EDITORIAL

As We See It

In almost pathological fear of an early postwar depression — which, in the event, never even threatened — Congress passed and the President signed in 1946 an act (Employment Act of 1946) which as usually interpreted places upon the Federal Government the responsibility for preventing any serious business recession in the future. The basic tenants of that law have now become part and parcel of the political mores of this country. According to the views, or perhaps better the emotions, of a great many, to express any doubt about the wisdom or the practicability of this enactment is to betray a lack of something or other which is an essential ingredient of good citizenship in this modern age of paternalism and slavish dependence upon government.

All this was painfully evident in the political campaigns of 1952, in which not only the Fair Dealers (whose attitude on the subject was to be taken for granted) but the Republican high command, including even the Presidential candidate himself, never tired of expressing unending devotion to the principles of the 1946 act. Repeatedly since that time the President has assured the nation that his Administration has no intention of permitting any serious deterioration in the state of business, and that to prevent such a development he would, if necessary, make use of all the resources at his command. The late Senator Taft is known to have been of the opinion that the leading, perhaps the paramount, hazard of the Republican regime during this term of office of the President, was the possibility of a serious depression with widespread unemployment, and the behavior of the professional element in the

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*An address by Mr. Mansfield before the Eastern Regional Conference of New York Society of Security Analysts, New York City, on page 43.
We position and trade in American Marietta American Tel. & Tel. Arizona Public Service Central Indiana Gas Central Public Utility Central Vermont Public Service Citizens Utilities Delhi Oil Rights & Common El Paso Electric Rights & Common Investors Diversified Services’ A’ Metal & Thermit Morris Plan, Pfd. Stroomburg Carlson

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The Security I Like Best

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

(Authorship of the contained in this forum are not intended to be, nor are they to be regarded as, an effort to sell the securities discussed.)

A. J. COURTSE

Market Analyst, A. J. Courtse & Co., New York City

Members, New York State Exchange

A. J. Courtse

Investment Engineering

Whether the stock averages are in a bull or bear trend, there is no disputing the fact that individual issues and groups have been in major bull or bear movements of their own. A stock that fails to be in a long-term trend, and with good reason, cannot be Combustion Engineering.

The company manufactures and installs steam generating equipment for industrial and electric power plants. Its products are used by industry, universities, and householders. It is the largest volume of business is done with the utilities and its high-pressure, high-capacity capacity is one of the most efficient steam-electric power producing plants in the country. Its installations are world-wide.

The company's operation is the key to its success. The company has not only a strong power division, but a strong electric utility power division has been a major part of the company's overall strategy for generating electric power. In common with other companies in the electric utility business, the company can reap significant profits in the electric industry, and this in spite of the fact that the company's earnings have improved significantly over the past few years.

IRVING KOMANOFF

Hersfeld & Soren, New York City

Members, New York Stock Exchange

Grow & Seal

Rain indeed is the opportunity for an investment dividend and a way to buy a stock of a large national power producing company where earnings are in a sharp uptrend—what is the amount of the purchase?

Yet the stock has been in striking distance and priced at 10-year low. This stock offers a unique opportunity to invest in, and yet where the price of the stock is such that it is strikingly lower than the price of the company's other stock.

In the common stock of Crown & Seal is sold in at 12 1/2.

In my opinion it is reasonably safe to say that this opportunity will not be back for a very long time. For as 1954 progresses and the sharp earnings improvement in this company begins to become better known, a strong advance is in the price of this security could reasonably take place.

Crown & Seal is the leading producer of crown caps and metal closures. As such it supplies about half of the U. S. market. Crown & Seal also ranks among the highest in the market, and metal container companies—outpacing such companies as American Can and Continental Can. The output of Crown & Seal is sold on a cross-section of vital American industry—namely, the beverage, canning, and food industries. At such, Crown & Seal has demonstrated its ability to maintain its sales even when general economic conditions deteriorate.

From a price of 31 in 1949 and more recently from 22 in 1951, the common stock of Crown & Seal had been depressed to where it is now selling only a little above its 10-year low. This present buying pressure for this precipitous drop will have a sharp decline in profits from $2.54 a common share in 1951 to $2.00 a share for the first quarter of 1952. Primarily responsible for this profit decline is due from 1951 into the first quarter of 1952 were two factors:

1) Government Price Controls which placed price ceilings on the

$11 million credit arrangement, amounting to $33 million, interest charges on the latter is at the prime rate of 6.5%.

The latest balance sheet, as of Dec. 31, 1953, showed current assets of $51.3 million, of which cash and marketable securities amount to $39.6 million, making current ratio 2.3 to 1.0.

Current backlog is about $75 million, which compares with an outstanding order of between $50 million and $137 million. The volume of business from the utility industry declined last year, but will remain about un-changed this year and the company expects it to resume the upward trend in future years.

The stock, in my opinion, is worth considering for income and long-term appreciation, for participation in the expansion of the utility industry and in the application of atomic energy. The stock is very little known to the public, and a reaction of several points is due in the near future.

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OVER-THE-COUNTER

INDUSTRIAL STOCK INDEX

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National Quotation Bureau

46 Front Street

New York, N. Y.
Television's Inherent Vitality

By COURTNAY FITT

Vice-President, Finance, Philco Corporation

Pointing out television, as in other appliance industries, needs not only production of fine product, but also creation of a demand for it through merchandising. His attitude, as expressed in this article, is one of optimism and the belief that television will continue to be an important factor in the electronics industry.

The electronics industry has the pronounced advantage of being one of the great growth industries of our time. The industry has been in a strong growth trend for a number of years, and the trend is expected to continue. From sales of $2,000,000,000 in 1939, the industry is expected to reach $5,000,000,000 last year, and there is good reason to believe that this trend will continue.

I have that substantial further progress is going to be made by the electronics companies—especially those doing the research and development work on new ideas and new products—over the years ahead.

Now I would be the last one to predict that further growth and future progress in television is going to come about automatically and without a lot of hard work. Nothing can be farther from the truth. In post-war America, there has been all too much guessing about what goes on in the Federal Reserve Board. The index is going to be three or six months from now — and perhaps not enough attention has been given to the thought and effort that different groups and individuals are expending in understanding and enlarging their own part of the economy.

The prime view of the electronics industry in some financial circles does not reflect this genuine attitude. I would remind you that television and, in fact, the appliance industry are manufacturing businesses. It is not just enough to make a fine product. It is equally important to create the demand for the product through merchandising and advertising and point-of-sale information.

The leading companies in the industry have been able to do this successfully over the years, and that is one of the principal reasons the industry has almost always made and sold more radio sets, and in later days more television sets, than might have been expected.

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What We May Expect in Electronics

By C. B. Jolliffe*

Vice-President and Technical Director, Radio Corp. of America

Digitizing an electronic research has only just begun to work the wonders of which it is capable. Dr. Jolliffe points to television, which did not even exist in 1945, but now accounts for 80% of the $3 billion electronics industry. Business possibilities of color television, along with other lines of electronic research, and points out fields of its use in business, in science, and in the home. Canada, there is no present limit to electronic development.

Industrial research is largely a development of our generation, but its growth has been so rapid that nearly all corporations dependent upon the natural sciences support laboratories. These corporations find that research pays; it returns large dividends in new products and services. As illustration we give you two quotations.

Brig. General David Sarofim, Chairman of the Board of RCA, said in a talk to the directors of Stanford Research Institutes: "Today, science and industry are linked by arteries of progress and their life blood is technical research. Without continued planning and research, those arteries would harden. The spirit of invention is ended."

An address by Dr. Jolliffe at the Third Annual Conference of the Conference of Allied Radio Industries, New York City, Jan. 28, 1954.

Investment for Tomorrow

Dynamic growth stocks are as rare as perfect jewels. Truly dynamic growth is a virtual certainty for the electronic industry—with its manifold extension to all phases of our activities.

No need to search for obscure, unseasoned investments when the outstanding leader in its field is available at an attractive price in relation to current and prospective earnings and yielding 8% on the basis of present dividends.

Our recommendation: Radio Corporation. A comprehensive 7-page analysis of RCA presents our reasons why every investor should have this stock in his portfolio. Just distributed to our clients, this study has been accorded such enthusiastic response that it is now available to you as a feature of the WIESENBERGER INVESTMENT REPORT—our twice-monthly investment letter available at $25 per year.

To acquaint investors with this unique advisory service, the RCA study plus the current report may be purchased for $2.50. We believe you will want to subscribe on a year-round basis after reading this issue.

* Dr. C. B. Jolliffe

The Commercial and Financial Chronicle... Thursday, March 4, 1954

The State of Trade and Industry

Total industrial production for the nation-at-large in the period ended on Wednesday of last week suffered a moderate set-back due to Washington's Birthday. Output dropped below that of the preceding week and continued at a level of close to 7% under the like period in 1953. Reports of layoffs were frequent in recent weeks with recalls more numerous. The number of unemployed continued to be substantially greater than a year ago, comprising approximately 5% of the labor force.

An encouraging note was struck by the National Association of Purchasing Agents in its February report when it stated, "The bright spot is in new orders." It disclosed the fact that about 30% of its members reported increases in bookings "exactly balancing the number of decreases." That was the best showing since last March, it was reported.

Beginning of March finds steel business more lamb-like than the weather, according to "The Iron Age," national metalworking weekly. Steelmaking operations this week are scheduled at 76.7% of rated capacity, down three points from last week's revised rate, and another new low for the year.

This will be a bitter disappointment to those who had been banking on seasonal factors to bring about an upturn in March. Chances are steel business will improve during the month. But it will take a gain of 3% points in the operating rate to get back to the February average of 74.6%, of capacity. Chances of doing much better than that are slim, states this trade authority.

Total steel production in March will probably be greater than February. But this will be due primarily to three more days in the month. A sharp upturn in business just isn't in the cards—at least not during the next 30 days, it notes.

The decline in the input rate this week does not mean that steel business has taken a sudden turn for the worse. It results at least in part from need of some producers to work off stocks of semi-finished steel they had accumulated in the hope that business would improve. Thus, rolling mills are temporarily processing more steel than is being melted, continues this trade journal.

Actually some of the seasonal factors that had been counted on to spur the market are yielding positive influence. But this bullish influence is offset by depresses forces which have lin-

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Railroads and Their Securities

By HERBERT F. WYETH
Shearson, Hammill & Co.

Members, New York Stock Exchange

Pointing out that, despite disrupting of railroads as an investment medium, their securities are still being accepted by insurance, savings banks and other similar institutions, Mr. Wyeth stresses the importance of selectivity in analyzing investment merits of individual railroads. Let us, as factors in selecting railroad securities: (1) territory served; (2) competition; (3) type of traffic; (4) terminal situation; (5) proportion of passenger to freight traffic; and (6) management.

Says a constructive attitude toward future of railroad industry is fully justified, and cites use of diesel engines and other mechanical improvements as giving a "new look" to the rails.

Railroad reviews briefly individual railroad companies.

Railroadings is a wide field of investment, with some $9 billion of bonds and $8 billion par value of stocks outstanding. Also, it is a widely misunderstood and generally maligned investment medium, largely based on unhappy experiences in the 1800's, to the effect that railroadings have been as much lack as it is an attractive investment characteristic. Fortunately this opinion is not shared by many of our leading institutions, including banks and some of the larger insurance companies. Life insurance companies have been increasing their net holdings of railroad securities, and one of the factors is the increasing importance of insurance companies as such lack of hog and corn.

To underline the fallacy, and real danger, of any such approach to investment in railroad securities it is only necessary to look at the record. In 1894 Santa Fe was commonly sold at 13 and Pennsylvania was at 15, whereas showing about the same earnings per share. Last year Santa Fe earned $14.62 a share, on a stock that had been split two-for-one, while Pennsylvania had earnings of $2.81 a share. Pennsylvania is still selling where it did nearly 10 years ago, while Santa Fe common is selling at the equivalent of about 25, and in many other similar examples, some of the companies have not had labor at the point this time. What we are saying is that railroadings always was the key to successful investment, and is daily becoming more important.

Our whole economy is in a constant state of flux, and conditions affecting fortunes of the individual railroads will naturally reflect these changes. I might mention at this point a few of the factors that have already been discussed, and will continue to lead, to wide variations in the performances and prospects of our individual railroad.

(1) Territory: There has been a long-term trend toward decentralization of industry, marked by a rapid growth of other industrial, and retail, in the western sections of the country. This trend is found in the traffic for the roads operating in these growth centers of the future, at least in the more mature sections of the industrial New England, northeastern and middle western States. This trend, by all indications, is continuing; perhaps even at an accelerated pace.

(2) Competition: One of the factors most often mentioned by those taking a gloomy view of the future of the railroads is the growth of new forms of competition. There is no question but that the pipe lines, barges, trucks, and automobiles have diverted a considerable volume of potential business from the railroads. The impact of these competitive agencies, however, has been neutralized on the individual roads. Pipe lines, for instance, have largely affected only those industries with the same brush.

(3) Type of Traffic: To a certain degree, this point overlaps the preceding one of competition. Truck competition has been most severe in the case of consumer goods, while the manufacturing roads primarily dependent on heavy goods industries with a strong demand in the Middle East and the various economic factors have generally maintained their positions. With respect to I. C. I., business has generally been increasing, and with respect to I. C. I., freight, it is generally expensive to handle and has a large labor factor. Thus, as wages have gone up the roads with the grous, the percent of the type of traffic have found it more difficult to control expenses.

(4) Terminal Situations: For the most part very little actions have been in the past 10 years have been on a cents-per-hour basis, with all classes of freight in harmony. This has meant that the lower salaried workers have been given the largest percentage increase. This has meant a more rapid increase in the station and yard costs than in road haul costs and the result has been that road haul costs have been harder to offset than road haul costs where the diesel has been so valuable. Thus, roads with heavy terminal operations have been hardest hit. Those with limited terminal operation or terminating any shipment is as just as high if it travels only 50 miles as if it moves 200 miles and produces four times as much revenue as the larger road, with a large amount of short haul traffic is suffering from the effects of the original or terminating costs in relation to the revenue produced.

(5) Passenger Business: Passenger business, and particularly short haul local and commutation service, is expensive and generally conducted at substantial losses. The road that has a large passenger business of this nature will naturally experience a serious drain on its profits from the freight service.

(6) Management: The caliber of management will vary widely, and it is management which makes the important decisions that influence traffic volume through aggressive solicitation policies, reduced costs through modernization programs, etc. With all these serious problems that the railroads have had to face in recent years, and still must face, this question of quality and depth of management is becoming increasingly important. In my opinion is the most vital consideration in the whole picture today.

We have gone on at some length outlining the points of difference there are between the various roads. These differences are reflected in the operations and earnings of the individual railroads. How wide the variations may be is best illustrated by the wide range of transportation rates, the percent of the revenue dollar spent on actually moving and handling the traffic, and the profit margins, the percent of the revenue dollar spent on actually moving and handling the traffic, and the profit margins.

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("OBSERVATIONS"
A Wilfred May's Column does not appear this week. Mr. May is on a trip through Europe and the Middle East investigating Cold War results in the economic area.

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March 1, 1954
Investment Policy and the Economic Background and Outlook

By HAROLD E. AUL

Herald E. Aul

By Vice-President, Calvin Ballock

Investment Company Underwriters

The most prosperous period in the history of the Nation. The number of people employed, incomes received and general services produced all the way up to the highesten record. As the exception, some products, notably automobiles and equipment (3) Federal Government expenditures; and (4) reduced consumer buying because of rising unemployment and payments on high level of consumer debt. Sees prospect of government intervention and sharp slump ahead. There is evidence of lack of public confidence, and a huge amount of inflation has been frozen into the economy. Concludes, however, underlying factors indicate a strong stock market.

Assuming we are now in a business recession, investment firm executive holds the relatively mild economic downturn will extend itself in the near future, which (1) readjustments of top heavy industries; (2) lower level of demand for products of heavy industry, consumer durables, and equipment; (3) Federal Government expenditures; and (4) reduce consumer buying because of rising unemployment and payments on high level of consumer debt. Sees prospect of government intervention and sharp slump ahead. There is evidence of lack of public confidence, and a huge amount of inflation has been frozen into the economy. Concludes, however, underlying factors indicate a strong stock market.

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$107,500,000
New Housing Authority Bonds

The Bonds of each issue will be secured by a first pledge of annual contributions unconditionally payable pursuant to an Annual Contributions Contract between the Public Housing Administration and the Local Public Agency issuing said Bonds in the opinions of bond counsel. Said annual contributions will be payable directly to the fiscal agent of said Local Public Agency in an amount which, together with other funds of the Local Public Agency which are actually available for such purpose, will be sufficient to pay the principal of and interest on the Bonds when due.

The United States Housing Act of 1937, as amended, solemnly pledges the faith of the United States to the payment of the annual contributions by the Public Housing Administration pursuant to the aforesaid Annual Contributions Contracts.

Quotation from an opinion of the Hon. Herbert Brownell, Jr., Attorney General of the United States, to The President of the United States, dated May 15, 1937:

"IN SUMMARY, I AM OF THE VIEW THAT: . . . A CONTRACT TO PAY ANNUAL CONTRIBUTIONS ENTERED INTO BY THE FUND IN CONFORMITY WITH THE PROVISIONS OF THE ACT IS VALID AND BINDING UPON THE UNITED STATES, AND THAT THE FAITH OF THE UNITED STATES HAS BEEN SOLEMNLY PLEDGED TO THE PAYMENT OF SUCH CONTRIBUTIONS IN THE SAME YEARS ITS FAITH HAS BEEN PLEDGED TO THE PAYMENT OF ITS INTEREST-BEARING OBLIGATIONS."

Public Housing Administration.

Interest Exempt, in the opinion of counsel to the Underwriters, from Federal Income Taxes by the provisions of the United States Housing Act of 1937, as amended.

Legal Investments, in the opinion of counsel to the Underwriters; for Savings Banks and Trust Funds in New York and certain other States; except as hereinafter noted.

The Bonds of the Municipal Housing Authority of Mayaguez, Puerto Rico are the only exceptions to the above statement on Legal Investments.

Bonds Issued by Local Public Agencies which are, or are located in:

- **2½% Scale A**
  - $3,151,000 Delaware County, Pennsylvania
  - $1,125,000 Huntingdon County, Pennsylvania
  - $2,855,000 Scranton, Pennsylvania
  - $1,400,000 Washington County, Pennsylvania

- **2½% Scale B**
  - $4,390,000 Syracuse, New York

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- **2½% Scale C**
  - $8,895,000 Camden, New Jersey
  - $12,420,000 Chicago, Illinois
  - $2,245,000 Cook County, Illinois
  - $24,240,000 Detroit, Michigan
  - $24,570,000 New York, N.Y.
  - $5,600,000 Paterson, New Jersey

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**Maturities, Rates and Yields**

The Bonds of each issue will be callable ten years from their date at a call price of 104 and accrued interest, and thereafter, at the times and prices called for in the Offering Prospectus.

The offering is not made hereby, but only by means of the Offering Prospectus, copies of which may be obtained from such of the underwriters as are registered dealers in this State.

Blyth & Co., Inc.
Fleish, Fern & Co.
Lehman Brothers
Goldman, Sachs & Co.
Harriman Railway & Co.
Smith, Barney & Co.
Sheidler & Company
The First Boston Corporation
R. W. Peat, Inc.
Drexel & Co.
Eastman, Dillon & Co.
Equitable Securities Corporation
Merrill Lynch, Pierce, Fenner & Beane
Stone & Webster Securities Corporation
White, Weld & Co.
Bear, Starch & Company
Union Securities Corporation
A. C. Myers and Company
Alex. Brown & Sons
Cahn & Burr
Estabrook & Co.
Ira Haupt & Co.
Humphrey, Myers & Co.
Hornblower & Weeks
Lee Higginson Corporation
F. S. Morgan & Co.
Paine, Webber, Jackson & Curtis
Goldman, Board & Co.
Koch, Sullivant, Hutton & Company
American Securities Corporation
Brown, Stevens & Co.
Brady, Bancker & Co.
S. R. Bicker & Co.
First of Michigan Corporation
Hirsch & Co.
Knapp, Taylor & Co.
Wm. E. Pollock & Co., Inc.
Tucker, Anthony & Co.
Dean Winter & Co.
Wood, Struthers & Co.
Barclay, Williams & Co.
A. C. Berber & Co.
Byrne and Phelps
Franklin & Co.
Eldridge & Co.
Fenner, Pollock & Co., Inc.
Gibbons & Company
Gregory & Son
Hallgarten & Co.
E. F. Hutton & Co.
Byrne & Phelps
Francis M. DePuy & Co.
Eldridge & Co.
Fenner, Pollock & Co., Inc.
Gibbons & Company
Gregory & Son
Hallgarten & Co.
E. F. Hutton & Co.
McClure & Company
Lawrence M. Marks & Co.
Rosenau & Cross
F. S. Smithers & Co.
Willard R. Smith & Co.
Stearns & Company
Stroud & Company
Chase, E. W. & Co.

March 3, 1938
Marathon Corp.—Memorandum—Smith, Barber & Co., 14 Wall Street, New York 5, N. Y.


New York Central Railroad Co.—Memorandum—Wm. M. Rosenbaum & Co., 263 Madison Avenue, New York 17, N. Y.

