Cautious Market Attitude Currently Warranted
By ANTHONY GAUBIS
Investment Counselor

Mr. Gaubis suggests possibility of early sizable reaction of 10% on the average, and 20-30% in the more popular issues, prompted by: (1) the technical background; (2) uncertainty of long-term earnings; (3) evidenced by industrial and utility issues' patterns; and (4) previous discounting of business pickup. Advises investors to build up buying reserves to participate in anticipated subsequent rise to about a 400-level for the Dow-Jones Industrial Average.

In an article which I prepared for the Commercial & Financial Chronicle, and which was published on Aug. 27, 1953, under the title, "A Cheerful View of the Stock Market," I emphasized the fact that the majority of stocks appeared to have discounted the business recession which virtually everybody had agreed was in prospect. Now that the Dow-Jones Industrial Average has advanced by more than 65 points, or roughly 25%, it appears that the article was written, it is probably in order to take a "new look." Partly for the very reasons which led me to recommend "the building up or maintenance of rather fully invested positions in utilities" Summer and Fall, I believe that temporarily, at least, a more cautious attitude or investment policy is now in order. I would emphasize the phrase, "temporarily, at least," for a number of reasons, including the fact that we are now in an extremely critical stage in our foreign relations, and it will be at least another month or two before public opinion can be crystallized and channelled in the direction of either a more or smaller part in anti-Communistic alliances. The exact nature of the tax bill which will be enacted within the next few months will substantially be determined by the change in the administration, with the possibility of a more or less strong reversion to the earlier methods of wartime.

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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 provide their favorite reasons for favorable security.

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

EDMUND L. BROWN

Vice-President, Garrett and Company, New York

Petroleum Service, Incorporated ("PSI")

"Mighty oaks from little acorns grow...", may also apply to Petroleum Service, Incorporated, a young company in a new industry. An official of a major oil company recently stated that hydraulic fracturing of the chalk formations may add billions of barrels of recoverable oil to the nation's reserves. The fracturing of oil formations was perfected by Stanolind Oil and Gas in 1948. Today Stanolind is expanding its operations into the drilling activities and equipped and prepared other companies to use the hydraulic fracturing technique on a commercial scale.

The hydraulic fracturing process is used in both new and old wells. A number of dry and shallow wells have become good commercial producers after being fractured. Of course one can't get high production without some turning, nor does the fracturing process work on all wells. But it does induce high flow rates, where previously there was none. On some old wells the fracturing increases the production from ten to forty times the usual daily rate. In most instances the wells decline in a few weeks, but in the majority of cases the result is sustained production is much higher than before the fracturing.

In new oil wells drilled in sand formations, hydraulic fracturing is almost a must. Before the technique was discovered, a major operator in Wyoming swabbed a well at an expense of some $20,000 just to keep it going for 20 days before it reluctantly started producing 25 barrels of oil a day. Last summer PSI fractured an oil well in Wyoming in 7 1/2 hours and 100 barrels of oil per day started flowing at the rate of 10 barrels of oil per hour.

Another interesting development is the making of commercial producers out of some dry holes. A well in the Newcastle area in Wyoming was drilled in 1939. The electric log disclosed a poor formation that should have produced oil or gas in the well. The operator tried for weeks and finally abandoned the well without getting a smell of oil or gas. Last summer PSI sand fractured a hole and the result was an operating lease with success. The operator reopened the 1939 dry hole and in less than a year PSI sand fractured the formation with 3,000 pounds of Ottawa silica sand and water and perforated the well. The well responded immediately and is now capable of producing 200 barrels a day. All this and the tax charge off.

The explanation of hydraulic fracturing is simple. Modern rotary drilling truck, has the mud being forced down the hollow drill pipe through the drill bit under high pressure. All oil formations are porous to a certain extent. The mud is forced into the porous formations and the pressure forming a thin clay pipe through which the oil escapes to the well bore unless the oil sand has high pressure. The hydraulic fracturing of oil sand under extreme pressure does these two things:

1. Breaks through the mud block in the vicinity of the well bore by abrasive effect, or forming a crack in the formation.

2. Breaks through a low permeability formation to a zone of more permeability.

3. Increases the drainage area from six inches to sometimes as much as sixty feet. The sand acts as a propping agent.

In one instance in Upton County Texas, a well 46 acres in area was being fracured started to flow.

The Company

Petroleum Service, Incorporated was formed by aggressive engineers to take advantage of the highly technical field of oil well stimulation and specialized engineering. They were with one of the major oil producing companies since the inception of this technique. Petroleum Service Incorporated established bases at Atlanta, Texas and Newcastle, Wyoming. The immediate acceptance of PSI by the oil industry, both independent and major oil companies, is indicated by its sound financial structure and position which was formed in October 1952. In addition to PSI's own fracturing technique developed in the field, it provides all of the highly specialized fracturing processes such as standard hydraulic, sand hydraulic, acid, cut-off, etc.

The American Furniture Manufacturers Association was formed in 1892 with the approval of the members. The officers and the membership have been changed several times, but the association has always continued to function. The officers and the membership have been changed several times, but the association has always continued to function. The American Furniture Manufacturers Association has always continued to be a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry. It is a valuable institution to the American furniture industry.
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Philosophy, the various econ-omic, and the sinister implications of the law are thoroughly ventilated. Those who pointed out the errors of that position, the N.R.A. were charged with wanting to continue depress-ion, rather than to eliminate the cause (of the depression).

Neil Carothers

Dr. Neil Carothers, School of Business Administration, University of Wisconsin, in the paper "Full Employment and Its Dangers" which appeared in our issue of April 8. As we noted, the Carothers had previously received considerable correspondence on the economic implications of the full-employment philosophy, and the government's role in the economy. As we hoped that this article would help to clarify the subject of the debate.

In the "Chronicle" of May 6, starting on the facing page, we publish some of the letters that our readers have written in connection with the issue. A number of the letters are reproduced below, and we hope that these will help to clarify the subject of the debate.

If you have not yet read the article, we would recommend that you do so before proceeding further. The article is available for download at the Federal Reserve Bank of St. Louis website.

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Dollar Redeemability and The Gold Standard

BY MELCHIOR PALYI

Dr. Palyi, after discussing present status of our currency with respect to gold convertibility and the question of selling a new official price for gold, contends that although our currency is pegged to the gold standard, free from the pressure which once led to the automaticity of the pure gold standard is capable of exercising. Concludes, although gold standard is no panacea, its return would mean the assurance of our monetary system and the maintenance of financial freedom — the right of a gold — now enjoyed by Soviet citizens.

The Bridges–Reece bill is pending in Congress. It proposes to place a large, fixed charge on domestic gold circulation, in order to reduce the gold coin standard. Do we need this return to a gold standard? Is it the time to accomplish this in a world where the fundamental problem is not gold and politics, but the politics and gold of nations? How about the gold standard in the rest of the world, at which gold should or could not be available to the public generally? Should the dollar pass innumerable checks and be limited by McCarran bill or a so-called free gold which was established, as requested by other pending legislation?

