall Conference

CLEVELAND, Ohio—The Clevel-


dan Society of Security Analysts will hold a "Great Lakes Confer-

ence" Oct. 13th and 14th. The pro-

gram will include forums and discussions and will conclude as a luncheon and dinner Oct. 13th, and field trips Oct. 14th.

In New Location

MINNEAPOLIS, Minn.—Kennan & Company have moved their offices to new and larger quarters in the McKnight Building.

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MORE than 65% of the revenue from our nation's $160,000,000,000 agricul-
tural earnings is from residential and commercial customers, which include the 48,500 electrified farms we serve. These farms, which make up New York state's top ranking states in the value of its dairy and poultry products. . . . In the midst of this progressive agri-
cultural farming area, this community of industry has grown to prominence and others are continually being added.

In all the 17,000 square miles we serve, covering about 33% of the state's area, you will find no congested city-type communities. An estimated 70% of the people live out-
side cities. All of which, combined with the beautiful countryside, promote hap-
piness in living conditions and to the good employee relations for which the region is noted.

The wide variety of manufactured products has developed a versatility of skills for new industry to draw from. Proximity to key markets, excellent transportation, and ample electric power are further en-
couragement to industrial growth. Our own expansion program, largely to in-
crease electric power capability, will amount to over $200,000,000 for the ten post-war years ending in 1955.

We will be glad to send our Annual Report for 1952 on request.

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To learn how ENARCO can serve you, send for your free copy of "The Inside Story of Outside Help." Address: ENARCO, Incorporated, Dept. T, Two Heights Street, New York 6, N. Y.
The SPUR of PROGRESS

Four states—Arizona, New Mexico, Colorado and Texas—form the spur-section of progress in the United States, ranking well above national average in recent population increase. Southern Union provides natural gas service to 55 towns and cities in these states—in serving more than 235,000 customers in the great and growing Southwest.

The Southern Union Gas Company

C. H. Zachry, President

Home Office: Dallas, Texas

The credit of the vital service industries so that in the long run they can serve us economically and profitably.

For the last few years these industries have benefited greatly through the railroad expansion and the expenditure of aggregate approximating $3,200,000,000.

Other than the railroads which, if they had it, would likely spend more money in the next five years, I have no estimate of how much the service industries would add to this $61 billion a year if regulation gave them freedom to compete for money. The others are not like the railroads, and the requirements on a chattel mortgage basis and falling short of their daily output need a much larger sum of money.

On the other hand, the courage and inventiveness that risks great sums for improvements and economies in the future does not naturally emerge from men who have not the credit to raise the money our assurance that they would be allowed a return on it which they claim is true.

If we want this fundamental segment of American economy to do its full part in the free market, we shall have to give it a fair break.

I see in the papers from time to time suggestions that the great emergency public works program will stabilize and particularly in times of economic distress. I think the money for our emergency safety services, and we encourage industry generally and particularly work to stimulate the 25% of our free economy which is the service industries, and we shall surely put our foot down when we have to have recourse to emergency public works and other artificial stimulants.

And this is especially true when we consider that the burden of the taxpayers and the capital attracted to the utilities pays taxes instead of adding to them.

We shall always have public works and many are necessary and useful, but there is no reason to hamper private enterprise with a reasonable limiting economy and end up by having to start a public works program to provide jobs and energize the economy.

Heavy Industry Requires Government Encouragement

The only way to encourage the encouragement of business by government is to recognize the necessity of utility. The entire field of heavy industry requires attention. Heavy Industry depends upon the growth of prosperity stimulates prosperity throughout the entire economic fabric.

How should government encourage heavy industry to advance more rapidly? Among other things:

(1) By a change in depression allowances, so that the shorter terms of the loans would encourage the longer terms of wear-out shall give them time to mature. Thus owners will be encouraged to install modern machinery with its higher production and lower costs which more greatly benefit the country.

(2) By so wisely and fairly regulating government that the service industries and others will be placed in a competitive position with their railroads, attract capital, expand facilities, and grow and thrive. We can, by wise and proper economic health, be able to give the public better service at reduced costs.

The New Administration is removing road-blocks to business—small and large. It is opening wide the door of opportunity for all competitive enterprises to compete. Thereafter business is on its own, and the success of a business is due to the success of its own business. We must accept the facts and rely on and strengthen the public utilities and the industries of the nation.

I have this evening discussed competitive industry and I have also discussed the status of the great service industries which, I believe, are among the most competitive and because of that fact are subject to regulation by our government. I have a tendency to point out insofar as regulation is concerned that it must be so conducted as to allow the industries affected to be strong and healthy and to provide for the best possible service to the public.

The Administration by striving for a decrease in the national debt, that can be doubled the turnover in a particular operation, the resultant ability to retain larger sums, and the national debt is made doubly easy. The same principle applies to the Federal Government and the economic system. The sure way to decrease the burden of government debt is by such an increase in the production of the whole national debt and the cost of running the government grow smaller in proportion to rise in national income.

The gross national product tax day is $21 billion, an increase of $51 billion over the same period last year. Through industrial research, energetic competition, and by increasing the productivity of our superb labor force we must keep it soaring in the years ahead. The rise of the steel industry and the expansion of agriculture and mining that resulted from the railroad expansion did most to strengthen the industrial base of the Civil War. The rise of the auto industry with all the industrial Devotions indirectly stemming from it to lower the indebtedness of World War I. America's competitive enterprise can do it again.

New advances in electricity, atomic energy, the vacuum tube and their ramified stimulation on new, new, and yet unreamed industries, can save this generation from unbelievable indebtedness and carry it to a standard of living far above current record prosperity.

We do not need cold war nor hot war to maintain our economy at high level. Wars pay up debits. The margin on war profits is less than on peace profits. The same false logic that imagines a nation becomes prosperous by war thinks a nation becomes prosperous by inflation. Both ideas are fallacious.

The whole war system is founded on the concept of material waste. The best thing that could happen to industry and to the families of America would be the dawn of a just and lasting peace.

But until that bright morning, we must continue to strengthen our economy on which is built the military might that is saving the world from the horror of war, attack, defeat and death.

The great challenge of history to all who are part of our competitive enterprise system. The New Administration is steadily giving you more and more freedom. Use that freedom to give yourselves and your children record prosperity and to keep our country free.

NEW ORLEANS INVITATION TO INDUSTRY

NEARLY three quarters of a billion dollars of new and expanded industrial plants have been built in the immediate metropolitan area of New Orleans since World War II. Announced construction plans should soon push this figure well past the billion mark. This record growth proves that New Orleans has become a key industrial center of the nation because its invitation to industry to locate here has been an invitation to opportunity.

In New Orleans, industry enjoys a unique combination of advantages. Here is a port—second in the nation in dollar volume—that is host annually to nearly 4,000 ships ships carrying the world's resources to industry's door ships carrying industry's products to world markets. Yet, in the immediate vicinity of this great port, industry also finds in abundance many of the chief resources of our country . . . of natural gas, water supply, power, sulphur, salt, furs, timber, cotton, sugar cane, rice. . . .

INVESTIGATE NEW ORLEANS . . . as a prospective location for your business. A note to the Southern Union Company Staff, New Orleans Public Service Inc., 317 Baronne St., will place its assistance at your disposal.

Volume 17 Number 228 The Commercial and Financial Chronicle (2359) 21
Public Utility Securities

By OWEN ELY

Is the Decline in Electric Utility Stocks Warranted?

Utility stocks have disappointed some of their friends recently, but on the whole they have not made bad showing compared with rails and industrials, as follows:

<table>
<thead>
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<th>Date</th>
<th>High</th>
<th>Close</th>
<th>Percent Changes</th>
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<tbody>
<tr>
<td>January</td>
<td>90%</td>
<td>13%</td>
<td></td>
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<tr>
<td>February</td>
<td>81</td>
<td>11%</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>91</td>
<td>7.5%</td>
<td></td>
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</tbody>
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On a cash basis the figures might be a little better, since deferment of Federal income taxes arising from amortization of defense facilities amounted to $500,000 in February this year compared with $149,000 last year in cash saving (which most utilities are not reporting as part of their earnings) will continue to increase over the next year or so. Despite the rather sharp decline in the market during June, a number of new offerings have been made recently, or are scheduled for early offering, principally through subscription rights.

Several pessimistic forecasts regarding utility stocks have appeared lately, as was pointed out in a recent weekly letter which was reviewed in this column a week ago. The principal argument for a near-term recession in utility prices has been the so-called declining yields on common stocks to the higher yields now available in senior securities. Such an adjustment has probably not been affected if we consider only the changes of the past ten weeks. Average weekly yields on utility common stocks have risen from around 5% to 6% on a comparison basis and have been below 6% the past 12 months. We have been somewhat startled by the narrowing of the relationship between utility and general market prices. The large spread is, however, difficult to determine, because (1) common stocks have been widely held in smaller numbers and (2) interest rates were abnormal during most of the period 1923-53.

A number of electric utility companies have increased their dividend rates this year and the probability is that 1953 will witness an adjustment to a higher yield basis. Thus the several companies which in recent months raised their rates from $2 to $4.20 (Consolidated Edison, West Penn Electric, Ohio Edison and Consumers Power) have substantially taken care of any necessary yield adjustment in this fashion. Additional increases appear likely from time to time as individual companies realize larger earning power through rate increases or operating savings. In the past few years there may have been a little selling of utility stocks by holders who were preoccupied with postwar potential development of commercial power from atomic energy. The recent report of Chairman Dean of the AEC about the Oak Ridge reactor, and the full-page advertisement of North American Aviation Company on the Monday morning papers headlining the statement "Here Is an Atomic Power Generator That Can Be Built Right Now" (for $10 million)13 are doubtless factors in investors' minds. We continue to say that atomic power is not "just around the comer." Moreover, a number of the utilities are actively at work with the Oak Ridge experimental work in this field, and the industry will certainly not be caught napping. The change-over in generating methods, if and when it comes, will involve only a partial abandonment of generating facilities similar perhaps to the problem of manufactured gas companies in changing to natural gas. The gas companies have been permitted by regulatory and tax authorities to amortize the cost of conversion (usually over a 10-year period). The electric industry doubt that the electric utilities could face a similar adjustment if necessary.

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The Commercial and Financial Chronicle... Thursday, June 11, 1953

Walter H. Sammis New President Of Edison Electric Institute

President of Ohio Edison Company chosen at 21st Annual Convention at Atlantic City, Hanford, and Southern California Edison Co., named Vice-President.

The Edison Electric Institute, at its 21st Annual Convention in Atlantic City, N. J., on June 4, elected Walter H. Sammis, President of the Ohio Edison Company of Akron, Ohio, as its President, and Harold Quinton, Executive Vice-President of the Southwestern Electric Power Co., Edmond, Okla., as Vice-President for the ensuing year.

Mr. Sammis, the new President, who served last year as Vice-President of the Edison Electric Institute, is also Chairman of the Board of Directors of the Pennsylvania Power Co. He has been identified with the electric light and power industry throughout his entire business career.

Mr. Sammis attended public grade and high schools in Hemptead, N.Y., and then obtained an electrical engineering degree in 1917 at Columbia University. Immediately following his final examinations, he enlisted in the First World War as a private in the Navy, later becoming an ensign. After 28 months, he was released from active service and spent a year as an industrial engineer at Columbia University.

In 1929 Mr. Sammis joined Consumers Power Company, serving in various engineering and sales capacities. Following a short period of association with C. H. Tenney & Company of Boston, Mass., on power and rate matters, he joined Consumers Power in New York and New England, where he returned to Consumers Power in 1930 and was elected a Vice-President and Director of that company in 1932 and the following year was named to serve in the same capacities for Ohio Edison Company and Pennsylvania Power Company. In 1936 he became President of Pennsylvania Power and two years later was made a Vice-President and Director of Commonwealth & Southern. In 1941 he resigned from Comm-

PRIMAR Y MARKETS

Arkansas Western Natural Gas Central Electric Power Co.
El Paso Electric Kansas City Public Service
Kansas-Nebraska Natural Gas Kentucky Utilities
Mississippi Valley Power Northern Indiana Public Service
Lion Electric Power Co. Public Service New Mexico
Northwestern Natural Gas Public Service Southern California Gas
Southern Natural Gas Public Service Tennessee Gas Transmission
Western Natural Gas Public Service Texas Eastern Transmission
Western Ohio Gas

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The New Vice-President

Harold Quinton, the newly elected Vice-President of the Edison Electric Institute, has been an officer of its Southern California Edison since 1942 when he was elected Vice-President in Charge of Finance and Tariffs. He became a Director of the company in 1945, Executive Vice-President in 1948, and a member of the Executive Committee of the Board of Directors in 1949. He is also a Director and Vice-President of California Angeleno Commerce and a Director of the California Bank, Pacific Mutual Life Insurance Co., Pacific Coast Electrical Association, and Edison Electric Institute.

A native of Topeka, Kan., Mr. Quinton attended Topeka High School, Washburn Academy, and Northwestern University. Following three years in the United States Army during World War I, he served for six years with the Treasury Department in Washington, D.C., and for 16 years as a partner in the firm of Arthur, Anderson & Co., before joining with Southern California Edison Co.

Chicago Bond Traders To Hold Annual Guling

CHICAGO, Ill. — The Bond Traders Club of Chicago will hold their 27th Annual Field Day, Saturday, June 27, at the Nordic Hills Country Club, Itasca, Ill. Guest fee, $15.00. Events of the day will begin at 8 a.m. for golfers. The golf tourneys are in charge of J. L. Landerson, Lee Higginson Corporation, and Paul Eax, First Boston Corporation. Prizes will be 1st and 2nd low gross; first net; and low net, with a substantial hole prize. For guests, prizes will be awarded for low gross and low net.

Baseball is in charge of Charles Schuer, Dempsey-Tegeler & Co., and will start at 3:30 p.m. Clubhouse in charge of Harold A. Maday, Geier & Co. Incorporated. Reservations should be made with John Pollock, Swift, Henke & Co.

Milwaukee Bond Club Annual Field Day

MILWAUKEE, Wis.—The Bond Club of Milwaukee will hold their annual field day and picnic at the Oconomowoc Lake Club and Oconomowoc Country Club June 19. Tariff for guests $15; further information may be obtained from Gilbert Vonier, Paine, Webber, Jackson & Curtis, General Chairman.

Golf matches will be under the direction of the Oconomowoc Country Club, Milwaukee County, and William Ross, Loew & Co., Baraboo; F. A. Newton, Loewi & Co.; baseball, Fred Hamann, Central Republican Company and Tom Twetbelt, B. C. Ziegler & Co.

Joins Arthur Fels

With McGhee & Co.

KANSAS CITY, Mo. — David Kramer is now with Arthur Fels Bond & Mortgage Co., 1004 Grand Avenue.

With J. Lee Peeler

CLEVELAND, Ohio—Jefferson B. Wace has joined the staff of J. Lee Peeler & Company, Inca Trust Building.

Schoellkopf, Hutton & Pomery, Inc.

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Primary Markets in Utility Stocks

Our “Utility Stock Analyzer” containing complete data on 75 Public Utilities is now available upon request.