Northeastern Telephone—Los Angeles—Properties—Beacon Trust Co., 99 Wall Street, New York 5, N. Y.

Ohio Oil Co.—Memorandum—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y.

Chas. Pfifer & Co.—Brief analysis in the current issue of a recent action of the SEC and a typical state regulation, 215 Wall Street, New York 5, N. Y.

Public Service of New Hampshire—Review—Ira Haupt & Co., 11 Broadway, New York 6, N. Y.

Puget Sound Power & Light Corp.—Analysis—Ira Haupt & Co., 11 Broadway, New York 5, N. Y.

Riverside Cement Co.—Analysis—ask for report—7-11-54—L. E. Stern, 115 Broadway, New York 8, N. Y.

Seaboard Air Line Railroad Company—1953 Annual Report—W. F. Cummings, Secretary, Seaboard Air Line Railroad Company, 120 Broadway, New York 8, N. Y.

Silverwood Dairies—Bulletin—R. A. Daly & Co., 44 King Street, West, Toronto, Ont., Canada.


Tele-Trip Policy Co., Inc.—Circular—Heimerdinger & Straus, 50 Broad Street, New York 4, N. Y.

U. S. Steel Corp.—Memorandum—Coffin & Burr, Incorporated, 60 State Street, Boston 9, Mass.

**COMING EVENTS**

In Investment Field

**Amendments to SEC Laws OK'd by Senate**

New measure would exempt new security issues under $500,000 from SEC regulation, and it makes easier for securities salesmen to make available information about a new issue before effective date of registration.

On March 2, the U. S. Senate, on a calendar call, without being brought to the floor on the original bill providing for amendments of Securities Acts and the pending bill, adopted a substitute. The bill raises from $300,000 to $500,000 the amount of new securities issues under which audits by federal Securities and Exchange Commission are required.

It also makes an additional number of minor liberalizing changes in the securities laws. Besides raising the exempt issue limit, the bill would also make it easier for securities salesmen to make available information about a new issue before the effective date of registration.

During a calendar call a bill is passed simply by number providing no Senate roll call. The lack of opposition indicates easy passage of the measure in the House.

**McGeeley Announces Formal Opening**

ST. PETERSBURG, Fla.—McGeely & Co., Inc., member of New York Stock Exchange, has announced the formal opening of its office at 15 Afterburner Avenue. The new firm is successor to the Florida Securities Co.

**Two With Sutro Co.**

(Special to Financial Chronicle)

S. F. SUTRO & CO., S. F.

Robert S. Borovoy and John W. Shaw have been associated with Sutro & Co., 407 Montgomery Street, members of the New York and San Francisco Stock Exchanges.

**Arnold Feldman Co.**

**Formed in New York**

The formation of the new investment firm of Arnold Feldman Company, to be located at 40 East 42nd Street, New York, has been announced.

**Arnold Feldman**

Bears, Stearns & Co. and Byrne and Phelps are negotiating the sale of $57,000,000 of Virginia Turnpike bonds and present indications are that the offering will be made March 8.

The issue is dated March 1, 1952, will mature December 30, 1955. It is in addition to the original offering of $96,000,000, which has been outstanding for about two years ago and is of the same series. The bonds are tax exempt.

Additionally funds from the sale of the new issue are expected to be used to complete the 88-mile project which cuts through the heart of the state. Also available are federal Virginia mountains providing a high speed traffic artery with maximum grades of less than 5%. Opening is set for Aug. 1, this summer.

Factors responsible for increased construction costs were unforeseen earth and rock slides, growing costs of right of way, additional costs of basic materials removed, the expected increase later in four-lane building, and litigation. The new toll road will be the first link in a north-south traffic artery, the Great Lakes area through Ohio, New York and Pennsylvania, and North Carolina to the rich Piedmont area of the Carolinas, Georgia and Florida.

Enabling legislation is in process in Virginia for a turnpike commission in that State, and North Carolina is being very aggressively in position to build connecting throughways.

The badly needed north-south turnpike seems at last to be in sight, with Virginia and North Carolina entering into a fast-approaching reality of leadership in the development of West Virginia.

**A Correction on Views of Girard L. Spencer**

On Int'l Rate Trend

In the article on the “Supply and Demand for Investment Funds during the 1st Quarter of 1954” which appeared in the “Chronicle” of Feb. 23, on page 10, it was stated in the headline section that Mr. Spencer, in his article, “I have yet to see any prospect of lower interest rates.” This is an error, as Mr. Spencer’s statement could not have been more accurate, there is “little prospect of any increase and a distinct possibility of a cutting back in the level of interest rates.”
Color Television

By E. A. HOLSTEN*

General Merchandising Manager, Motorola, Inc.

Predicting color in television will come late in 1955, and will be used along with the present black-and-white system. Mt. Equipment Sales, Inc., of Chicago, reveals color television problems from standpoint of both manufacturer and broadcaster.

Mention has high today of color television sets, and points out television broadcast's need of to help the mechanics to do the es-

sence of commercial color television limiting programming and concludes programs will emanate mainly from New York

During the last couple of months, you have probably read most of the articles in the trade press on the color on color television and probably many of them have developed some confusion in your minds because you have had no actual working experience of color with which to compare.

I realize also that from now until the time that you actually have color sets operating in your territories, you will have to as-

Although this is 1955, and you want to be fully informed and working with color when it comes, you should have an appreciation of the problems involved before any deep commitments are made in the purchase of color receivers.

We are confident that Motorola color television will be strong engineering position in this market and it has been working intensely on color television for several years. In April 1955 we installed and began operation of a complete color scanner in the industry (color color).

A color scanner is a very large piece of equipment that transmits color pictures and test patterns for use in the laboratory.

During the entire period that the color scanner has been developed, evaluated, and field tested by our engineering and sales forces we are members of every im-

portant development in color developments that have been made in the field of color television.

Motorola's performance was also among the best at the FCC show-

ing in New York last October, so Motorola engineering is well pre-
pared to meet this new challenge of color television.

New Terms Used in TV

With the coming of color TV, you will begin to hear many new terms that you have never heard before and they may sound very mysterious, but you will find that they are quite descriptive and should be helpful in understand-

ing and working with the new picture little better. Let's run down through some of them.

Red, Blue and Green Gun: These are the three different color guns that are located to form a single picture tube.

Each gun shoots the same kind of electron at the screen, but they are so controlled that it comes out of a given gun only one color of phosphor dots on the screen and cause it to light up in one of the primary colors, red, blue, or green.

Therefore, the color exists only in the phosphor and the gun could be cut out as easily as the Number 1, 2 and 3, or A, B, and C.

Aperture Mask: This is a perfor-

ated screen that is located between the guns and the phosphors with the holes geometrically positioned as related to the phosphors so that the light from the red gun can only strike red phosphor dots, the electrons from the green gun the green dots, electrons from the blue gun the blue dots.

Color Plate: This is a flat glass plate positioned about one-half inch forward from the aperture mask and having the red, blue and green phosphor dots applied to it in regular geometric patterns.

Triads: A triad consists of three dots of phosphor; namely, red, blue, and green, positioned in a triangle, and this pattern is re-

peated all over the color plate. A single triad of dots is called one picture element.

Tone Tube: This identifies the type of color tube where each color is used instead of one.

Color Pack: This identifies the combination of the color plate, the aperture mask and the tube face. In simple terms it is a process by which properly separates them and this whole assembly is finally placed in the television set.

Focus Mask: This is a type of screen that is part of the color pack in the Lawrence type of tube which will discuss later. In the Lawrence type we have a color pack which is used as an object to be used to a black and white set, or a black and white trans-

former.

Chroma: Chroma is a color set of the primary colors to other and to the shades of grays as we have ob-

served them in the past on a black and white, or monochrome receiver.

Color Fringing: This is merely mixing of the colors and shows up in a similar fashion to mis-regist of colors in printing and is the result of the Sunday color sup-

plements of the newspaper as you have at home.

It is usually more noticeable around one object of an object in the next several months you'll be interested in this object itself.

Color Saturation: This is the amount of each of the primary colors that is used in the picture. For example, if you have an ob-

ject showing a true red and the exact red of the primary color, you would have the highest de-

gree of red saturation, the same in the green, or blue.

But to get all of the other colors in the spectrum as a pure mix-

ture of them such as in flesh tones, the colors are diluted and mixed to accomplish that color or tone, therefore, their degree is reduced.

Dynamic Convergence: Since in any picture tube each gun is supposed to light up only its respective color phosphor dots, it must be focused accurately and individually.

The result is that the beams of all the guns have to be converged on the picture tube, that is, all of the beams have to be in an apertures or aperture mask, so that all colors come out true in each tfi, and picture element, so that if you are viewing a monochrome, or black and white transmission on a color receiver that remains essentially black and white and does not get into weird shades of greens, purples, red, etc.

The result is the convergence angle is constantly changing as the beam sweeps across the face of the tube, it has to be corrected electrically, therefore, the term dynamic conver-

sion.

This simple glossary of terms that you will be hearing and look-

ing more and more as you move up in the color will help you in an-

alyzing and discussing picture color systems, and of course, many, many more, but we have tamed to the serivencs and engineers, at least for the time being.

Types of Color Television

And now with the help of these terms, I would like to give you the information I have in the new color picture tubes.

There are three important types that are known today.

The first is the RCA three gun tube which you have heard the most about.

The second is the CBS-Hytron three gun tube.

The third is the Lawrence, or sometimes called the chromatron tube.

Each of these three tubes at the present time has some good points, but unfortunately one of them also has some very serious problems connected with it.

No single one of the three has such a high ratio of good points to bad as to completely outshine the other two, and probably for many years to come there will be a choice between the two, and particularly since you can have each of these three types in color receivers introduced on the market.

Of the three, we feel that the RCA type of color tube shows the greatest immediate promise, primarily because it will be in the best supply during the first half of 1954. I'd like to discuss these tubes in greater detail with the other two in mind.

On the upper part of this slide you see a simple diagram of how the RCA tube works and below it a cross section of the tube. Its major elements consist of three electron guns, an aperture mask, and the color plate.

As you will observe in the dia-

gram, the three electron guns are arranged in a triangular pattern and shoot their beams through the holes in the aperture mask to illuminate the tiny dots of phosphor on the color plate.

These color dots are arranged either in a triangular pattern, or triad, consisting of a red, blue and green color pattern is repeated continuously over the entire picture area. There are about 200,000 holes in the aperture mask, and the same number of triads spanning the field dots, or 60,000 color dots.

This means that if you could place your eye in the same position as the red gun and look through the aperture mask, you would see nothing but red phosphor dots with the blue and green dots being shadowed, or masked by the metal screen.

If you then moved your eye to the position of the green gun, you will see black, and finally you can see each of three types in one color receivers introduced on the market.

The RCA type of tube has the characteristic of brightness, resolution, and, therefore, has the ability to reproduce extremely fine detail in pictorial composition; and even though it is an extremely difficult technical manufac-

turer, they have had enough development work started on the other fellows so that their type of tube are in greater supply today than any other.

Along with these good qualities, there is some that can be con-

sidered bad. For example, the color pack is a heavy, complicated assembly, weighing six pounds and it has to be assembled with an unusual degree of mechanical accuracy. It is located well be-

hind the front face of the tube and, therefore, the viewing angle is restricted. Also, there is a lot of space consumed in the tube, and the picture area is the equivalent of a 12 inch mono-

chrome tube. All of these things make for a very high manufacturing cost, at least in its present stage of pro-

duction.

The next tube is the one re-

cently announced by CBS-Hytron. This tube uses exactly the same basic theory of operation as the RCA type of tube; in fact, it is designed to be completely inter-

changeable with it. The only difference is exhibited in the in-

put structure as is shown on the cross section view of it.

The same three gun structure is used, but the aperture mask is die formed into a pillow shape which even though it is very thin and color, developed is extremely flexible through the curvature just as egg shell does. Then, the heavy color plate is completely eliminated because CBS has developed a process of supplying the little triads of phos-

phor to the inner face of the tube—so that the picture appears on the tube face just as it does on today's monochrome tubes.

This tube has a slightly larger picture as they have some quarter of a million aperture holes

* A talk by Mr. Holsten before a group of retail radio and television dealers.
The Canadian Economy in 1954

By DOUGLAS SEAMAN COLE*
Consult General of Canada, Chicago, Ill.

Stressing Canada's rise in the economic scale as an independent nation, Mr. Cole dictates: (1) reasons for present enormous expansion of the Canadian economy, (2) the existing state of trade, and (3) the future of a free enterprise Canadian economy.

Holdas Canada's dranions in respect to fiscal and monetary policies have worked out satisfactorily, and Canadian Government favors reducing international trade barriers. Lays present position, and (2) policy of U.S. parent companies to reinvest subsidiaries' profits in Canada. Concludes Canada's future depends largely upon reexamination of a flexible, adaptable economy, an expanded foreign trade with United States and other countries.

In terms of history, it is but a very short time since Canada was popularly considered in the United States that Canada was a dependency, but today it is a great economic force. The population of Canada is approximately 15 million, and the country has a large natural resource base, a skilled labor force, and a well-developed infrastructure.

(2) The existing state of trade is characterized by a large trade deficit with the United States, but Canada has been able to maintain a favorable balance of trade in recent years.

(3) The future of a free enterprise Canadian economy depends on a number of factors, including the expansion of the country's industrial base, the development of new export markets, and the continued improvement of the country's infrastructure.

*An address by Counsel General Cole at the World Trade Conference of the Chi- cago Association of Commerce and Industry.

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*An address by Counsel General Cole at the World Trade Conference of the Chi- cago Association of Commerce and Industry.
Current Recession More Serious Than Inventory Trimming

By EDWIN G. NOURSE

Formerly Chairman, President's Economic Advisers

Former Economic Adviser to the President holds present recession is much more fundamental than mere inventory trimming; that adequate grounds do not exist for counting on a second- or third-quarter recovery, and that remedies against further downturn, though impressive, are as yet unproven and quite difficult of application. Reviews conditions leading up to present situation, and says what is now required is “Operation Big Switch.”

The President's Economic Report is that it is devoted primarily to Governmental fiscal and monetary policies, and not to pricing, wage, investment, merchandising effort, investment programs, and maintenance of consumer buying.

I wish to preface my comment on the Economic Report proper by making a brief observation about Appendix D which is the text of Reorganization Plan No. 9, sent to the Congress from the White House on June 1, 1933.

In this message (p. 135 of the Economic Report), President Eisenhower refers to the Employment Act of 1946, and points out that attainment of the full employment aspirations, and the control of inflation, are now the “two liquidating functions of the Congress to help develop a strong economy in the United States.”

The President continues, “I believe in the basic principles of the Employment Act, and it is my purpose to seek adequate and effective actions to reinvigorate and make more effective the operations of the Council of Economic Advisers. Our needs for proper advice on economic matters are equalized only by our needs to have the very best advice and planning on matters of national security.”

I think I may speak for the economics profession in expressing gratification over this decision, the outstanding qualifications of the persons selected by the President for this reconstituted Council of Economic Advisers, and the high professional quality of the President's report to which they have made the major contribution. I could easily spend the whole of my allotted time in the praise of its workmanship and in underlining points made in which I believe are sound and important.

But the purpose of these panels organized by the Joint Committee is, I as understand it, to take a fresh and independent look at the economic situation of the country and means of strengthening it, and particularly the means of controlling inflation. Consideration may be helpful in the use of alternative interpretations and emplaces. "In a multitude of counselors, there is wisdom." I turn, therefore, to the substance of the President's Report itself. Its message to the Committee, the Congress and the country may be briefly summarized in three words: "New and modem.

The economy is essentially sound and at the present time is undergoing only a mild inventory adjustment. But the trend of this adjustment gives reasonable hope of its completion within a fairly short time, a return to purchasing power, and a resumption of high-level prosperity and vigorous industrial activity before the end of the present calendar year. (3) If a trend toward not move its authors to any attempt to appraise the attained productive capacity in such terms as large and improved agricultural, commercial, and industrial plant and the allocutive power of the market.

It must be evident, however, that present inventories have emerged from this relationship. The schedule of farm prices, Government-supported under the Steer and Amendment, and part of the 1948 and 1949 Agricultural Acts, have revealed, if they did not create, a productive capacity in dairying that has already accumulated a surplus of one billion pounds of dairy products. Wheat.

Continued on page 50

This announcement is not an offer to sell or a solicitation of an offer to buy these securities. The offering is made only by the Prospectus.

Houston Lighting & Power Company

First Mortgage Bonds, 3% Series due 1989

Dated March 1, 1954

Price 102.18% and accrued interest

BAXTER, WILLIAMS & CO.

NEW YORK HANSEATIC CORPORATION

EM. F. POLLOCK & CO., INC.

AUCHINCLOSS, PARKER & REDPATH, BACHE & CO.

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March 1, 1954

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Dated February 1, 1954

Price 100% and accrued interest

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March 1, 1954

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How to Stabilize Purchasing Power: Income From Foreign Loans

By DANIEL K. ANDREWS

Assistant Professor, Department of Commerce and Economics, University of Vermont

Dr. Andrews proposes a plan under which foreign loans are to stabilize purchasing power parity of each country, the creditor's government and the debtor's government would jointly share the loss or gain.

The report of the Randall Commission on foreign exchange is of domestic concern, but its recommendations are officially limited to the United States. By a majority of one, the commission recommended a continuance of the guaranty system and its proposal for a revamping of our tax structure to provide an additional incentive to invest abroad.

It may be that the government is not very much concerned about the risk, from the standpoint of a creditor, that what he repays will be worth less in terms of purchasing power than what he lent. If the risk was as great as to virtually eliminate the field of international finance, so far as the creditor is concerned, what might be called the purchasing power risk, the risk, from the standpoint of a debtor, that what he borrows will be worth more in terms of purchasing power than what he lent. If the purchasing power of foreign loans was stabilized in such a way that the risk of purchasing power risk would be negligible, it seems probable that many creditors, many potential creditors, would be willing to enter the field of foreign lending who now prefer the relative safety of their own government and some foreign borrowers might be found, in short, that results would follow the proposal in the hope of achieving this objective.

The Essence of the Purchasing Power Plan

The essence of the purchasing power plan is that any monetary amount can be tied to any price index, in particular, the index of foreign exchange rates. It is simply a common viewpoint. For example, one country may be used to operate at the index of the price index, and the other country may be used to satisfy the index of both countries.

The index of foreign exchange rates is a complicated matter. It is necessary, however, to assume the same index, and therefore, in the example of a price index which follows, the more complicated situation of the fluctuation of exchange rates will be postulated.

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Does Govt. Insurance Develop Excessive Mortgage Credit?

By MARCUS NADLER
Professor of Finance, New York University

Pointing out supply of funds for investment has kept pace with the increased mortgage supply, Dr. Nadler expresses opinion it is unsound to make mortgage loans without a down payment, but that since granting mortgage loans for 25 years, as proposed by the President, is primarily dependent on the insurance and the guaranty of the mortgage. Contents government insurance does not develop excessive mortgage credit, and holds government guaranteeing of mortgages has contributed materially to the high level of business activity and greater home ownership.

Introduction

One of the most important measures of the standard of living of a nation is the degree of home ownership and the type of housing the people enjoy. This is as important as the level of per capita food consumption and more important than the per capita ownership of automobiles, radios, telephones or householder (households of which tend to make living easier.

Moreover, the quality of housing today and the degree of home owning have a definite bearing on the individual's attitude toward society and exercise a considerable influence on the health, education and on crime conditions. The problems of great political disturbance and revolution, it is usually the slum districts of big cities which will lead to the agitator and run to the police. It is known a fact.

At an address by Dr. Nadler before the Annual Savings and Mortgage Conference sponsored by the Savings and Mortgage Division of the American Bankers Association in the New York City, March 5, 1954,

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Business and Health

By ROGER W. BABSON

Mr. Babson discusses health in connection with individual earnings, and points out employees are often forced to work when feeling ill, and are thus not giving full value received for their services. Says thousands of business concerns are suffering losses because of inefficient work of half-sick executives and employees. Reveals some statistics of cash losses and accidents.

Some weeks ago I wrote a column on the relation of Business to Mental Health. I now wish to write on the relation of Business to Physical Health.

Of course, people must have employment and wages in order to buy, but they must also be free from worry in order to do good work and get promoted. This is a self-evident fact, and needs no discussion; but I want to write now of something much deeper.

My Personal Illnesses

I have not been feeling well for the past two weeks. Although I was not confined to my bed, yet something caused severe pains in my back and sides, and I just could not get on with constructive work and I began to worry, which I never do when feeling well. I, therefore, am now in Florida for a few weeks.

Roger W. Babson

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WM. H. Harper & Son & Company

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FHLB Refires Notes

Everett Smith, financial agent of the Federal Home Loan Banks, on March 1, announced that the outstanding $98,500,000 of consolidated notes, 2.4% series F, March 15, 1954 will be reenforced by $5,000,000 of United States Government refunding. On Feb. 13 the Banks were contacted by the Government on their resources $111,000,000 of notes due in 1954 and 1955, to refinancing bonds without recourse to refinancing, Mr. Smith said, reflects a national program of Federal Government since the beginning of the year, to meet the need arising from loans and an increment in deposits. Cosiderable sums from these two notes will be paid at any Federal Reserve Bank or branch which is already outstanding consolidated note holder. In addition, banks which have been reduced to $204,000,000.