We Are on Gold

It is being said that the growing gold coins into circulation would make it necessary for the country to return to the gold standard. Some examples of the basic fashion, we are on, as on an overcoat we wear in bad weather. Foreign central banks can convert their balances and notes into gold (bullion) at the New York Federal Reserve, and return it to the bank. The dollar on a par with gold at the statutory rate of $42.222 per ounce. When a hoarder abroad prefers to hold his gold at home, he can transfer his gold to the United States. The gold standard is no longer artificial; it is not in fact, but surely not against coin circulation in this country, and even gold withdrawals on a huge scale, have occurred in the past, in the middle and after the first world war. We should not change our monetary system now. It is our task to see whether our system becomes more stable, less vulnerable. It should be noted that our monetary system is the best in the world. It was not our task to add to the stability of the world, but to help it to be more stable.

At home, the legal prohibition to deal in gold does not permit a discount to arise on the dollar against gold. However, the controls do not work if people are anxious to own the metal. In short, the dollar is worth 1/30th of an ounce of gold, and domestic redemability is not the solution. The real problem is to find something to that. As it is, one cannot buy commodities on the world markets by paying in gold, and to any extent in dollars. True, coins are a commodity that is due merely to the fact that not enough gold coins are available to cover the hoarders' and collecting hobbyists' needs. A coin standard would vanish in thin air the moment we would open the mint to issue and permit the export of coins.

Can We Convert Single-Handed?

The dollar's international conversion power is far from being a stable unit in the international system. It is the key to the argument that we would be the only country to buy in gold. Look at Switzerland, the gold standard countries maintain their bullion standard without all sorts of restrictions.

They operate with clearing agreements and import quotas, if only in retaliation against countries using these weapons against them.

This reasoning overlooks that the only additional threat of a gold drain created by free coin circulation would be to demand for gold of the domestic owner of dollars. But he is not noteworthy for his ability to get the money from his kin on the London exchange. The reason for the silence of the foreigner is that there is no urgent need to have his coins, or to hoard them, when the dollar can be bought at a profit of 15% or more. The average American would consider it highly incon¬ venient to hoard gold in his vault or safe. Unless, there is a threat of universal abandonment, the gold standard is not a reason why gold should be made legal tender. The ban on gold export under the last residual of dollar-devalua¬ tion-fear that induces people in France and elsewhere to hoard more gold in lieu of dollars.

When Britain introduced non-metallic convertibility in 1819, at the Canadian Economist, Gilbert Jackson put it: "no gathering of statesmen and financiers from countries large and small met anywhere to bring about; or debated and disagreed over any foreign gold agreements; or burned midnight oil and discussed midnight niceties to perpetuate a Gold Standard and to stop that away with the gold legislation by their respective governments."

In the midst of the post-World War II period, the possibility of gold money troubles. When the gold standard was the metallic standard, the United States had to act on a hand-to-hand basis to rehabilitate its depreciated currency. Having done so as the lead¬ ing country in the world, the re¬ ception of the time, the rest of the world would follow in order to link the respective prices of gold to that of the United States, to foster trade and in¬ vestments.

That much to answer Deputy Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary Secretary 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The Stock Dividend and Stock Split — in England

In view of our public's current interest in the instrumentality of the stock dividend, evidenced in controversy raised at annual shareholders' meetings last week, its status in England seems worth citing.

In Britain the stock dividend, as here, distributed simply as a cash dividend or as alternatives thereto, was quite frequent pre-war. But now "in times of peace" far less frequently, people generally having forsaken the barrenness of the offers any really great advantage.

The dominating purpose of stock-dividend distribution in the London market is to keep the nominal capital in proportion to the real capital, discrepancy having arisen because of the payment of regular performance dividends. For example: If a company ten years ago had a nominal capital of £2 million, and in the course of the next ten years ploughed back into the business another £2 million, it may today find itself paying a divi-
dend of 50% on the nominal capital; whereas on the capital plus dividends the actual dividend is actually equivalent to only 25% on the capital plus reserves. Now the fashion is to capitalize the reserves and make the nominal capital £4 million, whereupon, other things being equal, the divi-
dend automatically falls to 25% and the market price of the shares is halved—all of which looks better.

The Political Motivation

The political attitude toward company reserves supplies another additional motivation for Britons to use the stock dividend device. As stated in a recent article, "You Have Been Warned," by Candissi in "The Investors' Chronicle" of London, socialist--financial" financial confidence extended to the credo that ploughed-back profits, far from belonging to the owners and entitled to remuneration, belong to the workers and not to the shareholders. The Opposition's Chancellor of the Exchequer, Mr. Hugh Galtie, is quoted by Analogist to believe that this solution can only be found by some system whereby the workers are given a fair share of the reserves accumulated thanks to their dedication (in wage demand) and the savings of shareholders.

Britain's company community has been using the stock divi-
dend to a gradually learned extent, coincident with press de-
bussion of the advantages to the shareholders and the public of this device.

The counterpart of the American stock split, with the same nomenclature also exists in London's City. After a share of £1 nominal value selling in the market at 80 shillings has been split into four 5-shilling nominal value shares, other things being equal, the new share will sell at 20 shillings.

While the shareholder's real position is of course unaffected, there frequently follows, as here, a psychological fillup, "The last refuge of the company promoter is to split his shares."

But the stock split in London is not resorted to anywhere nearly as frequently as here; because it raises stock exchange commissions; because it is realized to a greater extent than in the U. S. that the stockholder's real equity is unchanged; and because the U. K., as the rest of the free world, is generally far less public-relations-minded than we are.
Spectacular Changes
In the Banking Scene

By ISAAC B. GRAINGER* Executive Vice-President, Chemical Bank & Trust Company, New York

Mr. Grainger reviews fiscal, financial and economic changes since the Fed's creation, how bankers have faced a never-ending parade of new factors affecting their business. Lists as new factors, the Gold Reserve Act, the Federal Deposit Insurance Corporation, and the alterations in Federal Reserve procedures brought about by legislation instituted by the Federal Reserve Board, and expresses doubt as to the wisdom of using these requirements as means of credit control. Emphasizes need for giving depositors more security and cites employee relations as the "big change" in banking.

It would be a difficult thing in so short a time to cover all of the changes that have been viewed in the national econ-
omic situation, but I will mention a few of them. At the end of 1932, the Federal Reserve Bank of St. Louis had $2 billion on deposit. By the end of 1935, it had increased to $8.5 billion. The ratio of deposits to notes and gold has gone from 13 to 12.2, respectively.

Competition by government agencies, in the form of the Federal Reserve Board, has caused us to reorient our operating procedures and practices. The greater in size and coverage of the economy has come about because banks have been forced to compete with other agencies. The Federal Reserve system, with its 12 regional banks and its many affiliated agencies, now has the same number of depositors as the Federal Reserve Banks. This has led to a great increase in the volume of business handled by the banks.