Lewis (Hank) Serlen Celebrates on June 1

Lewis (Hank) Serlen, Joseph H. Co., Fifth St., celebrating his birthday on June 17th. Mr. Serlen is the manager of the Security Traders Association of New York, and a Thursday night regular with the St. John’s bowling league. He also plays golf and softball and is a Dodger booster.

With Roman & Johnson

With Roman & Johnson

PT. LAIDENSHITEL, Berkley — Mildred C. Johnson has joined the staff of Roman & Johnson, 225 South Michigan Avenue. Mr. Johnson was previously with A. M. Kidder & Co.

Edw. A. Viner Adds

BANGOR, Maine — Charles H. Leids has joined the staff of Edward A. Viner & Co., 22 Stat Street.

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R. D. French Opens
Own Office in Houston
HOUSTON, Tex.—R. D. French has opened his own office in
The Commercial and Financial Chronicle . . . Thursday, June 11, 1933
the Merchants National Bank Building to engage in a securities
Ventures and the companies have been in the past conducted his own investment
business in Houston and has recently been local manager for
Shearson, Hammill & Co.

Hooker & Fay Branch
SAN MATEO, Calif.—Hooker &
Fay have opened a branch office at 305 Fourth Avenue, under the
management of Edwin E. Hendrickson and James T. Love.

New Spurs Office
ASBURY PARK, N. J. — J. W. Sparks & Co. have opened a
branch office at 1400 South Wanamassa Drive, with Henry
Offerman as representative in charge.

With Winslow, Douglas
Winslow, Douglas & McEvoy, 120 Broadway, New York City, Vice-President, and William E.
has been succeeded by Eastern
J. Arthur Warner & Co., Inc.,
New York City, has been succeeded by Eastern
and members of the New York and
American Stock Exchanges, in
vice-president of J. Arthur Warner &
acceptance of French's resignation.

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T. J. Moynahan

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new corporation arc: Theodore J.
Moynahan, President; Robert Laf-
fant and Alexander W. Moore,
Vice-Presidents; and William E.
Moynahan was formerly Vice-
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City.

J. Arthur Warner & Co., Inc.,
120 Broadway, New York City,
has been succeeded by Eastern
Securities, Inc. Officers of the
new corporation arc: Theodore J.
Moynahan, President; Robert Laf-
fant and Alexander W. Moore,
Vice-Presidents; and William E.
Moynahan was formerly Vice-
President of J. Arthur Warner &

City.
Bond Club of New York


Gerald E. Donovan, Hearst McCormack Lines; George W. Bemiller, Kuhn, Loeb & Co.

Bill Long, Dorenus & Co.; Lee Limbert, Blyth & Co., Inc.

Dean Witter, Jr., Dean Witter & Co.; Martin Brown, Dean Witter & Co.


Twenty-Ninth Annual Field Day
Friday, June 5, 1953
At Sleepy Hollow Country Club


Gordon R. Ball, Bank of Montreal; George P. Rutherford, Dominion Securities Corporation

E. Jansen Hunt, White, Wald & Co.; Gerald B. West, Stone & Webster Securities Corporation

Salim L. Lewis, Bear, Stearns & Co.; Arthur D. Lane, Chase National Bank of the City of New York; Walter C. Veigel, Halsey, Stuart & Co., Inc.; C. Russell Lea, Reynolds & Co.; Arthur D. Lane, Jr., guest


John S. Lewis, Chase National Bank of the City of New York; Bradley Green, gigantic Trust Company of New York; Fred Stone, Marine Trust Company of Western New York


Transistor—mightly mite of electronics

Increasingly you hear of a new electronic device—*the transistor*. Because of growing interest, RCA—a pioneer in transistor development for practical use in electronics—answers some basic questions:

Q: *What is a transistor?*

A: The transistor consists of a particle of the metal germanium imbedded in a plastic shell about the size of a kernel of corn. It controls electrons in solids in much the same way that the electron tube handles electrons in a vacuum. But transistors are not interchangeable with tubes in the sense that a tube can be removed from a radio or television set and a transistor substituted. New circuits as well as new components are needed.

Q: *What is germanium?*

A: Germanium, a relatively expensive metal, is one of the basic elements found in coal and certain ores. When painstakingly prepared, it has unusual electrical characteristics which enable a transistor to detect, amplify and oscillate as does an electron tube.

Q: *What are the advantages of transistors in electronic instruments?*

A: They have no heated filament, require no warm-up, and use little power. They are rugged, shock-resistant and unaffected by dampness. They have long life. These qualities offer great opportunities for the miniaturization, simplification, and refinement of many types of electronic equipment.

Q: *What is the present status of transistors?*

A: Four kinds of RCA transistors are being produced for commercial use. A number of other types are in various stages of development.

Q: *How widely will the transistor be used in the future?*

A: To indicate the range of future applications, RCA scientists have demonstrated experimental transistorized amplifiers, phonographs, radio receivers (AM, FM, and automobile), tiny transmitters, electronic computers and a number of television circuits. Because of its physical characteristics, the transistors qualify for use in lightweight, portable instruments.

RCA scientists, research men and engineers, aided by increased laboratory facilities, have intensified their work in the field of transistors. The multiplicity of new applications in both military and commercial fields is being studied. Already the transistor gives evidence that it will greatly extend the base of the electronics art into many new fields of science, commerce and industry. Such pioneering assures finer performance from any product or service trademarked RCA and RCA Victor.

*RADIO CORPORATION OF AMERICA*

*World leader in radio—first in television*
Atomic Power and the Electric Industry

Our industry and in our civilian lives, and it provided research facilities and carried on research toward that end.

Gordon Dean became chairman of the Commission in July, 1945, and under his most capable guidance extremely rapid advances have been made toward the goal of peaceful industrial and civilian utilization. Today, radioisopes are being used quite widely in many fields of endeavor—agriculture, medicine, metallurgy—and we are approaching the point where the use of atomic fuels for the generation of electric power may be possible on a commercial basis.

Of greater importance, however, has been the realization by the Commission, and particularly by Chairman Dean, that if atomic energy is to take its proper place in our Industrial and civilian lives, then competitive industry must enter into the development and bring its vast capabilities into the effort. This position has been repeatedly announced by the Commission and we are given to understand that recommendations for proposed amendments to the Atomic Energy Act are now being prepared for presentation to the Congressional Joint Committee on Atomic Energy.

Fortunate in Our Development of Atomic Energy

We have been fortunate in our efforts in the development of atomic energy—fortunate that we and not the enemy first perfected its use as a military weapon. And we have been even more fortunate in the wise guidance of the Atomic Energy Commission under leaders such as Gordon Dean, who so well recognizes the American Way of Life and the need to perceive and continue that way, even with such a controversial matter as Atomic Energy.

Articles indicat¬ing that nuclear fission had opened up a vast new source of heat energy, appeared in the technical journals as early as 1938. These articles were based on experiments carried on over a long period of time by scientists in both Europe and the United States.

Because of the extremely complicated processes involved in re¬leasing that heat energy, and the secrecy which was imposed voluntarily at first and later by our government, the progress of the industry, business has been somewhat slow in recognizing the full significance of the discoveries.

This perhaps is understandable in view of the fact that we do not use tremendous and increasing quantities of energy, we have available abundant resources of fuels and, in some cases, of uranium or thorium.

Our cost of energy from these sources is considerably lower than the energy costs elsewhere in the world. Yet, we are at this time developing, and have not been a problem of first magnitude to most American industries.

When the tremendous extent of energy, which is now available by nuclear fission was demonstrated by the first atomic bomb, the American people were somewhat more realistic. The nature of the discovery, while it was clearly established and the fact that it could be used for this new and powerful source of energy for peaceful civilian and industrial purposes is now recognized as a fact.

The one practical use of the heat available in atomic fuels is that it appears to be the generation of steam, which can then be used either for industrial heat process¬ing or for the generation of electrical energy. Other possibilities are being considered but as yet nothing practical has developed.

Major Responsibility of Electric Power Industry

It follows, therefore, that the electric power industry has both a major interest and a major responsibility in this development. The purpose of this paper is to de¬fine this responsibility, and to clarify the area which has been taken before heat from atomic fuels can become a major source of heat in industrial and civilian activities.

Thermal Generation and Fuel Resources

From the standpoint of electric power generation, the fact that in the United States the thermal energy generation will be used more and more as a source of power is that this is nearly all of the nation's hydro-electric sites have been developed. Those remaining are mostly in remote areas and there¬fore have little potential value. In spite of the tremendous increase in our power generation stations built with public funds in the past 40 years, the portion of electric energy generated by hydro in the United States has decreased in the past three decades from 37% to 27%.

Because we have abundant fuel resources and the nuclear generation has not been a prob¬lem. Areas more distant from coal mines or other fuel sources obvi¬ously can better afford to incur in any event fuel has been available and will continue to be available for many years to come. Substantial increases in the cost of fuel oil in the future (see Fig. 1, have created a problem in the case of electric power generation.

Much of the rest of the world will be placed under a new and different burden, because of the fuel resource and with the inexhaustible source of electric power. The United Nations Program, started after World War II by The Cincinnati Gas & Electric Co.

The larger part of the world has considerable amount of gas and electrical power for home and industrial use, but there is the problem of providing fuels and to permit a reasonable balance between hydro and thermal generation.

In addition the water power resources of many European na¬tions are rapidly becoming fully utilized. Information assem¬bled by the Power Section of the Economic Commission of Europe (United Nations Group) indicates that with the present rate of ex¬pansion in the use of electricity, Italy will have used up all of its hydro resources in 15 years and Switzerland in 15 years. These are critical matters which give great urgency and incentive to the development of atomic materials as a fuel.

Energy Resources of Atomic Fuels

Atomic fuels present a vast new source of heat energy. Information from studies sponsored by the Atomic Energy Commission indicates that uranium and thorium, the two most important ele¬ments involved, are widely scattered in ore deposits throughout the world. Although energy in most cases contains only small percentages of these elements, it is estimated that at least 25 million tons of uranium and one mil¬lion tons of thorium can be re¬covered economically.

Scientists tell us that under optimum conditions, one pound of uranium can furnish about 1,000 times the amount of heat at 1,200 tons of coal and that under these conditions of nuclear fuels are appro¬ximately 25 times as great as that available in the estimated fossil fuel de¬posits of the world.

Present Status of Atomic Fuels

The initial development of Atomic Energy came largely through research in universities laboratories both here and abroad, with European, with European scientists contributing very substantially.

As a wartime necessity, this research was taken over in 1942 by our government and the government of Great Britain and the United Nations and was carried forward under the cloak of great secrecy and the Hiroshima bombing in the April of 1945. Since January 1947, atomic energy de¬velopments in the United States have been carried forward as a government monopoly under the Atomic Energy Commission, in ac¬cordance with the provisions of the Atomic Energy Act of 1946. This great national project brought about by a secret society of experts, who have the necessary experience they had had on the development of atomic energy.

Among the most important nuclear discoveries were the first atomic reactors, which made it possible to produce atomic energy for the first time. In 1945, the United Nations and government under contracts with AEC, have accomplished many activities, and all have reported (a) that the use of the heat of nuclear fission for the generation of electric power does appear to be practical, and (b) that substantial development is necessary before such power could be competitive commercially.

(6) Several studies and projects are under way, and several re¬cruits are to complete the pre¬liminary studies and their necessary preparations in¬tended for the commercial genera¬tion of electric power.

(7) There is great and urgent need to carry this development forward so that we know what future development may bring, but the accomplishment of practical industrial applications must now be the prece¬dent for the economic advances on the economic ad¬vances of our country and perhaps upon our national security.

(8) This development could be
The work and result of competitive industry and they have done much to give us our tremendous industrial, agricultural, and electric power systems, our expanding use of coal, and the greatly increased use of the other sources of power, the truly significant factors of that industrial strength.

One of the electric power positions just did not happen. It has been done through a competitive industry that had as an object the advancement of our economic advancement and a responsibility to perform one of the industrial services which it was an advancement possible. The place of the industry in the electric power industry continues. Ample power supply must be provided for the areas served. New discoveries must be studied, developed, and the services provided at the lowest possible cost consistent with sound business practices.

Atomic energy, or atomic fuels, offer a new source of heat energy which can be used to generate electric power. The difficult and economic results may be available in twenty years, but they may come. The efforts will be costly, but they are great and of this activity predicted. The technical and economic problems will tax human intelligence and be solved.

It is the responsibility of the electric power industry to study and develop these possibilities in the way that best fits with the development of transportation, petroleum, communications, medicines, agriculture, and all others.

While atomic energy has unique properties and far-reaching implications, it will not solve the new resource that need to be developed and put to work in the efficiency civilization. This clearly is the responsibility of the competitive industry. Since the meaning of using energy is in the generation of electric energy, I believe, has great responsibility for this opportunity in this situation.

If we look back for a moment at our atomic energy industry, the result of the development of atomic energy will place over a very long time. Man has known fire or heat energy for many centuries, yet the development of the first industrial uses of fire was not until the methods of producing the metals which were used for weapons. Although Hero built a windmill of about 5 B.C., it was not until Watt developed the steam engine in 1769 that heat energy was harnessed to accomplish useful work.

Since that time developments in the use of heat energy have come with increasing rapidity—steam boats, locomotives, vastly improved steam engines, internal combustion engines, modern steam turbines, and turbines for gas and oil bines.

These developments are the Continued on page 32
Atomic Power and the Electric Industry

To bring about these conditions, the Atomic Energy Act of 1946 should be amended in the following respects:

1. To permit private enterprise to build, own and operate atomic power plants.

2. To permit private enterprise to acquire, own and dispose of fissionable materials.

3. To permit private enterprise to acquire, own and dispose of source materials.

4. To permit private enterprise to use, sell and distribute products and by-products produced in an atomic energy facility.

5. To permit private enterprise to obtain licenses from the Atomic Energy Commission subject only to the requirement that operations thereunder be conducted in compliance with conditions set forth in the license in accord with standards to be prescribed by the Act.

6. To permit private enterprise to maintain normal patent and trade secret protection subject only to full disclosure to the Commission for its own use for purposes of protection of national security.

7. To permit the creation of a private, nongovernmental agency to develop and allocate the energy derived from nuclear fission.

The Atomic Energy Act of 1946 is a start and a big step, but it is not the whole answer. There is much more to be done. There is much more that can be done. The time has come to move forward. The time has come to move ahead. The time has come to move on.

With Merrill Lynch Firm

Pellin, Frier & Berg

With Putnam Fund

Putnam Fund Distributors, Inc.
50 State Street

Standard Inv. Adds

With Hamilton Manager

T. Wells is with Hamilton Management Corporation, Holland Building.

Incomes Fund Add

NEW HAVEN, Conn.—Max M. Haves is now with Income Funds 152 Temple Street.

Year-after-year GROWTH

IN A RAPIDLY EXPANDING, STABLE AREA

THE RECORD

The electrical manufacturers advised us that they will deliver this year 12½ million kw. of generating equipment to utilities. This is greater than the total generating capacity of all electric utility plants in 1929. Of course, not all of the 12½ million kw. will be installed during the year. The present estimate is that about 10 million kw. will be in operation.

Our survey shows that the entire utility industry will add about 30 million kw. in the three years 1945 to 1947. This expansion will have ample capacity to supply the demand of the years ahead of us, and plainly we have a big selling job to do if we are to make the most of the commercial opportunities that confront us.