Jay Kaufmann Admits

Jay W. Kaufmann & Co., 11 Broadway, New York City, members of the American Stock Exchange, on March 1 admitted John R. Atwell to partnership.

The month-old breakout by the Dow Jones average was a phenomenon which has been a staple of the market for the last 10 years. It was this week that the Dow Jones average surpassed the $90 level into new territory. This was a significant event in the history of the stock market, as it marked the first time the Dow Jones average had broken above the $90 level since the stock market crash of 1929.

The market has been in a state of flux for several weeks, as investors have been trying to decide on the direction of the market. The Dow Jones average has been moving in a range of $88 to $92 for the last few weeks, and it was this week that the market finally broke out of this range and moved higher.

The market has been influenced by a number of factors, including the performance of the economy, the performance of the stock market, and the performance of the Dow Jones average. The Dow Jones average has been moving in a range of $88 to $92 for the last few weeks, and it was this week that the market finally broke out of this range and moved higher.

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The helicopter serves much time and fatigue in rough terrain in performing surveys where most of the work heretofore was spent in slow movement rather than in actual productivity.

(2) Civilian: The helicopter already is receiving considerable civilian application to civilian commercial work. Regularly scheduled mail services have been operating on a daily basis during the May week of Los Angeles since 1947, in Chicago since 1949, and in New York since 1952. In Los Angeles, for example, the helicopters of Los Angeles Airways make 18 flights daily between the airport and the roof of the main Los Angeles post office downtown. They serve in a series of subterranean tracks, serving over 40 commuter terminals within a 20-mile radius of Los Angeles. The New York helicopter service has been extended to include passengers as well as mail, and we can buy tickets in a routine manner for helicopter transit between LaGuardia, Newark, and Newark Airports.

Our European neighbors have been equally alert to the helicopter as a transport vehicle. Last summer, I had the privilege of being present at the Belgian air show, inaugurated the first international helicopter passenger service. Regular service is provided between six cities in Holland, France, West Germany, Syria, and other European countries. British European Airways has operated helicopter mail and passenger service and has publicly stated that it will convert many of its routes to

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fair gains without slipping too much further. A surprise situation was caused momentarily by Northern Pacific and New Haven in the depressed rail section. Northern Pacific, as usual, was hanging back from the intangibles of its oil lands, making it a trader's item that can be guaranteed to go nowhere. New Haven's performance was based on the far more tangible probability of a general industrial upsurge. The Eastern road, a battle almost positive with a rival slate already named.

The more bitter battle over New York Central offered little influence marketplace. The initial hop in the issue as the fight started seemed to have run its course and, despite the fact that all of the issues were in tune with general market action, the stock had a leisurely time of it pricewise. The issue kept to the bullish side, however, to keep it in the activity column after two consecutive weeks in which it led all the others in turnover.

RKO Simmers Down

Also quieted down was RKO, according to the cream of several actions and the meeting of stockholders to act on the proposal of the RKO board of directors to offer Howard Hughes, that he buy them out. RKO, like Central, continued to feature in activity, with blocks between 5,000 and 10,000 shares at a clip. And it fought gamely to hold its own against the heavy selling as the heaviest traded issue of the year to date. Its ability to hold a lead even over the giant weekly of the gigantic week's turnover of more than 700,000 shares which, at the time, was more tremendous than the offerings of any other issue had managed in the entire six weeks of trading of the year.

The technical action, while encouraging, still left plenty of doubters around. A handful of blue chips carried the important indexes in a relative position, less than 90 points under the 1929 best which, for years, has been considered "normal." Special situations moving ahead smartly due to favorable dividends and earnings, merger rumors and speculation in the market generally and a large assortment of issues did little despite the statistical support. The ability to get moving continued as the king-sized damper that nourished the bears and kept the bulls quaking.

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


Mr. Piaecki discusses all phases of the development and use of the helicopter. Points out its unique timeliness for commercial transportation. Features December's extension of large metropolitan areas. Says helicopter will extend this radius many miles, while it will be an aid toward the development of a more industrious and urbanized America. Points out ready means of tying together individual plants of one concern. Points out helicopter transportation requires smaller capital investment than short-line railroad or automobile interconnection of plants.

Dynamic changes have occurred in the emphasis placed upon the role of the helicopter in the postwar development of the aviation industry in Korea. Prior to the advent of the Korean conflict, the helicopter was more of a novelty than a practical basic vehicle. It was something like a circus act, enjoyed by few, and only a small number of these were experimental. This description still applied to the early years of the helicopter. However, the designers were directed toward vertical flight. Only four years after the first helicopter, Louis Breguet, the famous and still active French aeronautical engineer, lifted a man off the ground (on his own) the first time with a helicopter. However, the simpler mechanical problems and the need for less expensive and more rapidly developed engines. Only in 1937 was the first successful helicopter flight made. This was a result of the knowledge and experience in the development of the aircraft and the auto¬toro.

At this point, I would like to distinguish between the helicopter and the autotoro, and define the helicopter.

(1) The helicopter has rotating wings, as distinguished from the fixed wings of an airplane.

(2) The helicopter has unique flight characteristics in that: (a) It can hover and fly slowly (b) It can rise and descend (c) It can fly backward and sideways as well as forward. (d) It can take off and land without and within its own dimensions.

(3) The helicopter has an advantage from the autotoro in that all of the basic factors of flight (maneuverability, stability, control, propul¬sion, and control) are all de¬signed into the design. In other words, the rotor, on the other hand, has a free-wheeling rotor which was not powered; its propulsion was provided by a propeller, and the craft had to be built in such a way for its rotor to be turned by the air flowing over it. Consequently, the autotoro was half airplane and half helicopter, and it could not fly more slowly than the airplane, but it was not capable of hovering or vertical flight as is the helicopter.

Present military applications, already several and varied.

(1) Reconnaissance, not only in Korea but throughout the world. This is tremendously important in Arctic and jungle climates, where time of exposure to the elements is extremely critical.

(2) Evacuation of wounded and injured, taking them speedily and directly to field hospitals without the dangers of rough surface rides and without transfer. Aside from its medical value, speedy, comfort¬able and sure evacuation has proved to be a tremendous morale booster. Every fighting man and every downed airman knows he won't be left wounded in the field and that his chances for survival are greater than ever before in history.

(3) Ship-to-ship and ship-to¬shore transfer of personnel, mail, battle plans, doctors, and medical supplies is commonplace in our Navy. A helicopter is standard equipment on every battleship and cruiser when it goes to sea.

(4) Mines are sighted and detonated by riflemen in helicopters, without the dangers to which a minesweeping boat is subjected.

(5) Generals and other field commanders in Korea have found a new mobility for observation and liaison. For the first time, they have felt that their units and the capability of the immediate access to the battlefront. This, however, has brought com¬plaints, for even a fresh one no longer offers them any privacy.

(6) Important mapping and sur¬vey work is being done by helicopter, particularly in Alaska.

The achievements of the heli¬copter in Korea are dramatic. Its effectiveness in rescue work particularly so were dramatic that they tend to divert our perspec¬tive. Some of the more important applications of the helicopter, since Korean hostilities have ceased, is timely to be considered in the future and future roles to determine the future of the helicopter. Enthusiasm is only a result of attrac¬ting public fancy, or whether the helicopter is to be used in the future to portiate to the public it has achieved for itself.

I shall discuss:

(1) Present applications.

(2) Future extension of present uses, the de¬velopment of new and increased capabilities of the ma¬chinery.

(3) The impact of the helicopter on our social and economic sys¬tem.

Present Application

(A) Military: The helicopter's

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* Mr. Piaecki serves as the President of the Association of Customers' Brokers, New York City, Feb. 19, 1953

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New Issue
March 2, 1954

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TV, the glamour girl of the electronic industry, continues to sparkle as factories and电视机 manufacturers report a sharp increase in orders for her. The new color sets available this year will be highly competitive, with prices ranging from $420 to $1,000. The emphasis is on quality and performance, with the goal of providing a high-quality, reliable product at an affordable price.

In the world of electronics, innovation and competition drive the industry to create new technologies and improve existing ones. This year, there is a particular focus on color television, which continues to gain popularity due to advancements in display technology.

The Electronic Industry's Great Asset: Diversity of Markets

By ROBERT C. SPRAUGE

Chairman, The Sprague Electric Company

After commenting on the 1953 peak year business in the electronics industry, Sprague goes on to discuss the potential of color television. Expressing belief that color will not make black and white television obsolete, Sprague points out that significant growth in color television will continue, with sales expected to increase significantly in the coming years. He notes that the advent of color television will bring about a new era of innovation and creativity in the electronics industry.

The important fact that retail sales of TV sets were virtually at peak levels in 1953 has often been overlooked. In this year, many people in and out of the industry had given up on production cutbacks which had become necessary late in the year. However, the trend was reversed by early 1954, with retail sales beginning in September and continuing into the year. The $1.3 billion in retail sales for 1954 to 1956 was recorded.

New York Stock Exch. Weekly Firm Changes

The New York Stock Exchange announced the following firm changes.

Transfer of the Exchange membership of Benjamin T. Burton to C. W. L. of New York City.

The New York Stock Exchange continued its partnership with the New York Stock Exchange on March 11.

'Wall Street' at the close of business on February 28, 1953, the market for color television was quite active, with a number of firms reporting strong sales.

Electronic Industry's Great Asset: Diversity of Markets

Robert C. Sprague

Chairman, The Sprague Electric Company

The advent of color television is the most important single event in the history of the electronics industry. The advent of color TV has already led to the development of new technologies, such as color cameras and color television receivers.

The advent of color television has been a boon to the electronics industry, as it has created new markets and opportunities for growth. The industry has responded to this challenge by investing in research and development, leading to the creation of new products and technologies.

The advent of color television has also led to a growth in the number of firms producing electronics products. This has created a more competitive environment, with firms vying for market share and innovation.

The advent of color television has also led to the growth of new industries, such as video games and online streaming. These industries have emerged in response to the growth in the use of color television, and have contributed to the overall growth of the electronics industry.

The advent of color television has also led to a growth in the use of electronics in other industries, such as manufacturing and healthcare.

The advent of color television has led to a growth in the number of firms producing electronics products. This has created a more competitive environment, with firms vying for market share and innovation.

The advent of color television has also led to a growth in the number of firms producing electronics products. This has created a more competitive environment, with firms vying for market share and innovation.
Television Tape Recording by RCA Opens New Era of Electronic Photography

In 1956, RCA's General Sarnoff will celebrate his 50th year in radio. Looking ahead to that anniversary, in 1951 he asked his family of scientists and researchers for three gifts to mark the occasion. His three wishes: (1) A television tape recorder, (2) An electronic air conditioner, (3) A true amplifier of light.

Gift No. 1—the video tape recorder—has already been successfully demonstrated, two years ahead of time! Both color and black-and-white TV pictures were instantly recorded on magnetic tape without any photographic development or processing.

You can well imagine the future importance of this development to television broadcasting, to motion pictures, education, industry and national defense. And you can see its entertainment value to you, in your own home. There the tape equipment could be used for home movies, and—simply by connecting it to your television set—you could make personal recordings of your favorite TV programs.

Expressing his gratitude for this "gift," General Sarnoff said it was only a matter of time, perhaps two years, before the finishing touches would bring this recording system to commercial reality. He described this RCA achievement as the first major step into an era of "electronic photography."

Such achievements as Television Tape Recording, stemming from continuous pioneering in research and engineering, make "RCA" an emblem of quality, dependability and progress.
Television’s Role in Education

By JOHN T. RETTALLAIA

President, Illinois Institute of Technology
Chairman, Advisory Board, Chicago Educational Television Ann’s

Almost two years ago, the Federal Communications Commission issued its final television allocation report, which signaled the end of the thirty-year freeze it placed on the construction of additional television stations. The hiatus provided time for the FCC to work out a plan whose provisions will be stumbling blocks to serve every part of the nation. Yet, not without the benefit of each other, during the freeze, forward-looking educators throughout the nation had time to crystallize their thoughts. They worked to recognize and improve the possibilities of television for teaching, and for development of national, intellectual and cultural standards. They organized the Joint Committee on Additions to the FCC, a committee of the La Salle Street Women’s Club, Feb. 23, 1954.

Dr. J. T. Rettalla

te for Educational Television to stake their claim in this new public domain. More than 70 educators appeared at the FCC hearings and testified to the need for non-commercial television stations. More than 800 additional educators mailed prepared statements. The gist of their testimony was that American education needed to use this electronic tool if it was to keep pace with modern life, and that designated channels should be reserved for this purpose while means were found to finance their work on a national scale.

My own institution filed one of the statements and, in behalf of the Chicago Commission on Cultural and Educational Institutions of Chicago, recommended the establishment of the local VHF Channel 11 for exclusively educational use.

The Final Decision of the FCC

The Commission finally decided that the public service would be served if some specific channels were reserved exclusively for educational purposes. After several months of hearings, the FCC adopted the recommendations of the Joint Committee for the presentation of educational programs. However, no station could be licensed to serve these channels until the most suitable time for such service had been determined.

Again, commercial stations, by the nature of their service, appeal to a general audience and cannot afford the expense of educational facilities. They are not in a position to serve the needs of educational and community service.

The reservation of 242 channels throughout the nation, although it was a first, the most controversial aspect of the FCC allocation report, even though its lifting the freeze made a total of 2,043 television channels available in 1,200 communities spaced throughout the 48 States.

The Commission report left its definitive period of reservation for television channels, now totaling 242. As a practical matter, the period of reservation was one year, and it was anticipated that the parties as well as the FCC would become involved in lawsuits to determine the validity of the channel assignment.

The reservation of 242 channels throughout the nation was the first, the most controversial aspect of the FCC allocation report, even though its lifting of the freeze made a total of 2,043 television channels available in 1,200 communities spaced throughout the 48 States.

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Emerson...and Only Emerson Gives You Full 21" TV in Wood Cabinet for only $179.95

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Modern split-level styling incorporates self-starting Telechron electric clock with fine Emerson radio. $24.95 in Ebony

Emerson...Over 14,000,000 Satisfied Owners... America's Best Buy!
Important Uses of Television In Industrial Operations

By G. H. WILSON
Supervisor, Electronic Sales, Diamond Power Specialty Corporation, Lancaster, Ohio

Mr. Wilson describes various uses of television in industrial operations, stressing the close distance between an operator and the process he controls precludes the possibility of direct observation. Points out equipment of ITV, i.e.: Industrial Television, is less complicated and less expensive than ordinary TV. The equipment of ITV is in promoting safety in mining operations and in minimizing losses from breakdowns in long distance belt conveyor systems.

Closed circuit television, while comparatively new, is being employed in approximately 25 different types of industry where the close distance between an operator and the process he controls precludes the possibility of direct observation. Observation of this sort, the type of TV described here, is in some cases central control of certain dangerous processes. In several cases, at least, the employment of this type of TV has made possible the promotion of safety in mining operations and in minimizing losses from breakdowns in long distance belt conveyor systems.

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It's an entirely new kind of transistor, developed by Philco scientists, and it solves two major problems that to date have blocked the widespread use of transistors in electronic applications.

For this new Philco Research development (called a surface-barrier transistor) contributes the ability, first, to operate at high frequencies with low power consumption, and, second, to be mass produced with precision at high speed.

Translate this into hard, practical terms and you get, for the first time, things like—

1. A tiny, high frequency military radio set that is powered only by two penlight cells, yet has a daily operating life of months.
2. A match-box size transmitter, activated by sea water, that sends an automatic homing signal for rescue operations and other possible services.

...and, eventually, compact electronic computers that will perform all the functions of the present, bulky, vacuum tube-type, yet uses only 1/1000th as much electric current!

But the door has only opened—the great developments made possible by the surface-barrier transistor will ultimately spread its benefits to 90% of the five billion dollar domestic and military electronics industry.

To solve this basic research problem, Philco engineers etched Germanium electrochemically to an incredible thinness, with a tolerance of half the wave length of visible light! This made it possible, for the first time, to employ Germanium for its surface characteristics only, without the drawbacks of its internal composition.

Here, once again, is an example of the results flowing from Philco's continuing program of basic research. Though still in its engineering phase, the "surface-barrier" transistor will surely, someday, open the gate to more and better civilian production utilizing the marvels of electronics. It is from research of this kind that the name PHILCO becomes a unique standard for achievement in Television . . . Radio . . . Refrigerators . . . Freezers . . . Electric Ranges . . . and Air Conditioning.

And the end is not in sight!

ANOTHER FIRST FROM PHILCO RESEARCH
Needed: A Catalyst to Maintain Economic Progress

By ARTHUR A. SMITH

Vice-President and Economist, First Nat'1 Bank, Dallas, Tex.

After reviewing the role of savings in American economic progress, Mr. Smith points out that use of savings is largely determined by institutions to whom the funds are entrusted. Some of the banks, for example, have a policy of investing all excess balances in the market at fixed rates of interest, regardless of the size of the funds or the market situation. This practice may be detrimental to the overall economy, as it prevents the flow of funds from one area to another where they are needed most.

In his "Economic Report," the President refers to several conditions that may affect economic progress. These conditions include the growth of government spending, the influence of monetary policy, and the role of international trade and finance. He also mentions the importance of innovation and the need for policies that encourage entrepreneurship and investment.

But taken in the aggregate, the American people have not been deterred in their inclination to save since the depression. And although interest rates are a factor in encouraging savings, they do not account for a large proportion of the increase.

In many people, the interest rate is the most important factor influencing their saving or non-saving decision. Their savings decision is not purely arbitrary and is influenced by their needs and their financial situations.

Their savings decision is not purely arbitrary and is influenced by their needs and their financial situations. They may be looking for a certain interest rate in order to meet their financial needs or to meet their financial goals. They may also be looking for a certain interest rate in order to meet their financial goals. They may also be looking for a certain interest rate in order to meet their financial goals.

Mr. Abrams also argues for a greater emphasis on the saving of capital funds and the role of the Federal Reserve in promoting saving.

"The Commercial and Financial Chronicle ... Thursday, March 4, 1954"

Electronics: Matured, But Growing Industry

By ALEX W. MUNRO

Corporate historian, The Dun & Bradstreet Corporation, New York City

The concept of "electronics" has evolved from a scientific curiosity to a major component of the modern economy. In the mid-twentieth century, electronics played a crucial role in the development of the space age and the information revolution.

The growth of electronics has been driven by the demand for more information and faster communication. As a result, the industry has expanded rapidly, with new technologies and products emerging on a regular basis.

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"The Commercial and Financial Chronicle ... Thursday, March 4, 1954"
Behind Every RAYTHEON TV Set—
Electronic Leadership

When you buy a Raytheon television receiver, you're buying Raytheon electronic experience. You're buying 26 years of engineering know-how—the diversified skills which have earned the company world-wide leadership in many fields.

Raytheon was the first TV receiver manufacturer with continuous, all-channel VHF-UHF tuning.

Raytheon is the first commercial producer of transistors, the newest "mighty mite" of electronics.

Raytheon is the world's largest producer of marine radar—holds many millions of dollars in contracts for Army, Navy and Air Force electronic developments.

This electronic leadership stands behind every Raytheon TV set and every other Raytheon product.

RAYTHEON MANUFACTURING COMPANY
WALTHAM 54, MASS.
threats of lower food prices

by paul einzig

Dr. Einzig in calling attention to world-wide declines in food prices, pictures the economic dangers that may arise from this trend. Recalls situation in U. S. in the '30s, and says new crisis is possible. Says lower food prices mean heavier costs to Britain in form of guaranteed subsidies.

London, Eng.—It is not surprising that, after 15 years of almost uninterrupted inflationary rise in prices, the decline trend in the price of many foodstuffs in recent times, and the prospects of further declines, should be commented upon with satisfaction.

Most people feel nostalgic about the "good old days" when everything was so much cheaper. They are longing to see the return of prewar food prices. Indeed, the older generation is dreaming about the pre-1914 prices as the ideal state of affairs. Yet if the decline of food prices should cover a mere fraction of the space the rise covered even since 1939—let alone 1914—the free world would have food disaster.

It is not adequately recognized that the rise in food and raw material prices since 1939 has been to a large degree a by-product of the war. The rise in food and raw material prices accompanied with that of manufacture prices has assisted the backward and underdeveloped economies of countries other than any number of Colombo Plans and other inter-national assistance. The standard of living of many African peoples, let it be said, has risen very considerably since the war partly because of the higher prices of primary products. Human memory is short. But those who are longing for a return of low prices could and should remember that when in the United States the price level touched its pre-1914 figures in 1936, the country was in the midst of the worst economic crisis of its history. Nor is there any reason to believe that it would be otherwise if the decline of government price moves in the '30s were to repeat itself.

Injudiciousness of an impending marked decline in world wheat prices is viewed with satisfaction in many quarters in Britain. Yet it is a very dangerous attitude. Even from the narrowest possible point of view a slump in wheat would not be an unmitigated benefit to Britain. As a result of the new system of subsidies, it would mean that the taxpayer would have to pay out billions of pounds in order to implement the price guarantee given to the British farmer.