Reserve Requirements
In general, the number of new factors injected into commercial banking has greatly increased since 1935. Our bankers have not attempted to separate the favorable from the unfavorable. There has been a tendency to evaluate one or two factors as the key to the situation, instead of considering the factors as interacting and working together. The first item is that a present schedule of reserve requirements in the Federal Reserve System is built on the assumption that the public, unfounded, will maintain stable and reserve deposits. If this is not true, then the Federal Reserve System will have failed to meet its objective.

The Federal Reserve Re-examined
In addition to the changes in the banking system, there have been changes in the Federal Reserve System. The Federal Reserve Re-examined, a recent book by a well-known authority, gives some very helpful views on this subject. The author observes that the conclusions of observations made in the past are not applicable to the present situation. However, I will give the author credit for stating the obvious: the history of the Federal Reserve System is long and complex.

The Federal Reserve Re-examined also emphasizes the conclusions: the history that has been made of reserve requirements by the Federal Reserve System is long and complex. The reader is faced with the fact that the Federal Reserve System has a long and complex history.

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$100,000,000
STATE OF CONNECTICUT
Expressway Revenue and Motor Fuel Tax Bonds
Greenwich-Killingly Expressway, First Series

Payable solely from the Expressway Reserve Fund of the State and moneys payable therefor as described in the Bond Declaration.

Interest exempt, in the opinion of Bond Counsel, from present Federal income taxes under existing statutes.

The bonds, their transfer and the income therefore (including any preem on the sale or transfer thereof) are exempt, in the opinion of the Attorney General, Connecticut, from all taxation by the State of Connecticut or under its authority.

Due January 1, 1954

Principals and semi-annual interest (January 1 and July 1) payable at the principal office of the Manufacturers
Trust Company in the Borough of Manhattan, New York, N. Y., and The Hartford Connecticut Trust
Company, Trustee under the Bond Declaration, and the office of the State Treasurer, in Hartford,
Connecticut. Coupons bonds as the denominations of $1,000, negotiable as to principal only
and exchangeable for fully registered bonds in the denominations of $1,000, $10,000 and any whole multiples of $10,000, at the principal office of the Trustee in
Hartford, Connecticut, and at the expense of the holder, as provided in the
Bond Declaration.

The bonds are subject to redemption prior to maturity on or after July 1, 1995, at the redemption prices set forth and in accordance with terms and conditions described in the Bond Declaration.

AMOUNTS, RATES, MATURITIES AND YIELDS OR PRICES

<table>
<thead>
<tr>
<th>Amount</th>
<th>Rate</th>
<th>Date</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>$250,000</td>
<td>2/5%</td>
<td>1962</td>
<td>1.30%</td>
</tr>
<tr>
<td>500,000</td>
<td>2/5%</td>
<td>1963</td>
<td>1.70%</td>
</tr>
<tr>
<td>450,000</td>
<td>2/5%</td>
<td>1964</td>
<td>1.80%</td>
</tr>
<tr>
<td>600,000</td>
<td>2/5%</td>
<td>1965</td>
<td>1.90%</td>
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<tr>
<td>800,000</td>
<td>2/5%</td>
<td>1966</td>
<td>2.00%</td>
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<tr>
<td>1,000,000</td>
<td>2/5%</td>
<td>1967</td>
<td>1.20%</td>
</tr>
<tr>
<td>1,100,000</td>
<td>2/5%</td>
<td>1968</td>
<td>2.15%</td>
</tr>
<tr>
<td>1,300,000</td>
<td>2/5%</td>
<td>1969</td>
<td>2.20%</td>
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<tr>
<td>1,500,000</td>
<td>2/5%</td>
<td>1970</td>
<td>2.25%</td>
</tr>
<tr>
<td>1,600,000</td>
<td>2/5%</td>
<td>1971</td>
<td>2.30%</td>
</tr>
<tr>
<td>1,800,000</td>
<td>2/5%</td>
<td>1972</td>
<td>2.35%</td>
</tr>
</tbody>
</table>

(For bond interest)

The bonds are issued under the terms of a Bond Declaration entitled, "Bond Declaration Authorizing $100,000,000 Expressway Revenue and Motor Fuel Tax Bonds of the State of Connecticut for Financing the Greenwich-Killingly Expressway, and Establishing the Terms of Issuance of Bonds of the State Pursuant to Public Act No. 411 of the General Assembly of the State of Connecticut, January Session of 1967..." made by the Highway Commissioner of the State of Connecticut and dated April 27, 1967. The proceeds of the bonds are to be applied by the State toward financing its costs of construction of the Greenwich-Killingly Expressway of the State as described in the Bond Declaration.

The bonds are not general obligations of the State of Connecticut for which the full faith and credit is pledged.

These bonds are offered when, and if, and are issued subject to approval by the Attorney General of the State of Connecticut, and by Street Thoroughfare Finance & Dover, of Boston, Massachusetts, Bond Counsel for the State, and Hufnagel, Dolfick & Wood, New York, N. Y., Bond Counsel for the underwriters. Such offering is not made hereof, but only by means of the Offering Circular, copies of which may be obtained from each of the underwriters and other underwriters as are registered dealers in this State.
Bond Club Stock Exch. Announces “Annual Offering” at $10 Each

The Bond Club Stock Exchange, which opens for trading once a year at the club’s annual Field Day, has announced its 1954 offering of 2,000 shares, by means of an “unofficial” prospectus being distributed to members. The shares are priced at the traditional bargain price of $10 each.

Trading in the shares is expected to turn the outing into a typical “boudoirs’ holiday.” It will take place, as usual, in the Stock Exchange tent on the grounds of the Sleepy Hollow Country Club from 10 a.m. to 6 p.m. on June 4. Dividends to be declared at the close of the day’s trading will set a new high—five automobiles, including a Cadillac “Eldorado” convertible, a Chrysler “Newport” hard-top convertible, a Chevrolet Corvette sports car, a Mercury station wagon and a Ford “Skyliner” with Plexiglas top—plus $5,000 in extra cash payments.

D. Frederick Barton, Chairman of the Bond Club Stock Exchange Committee, has notified members that subscriptions up to two shares will be allotted in full. Subscription books on the offering will open May 13 and close at 4 p.m., May 26.

Buffett-Falk Adds

With L. A. Huey Co.

OMAHA, Neb.—David E. Magnuson has been added to the staff of Buffett-Falk & Company, Omaha National Bank Building.

Joins Central Republic

OMAHA, Neb.—Marion Joseph Kennedy has joined the staff of Central Republic Company, Omaha National Bank Building. He was formerly with Thomson & McKinnon.

New Issue

$79,200,000

City of New York

1.90% Serial Bonds

Dated May 15, 1954. Principal and semi-annual interest (November 15 and May 15) payable in New York City at the Office of the City Comptroller. Coupon bonds in denominations of $1,000, convertible into fully registered bonds in denominations of $1,000 or multiples thereof, but not interchangeable.