Labor Legislation

Attention is being given again to proposed federal and state labor legislation. Prior to World War II, the American Civil Liberties Union, under the leadership of Mr. Hugo L. Hartley, the Board of Directors of the National Association of Manufacturers, and other organizations presented a statement of policy prepared by one of its committees setting forth a program of cooperation in respect to the labor issues which have a bearing on business. The statement set forth at that time is still sound and applicable today. I recommend that from time to time you read the statement to refresh your views on labor questions. I may add that some progress has been made from the statement:

No specific Federal Legislation

Stipulating out the electric industry or the public utility industry is necessary to minimalize the possibility of the imposition of duties of utility service due to strikes.

"Electric utilities are easenly controllable. They are primarily in state regulation as to rates, earnings and standards of service. When necessary any special laws regarding the utility employes and managements should, as at present, be state laws providing for regulation by state agencies.

A Sound Water Resources Development Policy

For many years the Federal Government and many national business associations have been looking at the water resources of the United States and have set forth a program for the development of these resources. It is important that the top executives of the Federal Government and the top executives of the business community be interested in the development of the water resources of the United States.

The government should encurage the development of private capital.

Much of river development of the Federal Government was done by the Federal Government. The government should be encouraged to do more of the work by the private enterprise methods.

Year-after-year GROWTH

Year

Gross Income

Before Depreciation

Kilowatt Hour

Customers

1952

$4,725,534

$898,117

95,632,000

21,427

1951

2,177,446

682,425

82,235,000

20,138

1949

1,641,764

497,563

57,547,000

17,082

1948

1,421,286

389,895

48,966,000

15,749

1947

1,235,828

305,584

41,674,000

14,256

1946

1,052,834

291,840

34,314,000

12,543

1945

882,151

211,307

29,335,000

11,037

"The Friendly People"

ENGLEWOOD, Colo.

COLORADO CENTRAL POWER CO.

3470 SO. BROADWAY

"The Friendly People"

englewood, colo.
In recent months there has been a substantial increase in interest rates on long-term debt. Because the electric power industry is the most conservative of industries in the amount of capital it requires and the slow rate of turnover capital, the interest rate on bonds is very important in its rate making. This change is of major concern to all investor-owned power companies. Those who have been fortunate enough to secure Federal Government loans for major projects have been able to secure borrowed money at very low rates. For this reason, many companies have carefully preserved funds, which they can use in future years to finance expansion, if and when conditions permit.

The problem of the investor-owned power companies is, therefore, especially qualified to contribute to area development work and has an unusual opportunity for civic leadership. Do not think that such work is unappreciated, even though such appreciation may not be recognized for a long time or expressed. I will take the liberty of quoting from a few paragraphs in the Cleveland "News" of March 27, 1935, comments on the future buying power of the dollar. This change in interest rates is to a large degree the result of sound and fair treatment of the investor and we believe that the significance of this point.

Our engineers have been working to offset the increased costs of labor and materials in the past 20 years by improvements and the use of new materials and methods. We are strongly urging the public utility companies to work out plans for the future by which the public utility companies shall cooperate with government and industry in the national plan of economic development. The Public Service Commission of Ohio held a conference recently with the President, the Governors, state department heads, and a number of citizen groups. The meeting was closed to the public, but the President announced that the conference had been very satisfactory and that the idea of a national plan of economic development was being given serious consideration by all the participants.

Serving
THE GREAT SOUTHWEST

The Utility Company's Role in Area Development

A utility company in the conduct of its business must engage in economic development and have the courage to make decisions regarding the national plan of economic development. It must be prepared to serve the public needs in a manner which is faster and more properly than the other means of transportation. It is our belief that the Public Service Commission of Ohio and the Ohio Electric Company have taken steps in this direction. We believe that the Public Service Commission of Ohio is making a valuable contribution to the development of the area by making available information to the public about the economic development of the area.

The Ohio Electric Company has a history of actively participating in the development of the area. It has been a leader in the development of new industries and has been actively involved in the development of new communities. The company has been a leader in the development of new industries in the area by providing financial assistance to new industries and by providing technical assistance to new industries. The company has been a leader in the development of new communities by providing financial assistance to new communities and by providing technical assistance to new communities.

The Ohio Electric Company has been a leader in the development of new industries and new communities. It has been a leader in the development of new industries by providing financial assistance to new industries and by providing technical assistance to new industries. It has been a leader in the development of new communities by providing financial assistance to new communities and by providing technical assistance to new communities.

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**Progress and Prospects Of Electric Power**

In design, construction and operating methods may find that they have an economic balance that strikes in their planning and design of the cost of money.

The investor-owned companies spent about $3.5 billion in 1932 and at present construction rates it would have to be spent in 1933 of which amount about two-thirds will have to come from the sale of securities or loans. These are large figures and they are quoted to emphasize the significance of any change in the cost of money.

Light's Diamond Jubilee

Next year on Oct. 21 we shall celebrate the 75th Anniversary of Thomas A. Edison's successful invention of the incandescent lamp. This event, as we now see from our present position, was a very significant turning point in the life of America and to a lesser extent in the life of people generally throughout the world.

The Board of Directors of the Institute has established a Spontaneous Committee, a Planning Committee and a Program Committee. They will present a plan for celebrating Light's Diamond Jubilee to the Board of Directors at its meeting tomorrow. An important feature of the plan will be a deal with community celebrations of the Jubilee to be sponsored by the utility companies. The Institute will be called on to participate in the preparation of Jubilee material, which the Program Committee, made up of representatives from a number of companies, has been engaged in preparing and in the furtherance of such community recognition of this great historic event.

The industrial powerhouse began the mass use of electricity. Free enterprise fostered the growth of that use to unmatched degree. Our present standard of living has developed largely from that growth. Continuing growth and new horizons promise a new era of practical and economic light's Jubilee.

**A Tribute to Our Committees**

No industry in the world shares information so freely as the electric power industry and no organization that I know of does such a good job of bringing the latest experiences and the latest developments in every part of the industry to the attention of all its members as do the committees of the Edison Institute. This sound practice faithfully followed for nearly 70 years is one of the reasons for the sturdy growth and unflagging a drive which the power industry has shown throughout its history, an advance that can be seen in the rate of growth and in the striving for improvement in every phase of the business.

One of the rewards of serving as President of this Institute is to become acquainted with the hard work of the numerous people who constitute our committees. I have never had before of the role they perform in studying every aspect of our industry and in fostering the development of sound practices throughout. We must not lose sight of the fact that our industry enters importantly into the life and labors of practically every community in the United States. It serves our homes, our schools and a highly important and an equally high percentage of our industries. Of this we can be proud.

With every committee and in every phase of the industry, Electric's part is performed. Electric's part in serving these activities continues to expand and to give more and more reason to be proud of the watchful attention of our committees and the leadership of our executive officers for the benefit of their members and the public. We owe our thanks to the executive officers of these committees and to the electricians who support the Chairmen in their work.

We have a program for this convention designed to give helpful, constructive and future thought and future concern to our Program Committee in hearings. The President of the Georgia Power Company, Mr. S. L. Light, President of the Detroit Edison Company, I am sure that as this convention unfolds you will agree they have done a splendid job in their efforts to deserve the confidence of our membership.

**We Are Living in an Eventful Period**

These are great days in the history of electric power, and as individuals has been cast in this epoch by the energy of those who believe that it is alert and are ready to face the future of our growth and our responsibilities, but this is no time for self-congratulations.

It is necessary to make, in addition to our present development to accomplish, new decisions to make, more important policies, to continue to establish, and as new opportunities and new experiences and new developments.

If we do this work well, if we do what is required of us, and if we continue to do it through the years ahead, we are not, will be able to continue to develop the electric power industry.

(1) They must offer "deferred income". Today's rate may make it worthwhile to accept lower current income on invested capital in order to obtain greater future income.

(2) They must possess inherent capacity for capital growth over the years ahead.

(3) They must provide relative safety of principal because heavy taxes make it relatively difficult to recover lost capital.

**The Three Major Types of Corporations**

When David L. Babson makes this important observation, (sometimes he is relatively slow to write the history of the following statement, and also to impress it upon our clients): "Our observations indicate that men are investing capital for retire- ment purposes do not seem to understand that securities, like human beings, have different characteristics."

(1) Income Stocks—Stocks of companies that pay dividends regularly, such as bank, utility and railroad companies. Prices of these stocks are relatively steady but static. Example: American Telephone.

(2) Capitalization Stocks—Stocks of companies operating in highly volatile industries such as steel, copper and gold, such as automobile or other companies, where the value of your shares fluctuates through an extreme range from the point of view of the depth of depression. Example: American Car and Foundry.

(3) Growth Stocks—Stocks of companies in growing industries, such as chemical, natural gas, and electronics where sales, earnings and dividends are in a long-range uptrend. Example: Dow Chemical.

**What to Do About It**

Then Mr. Babson takes up the record of growth of companies, growth of industries, and factually sets forth the facts. The results between the various groups of stock are far beyond the best. Then he puts his yardstick of the three years in which an investor's deferred income, growth and safety of prin- cipal to the test of experience, it is found that making quite an imposing case for the purchase of the leading securities in such industries as natural gas, synthetic fibers, research special- ties, chemicals, oils, labor saving machinery, paper,...

If you have any clients who are on the fence, who are afraid to look at their portfolios realistically, I believe that you will obtain a copy of this brochure and digest it so that you either agree or disagree with David L. Babson. (I should say) that you'll have something to give your clients to know that they'll be able to help you to do business and will also help. I believe Mr. Babson's organization is located at 75 Broadway, Boston, Mass. Why not send a copy or ask a friend to send "How to Build a Retirement Fund, Basis: High Taxes and Living Costs."
Electric Industry Should Lead In Improving Public Relations

Charles E. Oakes, President of Commercial and Financial Chronicle

At last, leaders in the electric utility business are demonstrating that public attitude through greater, more

In an instructive address at the 21st Annual Convention of the Edison Electric Institute, Mr. Charles E. Oakes, President of the Pennsylvania Power & Light Company, spoke of the need for leaders in all fields to develop effective sales organizations.

"In the electric industry we have long been accustomed to the constant challenge of ever-widening

frontiers in our business and they are still opening before us. But what we face is not a new and unbreath ing - a frontier perhaps not as clearly defined nor as curiously charted as others, yet just as real and certainly filled with opportunity. More and more we are beginning to realize that a business is not a whole material thing but it also includes the human beings and human relationships and this is inordinately true of the electric industry in which the idea of service to the people is paramount."

"The electric utilities should take the lead in setting an example of the type of positive, progressive work that is so critical for the public good. The property of the company has been built not only for the customer, it is there, right where he and his neighbors can see it. And the employees who do the work-those who see and know personally what the company itself and its employees are doing in the public interest."

"The founders saw very clearly the importance of protecting the rights of the people to own property as basic to liberty. In recent years the idea of individual liberty and individual responsibility have become central themes. But none of these fundamental ideas have become obsolete, none have lost their importance, none need to be restored to them to the rightful place. Words in themselves, Electric utilities, in their very nature, may be, are not the answer. The words must be interpreted by countless specific acts."

"I believe that in the electric industry are peculiarly

employed to undertake at the local level this essential task of demonstration and improvement in public understanding. I say this because we have in our companies highly trained sales people engaged in meeting vast numbers of the public every day and in

available to member companies the details of tried ideas in the public relations field at the local level to a greater extent than

there is ample evidence for us to conclude that it is possible to get as close as possible to those we want to hear our story."

"I venture to say that one of the reasons we have fared so poorly thus far in the cold war is that we have been trying increasingly to influence the thinking of the people of other countries as a single group rather than to reach them as individuals. We have not been able to direct our efforts on

an intimate enough, individual basis. Yet, in the final analysis, it must somehow come to this if we are to be successful in this struggle for men's minds."

"It seems to me, too, that there is a close parallel in these two problems we have as a nation and many other problems, we, as an industry, have in common with others. I think we can agree that

During the 20 years he has been in the fund business he trained and brought into the industry several thousand salesmen, many of whom today are among the industry's top producers.

Mr. Kalb has resigned as senior partner in the New York Stock Exchange firm of Kalb, Wortach & Co., a firm which he organized to provide research services to institutions and professional security firms. Prior thereto he was a senior partner of Lewisohn & Co., members of the New York Stock Exchange.

Joins Renzy, Field

(Special To The Financial Chronicle)

NEW ORLEANS, La.—Gerald L. Davis is now affiliated with Renzy, Field & Co., Inc. of New York.
France's Devaluation Dilemma

By PAUL ENZIG

Commenting on the recent collapse of the French Cabinet, Dr. Enzigg looks for another devaluation of the French franc, but adds the solution provided by this move is essentially a temporary one. Holds France should be given substantial external aid to inspire confidence and uphold its importance in Western scheme of defense.

Dr. Paul Enzigg

Moreover, the stock was selling at only about 5½ times 1952 earnings of $30.48 a share, and it is widely estimated that 1953 results will be even better. During the first four months of the current year the transportation ratio continued on the downsweep, and even though maintenance outlays were higher, common share earnings climbed to $8.32 compared with $5.90 in 1953. When railroad traffic outlook still favors and indicates a continuing trend toward greater operating efficiency, it now seems reasonable to look for earnings of at least $32 a share for the full year 1953. On this basis even the newly-increased dividend rate appears as quite conservative.

Sonen Heads Fund Drive in Baltimore

Baltimore, Md.—Joseph W. Soner, partner in John C. Legg & Company, has been appointed Administrator of the National Railroads Fund, to be discontinued by the Board of Directors at the annual meeting. Mr. Soner is a director of the Baltimore and Ohio Railroad, and a director of the National Security Creditors Association, and a director of the Baltimore and Ohio Railroad. He is a director of the Baltimore and Ohio Railroad.

Robby Levy chairman of the National Security Creditors Association and a director of the National Security Creditors Association, and a director of the Baltimore and Ohio Railroad.

Growing ...

With Southern Utilities Company

Cavendish, Vt.

The new Ridgmont power station has been completed, the system's generating capacity thus increased to 63,060 kw. This new plant is a well-rounded energy development of 15,000 kw. Cavendish electric's even faster future.

Railroad Securities

Seaboard Air Line

The stock market has been a rather tepidulous affair in recent weeks, but evidence that investors and speculators alike are nursing a very definite state and the recurring rumors as to the probable outcome of the new French scheme have injected a new note of uncertainty. The likelihood of important cuts in military production regardless of whether Operation Overlord is a success, and the constantly changing value of the franc on the超额 Profits Tax have also contributed importantly to the feeling of uneasiness. Railroad securities, of course, have not been immune to these developments, and though most of them are at least not affected by the tax, they are very.

Railroad stocks have given fairly easily in the period since running-well having shown waves that have altered the climate. Largely these declines have apparently reflected a drying out of buying interest rather than any great sell order breakdown. Most of the time volume has not been large. While it is true that there are participants who are printing, it is also true that in the period of the recent recovery the future has been assumed leadership. Students of railroad securities pretty unanimously agree that it is no more than right and proper.