Under the old system the subsidies the Government bought wheat and other foodstuffs at current market prices and resold it to the British consumer at much lower controlled prices. The taxpayer paid the difference running into hundreds of millions of pounds. The higher the market price of food had risen the more costly were the subsidies. Under the new system established last year, the current subsidies were abolished, or are to be abolished this year. They were replaced by farmers' subsidies in order to ensure to domestic food producers sufficiently high prices to make it worth their while to maintain and increase their output. To that end the Government has undertaken, that when the market price of decontrolled foodstuffs declines below the guaranteed minimum, the Treasury would be made good by the Treasury.

Is it a strange irony of fate that food prices were rising when this meant heavier subsidies, but now that it is lower prices which mean heavier subsidies, food prices are falling. In the case of eggs, the Ministry of Food had to present recently a Supplementary Estimate of some £24 million as a result of the decline in the market price of eggs, necessitating the payment of subsidies to farmers in implementation of the Government guarantee. The hopes that food de-control would mean the end of food subsidies had to be renounced. The 1953-54 food subsidies are expected to cost £325 million. They are likely to cost a great deal more in 1954-55, judging by the prospects of further decline in food prices. And in the unlikely event of Britain ever achieving her ambition of becoming self-sufficient in food, the subsidies the Government would have to pay on the increased quantity of home-grown food would present an almost unsolvable budgetary problem.

So much for the domestic aspects of declining food prices. It may be argued that countries which have to import a large proportion of their food requirements stand to benefit by a decline in world food prices, because the burden of their balance of payments would become less heavy. This is, however, a very shortsighted view. For the food importing countries have to export in order to pay for their imports. And the purchasing power of food exporting countries would suffer considerably through a substantial fall in food prices. Their willingness and ability to absorb imported manufactures would be affected to such extent that the food importing countries would find it more difficult to earn the smaller amounts required to pay for their imports. All this is quite obvious. Yet it is necessary to restate such self-evident truths, in view of the attitude of many people in food importing countries, who fail to realize that they have no reason to be pleased about the decline in food prices.

Moreover it seems probable that any substantial decline would be followed sooner or later by a rise. Admittedly, food supplies are recovering from the decline they suffered during the war. In particular the production of rice has increased beyond the most optimistic expectations. At the same time, food prices have risen to the point where producers are getting more for their rice than they did before the war, and there is no reason to believe that they will be content to resume production at the pre-war level. The rice situation is by no means the only cause of world food prices that might rise. Food prices are rising to the point where they are threatening the purchasing power of the working classes in many countries outside Britain. The effect so far has been to cause a price rise of quite a small magnitude. But should food prices rise to the point where they are actually cutting down the purchasing power of the working classes in many countries, world food prices are likely to rise to the point where they will have a serious effect on world trade.

Advancing America's chemical frontiers for you!

You might think this sparkling wonderland of lights is something out of a dream and, in a way, it is! It is the realization of an Allied research process totally new to the American scene. With it, Allied Chemical is helping advance America's chemical frontiers... for you!

In fact, this plant could well be any one of the more than 30 major new or expanded production and research facilities Allied is completing across the country. Each is an important addition to Allied's vast productive capacity. Each will supply new and better chemicals vital to progress in industry and agriculture.

Today, Allied Chemical provides more than 2,000 essential chemicals used to make the necessities and comforts of our way of life.

From Allied's new plants and laboratories are coming many more... new synthetic fibers and plastics, new fertilizers for food crops, new chemicals from petroleum and natural gas, and many others. All are contributing to a finer future for America... and for you!
Summary of ANNUAL REPORT

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales and operating revenues</th>
<th>Profit on securities</th>
<th>Interest, dividend and other receipts</th>
<th>Total receipts</th>
<th>Gross income from operations</th>
<th>Net income</th>
<th>Dividends paid</th>
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<tbody>
<tr>
<td>1953</td>
<td>$455,561,000</td>
<td>$254,000</td>
<td>$5,714,000</td>
<td>$495,329,000</td>
<td>$83,186,000</td>
<td>$45,172,000</td>
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<td>1952</td>
<td>$410,183,000</td>
<td>$1,374,000</td>
<td>$4,392,000</td>
<td>$459,969,000</td>
<td>$74,680,000</td>
<td>$40,305,000</td>
<td>$6.06</td>
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</tbody>
</table>

Dec. 31, 1953 Dec. 31, 1952
Current Assets $303,625,000 $193,941,000
Property, at cost 677,072,000 548,107,000
Less: reserve for depreciation, etc. 305,876,000 269,387,000
Property, net $368,606,000 $258,720,000
Investments, deferred charges and other assets. 30,639,000 26,415,000
Current liabilities $124,051,000 $70,099,000
Long-term debt 200,000,000 50,000,000
Reserves 342,055,000 235,845,000
Capital stock and surplus $344,313,000 $252,520,000
Stockholders at end of year 28,600 27,700
Employees 29,100 27,800

Operations
Net income for 1953 was $45,171,647, a record high for the Company and an increase of 120% over the $40,303,490 for 1952, earnings per share were $5.10 in 1953 and $4.35 in 1952. Sales in 1953 were 11% above those for 1952 and also were the highest record. The increase in sales resulted largely from greater volume, due in part to the fact that activity in 1952 in some of the industries served had been curtailed as a result of the prolonged steel strike. Greater capacity at the result of completion of some of the Company's new facilities also was responsible for the increase in sales. Notwithstanding increased charge for amortization and substantial charges for starting-up expense, gross income from operations increased in proportion to sales. The effect of higher interest charges was more than offset by lower taxes and net income increased 12% over operations in 1952.

New Financing
In April 1953 the Company sold through a group of underwriters $300,000,000 of twenty-five-year 3% debentures due April 1, 1983. A portion of the net proceeds loan from a group of banks made in 1952, although not due until 1953, was repaid early in 1954.

Construction
Considerable progress was made on the Company's construction program during 1953. Expenditures for fixed capital acquisitions in 1953 totaled $135,261,076, an increase compared with 1952 of $47,617,614. Of the amount expended in 1953, about 85% was for expansion and new projects.

Research and Development
The Company's emphasis on research and development work in new expanding fields, particularly polymers, resins, plastics and synthetic fibers, continued in 1953. The number of research facilities were provided and research staffs increased.

Upon completion of additional laboratories now under construction, the Company's divisions will have modern post-war research facilities.

Investments and Securities
At the end of 1953 investment in U. S. Government securities amounted to $149,752,116, of which $30,000,000 were sold in January 1954 to retire bank loans. At the end of the year, items in the financial statements had a book value of $20,424,293 and a quoted market value of $26,418,000.

The Annual Meeting of Stockholders will be held on 61 Broadway, New York City, Mon., May 16, 1954 at 1 p.m. (Daylight Saving Time). All stockholders are cordially invited to attend.

The TV Industry
Television's inherent vitality is much more evident than ever before. The color television receiver, which was a novelty in 1954, has become a household fixture in American homes. The increase in the number of color receivers is likely to exceed any realistic projections that could be made today.

Government Business
In the present government fiscal year which ends June 30, 1954, the armed forces will spend about $3,500,000,000 for all types of electronic equipment and related gear, exclusive of guided missiles.

According to the new budget and including funds carried over from previous fiscal years, there will be an increase in this category of about $2,500,000,000 for electronic equipment and related gear, exclusive of guided missiles. Based on the present world outlook, it would appear that continued emphasis will be placed on the development of electronic and guided missile equipment. The increased importance which the President is attaching to the budget in his message points to the same direction. In this regard, the television electronic industry is in a position to contribute to this development and, following this up with project Hope, it is proud to be a member of this group, can probably look forward to a substantial volume of business from the Armed Forces over the near future.

If we add up a television volume of $1,250,000,000 at a factory level, a radio business of 12,000,000 sets with a value of $300,000,000, a transistors and industrial electronics volume of $190,000,000 and miscellaneous volume of $3,500,000,000, the electronics industry could indeed be considered a major industry, which, if not in television, can look forward to a total volume of as much as $5,100,000,000 in the year 1954.

Philas. Sees Ass'n Appoints Committees

PHILADELPHIA, Jan. 15, 1954 — Officers of the American Chemical Society, Inc., have appointed the following committees for the year to serve 1954.


How Mild Will the Depression Be?

By Ezra Solomon

Assistant Professor of Finance, University of Chicago

Professor Solomon, in making a forecast of business conditions for the coming year, stated that "the Federal Reserve will aggregate $356 billion in comparison with $367 billion in 1953; but, by excluding what went into inventories in 1953, the $367 billion level is $539 billion, compared with $362.6 billion in 1952 and 1951, and does not look for much decline in consumer spending or investment outlay. There are new factors, such as cost reduction, and more liberal treatment, that will maintain level of business activity."

The question on many minds today is what will bring a business recession? The answer to this question depends on where one stands on the way all factors in any business are related to the business recession. The first and narrowest way is to say that there could be a business recession if the business conditions that are present in the current situation are the ones that caused the last business recession, which was in 1953. And, a broader way would be to define 1954 as a recession if there were declines in consumer activity for the year as a whole, measured by expenditures on gross national product, most of the above short-run business recession of 1953 level, in the same way that the terms "first premia" definition also avoids the main ideas of the question. Where there could, on its own, a cause of the recession is that the magnitude of this recession over the national product, even if it had not been known to achieve 1953 levels.

The kind of recession which was causing uncertainty and speculate at the time is more a formidable one. It is the fairly long cyclical downturn, caused by the decreased aggregate of basic investment, spending, and reinforced by a vicious circle of declining employment, declining income, declining consumption expenditure, and further decline in plant, equipment, and construction expenditure. The recession today is one of a depression, which is often described as the "new economic principles" categories. A group A includes all sales of goods and services to government. Group B includes all private expenditure on construction and equipment and consumer services. Group C consists of sales to consumers. Group D is the net decrease or increase of all sales of all goods and services to government. A recession, under the first or second definition, could occur if sales of any of these goods and services declined from a month in any one of these four groups of expenditures ever since 1924. There were many declines in 1924, 1277 and 1940 were due almost entirely to a switch from inventory accumulation to equipment, and the downturn of December 24 and the Federal expenditures.

Another way under our third definition is a different matter. It involves a recession only if the sales of all three of the private expenditures groupings 4, C, and D, and has, in the past, 0.5 million in any one of the last 50 years.

The purpose is to examine the outlook for 1954 in terms of these definitions.

An address by Professor Solomon before the Chicago Economic Club, Chicago, Ill., Feb. 2, 1954.

Gross National Product (Billions of Dollars)

Group A: Sales to Government

Federal...

43.3

53.4

119.4

State and Local...

25.3

37.0

57.9

Total Group A...

77.6

90.9

210.3

Group B: Sales to Private Investments

Residential Construction...

11.1

11.2

22.0

Producer Equipment...

26.4

23.6

50.6

Other...

24.2

23.0

47.5

Total Group B...

61.8

68.2

136.2

Group C: Sales to Consumers

Durable Goods...

36.7

36.7

73.4

Nondurable Goods...

36.7

36.7

73.4

Services...

7.8

8.0

16.0

Total Group C...

78.2

78.4

156.8

Group D: Sales to Inventories

Basic...

3.4

3.4

6.8

Retained...

3.3

3.3

6.6

Total Group D...

6.7

6.6

13.3

Total Sales (Gross National Product)...

248.2

247.0

495.2

Estimated: Forecast.

1954

1953

1954

The Commercial and Financial Chronicle... Thursday, March 4, 1954
METROPOLITAN'S ANNUAL REPORT TO POLICYHOLDERS FOR 1953

Over a Billion Dollars

Paid to Policyholders and Beneficiaries—the Largest Sum in the History of Insurance

More benefits to more people were paid by Metropolitan in 1953 than have ever been paid by any Life insurance company in a single year. Payments to policyholders and beneficiaries amounted to $1,029,000,000. When it is realized that Metropolitan's benefit payments are only a portion of those of the Life insurance industry as a whole, one can readily visualize the tremendous stabilizing force that the people of the United States and Canada have built for themselves through Life insurance and related coverages.

All in all, 1953 was an outstanding year in your Company's operations. In most respects, it was the best in Metropolitan's 86-year history. In the light of the high level of economic activity in the United States and Canada, and the ability of our field organization, this is not surprising. We can take pride in reaching new heights in service to the people of our two countries.

National Economic Conditions

In retrospect, 1953 was a year of transition. Up- permost in the minds of all, but particularly those with sons of military age, was the cessation of hostilities in Korea. Nevertheless, we fully realize that our goal of a world at peace is far from won, and it is incumbent upon us to continue to remain militarily prepared. With Korea no longer an active military theatre, we can convert some of our industrial facilities from production of materiel for human destruction to the satisfying of human wants.

On the domestic front, a number of influences have been at work to materially reduce the inflationary forces, which for so many years have been driving the cost of living to ever greater heights. The curtailment of war production, a temporary catching up with civilian demand in some areas, a determined effort to achieve a balanced budget, and a return to more orthodox management of public debt and fiscal affairs—all have played their part.

We in the Life insurance business are particularly conscious of the effects of inflation, which bear so heavily on the thirsty and those dependent on fixed incomes. All efforts to control this danger should receive our fullest support.

In the year ahead, business will be more competitive, but this is no cause for concern. Competition provides the same goods at lower prices, or better goods and services at the same price. The United States has grown to its present outstanding position on the basis of competition in a free market.

We are passing through a readjustment period, and have been for a number of months, but fundamentally this country is strong. Personal savings in the United States are now estimated at approximately $300 billion dollars, exclusive of the holdings of corporate securities by individuals.

We have, far and away, the greatest productive capacity of any country in the world. More than this, the people of this country and Canada have not lost their fundamental traits of thrift, initiative, and faith in God. Our two countries will go to much greater heights of prosperity in a peace-time economy than ever could be achieved in the midst of war.

Metropolitan Highlights of 1953

During 1953, Metropolitan's gain in Life insurance in force was substantially larger than was ever previously recorded by Metropolitan or any other Life insurance company in any one year. Metropolitan's Life insurance in force, at the end of 1953, totalled more than $56 billion. The number of people covered under all forms of Metropolitan policies reached a record high of over 37 million.

The assets of the Company, which help guarantee the fulfillment of its obligations, increased by $715,000,000, and reached $12,312,000,000 at the close of 1953.

Dividends to policyholders during the year reached an all-time high of $218,829,000. The interest rate earned by Metropolitan investments, after deducting investment expenses, increased to 3.31% (compared with 3.21% for 1952), and stood at 3.09% after Federal Income Tax. Mortality continued at a low rate. Expenses increased moderately, largely because of the increased volume of business.

In citing the 1953 accomplishments, we wish to pay particular tribute to the 48,000 men and women in the Metropolitan organization who have made these results possible.

For a more complete story of Metropolitan's operations during 1953, as embodied in the Annual Report to Policyholders, mail the coupon below.

METROPOLITAN ASSETS AND LIABILITIES—DECEMBER 31, 1953

(Revised in accordance with the Annual Statement filed with the Insurance Department of the State of New York.)

<table>
<thead>
<tr>
<th>ASSETS WHICH ASSURE FULFILLMENT OF OBLIGATIONS</th>
<th>OBLIGATIONS TO POLICYHOLDERS, BENEFICIARIES, AND OTHERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>Statutory Policy Reserves (This amount, required by law, together with future premiums and interest, is necessary to assure payment of future policy benefits)</td>
</tr>
<tr>
<td>Industrial and Commercial</td>
<td>$3,417,418,105.78</td>
</tr>
<tr>
<td>Li. &amp; S. and Canadian Government</td>
<td>1,899,206,554.53</td>
</tr>
<tr>
<td>Provincials</td>
<td>65,021,712.72</td>
</tr>
<tr>
<td>Railroad</td>
<td>4,342,458,573.13</td>
</tr>
<tr>
<td>Marshals</td>
<td>666,935,849.03</td>
</tr>
<tr>
<td>Stocks (all but $16,476,031.64 are preferred or guaranteed)</td>
<td>172,718,060.11</td>
</tr>
<tr>
<td>Mortgage Loans on Real Estate</td>
<td>2,336,387,134.83</td>
</tr>
<tr>
<td>On urban properties</td>
<td>4,177,837,445.45</td>
</tr>
<tr>
<td>On farms</td>
<td>176,595,689.38</td>
</tr>
<tr>
<td>Real Estate (after decrease by adjustment of $2,100,000 in the aggregate)</td>
<td>443,466,600.78</td>
</tr>
<tr>
<td>Policy Loans (made to policyholders on the security of their policies)</td>
<td>488,853,000.73</td>
</tr>
<tr>
<td>Cash and Bank Deposits</td>
<td>154,451,445.73</td>
</tr>
<tr>
<td>Other Assets (chiefly premiums and interest outstanding)</td>
<td>276,809,999.17</td>
</tr>
<tr>
<td>TOTAL ASSETS TO MEET OBLIGATIONS</td>
<td>$12,311,933,367.13</td>
</tr>
<tr>
<td>NOTE—Assets amounting to $386,832,959.40 are deposited with various public officials under the requirements of law or regulatory authority.</td>
<td></td>
</tr>
</tbody>
</table>

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Insurance Company

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Stockholder Prospects In Food Industry

BY PAUL S. WILLES* President, Grocery Manufacturers Association of America, Inc.

Spokesman for food manufacturing concerns, in discussing prospects of the industry from the investor's standpoint, points out though grocery manufacturing industry is one of low and depressed profits, food consumers are spending more, and there is a revolution in the food basket that favors food processing. Stresses importance of food industry in capitalistic operation. Estimates food industry spends $800 million annually for farm and plant equipment yearly, and concludes there will be little change in food supplies or prices in current year.

*An address by Mr. Willis at the Thirty-third Annual Meeting of the National Grocers Association, New York City, Nov. 29, 1953.

Point, dividends for inter-related. Consideration of income spent for food decreased. Up to that time, food expenditure was generally equal to what income rose, of course, but, principally because there was less than the income rise. This trend had actually been materially changed in recent years. Today, with higher national income, as shown by more than 27% of disposable personal income—against 23% in the late 1930's.

Consumption of food on a per capita basis increased to a slightly more than 1600 pounds compared to the 1430 pounds recorded per year in 1935-39. But the consumption gain has not been primarily from food, mainly reflected in the shift of 1750 food and grocery products, more highly processed, packaged convenience foods. Taking into account the combined effects of improved quality, quality, straight food manufacturing habits, rising prices, and providing packaging, and packaging, the 1953 diet, the real gain in per capita food and food service expenditure since 1939 is approximately 50%.

This gain is strikingly illustrated by the statements of one long-established, American concern. They say: "The total increase in their disposable income for the first 15 years has been running only the types and amounts of food a person that they bought in the new years—would—amount of income. The nine point difference—or 50%—to the degree in which the people's the people we have upgraded their eating habits.

Revolution in the Food Basket Industry For a period of about 1500 dollars are the same as the manufacturing generally.

Consider these facts for example: Food and manufacturing in the last 15 years, the average family of four months, and the manufacturer. In the same period, the food cost was about 25 cents per family, and the food cost was about 8 cents per family. In 1935, they averaged about six cents against 25 cents. This manufacturing generally.

In so mild a recession as 1953, the average cost of food was about equal to all manufacturing. A Growth Industry Food processing has traditionally not been considered a growth industry, but recent statistics in the past 15 years has been one of the most vigorous and expansion. Consumer uses of food have risen from about $16 billion in 1939 to an estimated $66 to $67 billion in 1953.

This rise in food consumption has far outstripped any thing that has been predicted on the basis of the rise in population or the rise in income in these years. We are selling a lot more groceries, coffee, fruit, and oranges—right to expect, based on our experience back in the 1920's and 1930's, this industry, with its historical experience that as national income continues to increase, the proportion of income spent for food decreased. Up to that time, food expenditure was generally equal to what income rose, of course, but, principally because there was less than the income rise. This trend had actually been materially changed in recent years. Today, with higher national income, as shown by more than 27% of disposable personal income—against 23% in the late 1930's.

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product prices fairly stable and
assuming no drastic drop in gen-
eral business activity. In fact, the
price situation is more likely to be
influenced by labor costs than any
other one factor. Wages are the
largest single element in the food
price spread. Increased compensa-
tion of employees has accounted for
more than 40% of the total in-
crease in spread since 1939. For the
same period of factoring out the
wage time which cost the food manu-
facturers $1.00 in 1939, they pay
$2.74 today. This is 17 cents more
than a year ago and does not take
account of other improved em-
ployee benefits as better pen-
sions, expanded insurance cover-
age, etc.

In Conclusion
Taking all the above factors into
consideration, what is the sales
and earnings outlook for the
grocery manufacturing industry
for the rest of 1944? Obviously
this depends partly on how severe
a decline, if any, occurs in na-
tional income and employment.
This I would not attempt to fore-
cast, except to say that we in the
food industry are in better op-
timists about the vigor of the U. S.
economy.

Generally, we believe that if
there is a downturn in national in-
come of no more than about 5%,
the force of the continuing rise in
population at the rate of about
three million people a year, the
strength of the very definite trend
toward convenience foods and
better nutrition, and the effec-
tiveness of the research and pro-
motion efforts of the industry
will be able to maintain sales and
earnings close to 1933 levels. In
the event of a more serious eco-
nomic downturn, sales and earn-
ings of food manufacturers would
be of course decline. But in such an
event we are confident that the
decline would be less than in
practically any other industry.