Interest Exempt from present Federal and New York State Income Taxes

Legal Investment for Savings Banks and Life Insurance Companies in the State of New York and for Executors, Administrators, Guardians and others holding Trust Funds for Investment under the Laws of the State of New York

The Chase National Bank

The Chase National Bank

Chemical Bank & Trust Company

Manufacturers Trust Company

J. P. Morgan & Co.

Manufacturers Trust Company

Lehman Brothers

Blyth & Co., Inc.

Lazard Frères & Co.

Barr Brothers & Co.

R. W. Prespich & Co.

Merrill Lynch, Pierce, Fenner & Beane

Union Securities Corporation

Goldman, Sachs & Co.

Bear, Stearns & Co.

The Northern Trust Company

Harris Trust and Savings Bank

Equitable Securities Corporation

Drexel & Co.

The Philadelphia National Bank

Hearst, Rallies & Co.

Hallgarten & Co.

F. S. Mossely & Co.

Fine, Webber, Jackson & Curtis

Hempfiill, Hoyes & Co.

Hemphill & Howe

Schoellkopf, Hutton & Parmerly, Inc.

Swiss American Corporation

A. G. Becker & Co.

Gregory & Son

Hirsch & Co.

Lorenzo M. Meeks & Co.

Raymonds & Co.

Chas. E. Weigold & Co.

American Securities Corporation

Boche & Co.

The Bankers National Bank

Central Republic Company

City National Bank & Trust Co.

Commerce Trust Company

Federation Bank & Trust Company

Goodbody & Co.

Green, Ellis & Anderson

Hoyden, Miller & Co.

Heller, Bruce & Co.

The Illinois Company

Carl M. Loeb, Rhoades & Co.

Wm. E. Pollock & Co., Inc.

The Robinson-Humphrey Company, Inc.

Steen Brothers & Co.

Smith & Company

Trust Company of Georgia

Wesden & Co.

Business Conditions Looking Up

By ROGER W. BABSON

Mr. Babson foreseeing a leveling off of business activity in the second quarter of year and finds there are some substantial reductions in capacity. He has been talking about unemployment, and criticizes the manner in which unemployment data have been presented by many newspapers.

Last December in this column I predicted we would not have a sharp drop in business during 1954. So far this year, though the pacesetters have been a little slower than expected, there have been no signs of a recession. The unemployment rate has been lower than expected, and prices have been moving upward.

The Unemployment Question

There has been too much loose talk about unemployment. I am sure I was not the only one who was frightened by what the data in the newspapers are now reporting. They concerned capacity, level of wages, and capacity utilization. These figures are often cited as indicators of our economic health, but they can be easily misinterpreted.

The problem is: What will be the pattern of business activity in the next six months?

This will be a difficult forecast for the last six months.

Some of my critics are even more pessimistic. They believe the second quarter and business conditions will not improve, and that the outlook for 1955 is still bleak. I do not agree with this view. I believe that the economy is still growing, and that the unemployment rate will continue to improve.

The leveling-off in business activity, which has been a feature of the last six months, is probably temporary. There are several reasons why business activity may continue to improve in the next six months. One reason is the increase in consumer spending. Consumer spending is the most important factor in determining the course of the economy. If consumer spending continues to increase, it will provide a strong stimulus to the economy.

Another reason is the increase in business investment. Business investment is another important factor in determining the course of the economy. If business investment increases, it will provide a strong stimulus to the economy.

I believe that the economy is still growing, and that the unemployment rate will continue to improve. This will be a difficult forecast for the last six months. There are several reasons why business activity may continue to improve in the next six months. One reason is the increase in consumer spending. Consumer spending is the most important factor in determining the course of the economy. If consumer spending continues to increase, it will provide a strong stimulus to the economy.

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**RCA**
Radio Corporation of America

RCA technical director, in pointing out the mutual interest which technicians and investors have in electronic development stresses changes which will be wrought in our economy and industry by the use of electronic devices. This has been a pastime of imagination and fantastic uses of electronic equipment and predicts potentialities of electronics are unlikely to be more than barely tapped in our lifetime. Yet you will agree that this is the future. Directly we consider the vast domain that lies before us for new applications of the devices that have already been developed, even before we turn to the products of research and development now underway in our laboratories.

The transistor is a startling example. Only six years ago, a search group at the Bell Telephone Laboratories discovered the transistor in a certain solid material—notably the metal germanium—could be controlled while still inside the solid. Upon that day it had needed to "boil" electrons out of a heated electrode inside a vacuum tube in order to use them in our various electronic devices. Other laboratories, including RCA, that had been working in the same field of solid-state electronics, immediately turned to this new device—and today the transistor is used as a relatively simple device as a replacement for vacuum tubes. The space saved by the transistors and their small batteries permits the use of a greater number of electronic and electrical materials than was possible in the past. These are only a few of the vast number of applications awaiting the transistor as today's important manufacturing process is simplified and mass production is achieved. In large installations that now require thousands of vacuum tubes, such as electronic computers and communication devices, mean great savings in space, power and in cost of replacement. In addition to its ruggedness, its compactness and the fact that it saves space, it makes it feasible for use in a number of applications in military electronic equipment.

Many of you are familiar with another development of electronics in the short wave band—radio. In recent years, this has been turned into its military uses. If we keep the same rate at which the things we do are created, and you look forward to the development of the transistor, you would agree that the electronic development in the communications field—the microwave radio relay. Such relays are used extensively as the basis for the distribution of television programs, but that is only one use. Similar systems can provide multiple television or telephone pictures, in the cellular telephone system, utilizing voice, video, simultaneous transmission of data, synthetic voice, supervisory control functions by means of large numbers of channels in one channel. The microwave radio relay is a small, reliable and powerful system for remote areas. RCA alone has installed more than 4,000 miles of microwave systems for various uses in the United States. Today, microwave radio systems are providing significant functions for industry, for network television and for the military—

Transportation, for a multitude of intricate control functions in commerce and industry, and for the tools of modern warfare.

Against this background, it may sound somewhat rash of us to say that we have merely scratched the surface and that the potentialities of electronics are unlikely to be more than barely tapped in our lifetime. Yet you will agree that this is the future. Directly we consider the vast domain that lies before us for new applications of the devices that have already been developed, even before we turn to the products of research and development now underway in our laboratories.

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Transportation, for a multitude of intricate control functions in commerce and industry, and for the tools of modern warfare.
We Have a Selling Job to Do!

By FRANK C. PESVEY* 

Federal Reserve Bank of St. Louis
Public Service Electric and Gas Company, Newark, N. J.

Aspirer prime function of private enterprise is not to meet demand, but to create it. Mr. Pesvey lays down basic principles that underlie every good sales job.

(1) Don't be the defensive. 
(2) Don't take pot shots at competitors. 
(3) Do sell positively, using the latest thinking in selling without solicitation of banks.

Because of their outstanding record and reputation, savings banks actually have an edge on other businesses when they begin to sell, for instance, since 1888 no mutual savings bank has failed in Massachusetts. New Jersey has failed to get back his funds with interest in full. Other States have similarly been lucky in their records. And a good reputation has a price.