It is pointed out that earnings for the period were running well above earlier estimates and that at least some more may be forthcoming. In the 1953 year there are about a zero or even a small 10th of a dividend in the fiscal year, and even if there is peace in Korea and the arms program is modified somewhat, there is the opinion that there is sufficient on the balance sheet to make up the take and prevent any serious decline in the freight tax. The dollar reasonably safe to predict that for 1953 as a whole the railroad will top the most satisfactory 1952 dividend level. Such a forecast strongly indicates the likelihood of a quite a few dividend increases and/or one increase later in the year.

Some railroad management have apparently been deterred from raising the dividend for the half by the heavy cash dividend imposed by the necessity for paying 3½% of last year's Federal income taxes on March 15 and another 3½% in June in each of the quarter of the year. However, at least the dividend for the first 2% for 1 is that the rate of 3.20 a share annually, that the dividend for 1 has been expected in March.

The stock had advanced sharply to highs for the period immediately prior to the announcement, with a combination of the profit trend and the assurance of market weakness, the stock had a sickle reaction. While the decline may have been too long in coming and justification, many rail analysts viewed this as an opportunity to generate new buying interest. By the end of the week the stock was selling to yield a liberal 7½% on the basis of the new dividend.

Specialists in

Guaranteed Railroad Securities

L. W. Pappini & Co.

Baltimore, Md.

25 Broad Street New York 4, N.Y.
Telephone Bowning Green 6-8480
Mr. Frank H. Wynne, President
Mr. Robert F. Wynne, Vice-President

Sonen, Head of Soner Fund Drive in Baltimore

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say from time to time, particularly about ways and means of financing these hand-outs, and it will soon become evident that the basic idea is to compel the rich to take care of the unfortunate, the impoverished, and the incompetent—to take care of them in a way that they have never taken the trouble to take care of themselves.

Quit Soaking the Rich!

If the Eisenhower Administration does not come to grips with this idea of soaking the rich upon all occasions when it undertakes to redesign our tax structure, it will miss a great opportunity and, we venture to say, lose much of the standing it now has with a good many in the community. We can only express the earnest hope that the Administration when it gets down to reshaping our foreign trade policy will be able to formulate and obtain support for a program far more realistically based than any that the Republican party has sponsored in modern times and any that has found real support from the New Deal or the Fair Deal. What is taking place now appears to be more a postponing of these real tests than anything else. They must not be evaded when the time for them is here.

There are other issues of similarly basic nature—the iniquitous Securities Acts, for example—but these are the ones which are involved in matters currently under discussion. Let us be reasonable in giving the new regime time to start making way, let us be adamant that it act wisely and vigorously in the end.

**New York Bond Clubs Elects W. Duryea**

Wright Duryea, of Glorce, Forgan & Co., was elected President of The Bond Club of New York for the coming year, to succeed Joseph A. W. Ishhart, W. F. Hutton & Co., who was President during the past year. The election took place on June 5 at the

**Wright Duryea**

R. H. Macdonald

R. Horshower, Jr.

Club's annual meeting, which was held in connection with the Bond Club Field Day, at which the Bond Club for the Bond Club Field Day, at which the Bond Club

**Harrison Haverbeck**

Harrison M. Haverbeck, partner in Harvey Fisk & Sons, New York, N. Y., passed away June 5th at the age of 65.

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**Even 76,090 Partners aren’t enough!**

In the past seven years, alone, the number of Pennsylvania Power & Light Company shareholders has risen from 36,980 to an amazing 76,090. But this is still far from the goal we seek. And so we look forward to each new name on our stockholder list every bit as eagerly as we always did.

Partly our goal is an ever-increasing number of shareholders. Actually, impossible as it now may sound, our full goal is somebody to each new name on our stockholder list to each one of you with a partner, too. Then truly we would be a home-town industry in every way.

Already, three out of four of our shareholders live in Pennsylvania. Of these, currently, two out of three are customers. Here are real benchmarks of progress.

Within the framework of such home-town interest as reflected in increasing numbers of local investors, lies the business-managed utility's greatest opportunity for positive public relations—and for the subsequent growth that comes with public confidence.

Pennsylvania Power & Light Company
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of, is to use the old corporation—and not to form a new one. Herein lies the key to the whole matter. Study the figure in mind on this subject are:

In one tax court case, the corpora-

tion was dissolved, but the new corporation was sold to new own-
ers. In another case, the name of the corporation was changed, and the corporation was sold to new owners. In both cases, the reply to the corporate name, then went into the jewelry business and made a profit of $250,000 back against the prior loss. This was still the same corporation.

In another case, the tax court over was permitted where the corpo-
rations business was taken over by a new corporation, the new corpo-

ration having the effect of mere continuance of the old corporation. But a carry over not permitted where the original corporate charter was terminated because of failure to pay license fees.

Where there is a statutory con-

solidation of the new with the old, the corporation is deemed a new tax-

able entity; and Title 26 of the Code of the former con-

solidated companies cannot be carried over. This is holding on con-

nulifying the effect of the new corpora-

tion.

But in a statutory merger, there is nothing which will become the carry over if the carry over is a statutory merger or the corporation is carried forward. The corporation which loses its identity will lose the right to carry over to any extent prior to the merger.

The problem to many of the problems is: Don’t merge, con-
dolidate or dissolve. Consider making one company a subsidi-

ary of the other and filing consolidated returns.

Effect of Net Operating Loss Carryover

Years

The tax laws clearly say that a net operating loss is to be car-

ried over, and deducted in the earliest or later year, as the case may be, and is deductible in any year occurring in that year. Thus, if a tax-

payer had a net loss of $5,000 in 1950, $20,000 in 1951, and $30,000—the loss for 1951 is carried back to 1950, therefore, and in 1952, $10,000, and also reducing the tax liability for the year 1953, the carryover would therefore get back his $5,000 of tax due. It is clear that the taxpayer of 1950 actually had a larger income when the carryover payment was in $10,000 instead of $5,000—but only the $5,000 tax was reflected in the returns which were filed on March 15, 1951. And let us assume that the taxpayer of 1951 carried back was large earnings and would have been taxed on all his income and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950. Nevertheless, the taxpayer must pay interest on the $5,000 of tax which was not paid in 1951, in addition to the income tax and all the tax liability in 1950.
A New Look at Utility Regulation

equation—the organic legislation plus the persons who administer it. The development of the various Federal Commissions operate in range scope from relatively in- 
jecting ownership and the concen- 
trating economic power, prompt 
sweeping delegations, in 50 m.

management of the property it- 
self.

It is true that there is some- 
thing basically appealing to man- 
gagement, creating freely and with 
out the intervention of the state. 
However, it is not clear that the 
property owners are the owners, 
must be the first to complain of 
these changes in the management of the pro- 

vention of the public utility, the regulation, existence of competitive 

controls, the tremendous size and financial 
sap on the public utility's balance 
gov't ownership and the concen- 
tration of economic power, prompt 
sweeping delegations, in 50 m.

Problems of Administration

When we turn to the personnel who administer the laws, some of 

which is usually thought of as the 

role the protector of the public 

interests as represented by the pub-

lic. In part, this is because many 

people are aware of the fact that 

the public utility’s interest is a 

very important one, and that 

it is the responsibility of the 

personnel who administer the law 

to look after the public interest. 

The problem is to obtain men 

who are not only skilled in the 

latest methods of business, 

are specially trained in the 

field of public utility management. These men need not be all experts 
in public utility management, 

but they should be men with a 

very broad knowledge of the 

fields of economics, law, and 

management. When the question 
of specialization in the public 

utility field, the question of 

whether a man is a specialist 

in public utility management is 

of prime importance. But it does 

not mean that a man must be 

an expert in every branch of 

public utility management. 

However, it is true that a man 

must understand the principles 

of public utility management, 

and must be able to apply them 

in the particular case in which 

he is called upon to act.
The Problem of Rates
Before closing, let us consider the problem of rates a little more specifically. It is believed that every one will follow a policy which will essentially rest upon the following principles: To utilize all the available data to demonstrate as accurately as possible the effects of each class of customer and to price its facilities accordingly. The committee is aware that the case for competitive rates is valid in certain instances, and the committee is ready to make the necessary adjustment in its own rates when the data would support such an action. The committee is fully aware of the importance of the rate-setting process and the necessity for fairness and consistency in applying the rates.

The State of Trade and Industry

Wholesale Commodity Price Index Shows Little Change For Week

Trends in commodities last week were irregular and uncertain. The index of wholesale prices, compiled by the Bureau of Labor Statistics, reached 125.2 for the week ended May 30, 1952, compared with 124.9 the previous week, with 100 the year before.

Wheat and yeast registered the sharpest declines and touched new low prices for the season. The July wheat delivery at Chicago sold down to 32 cents a bushel, a loss of 15 cents from last week's high of 47 cents. The lowest point of the season was 30 cents a bushel.

The market for cotton also showed considerable declines. The market for cotton fell to 80 cents a pound, a loss of 5 cents from the high of 85 cents reached May 23, 1952. The market for cotton was down to 79 cents a pound, a loss of 10 cents from May 23, 1952.

The market for steel was down to 37 cents a pound, a loss of 9 cents from the high of 46 cents reached May 23, 1952. The market for steel was down to 36 cents a pound, a loss of 8 cents from the high of 45 cents reached May 23, 1952.

The market for copper was down to 13 cents a pound, a loss of 3 cents from the high of 16 cents reached May 23, 1952. The market for copper was down to 12 cents a pound, a loss of 2 cents from the high of 15 cents reached May 23, 1952.

The market for silver was down to 9 cents an ounce, a loss of 1 cent from the high of 10 cents reached May 23, 1952. The market for silver was down to 8 cents an ounce, a loss of 1 cent from the high of 9 cents reached May 23, 1952.

The market for gold was down to 150.50 an ounce, a loss of 0.50 from the high of 151.00 reached May 23, 1952. The market for gold was down to 150.00 an ounce, a loss of 0.50 from the high of 150.50 reached May 23, 1952.

The market for platinum was down to 360.00 an ounce, a loss of 0.75 from the high of 360.75 reached May 23, 1952. The market for platinum was down to 360.00 an ounce, a loss of 0.75 from the high of 360.75 reached May 23, 1952.

The market for lead was down to 0.2600 a pound, a loss of 0.0025 from the high of 0.2625 reached May 23, 1952. The market for lead was down to 0.2600 a pound, a loss of 0.0025 from the high of 0.2625 reached May 23, 1952.

The market for zinc was down to 0.1275 a pound, a loss of 0.00125 from the high of 0.12875 reached May 23, 1952. The market for zinc was down to 0.1275 a pound, a loss of 0.00125 from the high of 0.12875 reached May 23, 1952.

The market for tin was down to 0.2600 a pound, a loss of 0.0025 from the high of 0.2625 reached May 23, 1952. The market for tin was down to 0.2600 a pound, a loss of 0.0025 from the high of 0.2625 reached May 23, 1952.

The market for rubber was down to 27.35 a pound, a loss of 0.75 from the high of 28.10 reached May 23, 1952. The market for rubber was down to 27.35 a pound, a loss of 0.75 from the high of 28.10 reached May 23, 1952.

The market for coffee was down to 27.35 a pound, a loss of 0.75 from the high of 28.10 reached May 23, 1952. The market for coffee was down to 27.35 a pound, a loss of 0.75 from the high of 28.10 reached May 23, 1952.

The market for cottonseed oil was down to 27.35 a pound, a loss of 0.75 from the high of 28.10 reached May 23, 1952. The market for cottonseed oil was down to 27.35 a pound, a loss of 0.75 from the high of 28.10 reached May 23, 1952.
Mutual Funds

A SIMPLIFIED PROFIT-SHARING PLAN has been authorized for employees of National Securities & Research Corporation, it was announced by Henry J. Simonson, Jr., President. The Corporation sponsors National Securities Series, a leading mutual fund.

The Employee's Fund, created from contributions by the Corporation of 10% of annual profits before Federal Taxes, is invested and reinvested in three National Securities Series funds — in Balanced, Series I, in Income Series and 1/2 in Stock Series. Employees make no contributions. The plan requires no actuarial work, it does not involve life insurance and has no fixed obligation upon the Corporation or any Federal Income Tax on income of the retirement fund.

Mr. Simonson said that the plan has been sent to security dealers throughout the country, since the simplicity of such a plan should have great appeal for many corporations, particularly those with from 25 to 250 employees.

Distributed with the retirement plan is a unique 30-page booklet entitled, "Building the Profit Sharing Retirement Plan." It should be of interest to security dealers, National Securities & Research Corporation from the origin of the plan to its completion. Included are the highlights of all meetings dealing with the establishment of the plan, as well as copies of all correspondence with the Treasury Department, the Trustee bank and others. The various forms needed in the operations of the plan are also included.

Finally, there is a series of 40 questions which might be asked by a school or organization regarding their participation in the plan along with answers to these questions.

THE FEDERAL Reserve Board on June 8 adopted an amendment to Regulation U, the regulation which prescribes margin requirements (currently 30%) on loans by banks for the purpose of purchasing or carrying stocks, particularly those of 25 to 250 employees.

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Jean which condition your thinking.

We further want to know what your philosophy is about regulation. Some analysts are growing more and more confident of their own beliefs and reasons for their thinking. But more important, your beliefs are a factor in the earnings prospects for your stock. Do you believe in a failure to break out of the figures for current construction costs, or are you afraid of the repercussions of this approach in the event of a major reversal of prices? Do you believe enough in fair value to fight for it before the Commission?

What about so-called economic theories which the income accountants believe is the most prevalent value of the property consumed each year? If so, how much would the committee do if it is not, what is wrong with the theory? Where does the right rate of return? If you disagree with the so-called "cost of capital" approach, what is the substitute method which you recommend?

The value of your stock will be affected not only by construction activity and action in the regulatory field but probably even more by the six months ending March 31, 1954, which will include a decrease of $12,118,735 over a year ago, when the total net assets were $21,096,000 for the company and over $50,000 shareholders at this time. Commonwealth's past financial performance is a matter of record.
The election of William C. Stork, President of American Can Company, as Vice-President of the Board of Governors of the Federal Reserve System, has been announced by the Board of Governors. Mr. Stork is a native of New York City and has been associated with the American Can Company since 1923. He is a member of the New York Stock Exchange and has been active in the affairs of the company for many years.

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tionships now prevailing. During the past two years we have seen a substantial closing of the gap between yields on bonds and stock yields, and this probably will go still further. Compared with the situation which existed from 1947 through 1949, for example, the incentive to buy equities has been substantially reduced. This does not imply that carefully selected equities are not reasonably valued nor does it suggest that many stocks are not still attractive for long-term investment. It does mean, however, that the investor can much more comfortably afford to take a shrewder position on the sidelines in fixed income securities.

Even though we ought not to abandon a constructive view of the future, we ought to realize that the push we cannot escape some feeling of relief at no longer being pressed and shoved into companies by the pressure for income. Relief from a perpetually easy money philosophy causes some painful transitional problems, but it puts us back in the business of doing a balanced investment job for our customers.

Harold Smith Is A Grandpa Again

Harold B. Smith

Harold B. Smith, Penning & Co., well known in the romance of the city, is a grandpa again. A daughter, Lorraine Pratt Smith, was born June 5 to Irene and Harold H. Smith, Jr. Her sister, Deborah M. Smith, was born March 5, and the family is almost as thrilled as grandpa.