New Orders Bright
Spot in Business Trend

Business Survey Committee of
the National Association of Purchas-
ing Agents finds increases in new
orders during February counter-
balanced decreases for first time
since March, 1933. Says most of
the adjustment between produc-
tion and orders has been made.

A composite opinion of purchas-
ing agents who comprise the
National Association of Purchasing
Agents Business Survey Commit-
ttee, Chairman is Roberi C. Swanton, Di-
rector of Purchasing, Win-
chester Reporting Arms
Company, New Conn., reveals that
during February pro-
duction, prices, inven-
tories and em-
ployment were
about the same rates as reported in
January. The bright spot is in new
orders. While not of boom propor-
tions, the new orders are
increased (30%) exactly balances
the number of decreases, a condi-
tion that has not existed in the
reports since last March. Also, the
number showing increases is the
highest since January, 1933. Pro-
duction cutbacks and increased
orders have closed the gap be-
tween falling orders and produc-
tion, to two points in February.

Commodity Prices
Prices of purchased industrial
materials continued to show
weakness in February. Metals
predominate in the slide-off of
raw materials, with fabricated
items running a close second. Cash
discounts, missing since the in-
ception of price controls, are
coming back. Freight absorption
and delivered price changes help
to lower the net cost to the con-
sumer. With time to negotiate and
currently excess capacities to
negotiate with, buyers are ex-
periencing healthy competitive
conditions.

Inventories
Purchasing Agents report in-
ventories of the materials they
buy are lower again this month.

51% report reduction of stocks,
the largest number so reporting in
any one month since the inventory
correction started last June. Many
are in balance with current re-
quirements. The adjustment ap-
pears to be about completed for
many others. General comment is
that this part of industrial inven-
tory is in a much healthier con-
tion than it has been for months.

Employment
Pay rolls are down again,
though at a slightly lower pace
than in January and there is a
slight increase in those reporting
new hirings. Outdoor work is ex-
pected to pick up in March. Pro-
ductivity is improving as the in-
centive workers strive to make up
for lost overtime pay. All types of
labor are reported available in
most areas.

Buying Policy
Sixty days and under is still the
majority purchasing policy. Living
off inventory, short orders, avail-
ability, and price weakness are
influencing this short view of the
markets. General assurance that
vendors will meet delivery sched-
ules, plus the improvement of sup-
plier services, are making it un-
necessary the long-range or mul-
tiple commitments so prevalent
during controls and scarcities.

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from offices at 755 West End Aven-
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today. Work has begun on a 2000-
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nect the United States and Canada
with the British Isles.

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town. Amplification for your voice
will be accomplished about every 40
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ate continuously for many years.

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seas Telecommunications Corpora-
tion. On its completion, in 1956, it
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between New York and London.

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route to Nova Scotia, and then will go through
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and development have brought the
cable into being. Telephone men
and women, telephone investors, and
the American people can well be
proud of this giant stride forward
in the continuing job of providing
ever better telephone service.
 Oversight for TV Antenna Sales

Harold Harris, Vice-President of Channel Master Corporation, leading producer of TV antennas, says opening of new TV stations will mean replacement of single channel antennas by those able to receive a number of stations.

The total volume of television antennas sold last year was 50 million units and in dollars, will be larger than that of 1952, said Harold Harris, Vice-President of Channel Master Corporation.

"This suggests that people are becoming ready to spend as much on their new television sets as they did on their automobiles last year," Mr. Harris said.

Mr. Harris divided the antenna replacement market into three major categories:

1. **Technical Obsolescence** Antennas which have been up for 10-20 years may not have become corroded to the point where reduced signal and inferior reception is a factor. The television industry will eventually see a replacement market.

2. **Technical Obsolescence**, the only group of antennas which may still be on the air in large numbers, is the low-voltage system. Mr. Harris said that with the advent of the new TV stations, the problem of adequately picking up the stations from any antenna is still a problem.

3. **Medical Obsolescence** Antennas which are for medical use, such as those used for radio blood pressure, or telecasting, etc., are being replaced by new equipment. The television industry is also facing the problem of obsolescence.

Mr. Harris said, "The television antenna industry has three major problems to face, and each will eventually result in the replacement of the existing antennas by new ones." The three problems are:

- **Technical Obsolescence**
- **Medical Obsolescence**
- **Technological Obsolescence**

Mr. Harris said that the television industry is now in the process of developing new antennas which will be able to receive a number of channels, and that these new antennas will be available by next year.

Mr. Harris added, "We believe that the television industry has a bright future, and we are looking forward to the day when we can offer the consumer a complete line of antennas which will provide him with the best possible reception for his money."
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Pennypacker 5-2800
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The story I am going to tell you this week comes from the actual experiences of a friend of mine who has quite a record selling Mutual Funds. This man is a wholesaler for one of the more progressive Mutuals and quite often he goes out of his way to assist some of his salesman friends in closing business. This is the way it goes.

He was having an interview with a country doctor who had the reputation of being quite a wealthy man. This doctor had bought some securities in his day with the result that he had made a few mistakes. The salesman in this instance had set up the interview with the wholesaler man in order to explain how it was possible for the doctor to achieve a very satisfactory return through the purchase of three Mutual funds that would provide him and his wife with a monthly income return.

After the discussion the doctor was somewhat skeptical. He said he believed he would be better off buying individual stocks. Then he complained that he wouldn't pay any one a 4% initial fee when he bought a Mutual fund (the sum that was being considered was $30,000 and the 4% applied). He said he didn't want to be looked for $2,000 just to buy, adding that if he wanted to sell he would be out that much money. These objections were answered but it was becoming increasingly clear that no sale would be made.

Meanwhile my wholesaler friend noticed that the doctor's wife was sitting quietly in a chair and was reluctant to enter into the discussion. She continued to stay aloof enough so that questions were asked of her and she gave a non-committal answer. Finally it became clear that no sale could be made unless the attitude of the woman changed. She began to act almost hostile and although she said she liked his face told him story. Sensing the situation, my friend told the tale that he decided to try drastic methods and if they didn't work the sale was lost anyway.

He turned to the doctor and he said, "Doctor, how would you like to make your wife happy?" He replied, "What do you mean?" She stopped her sewing, looked up, and stared at the three men who were previously talking securities and now started to discuss her. "Why just this," the salesman went on, "I realize that we have been talking about an investment for you both, but I can see that you just can't seem to get convinced that this is the time for you to act. So I would like to make a sensible suggestion. I am not going to suggest that you invest a sizable sum as we have been discussing at this time. I think you should have this money that might be left over from your wife's or a check every month." Then he turned to her and he said, "You see Mrs. Parker, the only way I am suggesting is that you have a check every month. This isn't the sort of investment you have been probably thinking about— one that is speculative and like a lot of things that may pay you and may not. This investment is backed up by over 300 of the finest business firms, steel mills, electric plants, manufacturing and chemical firms in this country. A great bank will send you a check every month from the dividends paid by these companies. This is something that will mean income for you on the 15th of every month and the postman will bring you the check." Then he noticed something. No longer was the doctor's wife sitting there with a pained expression of doubt on her face. The air had cleared and she said, "That's what I want—you say that I will get a check every month." "That's right," said the salesman, "all that the doctor has to do is to tell me he will OK this and I'll take care of all the rest." By this time the doctor was looking like a cornered rabbit with a couple of bounds at his heels. "Nope," he replied, "I can't see it. I'd rather buy some stocks and pick 'em myself." Well, that, the wife took over. "So that's what you say. Well, I am going to say right now that I have had enough of your buying this and buying that. How about the stock you bought three years ago that was supposed to double in value in six months. Where is it now? Have about those others? I like this idea. I want to see some checks come in here and if this man is right I think we ought to buy some of this and let's give it a try."

The sale was made for $5,000 and the doctor signed a simple order directing the trustee bank to send the checks made payable to his wife. About a year later my wholesaler friend was back in the doctor's home town to call on his dealer friend. He had looked over the records and he noticed that the doctor had bought quite a lot more of the three funds. He mentioned it to this dealer who began to laugh. "That was a good one you suggested to the doctor—the last time I saw him he told me that if you ever come back to town he will be looking for you with a shotgun. Do something for your wife, you told him. He's now got $82,000 worth of those three funds and he says his wife won't leave him alone. Every time he saves a few hundred dollars he has to hide it because she keeps boding him to put it into more of them. Those Income Checks every month made payable to his wife have sure done a selling job on the doctor."

Now Continental Secs.
HOUSTON, Texas — The firm name of Bryan & Co., 4007 Montrose Boulevard, has been changed to Continental Securities Corp.

Joins Ferrell & Ferrell
(Special to The Financial Chronicle)
GRAND JUNCTION, Colo. — Joe R. Carpenter is now affiliated with Ferrell & Ferrell, 411/2 Main Street.

AMERICAN ENKA CORPORATION is mailing to stockholders its Annual Report for 1953 which includes a 25-year Progress Report. Here, in brief, are some of the important things the company accomplished in its 25th year:

**Established new records in sales and production:**
- Increased sales approximately 6% to $55,106,610;
- Increased production of tire and textile yarn from 95 million to 102 million pounds.

**Increased net income** by about 6% to $6,410,999, equal to $5.74 per share against $5.42 the year before.

**Introduced two important new products** developed in its research laboratories:
1. (a) improved tire yarn—ten percent stronger but with no increase in price, and
2. (b) JETSPUN, the first domestic solution-dyed rayon filament yarn.

Entered the nylon field by commencing construction of a new nylon plant at Enka, North Carolina.

**AMERICAN ENKA CORPORATION**

**A 25 YEAR PROGRESS REPORT**

This year, as American Enka begins its second quarter-century, it operates two of the largest rayon plants in the industry and is broadening its activities to include the manufacture of nylon. Its present rayon plants provide employment for over 4,700 people, and its plant investment has grown from $10,435,000 in 1930 to $76,638,000 at the present time.

206 Madison Avenue, New York
Enka, North Carolina

We will be pleased to send you a copy of our 25th Annual Report on request.
Continued from first page

As We See It

Continued from page 9

Color Television

The Lord only knows what will next be done by the frightened politicians in Washington, but all they talk about are the steps of which brought the evils we now suffer.

question for some time as color television is very expensive, and will take sometime to build. However, it is very expensive, temporally, but those produced up to now, fall short in quality as compared to the best screen projection rather than televisions.

The third and last important element is the receiver itself. It consists of several phosphor dye chromo- chrome receiver with the color phosphor dye as shown in this block diagram.

Those blocks shown in black represent the color receiver, and red blocks represent the other components added for receiving color.

This requires a substantial num- ber of tuning adjustments, and additional components. So the first sets using only this type of tuning, testing, higher factory costs and higher retail from high lists, and we can realize the color sets will list at about $1,100.

Therefore, this is due to the associated circuitry in the color section of the receiver consists for the different parts, such as phosphors, resistors, transformers, etc., that in the case of monochrome sets; so the major average cost of the TV tubes and the reductions lies in the normal engineering of reducing the number of tubes used, and simplifying, such as from 25 to 30 tubes and in reducing the complexity of the electronic engineering and mass production.

This, of course, will take several years.

During the early stages of color television, the makers give great consideration to the serviceability which was connected with it, because it is an even more complicated art, because we are adding so many more tubes and other electrical components; because there are so many more conditions introduced that can cause trouble; and the laws of color television are still much in need of development.

For example, on this slide we see the additional number of variable color tubes, that are used on a color set as related to its cost, which we will observe that while there is a trend towards the set being op- erated by the customer, there is much more controls that have to be put in the set, which will prevent a lot of trouble with the customer.

These can only be set properly by giving a job, or not having conditions and with the limited number of color transmitters available, we may also present him with quite a problem.

He also requires a very exten- sive and additional training to be in the reasons, "why" and "what" in the parts used for various controls. Therefore, if he were to attempt to cope with his responsibilities, he would become much better acquainted not only with the electronic tronic art, but also with the data and data sheets, especially as related to the various parts used in the receiver.

No Conversion of Manufacturers Sets Into Color Receivers

Another point that I think we must always remember is that we are prob- ably already apparent and we notice that it is completely impractical to make a change from one's present monochrome re- ceiver set.

Since only a small part of the present set would salvageable, and this set is not as cheaply and efficiently qualified, the cost of using the same equipment would completely offset the
amount of salvage of the present equipment.

By now, you have probably come to the conclusion that this is one of the most interesting long discourse I've ever written on the subject of color television that I'm out running for the finest Santa Claus this Christmas. I've never seen such extraordinary enthusiasm and vision as has been evidenced—totally the opposite of what I expected to see here.

I'm probably more enthusiastic about this than seems human in this room, but not more than is there today. In the last two and a half years, there have been 250,000 people who have signed for television, and for these very good reasons.

The recent development of solid-state high-speed complicated automatic equipment and the consequent possibility of building a fully automatic color system for a relatively small amount of money and training time.

That's why we can envision the FCC officially approved color television on October 29, after a 40-day wait period when we can imagine the full 95 million 1- and 2-color television receivers. But if you have any questions about this, our receiver may not be able to answer them.

The telephone company has always been liberally open to the microwave relays to where, if the public demand is strong enough, York or Hollywood with the telephone company's own color television. As long as the FCC indicates that they would probably receive one or possibly two color sets in 1954, it is quite possible that the program is not yet going to be produced in quantity because of the very complicated color commercials.

The use of the telephone company's own color television to carry the words to and from the audience. As you can see, we are not going to be able to sell anything for quite a long time.

If our station is seriously looking at broadcasting commercial programs, it is going to cost them a minimum of $70,000 to equip that station with a single camera. We'm had something of this sort and it is the kind of show they are making an excellent job of making their own live. It is unlikely, however, that such a deal would be advantageous to any of our stations until the latter part of the year. Then, when the price for that type of camera is substantially lower. We aren't sure of the final cost of the equipment, but it is considerably higher than the cost of a single camera.

Any station that wishes to educate the public about color programs, of any kind, whether they are free or pay television, they will have to make some arrangements in advance of the program. Today there is only one color television studio in existence at NBC. CBS is readying another one that is going to be a national service.

We think there will be limited facilities through at least nine months of this year because of the limited funding of the network. The cost of the facilities in the United States will be only partially and costly for a network that will not come into existence until the end of the year.

The television camera will be in color by the end of 1967. This will be a national service and will be in extremely short supply.

We estimate, in summary, that there will be during the last three months of the year an average of two hours of color, maximum, on the television network, which will be somewhere in the range of 25 to 30 minutes per day coming from this network. The network will be one that is available to everybody and will be in extremely short supply.

The amount of color television in this country is going to be a great deal more than what you have heard. The average American will have to pay $275 for television in 1964.

Now to an attempt to marry these facts. I have indicated that in 1964 there will be in the order of 160,000,000 color television sets in the homes, and that there are going to be 10,000 color television sets in the homes. We will be looking at a great deal of color television in the home.

We don't have the ability to make color television, we have to go back to the manufacturers. The manufacturer's price to the public is $150. It may be that we will never get to a color television set in the home until we get into the mid-50's, and it will be only slowly in coming to the home. As you know there is a tremendous difference in the price. The manufacturers will probably not be in a position to supply the color television sets until sometime in 1956.

We are not in a position to tell you if the color television sets will be available in the home, but we can say that the price will be $275.

Color television will be available on the commercial network. From this you can see that color television is going to be a commercial subject and will have a commercial value to certain people during the year.

We believe that color has a great future for each of you, and you will hear considerably more about it in the months to come.

All of the information will be favorable and will indicate the opportunities of color being here in this city sometime during 1964. From a commercial standpoint it will be extremely high cost and the economics are in comparison to radio and television. When television first came on the horizon, very few of you felt that radio was doomed. Yet, during the past few years we have witnessed the advent of a very substantial volume of radio over the air, and the price of radio has dropped.

We are not in a position to tell you how high the prices will be, but we can say that the price will be $275.

Finally, we would like to mention the importance of television to the future of our industry. Television is going to be a very important part of the future of our industry and the advertising industry.

We are not in a position to tell you how high the prices will be, but we can say that the price will be $275.

We believe that color television will be a very important part of the future of our industry and the advertising industry. We are not in a position to tell you how high the prices will be, but we can say that the price will be $275.
What We May Expect in Electronics

expect that this expenditure for research and development in color television will bring results, to an even greater extent than the earlier development toward black-and-white television. While the amazing changes which within the last few years have been brought about in the field of television have been described in many "prophets of doom" for this medium. Color television also has its "prophets of doom." OtherElectronic Research

But what about the other lines of research that the industry is devoting its talents and its funds? The products of communication, like many other fields of study, are continuously developed from our laboratory and business experience. The 42-inch color receiving tube was shown to RCA tube licensees in February, and nearly double the area of the 15-inch tube now in production live in color with sets with the same brightness. And as this new tube was being demonstrated, the research program was well on its way into the next decade. A new "Special Television" type, capable of producing a much brighter picture than our present 42-inch tube, is also under development. As sets go into mass production, other new techniques and means of manufacture will bring better and better results at lower and lower prices. That is the history of American industry, manufacture, and marketing.

Color television receiving sets can only be sold if there are some programs to be seen. This means new standards must be established, new equipment, and new techniques of production. Eliminating the "black hole" of delay in the performance of receiving equipment, we have also had to develop the equipment needed to bring us the pictures and sound. We can imagine the problems of producing such equipment. While RCA and NBC equipped a small studio in New York in 1935 and equipped and staffed a similar setup for color television in the Colonial Theater at 26th Street and Broadway. By the end of this year we will have another large studio equipped in New York, and one of our West Coast stations—KTLA, Los Angeles—will be equipped for color television. The number of color shows will increase, and the NBC network shows are to be added to the NBC network in time on a large number of occasions will be shown in color. A complete service of color television in one city will come of more studios and consequently larger capital investments.

A Forewarning

In Color Television Pickup

A notable "first" was recorded for the New Year's Day when NBC broadcast the Tournament of Roses Parade in color. This color broadcast was transmitted by 21 television stations from Los Angeles to New York. California, 28,000 people saw this parade in color on the street for the first time. It will never be satisfactorily established who saw the parade on television, but it will be interesting to note in the future. This was the forewarning of many more to come, and other such events that will be broadcast during the television audiences of the future will thoroughly bring about the national television industry.

FRANKIS. I. d'UPON Oo

AKRON, Ohio—Francis I. d'UPON Co., member of the New York Stock Exchange and other principal securities and commodity business, announce the opening of an office in Akron, Ohio, at the Union Building. Jack Karr is manager. The office has "Network of Service" now number 32 in the country to coast, and two abroad in Denver, is a step forward in the future of its offices have been recently opened.

Alfred Rhet d'UPON, a senior partner, said the expansion of the Akron office would be followed by the opening of a new office in Cleveland. The Akron office will handle all of the business of the company for the Akron area.

The company has been in operation for over a year and has experienced a steady growth of business.

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Continued from first page

**Television: Major Component of Electronics Industry**

There is very little data available on present performance in the field of television, industry and commerce. However, the electronics industry as a whole is developing so much more rapidly than the amusement and entertainment field that we cannot expect to know much about the growth of the electronics industry in the near future.

The absence of any reliable, current data on television, industry and commerce concerns us because of the importance of this field to the national defense, and industrial, commercial, and entertainment aspects of society. The importance of this field to the national defense, and industrial, commercial, and entertainment aspects of society.

There is little data available on such aspects of the electronics industry as the development of new kinds of electronic components and their uses. There is also little data available on such aspects of the electronics industry as the development of new kinds of electronic components and their uses.

Having reviewed the nature and quality of our sources of information about the electronics industry, we find that it is difficult to draw firm conclusions from available information.

In discussing the various phases of the electronics industry, we have tried to touch first on the entertainment aspect of the electronics industry. In television, there is extremely reliable data available, and this is especially true of the actual size of the electronics industry. However, the rate of growth of the electronics industry is extremely difficult to determine. For example, the rate of growth of the electronics industry is extremely difficult to determine.

In the field of electronics manufacturing, we find that there is good data available to the analyst, but it is not as reliable as the data available in the field of electronics. The rate of growth of the electronics industry is extremely difficult to determine, and it will be even more so in the future.

Continued on page 44

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**Detroit Edison**

Our Annual Report to Stockholders for 1953 covers an eventful year in the Company's history, a year highlighted by a building to keep well ahead of steadily increasing electric power use in Southeastern Michigan.

In 1953, we started up two turbo-generator sets at our St. Clair Power Plant, adding another 200,000 kilowatts of power for our sixth major power plant, River Rouge, where the next unit of 25,000 kilowatts is due to be ready for the time when the market is ready. The new power supply will be ready for the time when the market is ready. The new power supply will be ready for the time when the market is ready.

We also completed two international agreements for exchange of electrical power with Ontario Hydro. Two 200,000 kilowatt units are being shipped to Ontario Hydro.

To LEARN MORE, send for this report: Detroit Edison Company, 200 Second Avenue, Detroit 2, Michigan.
Television: Major Component Of Electronic Industry

Ranger, before color sets sales catch up with black and white sets,
has television crowding radio off the map? Hardly so. The
66% of 200,000,000 radio sets in the United States this year will be
sold in 1954. Market surveys show a gap in the 1955-59 period
which is the television industry.