Deposits in the nation's 528 mutual savings banks increased by $541,000,000 in the first quarter of 1954 which brought the total to an all-time high of $25 billion. This reflects the continuing trend of the increase in savings that has taken place since April 1953.

Since 1946 the discretionary spending power in the hands of the savings bank has increased at a time. The owners of these vast savings facilities have much to say about their increasing earning current earnings. The typical bank today is not so much a savings-first type of a bank as it used to be.

To do that, selling—hard, realistic, constant selling—is needed. Competitor, customer, and the getting together. Everyone who has something to sell whether it is a car, architectural clothing, dryer, color TV, dresses, or vacations, will be in there fighting every inch of the way for every dollar that he and his firm can get.

The basic functions of private enterprise is not to meet demand. It is to create demand, to build up demand. That's our most important job.

Desires are the important things. Our economy is built on the sale, use, and service of goods. Desires are definitely not necessities. Desires are the things that make us better off than we were yesterday. Of course not! But we've built a multi-billion industry on TV.

These desires are created entirely by salesmen. It seems to me that mutual savings banks can count on the fact that very important fact if they will spend some time and effort and sell the American way of life. People are now breaking down the doors of any bank that can help them.

**Summary of a talk by Mr. Pesvey at the 3rd Annual Convention of the Association of Mutual Savings Banks, Chicago, Ill., May 11, 1954.**

We Are on the Upward Swing Again!

By LOTHAR TEETER* 

Assistant Secretary of Commerce

Stating "we feel in the Commerce Department that we are about ready for another advance," Secretary Teeter holds there is a solid basis for confidence and that we can anticipate some further improvement in business and economy. Says "We're taking advantage of some built-in stabilizers in government, which have not been there long."

It seems to me that we have a new philosophy in the Commerce Department today. It is a philosophy that business is a cooperative, resourcefulness of businessmen to maintain the prosperity of America. It is precisely the idea that if we have no dependency on big things, that the other part will be able to sustain it.

So we do have many things that will be helpful in the future. I think you businessmen appreciate many of these things. And I think that you're doing things that create prosperity in the private jobs. We want employers, many employers, new employers, new employers. We want our nation's vital forces to be shown. They can grow if we take away the deterrents that would be likely to be from growing.

Now we have no cold crystal in the Commerce Department, in the Kaufman showing. We have no building full of statistics. And we'll be interested in a few statistics. You can see that the Office of Business Economics which comes under Domestic Af- ers is interested in the figures that are the most interesting in the figures on the balance of payments and the disposable income, and others.

But I think that you may not have heard—the income held by all of our people is rising. In the department of Domestic Affairs, the task of helping to us is as many ways as we can give an example, we have in hand this week, a report on balances. We bring it in 35 to 35 leading bankers and industry representatives to one of these conferences. We ask our Federal Reserve representatives to give us the problems that are of importance to the present banking community.

It poses a problem for them. The demand for the things we can do, especially for the working parts of the country, have events proved to be outstanding to the lady. I've never been known as a pessimist.

Harold Allen Elected Director of Alabama Gas

Harold Allen, veteran in the investment banking field of Allen & Company, New York City, has been appointed Director of Alabama Gas Corporation, Birmingham, Ala.

Joius Kiddie Staff

Tampa, Fla.—Florida Commerce Co., M. Kiddie & Co., 506 Florida Avenue, is opening a new branch.

Now with Louis McClure

(Tampa, Fla.—Louis M. Saxton, Manager here, has joined the staff of Louis C. McClure & Co., 617 E. James Street, where he will handle the branch.

Schwanz Adds to Staff

AURORA, Ill.—Jack A. Rogan has joined the staff of Schwanz & Company, Inc., Merchants National Bank Building.

We have a Selling Job to Do!

By FRANK C. PESVEY*

Federal Reserve Bank of St. Louis
Public Service Electric and Gas Company, Newark, N. J.

Aspirer prime function of private enterprise is not to meet demand, but to create it. Mr. Pesvey lays down basic principles that underlie every good sales job.

(1) Don't be the defensive. 
(2) Don't take pot shots at competitors. 
(3) Do sell positively, using the latest thinking in selling without solicitation of banks.

Because of their outstanding record and reputation, savings banks actually have an edge on other businesses when they begin to sell, for instance, since 1888 no mutual savings bank has failed in Massachusetts. New Jersey has failed to get back his funds with interest in full. Other States have similarly been lucky in their records. And a good reputation has a price.

Deposits in the nation's 528 mutual savings banks increased by $541,000,000 in the first quarter of 1954 which brought the total to a new high of $25 billion. This reflects the continuing trend of the increase in savings that has taken place since April 1953.

Since 1946 the discretionary spending power in the hands of the savings bank has increased at a time. The owners of these vast savings facilities have much to say about their increasing earning current earnings. The typical bank today is not so much a savings-first type of a bank as it used to be.

To do that, selling—hard, realistic, constant selling—is needed. Competitor, customer, and the getting together. Everyone who has something to sell whether it is a car, architectural clothing, dryer, color TV, dresses, or vacations, will be in there fighting every inch of the way for every dollar that he and his firm can get.

The basic functions of private enterprise is not to meet demand. It is to create demand, to build up demand. That's our most important job.

Desires are the important things. Our economy is built on the sale, use, and service of goods. Desires are definitely not necessities. Desires are the things that make us better off than we were yesterday. Of course not! But we've built a multi-billion industry on TV.

These desires are created entirely by salesmen. It seems to me that mutual savings banks can count on the fact that very important fact if they will spend some time and effort and sell the American way of life. People are now breaking down the doors of any bank that can help them.

**Summary of a talk by Mr. Pesvey at the 3rd Annual Convention of the Association of Mutual Savings Banks, Chicago, Ill., May 11, 1954.**

We Are on the Upward Swing Again!

By LOTHAR TEETER* 

Assistant Secretary of Commerce

Stating "we feel in the Commerce Department that we are about ready for another advance," Secretary Teeter holds there is a solid basis for confidence and that we can anticipate some further improvement in business and economy. Says "We're taking advantage of some built-in stabilizers in government, which have not been there long."

It seems to me that we have a new philosophy in the Commerce Department today. It is a philosophy that business is a cooperative, resourcefulness of businessmen to maintain the prosperity of America. It is precisely the idea that if we have no dependency on big things, that the other part will be able to sustain it.

So we do have many things this Administration is doing to help the business this will be particularly the things they're doing programs that we think you businessmen appreciate many of these things. Jobs that create prosperity in the private jobs. We want employers, many employers, new employers. We want our nation's vital forces to be shown. They can grow if we take away the deterrents that would be likely to be from growing.

Now we have no cold crystal in the Commerce Department, in the Kaufman showing. We have no building full of statistics. And we'll be interested in a few statistics. You can see that the Office of Business Economics which comes under Domestic Af- ers is interested in the figures that are the most interesting in the figures on the balance of payments and the disposable income, and others.