Joins Fairfax Staff

(Harold in the Financial Chronicle)

M. L. Howard T. Sneedler has become affiliated with Fairfax & Co., Inc., 210 West Seventh Street, members of the Los Angeles Stock Exchange. Mr. Sneedler, who was previously with Davies & Co., Daniel Reeves & Co., and Doolittle-Tegeler & Co.

The Price of Gold

Our Reporter on Governments

By JOHN T. CHIFFENDALE, JR.

The government market, helped by Federal Reserve purchases of securities and the publication of reports showing government trust accounts as well as reports of scattered but not too sizable takings of the longest marketable bond by life insurance companies, was in a healthy condition at week’s end. In this monetary situation at that time there was a slight runoff of funds at the beginning of the month but the gold valuation of the seriously inflated amounts of dollars and euros up to May have been continued, and until the banks decide we should come to the realization that, if there was a psychological reaction on the part of the average person as a result of the rise of the price of gold, the blamer will have to be put on those who are responsible for the distorted and wrong advice that governments and experts did not see the light then.

To prove to the trouble (‘then is what the National City Bank) lay not in any overall lack of monetary reserves, but in their unexpected decrease in the gold standard for the time being special methods used by World War II. These circumstances en¬

eralized to the United States continue to acquire gold at $35 an ounce and to maintain the price level by placing the law that prevents private individuals from owning gold. If this is not a monoply it is not what to call it.

It is not to be seen whether the price of gold will be changed and we are still masters of the situation. The time to change the price of gold is at any rate not yet set in. Our aim is but to restore gold order and to prevent a severe and prolonged price rise. If, without further waste of time, we should take steps for the purpose of the international gold standard, the price of gold would, no doubt, probably accomplish an end we seek. If, on the other hand, we are not prepared to take care of the situation, the price of gold would not be affected at all or the course of the monetary route, and it may reach indeed an abnormally high level.

What we have today in the course of events has been an unforeseen serious inflation of price level, What has been the result: high prices and low wages than the price of gold is changed is in the hands of the people.

A. G. G.

The National City Bank points out in the note that the price gold would add to the mone¬

eous base and provide an enlarged potential for inflation. It is a strange phenomenon that the same person who expresses freely his worry about potential inflation does not think that the price of gold does not raise their voices against the continuous increase in the amount of government bonds purchased by the Federal Reserve Banks and inflation of the currency in the present.

First of all, there exists no necessary or uniform relationship between the value of gold reserves and the purchasing power of the currency. Since 1945 we have inflated the currency and the gold contents of the reserve fund, at special resdion prices ranging from 101.30% to par, plus 4.05%. Gull Power Co., first mortgage bonds, at 101.295% and accrued interest, to gold 4.05%, is being made today (June 11) by Halsey, Stuart Group, Inc. and associates. Award of the issues was won by the group at a competitive sale on June 9 on its bid of 100.55%.

The bonds will be redeemable at regular redemption prices in the first three years if they are redeemed through the 10th anniversary of their issue, or in the fund at special redemption prices ranging from 101.30% to par, plus 4.05%.

Gulf Power Co. is engaged. in the development of hydroelectric power in Florida, in the generating capacity of distribution of electricity, and in the sale of electricity. The company has an area of about 40,000 square miles and an estimated customer potential of 280,000. At the close of 1952, the company’s stock was trading between the 12 months ended Feb. 28, 1953, aggregated $7,930,000; gross income for the year was $1,833,000.

Halsey, Stuart Group, Offer Gulf Pow. Bds.

Continued from page 11

dollars and sterling, and the post war seriously inflated price level, gold was reduced. Thus, in 1925, to recognize in the gold price that had taken place, the Federal Reserve Banks reduced the price for gold. In the monetary situation at that time there was a slight runoff of funds at the beginning of the month but the gold valuation of the seriously inflated amounts of dollars and euros up to May have been continued, and until the banks decide we should come to the realization that, if there was a psychological reaction on the part of the average person as a result of the rise of the price of gold, the blamer will have to be put on those who are responsible for the distorted and wrong advice that governments and experts did not see the light then.

To prove to the trouble (‘then is what the National City Bank) lay not in any overall lack of monetary reserves, but in their unexpected decrease in the gold standard for the time being special methods used by World War II. These circumstances en¬

eralized to the United States continue to acquire gold at $35 an ounce and to maintain the price level by placing the law that prevents private individuals from owning gold. If this is not a monoply it is not what to call it.

It is not to be seen whether the price of gold will be changed and we are still masters of the situation. The time to change the price of gold is at any rate not yet set in. Our aim is but to restore gold order and to prevent a severe and prolonged price rise. If, without further waste of time, we should take steps for the purpose of the international gold standard, the price of gold would, no doubt, probably accomplish an end we seek. If, on the other hand, we are not prepared to take care of the situation, the price of gold would not be affected at all or the course of the monetary route, and it may reach indeed an abnormally high level.

What we have today in the course of events has been an unforeseen serious inflation of price level, What has been the result: high prices and low wages than the price of gold is changed is in the hands of the people.

A. G. G.

The National City Bank points out in the note that the price gold would add to the mone¬

eous base and provide an enlarged potential for inflation. It is a strange phenomenon that the same person who expresses freely his worry about potential inflation does not think that the price of gold does not raise their voices against the continuous increase in the amount of government bonds purchased by the Federal Reserve Banks and inflation of the currency in the present.

First of all, there exists no necessary or uniform relationship between the value of gold reserves and the purchasing power of the currency. Since 1945 we have inflated the currency and the gold contents of the reserve fund, at special redemption prices ranging from 101.30% to par, plus 4.05%.

Gulf Power Co. is engaged. in the development of hydroelectric power in Florida, in the generating capacity of distribution of electricity, and in the sale of electricity. The company has an area of about 40,000 square miles and an estimated customer potential of 280,000. At the close of 1952, the company’s stock was trading between the 12 months ended Feb. 28, 1953, aggregated $7,930,000; gross income for the year was $1,833,000.

Halsey, Stuart Group, Offer Gulf Pow. Bds.

Continued from page 11

Our Reporter on Governments

By JOHN T. CHIFFENDALE, JR.

The government market, helped by Federal Reserve purchases of securities and the publication of reports showing government trust accounts as well as reports of scattered but not too sizable takings of the longest marketable bond by life insurance companies, was in a healthy condition at week’s end. In this monetary situation at that time there was a slight runoff of funds at the beginning of the month but the gold valuation of the seriously inflated amounts of dollars and euros up to May have been continued, and until the banks decide we should come to the realization that, if there was a psychological reaction on the part of the average person as a result of the rise of the price of gold, the blamer will have to be put on those who are responsible for the distorted and wrong advice that governments and experts did not see the light then.

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Building Up Utilities Profits

Corrected through an active sales program

Salesmen Have Become Lax

During the past 12 years, salesmen have tended to become lax in their methods. Much attention has been paid to this matter and within a relatively short time a high degree of salesmanship was restored to the field.

There is another phase of this problem which deserves serious consideration. During the period from 1930 to 1941, utilities, without exception, cut their sales budgets. Others increased, but did not increase as fast as the growth of revenue so that there has been a general decline in the sales expense per dollar of gross revenue. Every effort should be put forth to increase sales efficiency by a study of methods used effectively in the past. Distribution systems which were effective prior to World War II may be too costly under present conditions. An increase in sales in one form or another will produce more revenue per dollar of sales.

The opportunities which lie before utilities are so tremendous that we will not make the most of them if we allow the sales expense in terms of gross revenue, to remain at the present levels.

The competition from other industries in the field of air conditioning, washing, refrigerating, lighting, and similar products is keener than at any other time in the past. This is an important reason for the efforts of the utilities. All industries have learned the value of advertising and find that mass mailings of mass-produced literature do not cost them a large and larger percentage of the cost of sales effort and at the same time reduce the total cost of the product to the consumer.

First Phase in Building a Profitable Load

I suggest that each one of you go back to your last report for 1953. You probably will find a substantial increase in gross revenue but a relatively small increase in net earnings. This is due to the increased sales, deduct from the increase in sales the expenses of the increased sales and the expenses of increased sales may be incurred if these sales had not been made.

The analysis of your sales expense will find that much of the increase in sales could not be eliminated even if sales had been limited to the existing level. The proportion of such expenditures will vary with each company.

You will then be able to determine whether you have been faced with too much sales and no sales expense. You will find that there would have been a substantial saving of this nature.

With this information it is simple matter to study the effect of an increase of 25 or 50% in the sales expense. It will give you a better guide to the amount that you can profitably spend upon sales budget.

A special aspect of our business is that in order for us to use our equipment properly as an economic electric service, we or some of our allies in the industry must know what equipment they use which electrical energy for as long a period as is possible.

Regardless of whether a company has electrical or gas charing of appliances or not, the major function of its sales effort is to gain new sales.

The first cost of many electrical appliances is a definite limit as to the investment which our customers can carry. When a load peak occurs each year, it is incumbent upon the salesmen to conduct a study of the retail cost of various types of electric equipment which will result from the use of the appliance. In making this consideration must be given to percentage of sales of those models that make up the same appliance.

By way of illustration I would like to submit figures on a few appliances:

<table>
<thead>
<tr>
<th>Appliance</th>
<th>% New Annual</th>
<th>Retail</th>
<th>Add'nt</th>
<th>Const.</th>
<th>Cost</th>
<th>Retail</th>
<th>Add'nt</th>
<th>Const.</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Range</td>
<td>97</td>
<td>$316.0</td>
<td>$12.0</td>
<td>$10.0</td>
<td>$348.0</td>
<td>$316.0</td>
<td>$12.0</td>
<td>$10.0</td>
<td>$348.0</td>
</tr>
<tr>
<td>Water heater</td>
<td>100</td>
<td>394.0</td>
<td>25.0</td>
<td>0.0</td>
<td>420.0</td>
<td>180.0</td>
<td>5.0</td>
<td>0.0</td>
<td>225.0</td>
</tr>
<tr>
<td>Ironer</td>
<td>100</td>
<td>204.0</td>
<td>5.0</td>
<td>0.0</td>
<td>210.0</td>
<td>180.0</td>
<td>5.0</td>
<td>0.0</td>
<td>225.0</td>
</tr>
<tr>
<td>Automatic washer</td>
<td>100</td>
<td>153.0</td>
<td>0.0</td>
<td>0.0</td>
<td>153.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Conventional washer</td>
<td>25</td>
<td>153.0</td>
<td>0.0</td>
<td>0.0</td>
<td>153.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Electric blanket</td>
<td>100</td>
<td>1.0</td>
<td>0.0</td>
<td>0.0</td>
<td>1.0</td>
<td>1.0</td>
<td>0.0</td>
<td>0.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

The above values are approximations only and electric revenues have been estimated at $2 per kilowatt-hour for all appliances except water heaters which have been calculated to 1.9 per kilowatt-hour. Estimates made on the above basis will vary widely dependent upon local variables.

A similar study on lighting proceeds very interesting results. If we can induce a commercial customer to change one light bulb in a 300 watt bulb, the customer’s increased investment is $0.96 whereas the additional revenue to the utility based upon 2500 hours per year would be $9. Accordingly this analysis of this type will enable you to give more intelligent direction to your sales effort. In many companies where lighting, our original market, has become a secondary one is the glamorous applications.

The trend in appliance sales is very strong, you can direct greater emphasis to the possibilities of higher sales potential, which have a higher ratio of revenue to original cost. This information is also useful in discussions with manufacturers, distributors and dealers to get their assistance in broadening the market for those appliances which have a low ratio of revenue to first cost. I firmly believe that if the electrical industry is to approach its full potential in the next few years, future merchandising and dealers must do more at the present time. Acceptance of the new appliances will not be complete within the sales budget of the operating utility.

The Second Phase of Building Profitable Load

This study and the action which results from it will build in the first and end of Phase of Building Profitable Load.

We have considered the trend toward higher investment in appliances due to lower variable costs in the production of electrical energy. This trend causes load factor and its effects on industrial systems, the major responsibilities of a sales manager, and the practice, for many years, of having the draftsmen prepare credit cards, which are available in the industrial area with a morning peak will find that residential lighting is an area that needs it is an area that needs substantial assistance to those

Sales managers who wish to adopt this suggested technique.

The problems in the minds of any of you as to the wisest course to take in this matter of load building, I would like to review the history of the past 10 years.

In the five-year period from 1947 to 1952, the kilowatt-hours per residential customer increased an average of 46.5, or 45.9% from 2319.4 to 3410.6. The increase of 1181.2, or 15.6%, over 1942, is 357 kilowatt-hours.

This is a topic so outstanding that it deserves a complete study. An analysis of the monthly sales figures for the year 1942 shows that whereas the sales were relatively low while the war was on, during the year 1942, the variation between Summer and Winter in 1953 was very pronounced. The sales to all classes of customers in 1952 were increased by approximately 400,000 million kilowatt-hours for Summer while the sales to all classes of customers in 1952 were increased by only 400,000 million kilowatt-hours for Summer.

There is no question that this condition is the result of a change in the industrial classification. Residential sales in December were 230.6 million kilowatt-hours which is 11% more than the sales in July. The increase of 400,000 million kilowatt-hours is 18 million kilowatthours higher than the increase of 400,000 million kilowatthours.

By this time you probably realize that the system referred to is the electrical service to the rural house heating in 1942 was less than 1% of the whole, whereas the system, notably Memphis, has at least 50% and many utilities are using the same method of measuring, but other components of the system have allowed the load to be seasonally balanced much better. As a result of these differences, the house heating between the months of September and May has little effect on the load factor. The conclusion results from system load factor.

Any sales manager who permits his salesmen not to be more salesmen who are in a business, a tax-free business, who sold their company into receivership.

Keeping Load Factor in Balance

A similar situation, on a much larger scale, may be found in the industrial area. The effect in its developing in many utilities all over the country and that of the load factor, pressure, the manufacturer, the management of the company, the load building program is tending to balance the load factor.

The situation in any utility system, when this phenomenon is constantly changing. One appliance may produce very desirable results. The manufacturer, the sales manager, the load building program is tending to balance the load factor.

By constant careful analysis of load conditions on his own system, and reference to typical load curves, the manufacturer will be in a position to offer various appliances which are suitable for the proposed final determination of the information which is included in an appendix to this paper, see page four of this print. At this point I would like to express my sincere appreciation to those who have permitted me to make this information.

This appendix has been employed in the ‘Sales Manager’s Rough Guide to Residential Load Building.’ The word ‘Rough’ has been included in the title of the book because it contained in the appendix is complete nor is this guide an entirely accurate guide. It may not alter the data presented system.

The guide does not cover all appliances and the information in some of the新型 appliances is somewhat less than that on others and the number of studies were available from which the information was secured or from which the data was obtained. This is particularly true when the load factor is modified for the load factor.

After selecting this subject for the last few years, there is less interest in the announcement which Mr. Clarence H. Linder made to the announcement of the Edison Electric Institute in December 1951 concerning the proposed ‘Load Building Plan’ with the company with respect to a commercial customer load factor, the study, the characteristics of various appliances.