...The sale of entertainment ra-

dio for automobiles will be limited
down. Most cars bought this year
will contain $2,900,000,000
worth of radio equipment in their
instrument panels.

Our research shows that 5,200,-
400 auto sets, totaling $310,000,-
000, will be sold this year, and that the
average home radio sale in the 1950-62 period
will be in the neighborhood of
$30,000,000,000, at a dollar
value range between $18,000,-
000 and $14,000,000.

As pointed out previously, we feel that by 1960 at least two of the very important components of the television electronic industry will be:

1. Cathode ray tubes. We are referring, of course, to the receiving tube mar-
ket as well as the picture tube market.

2. Vacuum tubes. The electronic industry for these tubes well into the future
can be done with a consider-
table assumption in the sales rate of these tubes.

Under the assumption that there may be a two-year delay before television
will become well established, a figure of $150,000,000, and which is expected
to reach $400,000,000, and may even
reach $600,000,000 within the next
five or six years.

Similar assumptions can be made regarding the determinants for tubes to be used in electronic equip-
ment and in the export market.

The last factor in entertainment de-
vice is records and phonograph
plates which total a volume of sales between $350,000,000 and $1,000,-
000,000,000, a year, at a dollar
value range between $18,000,-
000 and $14,000,000.

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five or six years.

Similar assumptions can be made regarding the determinants for tubes to be used in electronic equip-
ment and in the export market.

In general, television products have been
sold. As an example, a volume of sales in 1952 was $350,000,000, and we expect
in 1955-59 to reach $1,000,000,000, a
year, at a dollar value range between
$18,000,000 and $14,000,000.

By far the largest customer of the electronics industry is the United States
Army, Navy and Air Force. These are the
overwhelmingly large percentage of the
army. Televisions have been
be made, and uses to which this electronic equipment is put. In
the decade of 1944-54 the annual sales for television sets marketed
in the United States were
1954-59, and about $3,800,-
000 in 1960-62. These figures are
arbitrary and should be used for
projecting the growth of the television industry.

..The average annual sale of television
equipment devices we believe will in-
crease to over $3,200,000,000 in
1957-59 and about $3,800,000,000 in
1960-62. In approximately seven
years we will increase our entre-
preneurial end product sales by
over $1,000,000,000.

...Continued on page 43

The Commercial and Financial Chronicle. . . Thursday, March 4, 1954
business from the point of view of the consumer, with the result that broadcasting revenues in 1953, to¬gether with those derived from tele¬graph and commercial cables, mounted to $125,000,000 and should increase to nearly $1,400,000,000 in 1954. By 1959-59, this total should rise to around $1,500,000,000 or more a year, and should be over $1,800,000,000 an¬nually.

The final component making up our picture of the electronics industry is the revenue generated by the sale of end products through channels of distribution. Exhibit No. 6 shows these revenues are estimated to be $1,500,000,000 in 1954 and should increase gradually to well above $2,000,000,000 by 1959-59. We see that from the standpoint of sales of electronic products, virtually an $8,000,000,000 in¬dustries in 1953 and this will exceed that figure. In 1957-59, these sales will be close to $11,000,000,000 a year, and by 1959-59 may reach $16,000,000,000 in call¬ing electrons over a $13,300,000,000 in¬dustries.

That, then, is the electronics industry. It was virtually unknown before World War II. It came into its own in the war years, and has made great strides in helping to win the war. After the war, it has continued to expand, yet gained powerful momentum suddenly with the advent of tele¬vision and the upsurge in national defense.

Today, electronics is an $8,000,-

000,000 industry. We have very little idea of what the sales will be in another six or seven years it will be more than half again as big. It is this tremendous extension to any other major industry that will grow that fast between now and the future.

EXHIBIT 6

Electronics Industry

(Factory Prices)

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<th>Year</th>
<th>Sales (Net)</th>
<th>Sales (Gross)</th>
<th>Sales (Cost)</th>
<th>Sales (Retail)</th>
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<td>$167,000</td>
<td>$186,000</td>
<td>$156,000</td>
<td>$208,000</td>
<td>$436,000</td>
</tr>
<tr>
<td>1953</td>
<td>$172,000</td>
<td>$191,000</td>
<td>$161,000</td>
<td>$213,000</td>
<td>$453,000</td>
</tr>
<tr>
<td>1954</td>
<td>$177,000</td>
<td>$196,000</td>
<td>$166,000</td>
<td>$218,000</td>
<td>$474,000</td>
</tr>
</tbody>
</table>

4. If the payment of the dividend is confirmed, transfers will be made in order to the registered office of the Company up to 30th May next to be paid, and the dividend will be paid against the deposit of Coupon No. 48.

5. Transfers received in order to the registered office of the Company up to 31st March next will be in time to be passed for payment of this intermediate dividend, and will be paid against the deposit of Coupon No. 219.

6. The Directors have also decided to declare a first interim dividend in respect of the year 1954, payable to the holders of Ordinary Shares (Free of United Kingdom Income Tax) on the issued Ordinary Stock, payable on the 31st May next, and to be payable on the 21st June next.

7. The Directors have also decided to declare a first interim dividend in respect of the year 1954, payable to the holders of Ordinary Shares (Free of United Kingdom Income Tax) on the issued Ordinary Stock, payable on the 31st May next, and to be payable on the 21st June next.

8. The dividends on the ordinary shares will be paid in accordance with the terms of the Articles of Association and the Directors of the Company have power to allot and distribute the same.

9. Transfers received in order to the registered office of the Company up to 31st March next will be in time to be passed for payment of this intermediate dividend, and will be paid against the deposit of Coupon No. 219.

10. The Directors have also decided to declare a first interim dividend in respect of the year 1954, payable to the holders of Ordinary Shares (Free of United Kingdom Income Tax) on the issued Ordinary Stock, payable on the 31st May next, and to be payable on the 21st June next.

11. The Directors have also decided to declare a first interim dividend in respect of the year 1954, payable to the holders of Ordinary Shares (Free of United Kingdom Income Tax) on the issued Ordinary Stock, payable on the 31st May next, and to be payable on the 21st June next.
Railroads and Their Securities

Revenue dollar carried through to net income after meeting federal taxes. Last year the Class I carriers as a whole had a transportation operating ratio of 31.3% for Western St. Louis. Among the major carriers the individual ratios varied from a low of 23.5% for Virginian to 28.6% for Illinois Central and New York Central. In Hartford all had transportation ratios of 27.5% or less. Virginian was not far behind with 27.3%. All other Class I lines there with transportation ratios below 30%. Included were the Southern, Rio Grande Western, Gulf, Mobile & Ohio; Kansas City Southern; St. Louis Southwestern; Western Maryland, and Western Pacific. It is interesting to see that there is a vast difference in the cost of a road that has to spend less than 30 cents out of every revenue dollar to handle the freight and one that has to spend more than 40 cents for this purpose.

Similarly, the Class I carriers as a whole had a profit margin last year of 15.4%. The individual ratios varied from a high of 31.3% for Western St. Louis to a low of 6.6% for Great Northern and S. P. and S. M. During the year of 1891 the last year included Denver & Rio Grande Western; Kansas City Southern; St. Louis Southwestern and Virginian. These roads, to the benefit of the Class I, all with profit margins of less than 10%, had the following: Denver & Rio Grande Western; Line; Boston & Maine; Chicago, Milwaukee, St. Pau & Pacific; Chicago, St. Paul & Pacific; New York & Erie; New York, New Haven & Hartford; Midland & Pennsylvania.

Of course, it is dangerous at any time to take one year's performance as a basis of a comparison of any one concern's operation. There may be specific factors such as over-main¬ tenance, natural disasters, or other particularly adverse weather con¬ ditions which may affect the earnings of a road in the immediate past. It is quite possible that the measure of that concern's capacity to earn a profit in a future year may well be affected by some of the factors that have arisen during the year of 1937-38. Thus, it is necessary not only to follow these trends as they appear, but to investigate the cause of these trends and the possible effect they may have on the future.

Constructive Attitude Toward Railroads of the Public

While I have said that railroads can be regarded as one single investment problem, it is important to generalize to some extent. To begin with, I do not believe that anyone who is familiar with the nature of the measure of that concern's capability and the factors which affect earnings is in a position to predict the earnings of a road in the immediate past. It is quite possible to continue to follow these trends as they appear, and to determine the cause of these trends and the possible effect they may have on the future.

There is no question but that the railroads today are in the best financial condition of any business in the history. The Class I carriers since the end of World War I have been constantly planning and making improvements based on actual traffic and traffic and traffic trends. Over $7 billion a year has been spent on them, and these expenditures have been always more than sufficient to maintain traffic outlays. Reflecting these conditions, the industry has a high operating efficiency. It is anticipated that the cumulative benefits from these programs, which have continued to be established in 1954. Moreover, as capital expenditures will continue to increase, there is little doubt that the earnings per share may fall below the $1 billion of recent years.

Impact of Diesel Locomotives

You will recall that last year we had a description of the diesel locomotive and what it has been able to accomplish in the way of cost and control. The diesel locomotive is, of course, the most popular type of locomotive, for it is quite a common occurrence to see a road that has been using diesel locomotives for years, and that is having a very successful service. The diesel locomotive is the modern equivalent of the steam locomotive, and it has been able to reduce the cost of operation by as much as 50%. This has been accomplished through the use of more efficient engines and better control over the operation of the train.

The diesel locomotive is a motor vehicle, and it has a number of advantages over the steam locomotive. For one thing, it is much simpler to operate and maintain, and it is also much less expensive to build. In addition, the diesel locomotive is much more efficient than the steam locomotive, and it is able to run for longer periods without having to be refueled.

The diesel locomotive has been used in a number of applications, and it is now being used in a variety of industries. It is being used in the transportation of goods, and it is also being used in the transportation of people. The diesel locomotive is very useful in applications where it is necessary to move a large amount of material over a long distance, and it is also very useful in applications where it is necessary to move a large number of people over a long distance.

The diesel locomotive is a very efficient vehicle, and it is able to achieve very high speeds. It is much more efficient than the steam locomotive, and it is able to achieve much longer distances. It is also much more efficient than the steam locomotive, and it is able to achieve much longer distances. It is also much more efficient than the steam locomotive, and it is able to achieve much longer distances.

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Railroad and Insurance Stocks

BY H. E. JOHNSON

This Week—Bank Stocks

The market action of bank shares over the past several months has been disappointing.

Despite record earnings reported for 1953 and larger cash dividends, the All—Shares list of leading banks has shown little, if any improvement. Indeed, most of the shares of the large New York banks have declined in the face of a steadily rising stock market.

The "American Banker" index of New York City bank stock prices reached a high of 583 on Nov. 21, 1953. It has since fallen to a level as it touched on two previous occasions during last year—Jan. 13, 1953 and March 1, 1953. In between, Jan. 13, 1953 index touched a low 51 on June 19. Since the end of November prices have declined and the index on March 8, 1954 reached 245.5.

During the same interval the Dow—Jones index of 20 industrials has been moving upward. The high for this index last year was reached on Jan. 5, 1953 when it was 283.79. A readjustment carried the index down to a low of 253.49 on Sept. 14. Since that time the rally has carried it upward to a high of 274.58 reached on March 2 of this week. On Dec. 31, 1953 the industrial index was 230.80 as against 212.80 at the end of 1952.

The decline for the Dow-Jones industrial index from Dec. 31, 1952 to Dec. 31, 1953 was thus 11.00 points as compared with 1.50 points in the index during the year of 1952. The year of 1953, however, the industrial index has gained 45.50 points as against a decline of 1.10 points in the index of New York bank stocks.

Thus the major difference in the movement of prices between the two groups over the past 14 months has occurred in the current year.

A tabulation shows prices of 17 major New York bank stocks and five major institutions outside of New York at various dates is shown below. All prices are based on adjusted stock dividends and splits put quotations on a comparable basis.

<table>
<thead>
<tr>
<th>Date</th>
<th>First National</th>
<th>Bank of Manhattan</th>
<th>Bank &amp; Trust</th>
<th>Chemical</th>
<th>Commerce &amp; Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov. 21</td>
<td>125.50</td>
<td>94.00</td>
<td>92.80</td>
<td>53.00</td>
<td>185.00</td>
</tr>
<tr>
<td>Dec. 18</td>
<td>123.50</td>
<td>94.00</td>
<td>92.80</td>
<td>53.00</td>
<td>185.00</td>
</tr>
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<td>92.80</td>
<td>53.00</td>
<td>185.00</td>
</tr>
</tbody>
</table>

Part of the reason for the disappointing action of bank shares has undoubtedly been the trend of interest rates and the apprehension about its influence on bank earnings. Also, there has been some concern about what affect a cut in the prime loaning rate might have on bank shares as well as the liquidation of loans that have gone bad.

Just what impact the lower level of interest rates may have on operations will have to wait the quarterly reports as the year progresses.

So far as the quarterly reports for the first period are concerned, there is little likelihood to be any decline in operating results. In fact, it may be that operating results, will show a gain over the first quarter of 1953. Security profits because of rising bond prices are almost sure to show a large gain.

In succeeding periods operating results are likely to be determined by the trend of business loans and investment holdings as well as significant changes in the level of interest rates. In the initial periods we look for a well maintained level of earnings. If so bank shares should show more stability.

NATIONAL BANK OF INDIA, LIMITED

Head Office: New York, N. Y.

Branches in the United States

20 Exchange Place, New York, N. Y.

Ketoa, Calcutta

Head Office: Calcutta, India

London, E. C. 2

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Birmingham, England

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30 Hudson Street

New York, N. Y.
Our Report on Governments

By JOHN T. CHIFFENDELL, JR.

Economic conditions are really being hawk-eyed by followers of the money markets because it is believed that the trend of business in the near future will be so slow that there will be further ease in the interest rates. There appears to be very little question among money market specialists but what a further deterioration in the business picture will bring with it a much easier credit. Lower interest rates, a readjustment of reserve requirements in New York and Chicago, a further lowering of the discount rate, and enlarged open market operations against these more things that could be done to make more credit available.

The entire government list has been doing a good job of it from the shortest to the longest maturities. It is, however, the 31/2% due 6/15/78-83 that have been really good performers, as they make all-time highs and move on towards the 110 level which was considered fantastic not so long ago.

Doubt Long-Term New Money Issue

The government market seems to be indicating that there is less likelihood of a long-term bond being offered for new money in the near future. The tone of the longer-end of the list shows that these securities are still moving into strong hands with "safety pockets" being uncovered here and there in certain issues. The buying which is being done in the longer-term 2½% bonds is lower, and the list of analyst reports that have been written for the 3½ due 6/15/78-83. However, when the yield after taxes is considered, the shorter maturity and the fact that the 2½% obligations are still available makes this list a desirable buy.

Banks "Out of the Woods"

The way in which the government market as a whole has come back after the sinking spell of last year is little short of sensational. However, the longer-term 2½% bonds have really been the star performers because of the strong buying at the 10½%. They have now reached prices where only a very modest increase in quotations will take them back to 100 again. There is no denying but what there is much more comfortable feeling around now among the holders of the 2½% bonds, especially the smaller commercial banks, with quotations again crawling the par level.

While there was a considerable amount of dollar averaging done by the banks in the 2½% bonds, it was not enough, according to all reports. It seems there has been a tendency for some of the smaller banks that own the long 2½% are now pretty well out of the woods.

Scarcity Value on 3½

The 3½ due 6/15/78-83 has been putting on a show pretty much by itself. The bond is now known as a "museum piece" and while it still gives the best yield of any government issue, it is rapidly becoming a more or less scarcity item. However, it is reported from time to time that there are some rather sizable trades in this issue because there is the ever present desire to take profits and put the funds into other securities that have greater attractions than the higher premium 3½. A specialty part of the money which has come out of the longest government bond, according to reports, has been put to work in tax exempt securities.

New 2½'s in Demand

The recently issued 2½ due 1961 has also been a star performer, with commercial banks also the most important buyers as far as this bond is concerned. There has been a tendency on the part of those that are not concerned about taxes to take profits in the 1961 maturity and to put the proceeds into selected corporate bonds, preferred and common stocks. The fact that some are willing to take profits in this interim-term bond and bond traders helped to give this issue a good two-way market because there are plenty of buyers around for this obligation.

Trading Positions Light

Trading positions are reportedly on the light side in most of the higher yielding Treasury obligations because practically all of their money needs are being taken care of by the government. In most parts of the country, the interest earned on these obligations is sufficient to cover their expenditures, in addition to providing them with a little money which they are able to make their needs of the Treasury, there is not a great amount of hesitation on the part of those that have money to put it right to work. Easy money conditions, they feel, will continue to bring about lower interest rates, so why wait.

‘Television’s Role in Education

The Commercial and Financial Chronicle . . . Thursday, March 4, 1954

Continued from page 18

Television’s Role in Education

By F. S. Russell

course and took the same final examination as the students who were in the regular classroom in the same room on the campus. To the surprise of many people, the home students made a much better test score in the examination than the campus students. Student parents were much more enthusiastic. We are confident, however, that the results will show that television educational television the lives of untold numbers of people who have been restricted to schools in small towns.
Where Is the Helicopter Heading?

helicopters as larger equipment becomes available.

Helicopters are in wide use both for transportation purposes such as crop dusting and spraying, and for rescue.

The major oil companies are using helicopters extensively for geo-
positioning, as they are expensive to spot oil spills, to search for submerged oil and gas swamps, mountainous terrain, and other areas.

Aerospace companies are using helicopters as a basic medium of transport. The New York police have had helicopter service for several years, using it for close-off duty. In control of traffic bottlenecks to New York City, and the removal of injured stackpiles from dangerous locations.

Practically all of the helicopters in service today are large and are being used with relatively small machines, the largest until recently being capable of carrying eight passengers. The most important new development is, however, a much larger scene, and one that offers both a wider view of the present helicopter operation as a whole and a glimpse of the approach of the advent of the large transport helicopter. Such machines as our Navy’s new helicopter, which has recently been in production for the past three years, are a rather small part of a series of 44-passenger and larger machines that promise to change the face of commercial aviation in the future. The ability to carry large numbers of passengers provides a new vehicle out of limited areas of application and into the potential of even wider use.

Future Potential

The new emphasis on helicopters, the recent advent of large transport helicopters, the pace of technical developments, and in-
terest in transportation airports and the aero-
aeroplane are pointing to a very bright future for the helicopter, and a very important one for the passenger helicopter as well.

One of the most important new military roles for the helicopter is that of the VERTOL (vertical take-off and landing) type. Vertical take-off and landing (VTOL) helicopters are a much larger part of the helicopter industry. This class of helicopter has the advantage of being able to land on and take off from very small areas, and of being able to lift heavy loads without the need for a runway.

The use of helicopters for transportation purposes is now well established. Helicopters are being used for cargo transport, passenger transport, and in the military. The use of helicopters in the commercial field is on the increase, and the potential for use in the transportation of passengers and goods is considerable.

The helicopter is a versatile aircraft, capable of a wide range of uses. It can be used for cargo transport, passenger transport, and in the military. The use of helicopters in the commercial field is on the increase, and the potential for use in the transportation of passengers and goods is considerable.

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Current Recession More Serious Than Inventory Trimming

cotton, corn, and other farms have added to this surplus inventory till our over-all inventories run to $7 billion and is now rising at an accelerating rate. Furthermore, this situation stated this matter well in his farm message to Congress on Jan. 11, 1954:

"Present laws discourage increased consumption of wheat, corn, and other farm products and encourage their excessive production. The result is increasing surpluses held by the Government, the ultimate disposal of which is an unsatisfactory normal market for these products. . . . Because such tremendous surpluses have built up in hand аrе лоаded ηаrνаrу аnd еnсоurаgе thе lаrраgе рrоduсtіоn оf оthеr fаrm соmраnіеѕ аndCake Etteпs tаkе thе асtіvе fоrm оf rеgulаr соmреtіtіоn, ассоmроnаnt tо thе сhаllеnсе оf thе оthеr сhаllеnсе оf thе оthеr сhаllеnсе оf thе оthеr сhаllеnсе оf thе оthеr сhаllеnсе оf thе оthеr сhаllеnсе оf thе оthеr сhаllеnсе оf thе оthеr сhаllеnсе оf thе оthеr сhаllеnсе оf thе оthеr сhаllеnсе оf thе оthеr сhаllеnсе оf thе оthеr сhаllеnсе оf thе оthеr сhаllеnсе оf thе оthеr сhаllеnсе оf thе оthеr сhаllеnсе оf thе оt

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In ways to Strength" is cast predomin- inantly in terms of long-run sta- bilization and the making of the macro- economic reforms such as revising the tax structure, correcting the credit structure, providing aid to housing, broadening social insurance, increasing agricultural output, and improv- ing public works and educational facilities in the countries.

Excellent though these proposals are per se, they are to only a minor extent relevant if inade- quately carried out. The picture one gets from most of the Federal Reserve Banks is that there is a recovery movement once conviction has got under way. The President is for putting the recovery to a test of job creation at the suggestion of the Federal Reserve System. (b) "Debt management tech- niques of the Treasury" can con- tribute significantly to the stabilization of the economy and by their com- bination can exert a decisive influence on the very leverage of the very magnitude... is not a realistic conception of the possibilities in this context. It looks for the need for constant vigilance and preventing a "triangle of shocks" by "one shock" a week. On what day or in what week public support for a further progressive downturn in 1954 be brought into use.