But I think that you may not have heard—the income held by all of our people is rising. In the department of Domestic Affairs, the task of helping to us is as many ways as we can give an example, we have in hand this week, a report on balances. We bring it in 35 to 35 leading bankers and industry representatives to one of these conferences. We ask our Federal Reserve representatives to give us the problems that are of importance to the present banking community.

It poses a problem for them. The demand for the things we can do, especially for the working parts of the country, have events proved to be outstanding to the lady. I've never been known as a pessimist.

Harold Allen Elected Director of Alabama Gas

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Industrial Application of Atomic Energy

BY HENRY B. SMITH

Member, U. S. Atomic Energy Commission

Prefacing his remarks by stating that the economic future of any country depends on the nuclear energy problem, Mr. Smith, however, says there is no doubt about our technical ability to make electric power from fission of uranium. The problem is already doled out to the contractors who are building reactors and stresses importance of aiding our allies to build nuclear power plants as part of our foreign policy. Favors estimates of our capacity to produce nuclear power plants and reactors. Concerning nuclear power progress, it will be only a minor factor, and demand for other fuels will increase rather than decrease, while atomic power will remain an area of research.

A few weeks ago, when I spoke to the American Institute of Chemical Engineers in Washington, I outlined the technical problems of developing cheap nuclear power and announced the plans of the Atomic Energy Commission for an attack on these problems only five years ago. At about the same time, the Joint Congressional Committee on Atomic Energy issued a report on the same subject. In speaking to the engineers, I naturally emphasized the technical aspects of nuclear power. I shall emphasize the economic aspects of nuclear power.

There is a reason why I am perhaps less happy in this situation than I was in the Chemical Engineers in March. The first reason is that I am not an economist, although I have learned more about economics in five years on the Atomic Energy Commission than I ever expected to learn. The second reason is the importance of everything that I say about the economic future of nuclear power. The third reason is that various technical solutions can be evaluated only today. So today, in discussing the economic aspects of nuclear power, I find myself talking somewhat outside my field and on the basis of information that may or may not be right. In short, my remarks will be tentative, I hope that no one will be inclined to criticize me. Of course, if I turn out to be right, I shall in the future quote myself unblinkingly.

Electric Power From Fission Of Uranium

There is no doubt about our technical ability to make electric power from the fission of uranium: the nuclear power plants are the three nuclear reactors, each differing radically from the other in design. The question is: Can power from uranium be made economically from that which is now the most expensive of all modern fuels that have been made.

If we are to achieve this goal, we must continue to find uranium ore that can be mined at a price below the price of other uranium.

At present, we use only the rare earth minerals and uranium ore which occurs in natural uranium only to seven-five. Consequently, to discover of new ore must be backed up by mining.

In summary, our energy requirements in the next 20 years will probably be from seven to eight times per kilowatt hour. We are already exceed this rate, and we will have to get down to seven to eight per kilowatt hour.

Mr. Smith seemed optimistic about our ability to produce atomic power in quantity.

New Energy Requirements

The future of the United States is in the Atomic Energy Commission.

The commission estimated that energy requirements for all purposes would double in the next 20 years. Although the future demand for electric power will increase, the demand for power for other energy will be somewhat declining. The demand for electric power will increase by about 25 per cent over present consumption, whereas the demand for power for other purposes will decline by the same amount.

In addition, the demand for electric power will increase significantly for the years to come, but it is an assumption.

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Recent Monetary Policy and the Government Bond Market

By F. M. Knight*  
Vice-President, Continental Illinois National Bank & Trust Co.

In reviewing recent "flexible" policies of the Federal Reserve, Mr. Knight points out that first credit restraint was applied to stop inflation, and when this tended toward deflation, the policy was reversed, so an easy money plan was followed. The paper also comments upon the Federal Reserve System's June 1951 announcement that calls Federal Reserve Board an "All American Team," and points out Federal Reserve's recent easy money policy, despite its temporary adverse effect on savings institutions and community savings institutions.

I feel somewhat as a foreign diplomat must feel when he is asked to talk his host's native language whose language he does not speak or n o t p e r s o n d o e s the a u d i e n c e understand—his inexperience becomes very apparent to him when he finds that the M. V. Savings Banks are not growing at the same n o t f a m i l i a r with your i n v e s t m e n t on the basis that you do not know that you don't have to make orders for your purchases except in a few exceptions, members of the Federal Reserve banks and of mortgage, and owned over ten billion United States government mortgage不是一个50 billion dollars or so, and yet here we are—so I shall speak in my native language, but will talk my English.

I am sure you will agree with my view that a banker and a good citizen, should have a full understanding of the characteristics of the flexible monetary policy of the Federal Reserve System. The debate on the Federal Reserve, the Federal Reserve Board, and the Federal Reserve in general, is another story.

The Federal Reserve System is one of the most complex arrangements in the world, but it is a basic fact that it has been the foundation of the economy.

The Federal Reserve System is the central bank of the United States and is composed of the Board of Governors, 12 Federal Reserve Banks, and the Federal Open Market Committee. The Board of Governors is the central bank's policymaking body. The 12 Federal Reserve Banks are regional banks that implement monetary policy decisions made by the Board of Governors.

The Federal Reserve System's primary goal is to promote maximum employment, stable prices, and moderate long-term interest rates. To achieve these goals, the Federal Reserve System uses a variety of tools, including setting the federal funds rate, purchasing and selling government securities, and regulating the money supply.

The Federal Reserve Board is responsible for overseeing the operations of the Federal Reserve System and ensuring that the system operates in the public interest. The Federal Reserve Board is also responsible for setting monetary policy and implementing monetary policy decisions made by the Federal Open Market Committee.

The Federal Reserve is an independent organization, but its decisions are subject to oversight by Congress and the Federal Reserve Board. The Federal Reserve Board is also subject to oversight by the Federal Reserve System's annual report to Congress, which includes a report on the Federal Reserve System's performance and recommendations for future action.

In recent years, the Federal Reserve has used monetary policy tools to respond to economic challenges, including the global financial crisis of 2008-2009 and the COVID-19 pandemic. These efforts have included lowering interest rates, purchasing government securities, and providing liquidity to financial institutions.

As the world's leading central bank, the Federal Reserve plays a critical role in maintaining financial stability and supporting economic growth. Its decisions have far-reaching implications for the global economy, and its continued efforts to promote a strong and stable economy are essential to ensuring the well-being of all Americans.
Morton Weiss Joins Singer, Bean & Mackie

Morton Weiss has become associated with the trading department of Singer, Bean & Mackie, New York City. Mr. Weiss was formerly with Eastern Securities, Inc. and J. Arthur Warren & Co.