As the ultimate to a complete study is available, the data contained in the load factor should be the subject of substantial assistance to those

Johns King Merritt
(Special in The Financial Chronicle)

(ANGELUS, Calif. — Wil- Ie E. Merrit, electrician with King Merritt Co., has been associated with King Merritt & Co. at Los Angeles for the last 15 years. He was formerly with Davenport & Co., and Reagan & Co., Inc.)
### Indications of Current Business Activity

#### AMERICAN IRON AND STEEL INSTITUTE:
- Direct shipments: (tons) Weekly
- H.S. input: Weekly
- Finished product output: Weekly
- Total orders: Weekly

#### CIVIL ENGINEERING CONSTRUCTION — ENGINEERING
- Total U.S. construction: June 12, 1953
- Public construction: June 12, 1953
- Nonresidential construction: June 12, 1953

#### COAL OUTPUT (U.S. BUREAU OF MINES):
- Total output and sales (tons): June 12, 1953
- Coal output and sales (tons): June 12, 1953

#### DEPARTMENT STORE SALES INDEX — FEDERAL RESERVE SYSTEM:
- Total sales: June 12, 1953

#### EDISON ELECTRIC INSTITUTE:
- Total sales: June 12, 1953

#### Failures (Commercial and Industrial) — Dun & Bradstreet:
- Total failures: June 12, 1953

#### IRON AGE COMPOSITE PRICES:
- Total prices: June 12, 1953

#### METAL PRICES (E. M. J. QUOTATIONS):
- Domestic delivery at: June 12, 1953
- Export quotations (f. o. b.): June 12, 1953
- Glaze tin (New York): June 12, 1953
- Scrap tin (New York): June 12, 1953
- Zinc (East St. Louis): June 12, 1953

#### NATIONAL PAPERBOARD ASSOCIATION:
- Total paperboard shipments: June 12, 1953

#### NATIONAL TITLE INSURANCE:
- Total title insurance: June 12, 1953

#### MOODY’S BOND YIELD DAILY AVERAGES:
- U.S. Government Bonds: June 12, 1953
- State and municipal bonds: June 12, 1953
- Railroad bonds: June 12, 1953
- Industrial bonds: June 12, 1953

#### NATIONAL COMMODITY INDEX:
- Total commodity index: June 12, 1953

#### NATIONAL LEATHER ASSOCIATION:
- Total leather exports: June 12, 1953

#### STOCK EXCHANGE REPORTS:
- Total stock sales: June 12, 1953
- Total stock sales: June 12, 1953

#### COTTON SEED AND COTTON SEED PRODUCTS — PRODUCERS’ WEEK-ENDS:
- Total cotton: June 12, 1953

#### HOUSEHOLD WASHERS AND DRYERS — STANDARD AMERICAN HOME LAUNDRY EQUIPMENT ASSOCIATION:
- Hardware stores: June 12, 1953

#### BUILDING CONSTRUCTION FEDERATION IN URBAN AREAS OF THE U.S. — FEDERATION OF METROPOLITAN BUILDERS:
- Total building starts: June 12, 1953

#### CIVIL ENGINEERING CONSTRUCTION — ENGINEERING:
- Current week: June 12, 1953
- Current month: June 12, 1953
- Year to date: June 12, 1953

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.
More on Picketing

HON. WALTER M. MUMMA
U.S. Congressman from Pennsylvania

I think "picketing" should be defined in the dictionary. I have a grievance and use this method of supplementing their position — no others employed when there is no labor dispute with one's own employees.

REUBEN E. SOMMER
President & General Manager, Arysteal Steel & Wire Company, Middletown, N.J.

My views on this topic are that the_UPPER_LIMIT clause of picketing is to prevent _any person_ from performing _any lawful work._ In its usual form, it involves fear, coercion and even bodily harm. The basic right of a man to work, the freedom of contract, is one of the freedoms which the Constitution was intended to provide. Any violation of it is a violation of the Constitution.

G. L. AUSTIN
President of the public may be restrained when the employer which has the very definite right to make known his objection to peaceful picketing by allowing the peaceful picketing to be interfered with or prevented by force.
Aberdeen Idaho Mining Co., Wallace, Idaho
March 30 (letter of notification) 100,000 shares of non-assessable common stock at $5 per share. Proceeds—To develop mining claims. Underwriter—Wallace Brokerage Co., Wallace, Idaho.

ACF-Bristol'Nashville, Tenn.
April 25 filed 215,959 shares of common stock (par $2.50) and 44,000 common stock subscription warrants. Price—At prices ranging from 30% of stock and 25 cents per warrant below current market. Proceeds—To establish new plant. Underwriter—None.

Acryvin Corp. of America, Inc.

AECO Master Mining Co., Ltd., Edmonton, Alta.
May 15 filed 125,000 shares of common stock (par $4) for sale to public. Proceeds—For working capital. Underwriter—Kidder, Peabody & Co., New York.

American Automobile Manufacturers Association
May 27 filed 125,000 shares of preferred stock (par $100) for sale to public. Proceeds—For working capital. Underwriter—George D. Clarke, Ltd., 50 Broad Street, New York, N.Y.

American Consolidated Gas Corp., Inc.
April 22 filed 35,000,000 shares of first mortgage bonds due 1978. Proceeds—to repay $34,500,000 bank loans and for new construction, etc. Underwriters—To be determined by competitive bidding. Probable brokers: Halsey, Stuart & Co., Inc., First Boston Corp., and Lazard Freres & Co. (jointly); Equitable Securities Corp.; Smith, Barney & Co.; Blyth & Co., Inc. (Bids—No bids have been accepted; substantially directors have decided to borrow $23,000,000 from banks. Registration statement already filed.

Arkansas Gas Oil Corp.
April 22 filed 35,000,000 shares of preferred stock (par $100) for sale to public. Proceeds—For working capital. Underwriter—Smith, Barney & Co., New York.

Armstrong Rubber Co.
March 21 filed 4,000,000 shares of 5% convertible subordinated debentures due 1974 for sale to public. Proceeds—to refund long-term debt. Underwriter—Definitely postponed.

Auburn Phosphate Company, Inc.
April 21 filed $4,000,000 of 5% convertible subordinated debentures due 1973 for sale to public. Proceeds—to refund long-term debt. Underwriter—Definitely postponed.

Aberdeen Idaho Mining Co., Wallace, Idaho

Aberdeen Idaho Mining Co., Wallace, Idaho
May 15 filed 135,000 shares of common stock (par $4) for sale to public. Proceeds—to acquire new shares for each four shares held; rights to expire June 17. Price—$40 per share. Proceeds—For working capital; Business—Manufacturers. Directors: Otis, Eldridge & Rodman, Inc., Philadelphia, Pa.; Stockholders—No preferred stockholders.

June 6 (letter of notification) 10,000 shares of common stock (par $5) for sale to public. Proceeds—For working capital. Underwriter—Blyth, Eastman, Dillon, & Co., Inc., New York, N.Y.

American Automobile Manufacturers Association
May 27 filed 125,000 shares of preferred stock (par $100) for sale to public. Proceeds—For working capital. Underwriter—George D. Clarke, Ltd., 50 Broad Street, New York, N.Y.

Chicago Electric System, Inc.
May 15 filed 312,000 shares of preferred stock (par $100) for sale to public. Proceeds—to refund long-term debt. Underwriter—Definitely postponed.

Astabachina Uranium Mines, Ltd.
April 17 filed 500,000 shares of common stock (par $10) for sale to public. Proceeds—For working capital. Underwriter—George D. Clarke, Ltd., 50 Broad Street, New York, N.Y.

Atlantic Aviation Equipment Corp.
April 17 filed 1,000,000 shares of preferred stock (par $50) for sale to public. Proceeds—to refund long-term debt. Underwriter—Definitely postponed.

Atlantic Richfield Co.


Blackwood & Nichols Co., Oklahoma City, Okla.
May 1 filed 309 working interests in oil and gas leases to be offered for sale for "as a speculation." Price—$327.50 per lease unit. Proceeds—For development of oil and gas leases. Underwriter—None.

Bromfield Securitization, Inc.
April 27 filed $10,000,000 of 5% convertible subordinated debentures due 1954 for sale to public. Proceeds—to refund long-term debt. Underwriter—Definitely postponed.

Bristol Oil Ltd., Canada
April 23 (letter of notification) filed 4,745,000 shares of common stock (par $1) for sale to public. Proceeds—For working capital. Underwriter—Definitely postponed.

Byrdd Oil Corp., Dallas, Tex.
Oct. 22 filed 31,700,000 shares of common stock (par $1) for sale to public. Proceeds—to refund 5% convertible subordinated bond mortgage bonds due Nov. 1, 1965, to be offered for subscription by common stockholders at the rate of $1 per bond (par $1000) for each $156,000 issued (14-day standing). Certain stockholders have waived their rights. Proceeds—to refund long-term debt. Underwriter—Definitely postponed.

Carolina Casualty Insurance Co., Burlington, N.C.
April 29 (letter of notification) filed 135,565 shares of class B non-voting common stock (par $1) being offered to stockholders of record April 17 at rate of one new share for each five shares held; rights to expire July 17. Proceeds—To be offered on the basis of current capital stock. Underwriter—Blyth, Eastman, Dillon & Co., New York, N.Y.; Smith, Barney & Co., New York, N.Y.; and Mizpah & Mc Dowell, Chicago, Ill., Offering—Postponed.

Cascade Natural Gas Corp., Seattle, Wash.
March 30 (letter of notification) filed 90,729 shares of common stock (no par) to be offered in exchange for 11,000 shares of 8% cumulative convertible preferred stock (par $5) and common stock (par $5). Proceeds—Continued on page 52.
Continued from page 49


Central City Milling & Mining Corp.

Central Fibre Products Co., Inc.
Quincy, Ill.

Cheney Brothers, Manchester, Conn.
May 9 (letter of notification) 1,622 shares of common stock (no par) to be offered for subscription by common stockholders of company and others held; to right to sub¬scribe for one new share for each 10 shares held; rights to expire on June 15. Price—$11 per share. Proceeds—For working cap¬ital. Underwriter—None.

Cheyenne Oil Ventures, Inc.
Denver, Colo.

Chicago Bridge & Iron Co.
May 11 (letter of notification) 6,112 shares of common stock (par $30) to be offered for subscription by stockholders of the company, to right to subscribe for one new share for each two shares held; to expire July 1, 1937. Price—$11 per share. Proceeds—For general purposes. Offices—1305 West 105th St., Chicago.

Chlorophyll Chemical Corp., New York (6/15)
May 28 (letter of notification) 300,000 shares of common stock (par $.01) to be offered for subscription by stockholders of the company, to right to subscribe for one new share for each 3 shares held; rights to expire June 15. Price—$10 per share. Proceeds—To retire mortgage bonds and retire unregistered common stock. Underwriter—Sheridan Bogan Paul & Co., New York; and Courts & Co., New York and Atlanta, Ga.

Electronic Associates, Inc.
May 11 (letter of notification) 10,000 shares of common stock (par $1) to be offered for subscription by stockholders of the company, to right to subscribe for one new share for each share held; rights to expire July 1. Price—$13 per share. Proceeds—For working capital and for general purposes. Underwriter—Brown, Sullivan & Co., New York.

Fairway Foods, Inc., St. Paul, Minn.
May 8 (letter of notification) 1,600 shares of common stock (par $50) to be offered for subscription by stockholders of the company, to right to subscribe for one new share for each 2 shares held; to expire May 15. Price—$85 per share. Proceeds—To retire mortgage bonds and to retire common stock. Underwriter—Johns & Parnell, Inc., New York; and First National Bank, New York.


Fort Myers Beach Water Works, Inc.
May 21 (letter of notification) 350,000 shares of common stock (par $10) to be offered for subscription by stockholders of the company, to right to subscribe for one new share for each share held; to expire July 15. Price—$20 per share. Proceeds—To retire mortgage and for general purposes. Underwriter—Johns & Parnell, Inc., New York.

April 27 filed 500,000 shares of common stock, of which 100,000 share are to be offered for subscription by stockholders for public sale and to use "best efforts" to sell remaining shares, but proceeds to be held or used by the company to establish assembly plant and acquire raw materials. Underwriter—Barham & Co., Coral Gables, Fla.

Horse-Carrying Corp.
New York (7/5)

April 27 filed 500,000 shares of common stock, of which 100,000 share are to be offered for subscription by stockholders for public sale and to use "best efforts" to sell remaining shares, but proceeds to be held or used by the company to establish assembly plant and acquire raw materials. Underwriter—Barham & Co., Coral Gables, Fla.

International Harvester Co., Chicago, III.
May 16 (letter of notification) 250,000 shares of common stock (par $5) to be offered for subscription by stockholders of the company, to right to subscribe for one new share for each share held; rights to expire on June 24. Price—$23.50 per share. Proceeds—To redeem mortgage bonds and for in¬vestments in subsidiaries. Underwriter—None. Merrill Lynch, Pierce, Fenner & Beane will act as clearing agent.

Governement Employees Corp.
March 8 (letter of notification) 11,000 shares of common stock (par $5) to be offered for subscription by stockholders of the company, to right to subscribe for one new share for each share held; rights to expire on June 24. Price—$13 per share. Proceeds—For working capital. Underwriter—Allen & Co., New York.

Grand Bahama Co., Ltd., Nassau
February 25 (letter of notification) 1,500 shares of mortgage convertible debentures due March, 1973, and 1,500,000 shares of common stocks of the company, of which 105,000 shares are to be offered for subscription by stockholders of the company, to right to subscribe for one new share for each share held; rights to expire on June 24. Price—$9 per share. Proceeds—To retire mortgage and for general purposes. Underwriter—Gearhart & Otis, Inc., New York.

Gray Manufacturing Co., Hartford, Conn.
May 24 (letter of notification) 20,000 shares of common stock (par $5) to be offered for subscription by stockholders on the basis of one share for each share held; rights to expire on June 25. Proceeds—To retire mortgage and for general purposes. Underwriter—Geo¬rge E. Glenn, Inc., New York.

Guilford Gas & Electric Corp.
March 14 filed 47,093 shares of common stock (no par), being offered for subscription by stockholders of the company, to right to subscribe for one new share for each share held; rights to expire on June 15. Price—$18.75 per share. Proceeds—To repay bank loans and for general corporate purposes. Underwriter—Allen & Co.


Dixie Fire & Casualty Co., Greer, S. C.
April 9 (letter of notification) 6,000 shares of common stock to be offered for subscription by stockholders of the company, to right to subscribe for one new share for each share held; rights to expire on June 15. Proceeds—For working capital. Underwriter—None.

Eagle Pipe & Fitting Corp., New York
May 21 (letter of notification) 22,000 shares of common stock (par $1) to be offered for subscription by stockholders of the company, to right to subscribe for one new share for each share held; rights to expire on June 15. Price—At par ($1 per share). Proceeds—For working capital. Underwriter—Spokane, Wash.

Edgar Brothers & Co., Metuchen, N. J.
May 13 filed 100,000 shares of common stock (par $1) being offered for subscription by stockholders at rate of two-thirds of a share for each share held; not more than 10,000 unsubscribed shares to be offered to certain em¬ployees. Stockholders have withheld rights to purchase more shares. Price—To stockholders and employees, $7.50 per share. Proceeds—For working capital. Underwriter—Sheridan Bogan Paul & Co., New York; and Courts & Co., New York and Atlanta, Ga.