Weapons at Disposal of President

Assuming that question will have been answered, I would turn to the assurances that action will be prompt and of some magnitude. The President is in the position of being able to direct the fiscal and monetary policy of the Federal Reserve System, the Treasury and the Federal Reserve Bank of St. Louis, the President is in the position of knowing the arms, and the President is in the position of knowing the Pakistani government's armament program. There is no doubt that there is a program to stabili- zation and the making of the macro- economic reforms such as revising the tax structure, correcting the credit structure, providing aid to housing, broadening social insurance, increasing agricultural output, and improv- ing public works and educational facilities in the countries.

Excellent though these proposals are per se, they are to only a minor extent relevant if inade- quately carried out. The picture one gets from most of the Federal Reserve Banks is that there is a recovery movement once conviction has got under way. The President is for putting the recovery to a test of job creation at the suggestion of the Federal Reserve System. (b) "Debt management tech- niques of the Treasury" can con- tribute significantly to the stabilization of the economy and by their com- bination can exert a decisive influence on the very leverage of the very magnitude... is not a realistic conception of the possibilities in this context. It looks for the need for constant vigilance and preventing a "triangle of shocks" by "one shock" a week. On what day or in what week public support for a further progressive downturn in 1954 be brought into use.

The arsenal of weapons at the disposal of the President is formidable. It includes credit controls administered by the Federal Reserve System, debt man- agement techniques of the Treasury, and the power which gives the President to vary the terms of mortgages to the Federal insurance program. The President is in the position of knowing the arms, and the President is in the position of knowing the Pakistani government's armament program. There is no doubt that there is a program to stabili- zation and the making of the macro- economic reforms such as revising the tax structure, correcting the credit structure, providing aid to housing, broadening social insurance, increasing agricultural output, and improv- ing public works and educational facilities in the countries.

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Investment Policy and the Economic Background and Outlook

The Federal Reserve Bank of St. Louis has been predicting recessions for several years, which has led to a surge in speculative zeal. The economic conditions are such that there is little need for dappening, as it has become known as a commendable strategy for success in the 1950s.

(1) As a corollary, the behavior of the banks and landlords of New England gives no evidence of forced liquidation. The banks have no fear of an imminent collapse of prices, and the landlords have no prospect of an imminent collapse of income. Therefore, the only rational conclusion that one can draw is that there is no imminent crisis of depression.

(2) In this situation, the banks and the landlords are not experiencing any sort of crisis. The banks are not experiencing any sort of crisis of depression.

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(10) The banks and the landlords are not experiencing any sort of crisis. The banks are not experiencing any sort of crisis of depression.
The Shape of Things to Come

Least for the future, the evidence points to a sharp diminution of the raw materials out of which leadership can fashion the shape of things to come.

In United States Steel we are particularly interested in the situation within the construction industry. Just a year ago, we placed orders for 7,500 cross sections in Salem, Mass. 1933. Technical difficulties made it impossible to use them on the Job.

After a year of careful planning, we are in possession of a group of steel structures which are in a key position geometrically in the United States. We expect to have it in June, 1934.

The French are planning a new steel mill at Saint Nazaire, consisting of three stations, the first of which has been completed at Casablanca. It will operate on the Bessemer process at a rate of 1.000 tons per day, and will be finished at a cost of $100 million, 30 million of which will be on the French Currency system.

Turkey has also planned television in the not too distant future. The company operating the experimental station in operation at Istanbul has been operating on low power on the CCR system.

Increased Population Factor in Economic Development

First of all, I believe the increase in our population will be one of the most important factors in expanding our economy, and in that regard it will tell us its full impact. Our population will have increased only partially. One phase of this field of economics is that we are now in the process of expanding our population on the best efficiency, and one that has been called the "dream highways." We have seen the new highways, new roads, new highways, new medical and hospital facilities. They have been expanded methods of transportation and communication. Industrial power systems, industrial electric power systems, mile after mile of pipelines. They have modern shopping centers, new post offices, new town meeting halls.

The school problem in America today is almost a frontier in itself. We have a problem that is really one by one-third, the new five-year high. We can increase our productive capacity in the next five years by 50 per cent. If we can do this, we will have a new vision of what the future looks like. This is the way we can make our dreams come true.

Another Ingredient Is Business

The shape of things to come requires one more ingredient. It requires the cooperation of business. If we can do nothing more in the coming five years, we must get the cooperation of business. It is not enough to have a new vision of what the future looks like. We must have the cooperation of business to make our vision a reality.

Cooperation, Not Conflict

We know, of course, that capital, labor, and government are a fundamental mutual of interest. Cooperation, and not conflict, is the characteristic of such relations. We believe that business should be constructively centered on the product or service which is the real purpose of the enterprisec world. We must realize that the value of money lies only in its ability to expand and sustain a world market. We are all in competition, and the same time, we must cooperate in bringing the benefits of competition and services to the lowest possible cost in order to return an adequate profit to the investor by rendering a superior service. We must build soundly and effectively for the future. Our success in the years to come, therefore, depends largely on the degree to which we can induce and individual and group interest to take part in the development of the firm and the winning morale.

Scars of Socialistic Drive

The Socialist drive through which we have passed has left many deep scars. During the last five years, alone a thousand billion dollars of earnings of our citizens were taken from them and expended by government within the United States alone. In case you are not familiar with sums that large, I can say that the worth of all the gold in the world is less than the total amount of money spent on construction in the United States alone in 1935.

To maintain such spending, government has increased rates for taxation--but today an amount about one-third of what we earn is taken away in taxes.

There have been many occasions when the basis of the balance -- and some of the escapes have been very narrow. I would not bring this matter up to now, but I believe that the reason is that we have not realized the profoundness of the Socialistic drive and that the rights of the people have been given away to the Socialists by the most poisonous of threads. You will recall the steel seizure almost a couple of years ago, when all of the clamor had subsided, when the arguments were out of the way and the country had heard the decision. The court in the land, how many of you eat down and reflected that the opinions of two Justices out of seven were arbitrary and revolutionary change in the foundations of America.

I would not say too soon and, hopefully, not too late for us to return to our homes, and figuratively speaking, "hang the internment camps." I would not have missed this opportunity to be with you today. Have you been granted and patient audience and I trust we have discussed viewpoints which will strengthen your faith and will in your nation toward the greatness it deserves. It is men of your vision and capabilities who must lead us toward the shaping of the shape of things to come.

And, finally, in the future, should any of your tasks become a little difficult, I should like to leave this further thought with you. I do not know where it is, but it is somewhere in the distance, a land of 100,000 years ago by an old boss of mine. In it went something like this: In that land, things, builds things, makes things. Who goes into the wonder of old, will be called a saint. But takes off his coat and takes ash AND DOES THINGS.
ON BALANCE 1964 should prove a favorable year for owners of well selected common stocks, ac-
cording to 3-out of 3 statement to share-
holders by the management of Group Securities.

"This quarter was a period not-
ably free for broadening confi-
dence in the outlook," the state-
ment said. "While general business
activity continued to recede slow-
ly from all-time peak, increased
buying by the public, investors,
and consumers' purchases—a critical
factor—were well maintained.
Inventory adjustments proceeded
in most lines, and with little serious
handicap, and plans for plant ex-
panjon and new equipment—that
domestic factor—continued
close to last year's high levels.

The Administration's program
tax adjustment and the ac-
divorce

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BOND, PREFERRED AND
COMMON STOCK FUNDS

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STOCK FUND

OF

GROUP SECURITIES, INC.

Lord, Abbott & Co.

New York — Chicago — Atlanta — Los Angeles

The Commonwealth and Financial Chronicle . . . Thursday, March 4, 1954

Central Securities Depository

200 Immediate Delivery

Total net assets... $1,263,502...$1,225,573...-$37,929.

June 30, 1954.

New

age

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JULY 31, 1954

July 31, 1954.

14,904,441.

H.

KESTONE

Custodian Funds

American Business

Share

A Balanced Investment Fund

Prospectus upon request

WELLINGTON

FUND

97th Consecutive Quarterly Dividend

20c a share from net invest-
ment income, payable March
31 to stock of record March
10, 1954.

WALTER M. MORGAN, President.

The COMMON STOCK FUND

OF GROUP SECURITIES, INC.

A PROSPECTUS ON REQUEST

from your investment dealer

Distribution Group, Incorporated

63 Wall Street, New York 5, N.Y.
A New Technique for the Small Investor: Monthly Investment Plan

By DUDLEY F. CATES

Members New York Stock Exchange

Commenting on efforts of Wall Street to encourage security purchases by small investors to fill the gap caused by gradual decreases in the volume of stock exchanges in the Monthly Investment Plan of the New York Stock Exchange as adding a time factor in the investment picture, and thus re- ducing the dangers associated therewith. Points out MIP does not encourage speculation. Compares mutual funds investment with MIP and finds little difference in their purchase expense to investor. Holds distinctive feature of MIP is the sizeable investment of a stock of his choice, while mutual fund relieves investor of problem of selecting securities.

Since World War II, Wall Street has become increasingly aware of the need to encourage investment of "little" investors to fill the gap left through the gradual disappearance of Wall Street "growing men" of capital.

The New York Stock Exchange announced the field of "Savings Plan, de- signed to widen the market for securities owners.

What the Exchange's MIP (Mutual Investment Plan) does not do is add to the investment picture. By enabling people to purchase fractional shares in particular stocks gradually, over a number of years, they should provide additional cushion of the chief risks inherent in the purchase of small blocks of securities and reduce "the sad reducing", because the risks are still present, but their effect can be reduced if shares are bought at intervals of time instead of all at once. In financial jargon this is termed Dollar Cost Averaging. I'll come back in a moment.

In the past, a good many people have been disillusioned through unwise purchase of securities, whether because of some so-called Blue Chip. Few of these investors blamed themselves, which is quite legitimate. In my opinion, they blamed such entities as "Wall Street brokers" or "savers," or "siders," or just plain "they." In Wall Street and its members stand legitimate of investing on thousands who have, and should own securities. It is an unpleasant commentary on our stability as a nation if this is true. But it is, and that many still think of the business of stocks and bonds as lying somewhat between speculation and cash.

The Stock Exchange and its members in recent years to correct the many misconceptions about Wall Street which still linger in the public mind. They have encour- aged every investor to consider his own securities, even today, and that so many still think of the business of stocks and bonds as lying somewhat between speculation and cash.

MIP Does Not Encourage Speculation

New, of course, comes to mind the Stock Exchange's MIP program, but there seems to be a certain caution that anybody can use this encouragement of speculation. In recent years, MIP has been attacked by a number of "savers" who have "any "New Look" to persuade the public of this important change in investment policy.

Richardson

Andrew R. Richardson
Andrew R. Richardson, associated with Villas & Hickey, New York, has passed away at his home Feb. 25 at the age of 52.

Hill Richards Adds

(Special to The Financial Chronicle, 1/30) The financial industry is mourning the loss of its president, Robert D. Tucker, who has been added to the staff of Hill Richards & Co., 621 South Spring Street, member of the St. Louis New York Stock Exchange. Tucker was previously with E. F. Huntington & Co.

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Does Govt. Insurance Develop Excessive Mortgage Credit?

which prevailed throughout the postwar period. Insurance of this kind by the government may be considered a "subsidy" since the premium is paid by the public through its tax bill and the collateral (the home) is supple-
mente by a government agency.

The Problem

Before considering the question whether the government develops excessive mortgage credit, the following questions have to be answered:

(1) Are there too many homes mortgageable out of line with the savings of the people, and has the situation developed to the extent that the funds invested in mortgages when they could have been used more productively in industry or in trade?

(2) The method of financing Homes insured under FHA and VA insurance later on?

(3) Is the secondary mortgage market developed, thereby concentrating the mortgage liquidity of mortgages, without the use of government funds?

(4) To what extent is government housing construction and vigorous community development essential to the economic and social well-being of our country. Is there a need of more government housing to insure that opportunity was provided to every American family for security and the welfare of the people of "the home."

The President further stated that: "Nothing short of a substantial and sustained program of objective, meaningful, and constructive action, in which all sections and programs must be avoided that would make our people feel that they are being crowded from the field upon the Federal Government to capitalize on the outstanding situation.

President recognized the fact that there is a great need for a change in the attitude of housing for people in general, and to meet this situation he recommended a 'new and experimental program under which the Federal Housing Ad-
ministration would be authorized to increase the terms of loans for home mortgages, with low initial down-payments, on both new and existing "low income" families." In addition, the recommen-
dation was made that the FHA continue and that 30,000 units be put in the next year.

If another recommendation was for modification of the FHA laws to enable FHA to purchase mortgages on old homes to the extent of 50 per cent.

The Message of the President pointed out the need for permitting existing mortgages to be refinanced by lower-income groups. It can rest assured that there is no danger that the suggested increase of the loan ratio to a point more rapid to or possibly a point of default would create adverse effects on prices of existing homes.

This conclusion does not imply that the existing mortgage credit will not continue to increase indefinitely. On the contrary, a dynamic one is in a constant rate of flux. Ups and downs in all values are to be expected, and this includes real estate.

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Electronic Industry's Great Asset: Diversity of Markets

Sets will be turned out in 1954. Indeed, it is likely that the cost of color television will be more than twice the cost of black and white models. However, it should be noted that the increase in color television sets is largely due to the increasing importance of the United States as a market for color televisions, and that the increase is expected to be even greater in the future.

Although the market for color television is expected to grow rapidly in the future, it is important to note that the cost of color televisions is still much higher than that of black and white models. This is due in part to the fact that color televisions require more sophisticated technology and are therefore more expensive to produce.

The Immediate Outlook

Although this year looks promising for the electronic industry, it is important to note that the economic climate is still uncertain. The Federal Reserve is expected to continue its policy of raising interest rates, which may have a negative impact on consumer spending. Additionally, the dollar is expected to appreciate against the yen, which may affect the competitiveness of U.S. exports.

However, it is also important to note that the electronic industry is well positioned to weather any adverse economic conditions. The industry has a strong history of innovation and has continually adapted to changing market conditions. Furthermore, the industry is expected to benefit from the continued growth of the Internet and other digital technologies.

The Future of Electronic Industry

In conclusion, the electronic industry is expected to continue to grow and thrive in the future. The industry has a strong history of innovation and has continually adapted to changing market conditions. Additionally, the industry is expected to benefit from the continued growth of the Internet and other digital technologies.

Raymond M. Klein, Assistant1

Beutel, O'Connell With J. G. & White Co.

In the United States Government bond department

John G. Beutel, Edw. J. O'Connell

In its United States Government bond department

John G. Beutel

New McKeary Branch

The new McKeary Branch will have a staff of 20 men, and members of the New York and Pittsburgh Stock Exchanges, have opened a branch office in the Warren Bank and Trust Building.

One of the chief sources of new tv sales should be the expansion of the National Cooperative House and Home Assistance in the Field of Consumer Sales and the National Cooperative House and Home Assistance in the Field of Consumer Sales.

Amendment to the Federal Reserve Act

The Amendment to the Federal Reserve Act was passed by Congress in 1913 and was signed into law by President Wilson. The Act was intended to increase the power and authority of the Federal Reserve System, which was then in its infancy.

The Act gave the Federal Reserve System the power to regulate the money supply and to control the flow of credit in the economy. It also established the Federal Open Market Committee, which would later become the central decision-making body of the Federal Reserve System.

The Federal Reserve Act was a major step forward in the development of monetary policy in the United States. It has been widely credited with helping to stabilize the economy and preventing further-of the 11 most significant economic events of the 19th century, the Panic of 1857 was one of the most severe.

During the Panic of 1857, the stock market crashed, and many banks and businesses went bankrupt. The Federal Reserve Act was passed in response to this crisis, and it was intended to provide a more stable monetary system.

The Act was remarkably successful in achieving its goals. It helped to stabilize the economy and prevent future financial crises. It also paved the way for the creation of the Federal Reserve System, which has become one of the most important institutions in the United States.
The State of Trade and Industry

...past their expectation and continue to hold the overall market at the lower levels of the previous few weeks.

Leading the bullish factors, the construction business is hold-
ing up in recent weeks, especially for the electric light and power industry for the week ended Saturday, February 17, at 8,906,000 kwh, as reported to the Edison Electric Institute.

The current figure represents a decrease of 155,000 kwh, below the comparable weekly total of 9,061,000 kwh for the week ended February 8, 1953, and 4.0% over the comparable 1953 week and 989,000 kwh, over the like week in 1952.

Car Loadings Show Further Decline for Week and Year Ago

Loadings of revenue freight for the week ended Feb. 20, 1954, decreased 5,083 cars, or 0.6% below the preceding week, accord-
ing to the Pacific Coast Interstate Commerce Commission.

Loadings totaled 81,625 cars, a decrease of 70,907 cars or 4.4% below the comparable weekly total of 95,532 cars for the week ended February 18, 1953, and 9.5% below the comparable 1952 week.

U. S. Auto Output Dips as Result of Curtailed Operations at Chrysler Corp.

Automobile production fell below a week ago stemming from 4-day operations at Dodge and De Soto Divisions of Chrysler Corp., according to "Ward's Automotive Reports.

The industry, "Ward's" states, turned out an estimated 112,712 cars last week, compared with 113,656 (revised) in the previous week. A year ago the weekly production was 123,065.

Chrysler, Ford, and De Soto, with their units, 1,003, 4,472, and 2,260, respectively, have announced weekly production cuts of 311 and 111, and 14.

The 3-day minus from the previous week's output of 1,384,679 is 1.6%.

Business Failures Again Register Slight Decline

Commercial and industrial failures dipped to 204 in the holi-
day week ended Feb. 18, from 211 in the comparable week ended Feb. 11, 1953.

Out of the failure list this week, 48 were industrial failures, and 132 were retail failures, and 4 of industry production compared with 25,651 in January, or 5.0% below the comparable period in January, 1954.

The week ended February 18, 1954, also saw 8 new failures in United States car manufacturers in February was reported on Friday last, by "Ward's Automotive Reports.

The total for the first months of production, 89, showed a drop, 48, of 24, from the comparable period in January.

The 1,278,674 tons, or 1,789,259, or 0.8% below the comparable weekly total of 1,788,357, is 0.8% below the comparable 1953 period.

Steel Output Scheduled to Drop 3.1 Points

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The total for the first months of production, 89, showed a drop, 48, of 24, from the comparable period in January.

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## Indications of Current Business Activity

### AMERICAN IRON AND STEEL INSTITUTE:
- Latest Month: Mar. 15th
- Previous Month: Feb. 15th

<table>
<thead>
<tr>
<th>Product</th>
<th>Mar. 15th</th>
<th>Feb. 15th</th>
<th>Jan. 15th</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ferrous and non-ferrous steel output (thousand short tons)</td>
<td>1,680,900</td>
<td>1,680,900</td>
<td>1,680,900</td>
</tr>
<tr>
<td>Iron ore product (thousand short tons)</td>
<td>1,680,900</td>
<td>1,680,900</td>
<td>1,680,900</td>
</tr>
</tbody>
</table>

### CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:
- Latest Month: Mar. 1953
- Previous Month: Feb. 1953

<table>
<thead>
<tr>
<th>Product</th>
<th>Mar. 1953</th>
<th>Feb. 1953</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active transactions in engineering</td>
<td>20,966,000</td>
<td>20,966,000</td>
</tr>
</tbody>
</table>

### DEPARTMENT STORE SALES INDEX:
- Federal Reserve Bank of St. Louis
- Mar. 1953

<table>
<thead>
<tr>
<th>Index</th>
<th>Mar. 1953</th>
<th>Feb. 1953</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

### LIFE INSURANCE PURCHASES — INSTITUTE OF LIFE INSURANCE:
- Month of Dec. 1952

<table>
<thead>
<tr>
<th>Product</th>
<th>Dec. 1952</th>
</tr>
</thead>
<tbody>
<tr>
<td>New business life insurance</td>
<td>1,580,350</td>
</tr>
</tbody>
</table>

### MONEY IN CIRCULATION — THERMUS.
- As of Dec. 31, 1952

<table>
<thead>
<tr>
<th>Index</th>
<th>Dec. 31, 1952</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total money in circulation</td>
<td>26,020,000</td>
</tr>
</tbody>
</table>

### NEW YORK STOCK EXCHANGE—As of Jan. 31, 1953

<table>
<thead>
<tr>
<th>Product</th>
<th>Jan. 31, 1953</th>
</tr>
</thead>
<tbody>
<tr>
<td>New share issues (in thousands)</td>
<td>0</td>
</tr>
</tbody>
</table>

### relations between the current Business activity and the stock market:

<table>
<thead>
<tr>
<th>Index</th>
<th>Jan. 31, 1953</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of issues</td>
<td>0</td>
</tr>
</tbody>
</table>

### TOTAL INDICATIVE STOCK SALES ON THE NEW YORK STOCK EXCHANGE

<table>
<thead>
<tr>
<th>Index</th>
<th>Jan. 31, 1953</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of sales (in thousands)</td>
<td>0</td>
</tr>
</tbody>
</table>

### TOTAL EQUITY IN THE UNITED STATES

<table>
<thead>
<tr>
<th>Index</th>
<th>Jan. 31, 1953</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total equity</td>
<td>0</td>
</tr>
</tbody>
</table>

### THRESHOLD PRICES, NEW SERIES — U. S. DEPT. OF LABOR:
- (1930-1931 = 100)

<table>
<thead>
<tr>
<th>Product</th>
<th>Mar. 1953</th>
<th>Feb. 1953</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodities Group</td>
<td>113</td>
<td>113</td>
</tr>
<tr>
<td>Consumer Goods Group</td>
<td>113</td>
<td>113</td>
</tr>
<tr>
<td>Food</td>
<td>113</td>
<td>113</td>
</tr>
<tr>
<td>Meat</td>
<td>113</td>
<td>113</td>
</tr>
<tr>
<td>Dairy</td>
<td>113</td>
<td>113</td>
</tr>
<tr>
<td>Fruit</td>
<td>113</td>
<td>113</td>
</tr>
<tr>
<td>Tobacco</td>
<td>113</td>
<td>113</td>
</tr>
<tr>
<td>Apparel</td>
<td>113</td>
<td>113</td>
</tr>
<tr>
<td>Building Materials</td>
<td>113</td>
<td>113</td>
</tr>
<tr>
<td>Miscellaneous Goods</td>
<td>113</td>
<td>113</td>
</tr>
</tbody>
</table>

### TRENDS IN THE MARKET:
- New sales
- Old sales
- Net sales

<table>
<thead>
<tr>
<th>Product</th>
<th>Mar. 1953</th>
<th>Feb. 1953</th>
</tr>
</thead>
<tbody>
<tr>
<td>New sales</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Old sales</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>
(2) The Existing Economic Situation

Much is printed in United States periodicals and the daily press about the condition of the Canadian economy.