Parker & Devens on Trip to Pacific Coast

BOSTON, May 13.—Mr. D. S. Parker, Chairman of the Board and Charles Devens, newly elected President of Incorporated Investors are making a visit to the major cities of Washington, Oregon and California during the latter part of May and early June. The purpose of visiting these cities is to contact the many investment dealers who distribute Incorporated Investors for the Parker Corporation, nation-wide wholesale distributors, Mr. Parker and Mr. Devens will be accompanied by Robert H. McCrory, west coast Vice-President of the Parker Corporation.

Iowa Public Service Company

First Mortgage Bonds, 3% Series due 1984

Dated May 1, 1954

Price 98.575c and accrued interest

The Prospectus may be obtained in any State in which this announcement is circulated from any of the undersigned or other dealers as may be helpful in these securities in such State.

Halsey, Stuart & Co. Inc.

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Auchincloss, Parker & Redpath

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Stern Brothers & Co.

Van Nest & Co., Inc.

Mullaney, Wells & Company

Freeman & Company

First of Iowa Corporation

Patterson, Copeland & Kendall, Inc.

May 11, 1954

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.
Additional Comments on "Full Employment and its Dangers"

lines, all this, that and the other, including mechanized equipment, on the farms, we would find that the 60 million people could produce twice as much as the 60 million people would consume. He said, "That's quite a problem; what are you going to do with it after you have produced it?" We may find that we will lose 50% more of its purchasing power within the next decade. If that happens, then everything is gone.

HARRISON L. AMBER
President, Berkshire Life Ins. Co.

I was very much interested in "Full Employment and Its Dangers," by Dr. Wiegand. He certainly covers the subject most thoroughly, and I agree with him in this reasoning.

I think we all know that the full employment problem is soluble but we must get over the idea that full employment will cure all economic ills. I have been a student of this question. In thirty years I have been able to say that we must take a day to day look and not jump headlong into any panacea as a cure for economic ills.

W. T. PIPER
President, Piper Aircraft Corp.

I am very glad to see a discussion on the full employment idea. Many operators feel that the Federal Reserve Board has done an excellent job in administering the monetary policy and keeping the full employment idea alive, and we hope that it will continue.

R. F. FITZMAN,
President, Pitman & Company,
San Antonio, Texas

Since the book is "full employment" reactionary—and if you please, I am enthusiastic and complete and accord with Dr. Wiegand's views.

I believe there are some good things in the full employment idea. The problem of putting people to work, particularly the long-term unemployed, is an ever-present one.

B. J. SHEA,
President, Zier and Co., New York

I agree with Dr. Wiegand that the?qestion of productivity and profit is an important one. The business problem is not an individual one, but a social one. Whatever benefits the individual, benefits the community.

W. T. PIPER
President, Piper Aircraft Corp.

I appreciate the opportunity to have Dr. Wiegand comment on the full employment idea. It has been a very interesting discussion, and I think it is important for us to listen to different viewpoints on this subject.

B. J. SHEA,
President, Zier and Co., New York

I believe that the full employment idea is a very important one. It is not only good for the individual, but it is good for the country as a whole. We need to work together to achieve this goal.

W. T. PIPER
President, Piper Aircraft Corp.

I agree with Dr. Wiegand that the full employment idea is very important. It is not only good for the individual, but it is good for the country as a whole. We need to work together to achieve this goal.

B. J. SHEA,
President, Zier and Co., New York

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The market...and You

By Wallace Streete

There is a lot of skepticism about the outlook for the stock market, largely because of the 65-point rise in the industrial averages in eight months with enduring inflation. And a good bit of it showed up in the trading this week. It has done for several weeks now.

It didn't prevent the strictly technical achievements of posting still another new top for the industrial average after its plunging through the floor for the second time in history. The rails did little, at least of technical significance, and are roughly midway between the February high of this year and the virtually identical highs reached in 1953 and 1952.

Part of the caution around traces to the fact of the rails in exceeding the February level and all the obvious whetting the appetite of the general public or even, for that matter, that of the many solid longs among the trading element who are waiting on an overdue brisk correction before assuming new positions.

Celebration in Business Machines

The feature of the week was International Business Machines. The company's earnings for Q3 became effective for trading purposes on Tuesday. Despite an automatic rise of 75% points of late payment, the issue's previous-previously posted low remained firm through the remainder of the week. The illustration of what recent strength meant in the stock. While and while there seemed to be a general disposition toward heaviness once the dividend was assured in other issues, IBM was able to celebrate its stock payment with a run-up of more than half a dozen points.

More in the recent tradition was Rohm & Haas which co-incidently went ex-dividend on its own recent payment. The day before the effective date this sprinter added no less than 28 points to its recent run-up, one of the best recorded since it became publicly held in 1949 when released by the Allen Property Custodian. But the day the dividend was garnered, the issue fell back to 208 at the low, for a net drop of almost a score of which touched new reaction lows since its peaks were established in the mid-1951 higher. The aircrafts fitted this category, too, with Douglass trading this week a dozen points under its recent. But in the first time in a long while the liquor shares entered into the consumer popularity without too concrete to account for it. Park & Tilford was a star on its recent, with an improvement of some 14%. American Distilling, Schenlen and Na- man — all promi- nent among the "long de- pressed" issues — following along modestly. But they are all far under their best prices of recent years and for American, for instance, its best price was only around the low for 1951, 6.25.

The enthusiasm over Chrysl er's confidence in continuing the run-up of its 50 points — even though earnings for the first three months fell to 88 cents — had pretty well run its course. There were some indications that the protective short-covering just before the dividend was declared was quickly replaced by new short-selling on the rather mild run-up after the news. In the last report Chrysler was far away on the leader among shorts but the specific details of what change has transpired will have to wait for the next report due early next week. Among the other motors the only actual note was a rather spirited run-up on one day in American Motors which was their first show of strength since the Nash-Hudson merger formed this new unit.

A contrary note was Mathieson Chemical. In the highly selective markets recently, the actions best calculated. The stock market hilltop were, first, a stock split and, second, by a slim margin, a dividend increase. But with the announcement of the Mathieson-Olin Industries union, the issue actually lost ground on the day and was far from any position to equal either its 1952 or 1951 peaks. The only concrete result was lifting it to the No. 2 spot on the most-active list for which this issue is a somewhat cut-out oddity. The prominence was its because of any dullness among the chemicals generally because at the moment the Mathieson Chemical was carving out a gain of several points, and Dow Chemical, in favor for the first time in quite a while, was featured on good strength.

Blue Chip Irregularity du Pont and General Electric, the skyscrapers of a few weeks back, continued the irregularity column and both

But they continued to see saw in subsequent sessions in ranges far from the peaks for both. They have been depressed members of the list since the common dividend was omitted in mid-1953 followed by omission of the preferred payment last month. [The views expressed in this article do not necessarily reflect the opinion of the Clarion. They are presented by those of the author only.]

Bennett Representing First of Texas Corp.

DALLAS — Delton Bennett, Jr. has become associated with the First of Texas Corporation, as representative in Dallas, with offices in the Wilson Building. Mr. Bennett was formerly with Etes & Co. of Topka.