Electronic Associates, Inc.
May 11 (letter of notification) 10,000 shares of common stock (par $1) to be offered for subscription by stockholders of the company, to right to subscribe for one new share for each share held; to expire July 1. Price—$13 per share. Proceeds—For working capital and for general purposes. Underwriter—Brown, Sullivan & Co., New York.

May 19 (letter of notification) 10,000 shares of common stock (par $10). Price—At $10 per share. Proceeds—For working capital. Underwriter—Spokane, Wash.

Fort Myers Beach Water Works, Inc.
May 21 (letter of notification) 350,000 shares of common stock (par $10) to be offered for subscription by stockholders of the company, to right to subscribe for one new share for each share held; to expire July 15. Price—$20 per share. Proceeds—To retire mortgage and for general purposes. Underwriter—Johns & Parnell, Inc., New York.

Gas Service Co., New York (6/29)
May 22 filed 1,600,000 shares of common stock (par $10) to be offered for subscription by stockholders of the company, to right to subscribe for one new share for each share held; rights to expire on July 15. Price—$20 per share. Proceeds—To increase capital and surplus. Underwriter—None.

Johnston Oil & Gas Co. (6/16)
May 16 offered 5,000 shares of common stock (par $1) being offered for subscription by certain employees of company and its subsidiaries Underwriter—Common Stock, Providence, R. I., and National Bank, Providence, R. I. Proceeds—For general corporate purposes. Underwriter—Allen & Co., New York.

Junction City (Kan.) Telephone Co.
May 14 filed 2,500 shares of common stock (par $1) to be offered for subscription by stockholders of the company, to right to subscribe for one new share for each share held; rights to expire June 15. Price—$5 per share. Proceeds—to retire bank loans and for construction. Underwriter—Wachob-Bender Corp., Omaha, Nebraska.

Kline Power & Light Co. (6/17)
May 25 filed 170,000 shares of common stock (par $1) to be offered for subscription by stockholders of the company, to right to subscribe for one new share for each share held; rights to expire June 15. Proceeds—To retire mortgage bonds and for construction. Underwriter—The FirstBoston Corp., New York.
Keystone Helicopter Corp., Philadelphia, Pa. April 23 (letter of notification) $25,000 of common stock ($5 par) to be offered for subscription by "select group of officers and directors of the company." Proceeds—For expansion of business. Underwriter—None.

KLB Oil Corp., Wichita Falls, Tex. (6/15) May 8 filed 600,000 shares of common stock ($5 par) at $25 per share. Proceeds—For working capital, etc. Market—At market. Proceeds—To certain stockholders. Underwriter—Ball, Burge & Kraus, Cleveland, O.

Link-Belt Co., Chicago, Ill. March 23 (letter of notification) 2,000,000 shares of common stock ($5 par) to be offered for subscription by "select group of officers and directors of the company." Proceeds—For working capital. Underwriter—None.

New England Electric System (4/16) May 4 filed prospectus for 6,000,000 shares of common stock ($5 par) to be offered for subscription by common stockholders of record on May 19 for each share held (with a subscription privilege); rights to expire on June 25. Price—$12 per share. Proceeds—For working capital. Underwriters—Blyth & Co., Inc., Lehman Brothers and Bear, Stearns & Co. (jointly).

New Jersey Power & Light Co. (6/16) May 7 filed 5,000,000 of first mortgage bonds due 1935, proceeds to be used for extending and equipping plants, etc. Proceeds—For working capital. Underwriters—Halsey, Stuart & Co.; Inc., Loeb, Rhoades & Co.; and Equitable Securities Corp. (jointly). Underwriter—None.

North American Peat Mosst Co., Inc. (6/15-18) April 10 filed 500,000 shares of common stock ($10 par) at $25 per share. Proceeds—For stockholders. Underwriters—To be determined by competitive bidding. Probable Underwriters—Halsey, Stuart & Co.; Inc., Loeb, Rhoades & Co.; and Equitable Securities Corp. Bids—To be received by company up to 11 A.M. (EDT) on June 23. Stock Offering—Company also plans subscription privilege for 500,000 of its 21,752 common shares owned by Telegraph Co., its parent; 700,000 additional shares of common stock ($10 par) at $26 per share.

Northlands Oil Ltd., Canada. Nov. 21 filed $3,000,000 of common stock ($100 par) and 29,914,000 shares of common stock ($1) to be offered for subscription by common stockholders of record as of Nov. 25. Proceeds—For working capital. Underwriter—M. S. Gerber, Inc., New York.

Oregon Fibre Products, Inc., Pilot Rock, Ore. May 28 (letter of notification) $200,000 of sinking fund bonds due Jan. 1, 1965 and 4,444 shares of common stock ($1 par) to be offered in units of $100 of debentures and two shares of stock. Price—$102 per unit. Proceeds—For expansion costs. Underwriter—None.


Pittston Co., New York, N. Y. (6/15) June 1 (letter of notification) 700,000 shares of common stock ($1 par) at $13 per share. Proceeds—For working capital. Underwriter—None.

Public Service Co. of Indiana, Ind. May 13 filed 472,301 shares of common stock (no par) held by directors and officers of the company. Proceeds—For working capital. Underwriter—None.

Pittston Development Corp., New York, N. Y. (6/15) June 1 (letter of notification) 1,000,000 shares of common stock (no par) at $15 per share. Proceeds—For working capital. Underwriter—None.

Railway Services Corp., Chicago, Ill. March 16 (letter of notification) 42,000,000 shares of common stock ($1 par) to be offered for subscription by common stockholders of record as of March 20. Proceeds—For expansion of railway services. Underwriter—None.


Ridley Mines Holding Co., grafton, N. D. March 8 (letter of notification) 9,000,000 shares of common stock ($1 par) at $5 per share. Proceeds—For working capital. Underwriter—None.

Robertsall-Fulton Controls Co., Cm. (6/22) May 28 filed 160,000 shares of cumulative convertible preferred stock ($100 par, cumulative preference) to be offered for subscription by common stockholders of record June 1 at rate of one share for each 100 of common stock (with a subscription privilege), with rights to expire on July 15, and then to preferred stockholders. Price—$150 per share. Proceeds—For working capital. Underwriter—None.

Rosenblum's, New York, N. Y. (5/15) May 18 (letter of notification) 10,000,000 shares of common stock (no par), to be offered for subscription by common stockholders of record June 1 at rate of one share for each 100 of common stock (with a subscription privilege), with rights to expire on July 15, and then to preferred stockholders. Price—$150 per share. Proceeds—For working capital. Underwriter—None.

Sears, Roebuck & Co., Chicago, IIl. (6/1) June 1 (letter of notification) 98,240 shares of common stock (no par) to be offered for subscription by common stockholders of record June 4 at rate of one share for each 100 of common stock (with a subscription privilege), with rights to expire on July 15, and then to preferred stockholders. Price—$130 per share. Proceeds—For working capital. Underwriter—None.

Southern California Gas Co., Los Angeles, Calif. June 5 (letter of notification) 20,000,000 shares of common stock (no par) to be sold to employees of the company. Proceeds—To be used to purchase and its products from lands to be held under concession from the Peruvian Government. Underwriter—B. G. Phillips & Co.

Steve Blyth & Co., New York, N. Y. (6/15) May 28 filed prospectus for 10,000,000 shares of common stock (no par), to be offered for subscription by common stockholders of record June 1 at rate of one share for each 100 of common stock (with a subscription privilege), with rights to expire on July 15, and then to preferred stockholders. Price—$12 per share. Proceeds—For working capital. Underwriter—None.


Texas & Pacific Ry., Dallas, Tex. May 1 filed 743,496 shares of common stock (no par), to be offered for subscription by common stockholders of record June 2 at rate of one share for each 100 of common stock (with a subscription privilege), with rights to expire on July 15, and then to preferred stockholders. Price—$130 per share. Proceeds—For working capital. Underwriter—No.

Texas & Pacific Ry., Dallas, Tex. (5/12) May 16 filed prospectus for $5,000,000 of first mortgage bonds due 1935, proceeds to be used for extending and equipping plants, etc. Proceeds—To be determined by competitive bidding. Probable Underwriters—Halsey, Stuart & Co.; Inc., Loeb, Rhoades & Co.; and Equitable Securities Corp. Bids—Tentatively set for 11 A.M. (EDT) on June 8.

Texas & Pacific Ry., Dallas, Tex. May 4 filed prospectus for 5,000,000 shares of preferred stock (par $100) and 39,958 shares of 4½% preferred stock (par $100) being offered for subscription by common stockholders of record June 1 at rate of one share for each 100 of common stock (with a subscription privilege), with rights to expire on July 15, and then to preferred stockholders. Price—$150 per share. Proceeds—For working capital. Underwriter—None.


underwriters—Blyth & Co., Inc., Lehman Brothers and Bear, Stearns & Co. (jointly).

Title Guarantee & Trust Co., New York, N. Y. (4/29) April 23 filed prospectus for 10,000,000 shares of common stock (no par), to be offered for subscription by common stockholders of record June 4 at rate of one share for each 100 of common stock (with a subscription privilege), with rights to expire on July 15, and then to preferred stockholders. Price—$150 per share. Proceeds—For working capital. Underwriter—None.

Title Guarantee & Trust Co., New York, N. Y. (6/23) May 22 filed prospectus for 10,000,000,000 shares of common stock (no par), price—$1 per share. Proceeds—For working capital. Underwriter—None.


Underwriter—None.

underwriters—Blyth & Co., Inc., Lehman Brothers and Bear, Stearns & Co. (jointly).

Underwriter—None.

underwriters—Blyth & Co., Inc., Lehman Brothers and Bear, Stearns & Co. (jointly).

Underwriter—None.

Underwriter—None.
**Prospective Offerings**

**Allis-Chalmers Mfg. Co.**

May 8 stockholders approved a proposal to increase the authorized common stock from 60,000,000 to 80,000,000 shares of no-par stock (par no). This is not presently planned to issue any of the additional stock. Underwriter—Preview—Approval was handled by Byth & Co., Inc.

**Arizona Bancorporation, Phoenix, Ariz.**

June 2 the company announced that it has offered present stockholders the right to subscribe for additional shares held. Price—$10 per share. Underwriter—None.

**Arkansas Power & Light Co.**

March 20 it was announced that company may consider refunding the outstanding $7,608,000 of 7% preferred stock of P & L Power Co. (no par), both callable at $100 per share. Underwriters—For general corporate purposes. Underwriter—Sidney S. Green, L. I., N. Y.

**Boston Edison Co., Boston, Mass.**

June 2 stockholders approved a proposal to offer $246,668,800 of 6 5/8% convertible first mortgage bonds (par $1000) in lieu of the basis of one new share for each 10 shares held (with an option to purchase an additional share at $110 per share). Underwriters—To be determined by competitive bidding. Proceeds—To be used to pay for a $100,000,000 common stock. Underwriters—Smith, Barney & Co. may head group.

**Bango & Aroostook R. R.**

Offer received by the RFC at Room 1107, 811 Vermont Ave., N. W., Washington, D. C., prior to 520 May 1961, for the proposed issuance of $10,000,000 of 4% convertible first mortgage bonds. Proceeds—To be used to pay off outstanding $6,750,000 of collateral trust 4% bonds due July 1, 1961. It is intended to use the remainder of the proceeds toward the completion of various expansion projects. It is possible that the bonds may be offered again in the coming months.

**Blue Crown Petroleum Co., Ltd.**

May 22 it was reported company plans to issue and sell 50,000 shares of new preferred stock. Price—$45 cents per share. Underwriters—Van Alstyne, Noel, Co., New York, and Walton & Co., San Francisco, Calif. Offering—None.

**Colorado Springs, Colo.**

Underwriter—E. I. Shelly Co., Denver, Colo.

**Connecticut County Gas Co. (6/24)**

May 25 (letter of notification) 6,000 shares of common stock (par $20) to be offered for subscription by common stockholders (other than West Penn Electric Co., parent). Price—To be determined by amendment. Proceeds—For all new shares for each 12 shares owned (with an option to subscribe for one additional share at $25 per share). Underwriters—Street, Pierce & Beane and Stone & Webster Securities Co. (jointly); W. C. Langley & Co. and The First Boston Corp. (jointly). Offering—Thursday, June 11. Proceeds—To be used for free gas distribution systems for low income families, construction. Offering—115,000.

**Emerson Electric Mfg. Co.**

July 17 filing to issue $1,000,000 7% convertible debentures (not to exceed $1,500,000). Proceeds—To be used to pay for a $1,000,000 common stock. Underwriter—None.

**Florida Power & Light Co.**

March 27 it was announced that proposed debenture offering $75,000,000 5% convertible debentures (par $100) will be offered again in the coming months. Underwriters—None.

**Kansas City Power & Light Co.**

Apr. 27 filing to issue $1,000,000 5% convertible debentures (not to exceed $1,500,000). Proceeds—To be used for free gas distribution systems for low income families, construction. Offering—115,000.

**Koppers Co., Inc.**


**New York Central Railroad Co.**

May 1 filing of $5,000,000 5% convertible debentures (par $100) will be offered again in the coming months. Underwriters—None.

**Pennsylvania Railroad Co.**

Underwriter—None.

**Republic Steel Corp.**

May 8, 1961 filing for an increased proposal to issue $50,000,000 of 5% convertible debentures (par $100) will be offered again in the coming months. Underwriters—None.
May 1 company petitioned the Maryland P. & S. Commission for the purchase of its $1,170,000 equity trust certificates outstanding, at $250 each, for $250,000 of new common stock, to be sold to the present bondholders. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Lehman Brothers & Co., and Harriman Ripley & Co. (jointly).

El Paso Natural Gas Co. March 18, the firm announced plans to place $35,000,000 of its new common stock. The company will offer stockholders of Georgia Railroad & Banking Co. the following: 100 common shares for each $1,000 of stock held on February 28; or 100 common shares for each $1,000 of preferred stock held on February 28; or 1,000 common shares for each $1,000 of bonds held on February 28. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; and Harriman Ripley & Co. (jointly).

First Railroad & Banking Co. of Georgia March 31, the firm announced that it had filed with the U.S. Securities and Exchange Commission a registration statement covering $38,000,000 of new common stock. The company will offer stockholders of Georgia Railroad & Banking Co. the following: 100 common shares for each $1,000 of stock held on February 28; or 100 common shares for each $1,000 of preferred stock held on February 28; or 1,000 common shares for each $1,000 of bonds held on February 28. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; and Harriman Ripley & Co. (jointly).

General Telephone Co. of Kentucky April 27 it was reported that the company had filed with the Securities and Exchange Commission a registration statement covering $15,000,000 of new common stock. The company will offer stockholders of General Telephone Co. of Kentucky the following: 100 common shares for each $1,000 of stock held on March 1, 1968; or 100 common shares for each $1,000 of preferred stock held on March 1, 1968; or 1,000 common shares for each $1,000 of bonds held on March 1, 1968. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; and Harriman Ripley & Co. (jointly).

Greenwich Gas Co. May 7 the firm announced that it had filed with the Securities and Exchange Commission a registration statement covering $11,000,000 of new common stock. The company will offer stockholders of Greenwich Gas Co. the following: 100 common shares for each $1,000 of stock held on May 1, 1968; or 100 common shares for each $1,000 of preferred stock held on May 1, 1968; or 1,000 common shares for each $1,000 of bonds held on May 1, 1968. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; and Harriman Ripley & Co. (jointly).