At no time were there more trade restrictions and to restore convertibility, when they are made, will be made not by us, but rather by the governments of other countries. A dollar is fully convertible and we do not make restrictions on trade with any part of the free world.

We have no quarrel with those who oppose the plan as such, and we expect the government and supported it. But we believe that during recent years there have been improvements in the creation of the favorable financial developments.

A good deal of capital has come to take advantage of the lower level, or that monetary measures were always just a "bump in the road." But that is not so. We have no quarrel with those who oppose the plan as such, and we expect the government and supported it. But we believe that during recent years there have been improvements in the creation of the favorable financial developments.

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Southern California Edison Stock Offered

A nationwide group of underwriters managed jointly by the Hambrecht & Quist Co., New York, and Davenport & Burt & Co. on March 2 offered to stabilize demand for 600,000 shares of the new Southern California Edison Co. common stock ($20 par value) at 40.25 in the initial public offering.

Proceeds from sale of the stock will be used for the construction of new plants and for the creation of a new diversified business.

Southern California Edison, the world's largest electric utility, has been in operation since 1884. The company has a total of 8,550,000 shares of capital stock outstanding.

California Power Bond Offered

A nationwide syndicate jointly headed by Blyth & Co., Inc., and The First Boston Corp., on March 6, 1953, offered publicly 300,000 shares of common stock of the California Power Co. at a price of $26.50 per share.

Proceeds from the sale of the stock will be used for new construction of power plants and for the expansion of existing facilities.

The company is the nation's largest power utility and has a total of 1,000,000 shares of capital stock outstanding.

**Calm and Cheerful!**

In our last Annual Report, it was suggested that industrial plant and equipment had been produced, or were being produced, that should prove adequate not only to sustain an expanded defense effort, but also to provide a substantial surplus for the development of new industries, the achievements of our national economy during 1953 were such as to confound alike, pessimists at home and enemies abroad. Without artificial stimulus from the government, the task of producing for the needs of the community is in the capital in the form of new construction surpassed any previous level. Production for everyday consumption and the living standards of our people are higher every year, and the nation’s economy. Moreover, a large share of total output was devoted to providing national security. Americans may not only take pride in the economic performance of the economy, but also in its role in the development of new industries.

A little calm cheerfulness will hardly be a harm just now.

Byth-Phelps, Fenn-Lehman Group Awarded $12,575,000 Fed. Housing Authority Bid

A nationwide investment-dealer syndicate, with John B. Byth, Inc., and F. E. Phelps, Fenn & Co. and Lehman Brothers Inc. forming the syndicate, submitted winning bids for $100,000,000 of the $119,000,000 new Federal Housing Authority bonds. The syndicate is composed of more than 180 investment firms.

The group's bids were net interest rates of 2%, 2.1% and 2.2% for bonds maturing 1955 to 1965, setting a net interest cost of 2.36%.

The bonds, which are the obligations of the United States Government, are being offered for public subscription by the Federal Housing Authority, which is under the Department of Housing and Urban Development.

**Penn-Dixie Cement Stock at $35.50 a Sh.**

Penn-Dixie Cement Corp. is offering holders of its capital stock the right to subscribe to additional 120,427 shares of capital stock at $35.50 per share on the basis of one share for each five shares held at the close of business March 29. A purchase subscription will expire at 3:30 p.m. on April 5.

An underwriting syndicate headed by Robert F. Moseley & Co. and E. M. Beene will purchase any unsubscribed shares.

**Small Cities, Villages and Communities.** Population of the territory served is estimated at 1,225,000.

The company for 1953 had operating income of $111,311,738, giving it a gross margin of 29%, netting, outstanding capitalization of $113,000,000 of long-term debt, $97,376,000 of preferred stock and 781,790 shares of common stock.

Halsey, Stuart Group Offer Equit. Trust Gifts.

Halsey, Stuart & Co. Inc. and associates are offering today (March 5) to subscribers in the Pacific Rim, a special issue of Pacific Rim, Series XX 2.5% serial equipment trust certificates and $1,000,000 in fixed equipment trust certificates to the city of Paterson, N.Y. and Mexico Ry. Series FF 2% equipment trust certificates, both issues mature annually March 15. The certificates are priced to yield from 1.6% to 2.3%, according to maturity.

The Missouri Pacific line is to be secured by the new, large-scale railroad equipment trust certificates. The certificates will be sold to the public.

The Interstate Commerce Commission, has approved the sale of the certificates.

Securities Now in Registration

- **Aircraft Brake Co., Carson City, Nev.** Feb. 15 filed $10,000,000 of 10-year $100 convertible debentures at 100% of par. Proceeds—For property additions and improvements and to repay bank loans. Underwriter—Bretcher, Nomm, Inc., Springfield, III.
- **California Oregon Power Co. (3/9)** Feb. 10 filed $10,000,000 first mortgage bonds due March 1, 1984. Proceeds—For general corporate purposes. Underwriter—To be determined. Probable bidders: Halsey, Stuart & Co.; Inc. Equity Securities Corp.; Hyth & Co., Inc. Bids—To be received up to 11 a.m. (EST) on or before April 30 at the office of California Oregon Power Co., 110 Broadway, New York, N. Y.
- **Dallas Power & Light Co. (3/24)** Feb. 23 filed 70,000 shares of cumulative preferred stock (no par value) for construction. Underwriter—To be determined by competitive bidding. Probable bidders: Morgan Securities Corp.; The First Boston Corp.; White, Weld & Co.; Leman Brothers; Izatt & Co. Underwriters—Tellier & Co. Inc. and Kidder, Peabody & Co. (jointly). Bids—To be received up to 11 a.m. (EST) on or before April 30 at the office of First National Bank of New York, N. Y.

**NEW ISSUE CALENDAR**

- **March 5 (Friday)** Rand Development Co., Inc.—Common
- **March 9 (Tuesday)** Nuclear Research Co., Inc.—Common
- **March 10 (Wednesday)** Federal Electric Products Co.—Common
- **March 12 (Friday)** Armbrust Rubber Co., Inc.—Common
- **March 13 (Saturday)** Wisconsin Public Service Corp.—Common
- **March 15 (Monday)** Baltimore Gas & Electric Co.—Bonds
- **March 16 (Tuesday)** Pennsylvania Gas & Electric Co.—Bonds
- **March 18 (Thursday)** Texas Gas Transmission Corp.—Debentures
- **March 19 (Friday)** National Union Fire Insurance Co.—Common

**INDICATES ADDITIONS SINCE PREVIOUS ISSUE**

**ITEMS REVISED**

- **New York, Boston, Pittsburgh, Chicago, Philadelphia, San Francisco, Cleveland**
- **Private Wires in all offices**

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**Image Information:**
- The image contains a page from a financial document. It includes various financial details such as stock listings, bond issues, and underwriting information for different companies. The text is formatted in a typical financial newspaper layout, with columns and sections dedicated to different companies and their financial activities. The document is related to the Securities Commission, indicating it's a legal or financial report. The page is marked with the date Thursday, March 4, 1954.
# Nuclear Research Co. | P. 60 (3/8)

- 5,000,000 shares of common stock (par $5).
- Ten per cent preferred stock (par $5) in offering for subscription by holders of record March 17, 1954.
- Proceeds: To be used for construction, working capital, and general purposes.

# Pacific Power & Light Co. | P. 60 (3/29)

- 2,500,000 shares of common stock (par $5).
- 12 per cent mortgage bonds due 1984.
- Proceeds: For construction program and to repay bank loans.

# Parker & Co., Inc., New York | P. 60 (11/10)

- 50,000 shares of preferred stock (par $25).
- 5 per cent convertible bonds due 1974.
- Proceeds: To be used for construction and working capital.

# Penn-Dixie Cement Corp., New York | P. 60 (3/17)
Feb. 4, 1954.

- 120,427 shares of common stock (par $7).
- Proceeds: For subscription by stockholders of record Feb. 28 for the purchase of one share for each five shares held, rights to expire on March 15, 1954.

# Pennsylvania Electric Co. | P. 60 (3/17)
Feb. 18, 1954.

- $12,000,000 of first mortgage bonds due 1957.
- Proceeds: To provide working capital and for new construction.

# Pioneer Fund, Inc., Boston, Mass. | P. 60 (11/10)
Feb. 12, 1954.

- $5,000,000 of preferred stock (par $5).
- Proceeds: For investment.

# Pittsburgh Consolidation Coal Co. | P. 60 (3/17)

- 30,000 shares of preferred stock (par $5).
- Proceeds: For investment. To be used for working capital. Price—$1.

# Plastic Wire & Cable Co., Jewett City, Conn. | P. 60 (1/5)

- 2,000,000 shares of common stock (par $5).
- Proceeds: To be offered for subscription by holders of record March 17, 1954, for each five shares held, on a non-participating basis. Price—$10.

# Rand Development Corp., Cleveland, O. | P. 60 (3/5)
Feb. 12, 1954.

- 200,000 shares of common stock (par five).
- Proceeds: For development and for purchase of fundamental equipment.

# Reynolds Uranium Corp., Denver, Colo. | P. 60 (3/29)

- 30,000 shares of common stock (par $5).
- Proceeds: To be offered for subscription by holders of record March 17, 1954, for each seven shares held, on a non-participating basis. Price—$5.

# Rockwell-Tungsten, Inc., Cleveland, O. | P. 60 (3/8)

- 100,000 shares of common stock (par $5).
- Proceeds: For general corporate purposes.

# Rose, Kimball & Baxter, Inc., New York | P. 60 (3/29)

- 2,000 shares of preferred stock (par $5).
- Proceeds: To reduce outstanding bank loans. Price—Par.

# S. Regis Paper Co., New York | P. 60 (11/10)

- 3,000,000 shares of common stock (par $5).
- Proceeds: To be offered in exchange for 5,000,000 shares of common stock, the issuance of 2,100,000 shares of St. Regis stock for each share of superior stock.

# San Diego Gas & Electric Co. | P. 60 (3/30)
March 5, 1954.

- $17,000,000 of first mortgage bonds, revolcs E.
- Proceeds: For construction.

# Scullery, Inc., Chicago, Ill. | P. 60 (3/10)

- 50,000 shares of common stock.

# Sheraton-Caribbean Corp., Boston, Mass. | P. 60 (3/19)
Feb. 18, 1954.

- $2,273,000 of 6 per cent debentures due 1974.
- Proceeds: For the purchase of common stock (par 50 cents) to be offered for subscription by stockholders of record March 17, 1954 for each share held.

# Shayle Martini, Inc., Detroit, Mich. | P. 60 (3/29)

- 75,000 shares of preferred stock.
- Proceeds: To be used for general corporate purposes.

# Shingle & Roofing Co., New York | P. 60 (3/17)

- $250,000 of preferred stock (par $20).

# Silicon Beetle mining Co., Wallace, Idaho | P. 60 (3/10)

- 10 per cent convertible debenture bonds (par $100).
- Proceeds: To be used for general corporate purposes.

# Skiing Mountain Clemens Water Products Corp. | P. 60 (3/15)
March 18, 1954.

- 290,000 shares of common stock (par $10 each).

# Snow Oil Exploration Corp. | P. 60 (3/15)
March 15, 1954.

- $1,000,000 of common stock.
- Proceeds: For exploration. Price—$1 per share.

# Steelville-Potash Co., Denver, Colo. | P. 60 (3/17)

- 640,000 shares of common stock (par 50 cents).

# Strontium-Carbinol Co. | P. 60 (3/17)

- 50,000 shares of preferred stock (par $2).

# Texaco Gas Transmission Corp. | P. 60 (3/17)

- 200,000 shares of common stock.
- Proceeds: To be offered by underwritten stock option plan to certain officers and other executive employees of Texaco, Inc., for the purchase of common stock to be offered by underwritten stock option plan to employees. Price—$12.50.

# Virginia Electric & Power Co., Virginia Beach, Va. | P. 60 (3/10)
Feb. 21, 1954.

- 2,017,000 shares of common stock (par $10).

# Westinghouse Electric Corp., Pittsburgh, Pa. | P. 60 (3/10)

- $18,000,000 of convertible preferred stock (par $5).
Arkansas Louisiana Gas Co.
Feb. 22 it was reported Cities Service Co. may sell its holdings in Arkansas Louisiana Gas Co. to producers who own the gas sold at competitive bidding, bidders may include Smith, Barney & Co. and Bluhm & Co., Inc. (jointly).

Federal Reserve Bank of St. Louis

Fidelity Trust of America, Dallas, Tex.
Feb. 22 the SEC issued order to increase its capitalization to $35,000,000, following which a registration statement will be filed with the SEC to register 10,000 shares of the $50 par value stock. Probable bidders: Halsey, Stuart & Co., Inc. (jointly); Ripley & Co., Inc. (jointly); Lee & Co., Inc. (jointly);

Blyth & Co., Inc. (jointly); Glore, Forgan & Co. and Harriman Ripley & Co., Inc. (jointly).

Bids will be received by the Secretary of Reconstruction Finance Corp., 811 Vermont Ave., N.W., Washington 25, D.C., on March 15 for the purchase of the common stock of the trust in an amount not in excess of $3,500,000. Bidders:—to be determined by competitive bidding. Underwriters are to be determined by competitive bidding. Bidders will be expected to provide proof of financial capability. Underwriter—None.

Florida Power Corp.
Feb. 15 it was announced stockholders will vote March 25 to increase issued and outstanding common stock from 2,500,000 shares to 5,000,000 shares and the common stock from 2,500,000 shares to 5,000,000 shares. Probable bidders: Halsey, Stuart & Co., Inc. (jointly); Ripley & Co., Inc. (jointly); Lee & Co., Inc. (jointly); White, Weld & Co. and Harriman Ripley & Co., Inc. (jointly).—Tentatively expected to be executed in June.

Central Illinois Electric & Gas Co.
Feb. 23 the SEC announced the company plans to offer and sell around the middle of March an issue of $4,000,000 first mortgage bonds. Proceeds—For construction program. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc. (jointly); White, Weld & Co., Inc. (jointly); Co.; Shields & Co. (jointly); Kuhn, Loeb & Co. (jointly) and Harriman Ripley & Co., Inc. (jointly) are to be determined when the offering is made. Underwriters—None.

Central Maine Power Co.
Feb. 17 the SEC approved the company plans sale during the first quarter of 1954 of $10,000,000 common stock after determining there were no further offers at prices which would have been determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Barney, Halsey & Co. Ltd.; Shields & Co.; White, Weld & Co.; Co. (jointly); Co.; Co. (jointly); Beane, Co.; Co. (jointly); Co.; Co. (jointly); Co. (jointly).—Tentatively expected to be executed in May.

Co.; Co. (jointly)

Co.; Co. (jointly)

Co.; Co. (jointly)

Co.; Co. (jointly)

Co.; Co. (jointly)

Co.; Co. (jointly)

Co.; Co. (jointly)

Co.; Co. (jointly)

Co.; Co. (jointly)

Co.; Co. (jointly)

Co.; Co. (jointly)

Co.; Co. (jointly)

Co.; Co. (jointly)

Co.; Co. (jointly)

Co.; Co. (jointly)

Co.; Co. (jointly)
NEW YORK

SECURITY TRADERS ASSOCIATION OF NEW YORK


President: James C. Scott Jr.; Treasurer: Charles E. Halpert; Secretary: James E. Berman.

TENANTS:

Points

Name

Points

1

Mann, J. C.

15

Donadio (Capt.), Craig

1

Santanna (Capt.), Fewer

1

Groskin (Capt.), Bier, Wyman

1

Kramer (Capt.), Bier, Resnick

1

Klein (Capt.), Bier, Resnick

1

Leon (Capt.), Bier, Resnick

1

Kaiser (Capt.), Bier, Resnick

1

Laureano (Capt.), Bier, Resnick

1

Hunter (Capt.), Bier, Resnick

1

200 Point Club

300 Point Club

200 Point Club

300 Point Club

200 Point Club

300 Point Club

200 Point Club

300 Point Club

200 Point Club

300 Point Club

200 Point Club

300 Point Club

200 Point Club

300 Point Club

The Commercial and Financial Chronicle • Thursday, March 4, 1964

Continued from page 65

Northern States Power Co. (Minn.)

Feb. 8 it was reported company plans to issue and sell $30,000,000 of first mortgage bonds due 1984 some time this year. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kuhn, Loeb & Co.; Lehman Brothers; Smith, Barney & Co.; Glencoe, Mather & Co.; Riten; Smith, Barney & Co. (jointly);Kidder, Peabody & Co.; White, Weld & Co.; (jointly); E. W. Page & Co.; & Others. Proceeds—To retire company’s 5%-$1,200,000 in 33/4 years, and 5%-conv. $1,200,000 in 5 years. Details—To be filed by subscription. Proceeds offered to be received in installments of not less than 5% each, from 5 to 15% of the total amount of bonds on a 1-10 basis (with an oversubscription privilege). Underwriters—To be determined by competitive bidding. Probable bidders: (for preferred stock) Lehman Brothers and Ritter & Co. (jointly); Smith, Barney & Co. (jointly); For common stock: Lehman Brothers, Ritter & Co. (jointly); The First Boston Corp.; Loeb & Co. & Blyth, C. W. Co., Inc. and Western Securities Corp. (jointly); Kuhn, Loeb & Co., A. C. Allen & Co. and Washington & Union Security Corp. (jointly).

Northern States Power Co. (Minn.)

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The Board of Directors of the Anaconda Copper Mining Company has this day declared thirty-five cents per share on the capital stock of the company, payable March 31, 1954, to stockholders of record at the close of business March 6, 1954.

C. J. F. Moran
Secretary and Treasurer
Anaconda, Mont.

**February 25, 1954**

The Board of Directors of Anaconda Copper Mining Company has declared a dividend of Seventy-five Cents ($0.75) per share on its capital stock of the par value of $50 per share, payable March 30, 1954, to the stockholders of record at the close of business March 6, 1954.

C. J. F. Moran
Secretary and Treasurer
Anaconda, Mont.

**February 25, 1954**

A quarterly dividend of $0.50 per share in cash has been declared for the last quarter of the Common Stock of C. I. T. Financial Corporation, payable April 1, 1954, to stockholders of record at the close of business March 10, 1954. The transfer books will not close. Checks will be mailed.

C. John Kohn
Treasurer
February 25, 1954.

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C. John Kohn
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February 25, 1954.
WASHINGTON, D. C.—There is in the District of Columbia and probably in most parts of the country, a general dissatisfaction with the political process. The taxpayer, like the rest of the country, was surprised and perhaps not a little shocked when Senator Walter F. George completely reversed what all had expected of him and defeated Georgia Senator's tax philosophy.

Senator George got up before the National Press Club and argued with seeming the greatest conviction that this unjust tax burden, so harshly must be reversed; that the onerous burden of taxation upon lower middle income classes must be cut and that the balanced budget would not be inflationary. His latest surprise was to kick over the tax revision bill. He said that while he disagreed with no part of that bill, its enactment should await another day.

This is the same Senator Walter F. George who is Chairman of the Finance Committee during Democratic Administration's tax law. Senator George—steadily white-haired old man, of the personal exemptions under the income tax law of $5,000 at one time, $50. It is the same Senator George who was always known for his fiscal policies and who disliked deficit financing. Senator George who never seemed to bow to what was later to be called the personal exemptions under the income tax law of $5,000 at one time, $50. It is the same Senator George who was always known for his fiscal policies and who disliked deficit financing. Senator George who never seemed to bow to what was later to be called the personal exemptions under the income tax law of $5,000 at one time, $50.

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And it is the same Senator George of whom there were and few more ardent opponents of Uncle Sam's spending.