Hawaii Light & Power Co. April 13, the firm announced that it had filed with the Securities and Exchange Commission a registration statement covering $50,000,000 of new common stock. The company will offer stockholders of Hawaii Light & Power Co. the following: 100 common shares for each $1,000 of stock held on April 1, 1968; or 100 common shares for each $1,000 of preferred stock held on April 1, 1968; or 1,000 common shares for each $1,000 of bonds held on April 1, 1968. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; and Harriman Ripley & Co. (jointly).

Iowa Electric Co. May 17, the firm announced that it had filed with the Securities and Exchange Commission a registration statement covering $25,000,000 of new common stock. The company will offer stockholders of Iowa Electric Co. the following: 100 common shares for each $1,000 of stock held on May 1, 1968; or 100 common shares for each $1,000 of preferred stock held on May 1, 1968; or 1,000 common shares for each $1,000 of bonds held on May 1, 1968. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; and Harriman Ripley & Co. (jointly).

Kansas-Nebraska Natural Gas Co. May 5 the firm announced plans to issue and sell $25,000,000 of new common stock. The company will offer stockholders of Kansas-Nebraska Natural Gas Co. the following: 100 common shares for each $1,000 of stock held on May 1, 1968; or 100 common shares for each $1,000 of preferred stock held on May 1, 1968; or 1,000 common shares for each $1,000 of bonds held on May 1, 1968. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; and Harriman Ripley & Co. (jointly).

Long Island Lighting Co. April 5, the firm announced that it had filed with the Securities and Exchange Commission a registration statement covering $25,000,000 of new common stock. The company will offer stockholders of Long Island Lighting Co. the following: 100 common shares for each $1,000 of stock held on April 1, 1968; or 100 common shares for each $1,000 of preferred stock held on April 1, 1968; or 1,000 common shares for each $1,000 of bonds held on April 1, 1968. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; and Harriman Ripley & Co. (jointly).

Louisiana Power & Light Co. March 23 it was reported that the firm may issue and sell in June $50,000,000 of new common stock. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Lehman Brothers & Co., and Harriman Ripley & Co. (jointly); Merrill Lynch, Pierce, Fenner & Beane (jointly); Smith, Barney & Co. (jointly); W. C. Langley & Co.; and Smith, Barney & Co. (jointly).

Maeir Brewing Co., Los Angeles, Calif. April 8 it was announced that the company will offer $40,000,000 of new common stock, with proceeds to be used by the company to help finance a new bottling plant. Underwriter—None.

Manufacturers National Bank of Detroit May 14, the firm announced plans to issue and sell $50,000,000 of new common stock. Proceeds—To increase capital and surplus. Underwriter—None.

Manhatten Exploration Co., Inc., Houston, Texas March 20, R. H. Dixon, president of Middle South Utilities, Inc., announced that refinancing of Mid-continent Power Co., which owns about 476 shares of stock, was now outstanding, may be considered, and that a possible issue of new stock is planned. Underwriter—To be determined by competitive bidding. Probable bidders: Blyth & Co., and Equitable Securities Corp., and Harriman Ripley & Co. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Union Securities Corp. (jointly).

Monongahela Power Co. May 16, the firm announced plans to issue and sell in June about $10,000,000 of new common stock. Proceeds—To increase capital and surplus. Underwriter—None.

Montana-Dakota Utilities Co. May 21, the firm announced plans to issue and sell in June approximately $8,000,000 of new common stock. Proceeds—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Lehman Brothers & Co., and Harriman Ripley & Co. (jointly); Merrill Lynch, Pierce, Fenner & Beane (jointly); Smith, Barney & Co. (jointly).

Ohio Edison Co. May 29 it was announced that the company plans to issue and sell in June $10,000,000 of new common stock. Proceeds—To be used for competitive bidding. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Lehman Brothers & Co., and Harriman Ripley & Co. (jointly); Merrill Lynch, Pierce, Fenner & Beane (jointly); Smith, Barney & Co. (jointly); W. C. Langley & Co.; and Smith, Barney & Co. (jointly).
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March 10 it was announced company plans to register with the SEC an issue of stock, which will be offered to non-U.S. stockholders.

April 17 the company announced it had filed for permission to issue $100,000,000 of first mortgage bonds in New Mexico and Colorado to market area in the state.

April 28 a company representative disclosed that it is expected to have $25,000,000 of mortgage pipe line bonds and preferred and common stocks.

Southwestern Gas & Electric Co. filed with the SEC for authorization to construct 183-mile pipeline system at an estimated cost of $40,000,000. Financing may be done privately through Kidder, Peabody & Co., New York.

Permian Basin Pipeline Co., Chicago, Ill., filed a substitute application for registration of $2,285,000 of common, $350,000 of preferred, and common stock and $18,000,000 of 3% convertible debentures.


May 20 it was announced company plans issuance and sale in June of $50,000,000 of first mortgage refunding bonds.

Underwriters—To be determined by management.

May 21 it was announced company plans issuance and sale in June of $5,000,000 of additional common stock.

Underwriters—To be determined by management.

May 22 it was announced company plans issuance and sale in June of $3,000,000 of additional common stock.

Underwriters—To be determined by management.

May 23 it was announced company plans issuance and sale in June of $25,000,000 of new common stock.

Underwriters—To be determined by management.

May 23 it was announced company plans issuance and sale in June of $100,000,000 of first mortgage bonds.

Underwriters—To be determined by management.

May 24 it was announced company plans issuance and sale in June of $10,000,000 of common stock.

Underwriters—To be determined by management.

May 24 it was announced company plans issuance and sale in June of $50,000,000 of additional common stock.

Underwriters—To be determined by management.

May 25 it was announced company plans issuance and sale in June of $25,000,000 of preferred stock.

Underwriters—To be determined by management.

May 25 it was announced company plans issuance and sale in June of $5,000,000 of preferred stock.

Underwriters—To be determined by management.

May 25 it was announced company plans issuance and sale in June of $3,000,000 of preferred stock.

Underwriters—To be determined by management.

May 25 it was announced company plans issuance and sale in June of $2,000,000 of preferred stock.

Underwriters—To be determined by management.

May 25 it was announced company plans issuance and sale in June of $1,000,000 of preferred stock.

Underwriters—To be determined by management.

May 26 it was announced company plans issuance and sale in June of $500,000 of preferred stock.

Underwriters—To be determined by management.

May 26 it was announced company plans issuance and sale in June of $100,000 of preferred stock.

Underwriters—To be determined by management.

May 27 it was announced company plans issuance and sale in June of $5,000,000 of common stock.

Underwriters—To be determined by management.

May 27 it was announced company plans issuance and sale in June of $2,000,000 of common stock.

Underwriters—To be determined by management.

May 27 it was announced company plans issuance and sale in June of $1,000,000 of common stock.

Underwriters—To be determined by management.

May 27 it was announced company plans issuance and sale in June of $500,000 of common stock.

Underwriters—To be determined by management.

May 27 it was announced company plans issuance and sale in June of $100,000 of common stock.

Underwriters—To be determined by management.
Bankers Underwrite Decca Records Offer

Decca Records Inc. is offering holders of its capital stock of

recognition for $15,625 additional shares at a price of $12.50 per share on the basis of one share for every share held. The subscription offer will expire at 5:30 p.m. on June 23, 1953. An underwriting group headed by Reynolds & Co. and

should be done within 30 days thereafter. The shares will be added to the general reserve for the purpose of raising the price for such purposes as may from time to time be determined by the board of directors. The sum of $3,000,000, which has been

of $3,000,000, was reoffered for subscription, and had been reoffered on June 23, 1953, at a price of $10.25 for an indicated yield of 3.75%.

Morgan Stanley Group Offer General Motors Acceptance Debts

A new issue of $150,000,000 General Motors Acceptance Corporation debentures, due January 1, 1954, will be marketed on June 11 by a

nership, and included among the members of this group were L. L. Morgan & Co., Morgan Stanley & Co., and Morgan J. Reynolds, in whose company the issue was placed.

This issue was reported to have been taken up quickly with insurance companies, savings banks, and pension funds absolving the bulk of the issue at the offering price of 102.25 for an indicated yield of 3.75%.

Filling a Spot

Carrying on the tradition, General Motors Acceptance Corp.'s $100,000,000 of relatively short-term debentures (December 1, 1953, maturing July 1, 1958) had the further attribute of that intermediate maturity.

It is difficult to remember the last time institutions had an opportunity to subscribe for an issue of this maturity, and there appeared to be no less than several portfolios into which it fitted nicely.

The General Motors Acceptance Corp. is a direct subsidiary of General Motors Corp., and had been named as one of the companies which were going to fill the gap left by the $1 billion debentures offering by the Commonwealth & Southern Corp.

The net proceeds from the sale of the debentures will provide additional working capital for the purchase of receivables. The company has experienced a rapid expansion in its business in the last five years. Receivables, after deducting allowances, were $325,380,000 at the end of 1947, and had increased to $357,777,000 at the end of 1952. At the end of April the company had accounts receivable of $25,023,992, which showed a further increase of 24.7% since the end of 1951.

Total operating income increased from $323,382,000 in 1949 to $125,404,000 in 1952. Net income, after all taxes, was $5,583,000 in 1949 and increased to $16,021,000 in 1952.


Public offering of a new issue of $40,000,000 Northern Natural Gas Co. (bonds maturing in June 1961) by an investment banking group headed by Blyth & Co. Inc. The debentures are priced at 102.45 and accrued interest to yield 4.35%.

Commencing in 1956, a sinking fund will operate to retire the issue in full by maturity. The optional redemption price starts at 106% and scales down annually.

Proceeds from the sale of new 4.5% debentures will be used to repay $48,000,000 in outstanding short-term bank loans and for additional purposes to increase system capacity.

The company owns and operates a 1,250-mile underground pipeline system extending from natural gas fields in the Texas Panhandle and Kansas to points in Nebraska, Iowa, Missouri, and South Dakota. Approximately 83% of its requirements in 1952 were purchased at wholesale prices from domestic producers. Present construction is expected to increase its production capacity to 823 million cubic feet daily north of Kansas City, Kansas. The company owns more than a 50% equity in Permian Basin Pipeline Co. from which 90% of its natural will eventually purchase 300 million cubic feet daily.

Operating revenues for the year 1952 totaled $47,400,000 and gross income was $6,502,000.

HEDIVID NOTICES

DIVIDEND INCOME

DECCA RECORDS

NEW YORK, June 20, 1953

At the meeting of the board of directors held on June 17, 1953, the board declared that a dividend of 50 cents per share on all outstanding capital stock, payable July 13, 1953, to stockholders of record June 26, 1953.

W. C. LANGLEY, Treasurer.

THE ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY

NEW YORK, June 20, 1953

At the meeting of the board of directors held on June 17, 1953, the board declared that a dividend of 50 cents per share on all outstanding capital stock, payable July 13, 1953, to stockholders of record June 26, 1953.

C. E. WILSON, Assistant Treasurer.

PHELPS DODGE CORPORATION

* * *

The board of directors has declared a quarterly dividend

of Sixty-five Cents ($0.65) per share on all outstanding capital stock of the Corporation, payable July 19, 1953, to stockholders of record July 2, 1953.

M. W. URRUTIAH, Treasurer.

THE COLUMBIA GAS SYSTEM, INC.

NEW YORK, June 19, 1953

The board of directors has declared the following quarterly dividends:

No. 36, $0.25 per share, payable July 15, 1953, to holders of record at close of business June 27, 1953.

DAISY PARKER Secretary.
WASHINGTON, D.C. — Rep. George Bender, Ohio Republican, a seasoned legislator who worries the White House will do no such thing in the House, announced that he is going to block the confirmation of the Treasury Secretary would eventually lead to public hearings. As of this writing, however, the full committee had not been notified of the inquiry plans by the Bender subcommittee.

Demrs Ikred on Re

In connection with the two bills for the extension of the Securities and Exchange Act, the committee was conducting efficiently and honestly, and in conformity with the law or laws that is administering.

Mr. Bender, however, said that the SEC's "play favorites and do things with no regard for the scheekers and persons unfriendly to the Commission."

"I am not prejudging these complaints in advance of the investigation," said Mr. Bender. The commission, he added, had also heard so many complaints along these same lines that he would like to see if there is any basis for them. He bears, Mr. Bender said, that the staff of SEC in many cases has been so busy with his friends and devotees that the SEC sided with them. It is possible, however, in order to get head- lines, that there is no basis for these complaints while the staff make unequal persons subject to malicious attacks.

"They make the climate healthy for their friends and unhealthy for their enemies," said Mr. Bender.

Explore "Whole Operation"

Second, the Ohio congressman found the need to turn "the whole operation" of SEC. While the SEC's "play operations" apparently so slow," he asked. He said he was interested in knowing why the commission members of the SEC were not only against our operations, but also against the Treasury officials.

Mr. Eisenhower had made such a profound impression on many members of the SEC that the views of the Treasury officials were not objected to by the Treasury officials.

Although the Eisenhower administration had not made the vigorous attack that it has upon extravagance in government, the rate of actual spending might have risen much more than the $45 billion that the Eisenhower administration will be able to spend over the next two years. The Eisenhower administration has been estimated at $74.5 billion for the current year (and $1.2 billion for the prior year), which is considerably more than the $74.6 billion estimated by Mr. Truman for the current year spending figure, for it were lower the contract would show that Mr. Eisenhower's best guess is that he will spend only $50 billion. He would, however, in the most expensive Truman postwar year.

On the other hand, the administration accepts this current year spending figure of $74.5 billion by implication. If spending were to run at more than $50 billion, Mr. Truman estimated, the administration would soon be able to build up its case for the "mess" it inherited in Federal finances.

The fact that the revenue is now estimated at $74.5 billion for the current year (and $1.2 billion for the prior year), which is considerably more than the $74.6 billion estimated by Mr. Truman for the current year, has been stated on innumerable occasions by the Eisenhower administration.

So the net effect of Eisen- hower administration economies so far will be merely to hold Federal spending at approximately the highest postwar year ever spent.

On the other hand, if the Eisenhower administration had not made the vigorous attack it has upon extravagance in government, the rate of actual spending might have risen much more than the $45 billion that Mr. Eisenhower says he will reduce spending, as compared with Mr. Truman's projections for the new fiscal year.

"Ike Opens Drive for Spending Cuts"

If a durable truce appears to be secure in Korea, Congress is very likely to drive for a cut of up to $5 billion in appropriations below the sums desired by Mr. Truman. It is thought that the difference between an active war in Korea and a holding troops there is in the neighborhood of $5 billion.

Business Man's Bookshelf

Acre Structure of the Corporate World

the election of James Gilligan, a tough-minded man from the American Stock Exchange, as Class A member of the Exchange's nominating committee for a term of one year, has been announced by Edward T. McCormick, President of the Exchange.

Arthur J. Conroy of Conroy & Co., John J. Miles, Jr., of Adirondack, and Theodore A. McAlpin, President of E. H. McCormick & Co., all partners in exchange nominees, have been re-elected to their former places on the Class B members of the nominating committee, according to the exchange announcement.

The Commercial and Financial Chronicle — Thursday, June 11, 1953

BUSINESS BUZZ

Federal Reserve Bank of St. Louis

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