With H. C. Aiken

(Special to THE FINANCIAL CHRONICLE)

DENVILLE, N. J. — Herbert C. Morgan has become connected with H. Carl Aiken, 110 Sherman St.

Halbert, Hargrove Addves

(Special to THE FINANCIAL CHRONICLE)

LONG BEACH, Calif.—Robert D. Curby-Hill has been added to the staff of Halbert, Hargrove & Co., 113 Pine Avenue.

Spotlighting of Two Oils

The oils, while backing and filling for the most, occasionally prompted speculation to the spotlight and one of these this week was Texas Gulf Producing. On a gain of several points it plumped to a new all-time high reading by a good margin. This is one of the exceptions to the rule, since this issue, which reached a high in 1946 of only 18 today command strength that's quite evident. A more striking comparison is that the issue in 1937 never reached 10.

One oil not yet appearing in listed trading but due to reappear on the New York Stock Exchange shortly is Royal Dutch. Largely because of a flood of studies put out by member houses since its debut, the issue has made good and sustained progress in over-the-counter trading and moved into the one dollar area; something like a half a dozen points improvement since the reappearance was arranged. The company refused to go along with Securities and Exchange Commission requirements when the era of controls began and left organized trading.

The erratic issues of the week were the common and preferred of Robbins Mills, and especially the latter. The good and sustained, the issue added some 20% in value in a rush as the week started on all sorts of rumors of a merger or a deal. But before the day was over it had run up and fell back to a little. American Woolen indicated no agreements on any immediate merger had been worked out and the vague information that the chief executive officer of the firm was negotiating to dispose of his 40% interest in the firm.

Paul F. Clarke Now With Lehnman Brothers

Lehmann Brothers, 1 William Street, members of the New Stock Exchange, have announced that Paul F. Clarke, formerly a Vice-Presi- dent of the Chase National Bank, has become associated with the firm in its public utility department.

Mr. Clarke joined the Chase Na- tional Bank in 1909 upon his gradu¬ ation from Dart¬ mouth Col¬ lege. Initially assigned to the personnel department he was transferred to the public utilities department in 1935 and subse¬ quently a Vice-President. Mr. Clarke served with the United States Treasury Department from 1935 to 1941.

Eddy Brothers Adds

(Special to THE FINANCIAL CHRONICLE)

NEW BRITAIN, Conn.—Charles E. Eddy and Richard A. Eddy of Eddy & Brothers & Co., 55 West Main Street.

Thatcher M. Brown

Thatcher M. Brown, partner in Brown Brothers Harriman & Co., passed away on May 2.

The 101.45% plus accrued interest from May 1, 1944

Northern Natural Gas Company

3½% Sinking Fund Debentures, Due November 1, 1973

Price 101.45% plus accrued interest from May 1, 1944

Covered by the Prospectus may be obtained from any of the registered under¬ writers in whose name the Prospectus is sold or from any member of the firm or from any member of the firm or any other person authorized by the firm to distribute the Prospectus.

Blyth & Co., Inc.

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Paine, Webber, Jackson & Curtis

Salomon Bros. & Halasz

H. W. Walker & Co.

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Irving Longwood & Co.

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First of Michigan Corporation

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Talnagie & Company

Wachob-Bender Company

Harold E. Wood & Company

Woodward-Eeland & Company

May 11, 1954
State Experience in Defending "The Right to Work"

By W. R. Brown*

Research Director, Missouri Chamber of Commerce

Jefferson City, Mo.

In his survey of the experience of states in enforcing their "Right-to-Work" laws, Mr. Brown finds that: (1) the laws are generally obeyed but the extent of protection varies; (2) that the threat of laws by officers is often essential; (3) that Nebraska and Virginia have not notably succeeded in assisting the employment of such laws; (4) the courts always rule out subterfuges; and (5) that unions will go to great lengths to evade the law. Claims Right-to-Work laws have helped to produce more peaceful labor relations and they do not fail to give relief from the violation of the Right to Work through strikes, (when asked to do so). The follow-
ing brief summary of some of the key findings in the early forms of this case will tell much about how the Right to Work has been in protecting the Right to Work.

Early Cases Held Closed Shop and Maintenance of Membership Provision to Be Irked Criminal Penalties.

In 1947 State courts in North Carolina declared the closed shop provisions under their state Constitution. That year, a Florida Court applied its constitutional amendment to a contract provision which would deny employment to a negro who did not maintain its membership in the labor union. The North Carolina regulations were especially significant because they involved criminal penalties.

Written Agreements Not Necessary to Violate Laws.

Another matter was the case in the same time line that it is a written conspiracy or agreement to violate Right-to-Work laws.

Other Jurisdictions Also Ruled Double Breach.

The Arizona Supreme Court in 1953 held that the contract provisions which was described as creating a closed shop provision which would preclude employment of the employees. The Arizona constitutional amendment prohibited the closed shop provisions. The Arizona court thus held that the use of 64-bay contract provision to force the closed shop provisions in the labor union employees.

Still other states have court of action for the breach of contracts to the labor relations.

A Nebraska Supreme Court decided that the labor union employees, otherwise conformed to the provisions of the labor union employers. But, the law found that the non-union contracts would not bind the union in order to retain their jobs. It was successful in keeping the out of such side agreements.

Several states have laws relating to the labor relations. The labor relations with the non-union workers. It is the function of the labor relations to be the same as the state courts, and that the union contractors will not bind the non-union workers.

Mr. Nelson concluded as follows: While I have left my interim, he is not bound to the utility for the right to work. I am not confident that a 20% or 30% of the cases, where Right-to-Work wages have been on trial, are similar to present agreements. In 1933, and 1935, two cases in some labor unions have gone to the Virginia Right-to-Work law.

In a review of the court enforcement cases in the Right-to-Work States reveals that the courts have not failed to give relief from the violation of the Right to Work through strikes. (when asked to do so). The follow-

Dean of the College of Agriculture and Food, University of California, Berkeley.

*For a detailed analysis of these cases, see "The Right to Work Laws: Missouri Chamber of Commerce Report No. 22," 1933, published.

**For a more detailed report of these cases, see "The Right to Work Laws: Missouri State Chamber of Commerce Report No. 22," 1933, published.

The Commercial and Financial Chronicle... Thursday, March 15, 1954

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has helped labor relations because they help to motivate our employees to work harder, and because they help to motivate our competitors to maintain a healthy work environment.

In recent years, the use of Right-to-Work laws has increased significantly. These laws have been endorsed by many employers because they believe that they promote a more productive work environment and help to attract and retain employees. However, some unions argue that Right-to-Work laws lead to a decline in union membership and weaken the collective bargaining process.

The effectiveness of Right-to-Work laws is a matter of considerable debate. Some argue that these laws benefit employers by reducing the cost of maintaining a union and by allowing them to hire workers who are not members of any union. Others argue that these laws benefit workers by giving them the freedom to choose whether or not to join a union and by preventing unions from using the threat of a strike to force employers to accept their demands.

The issue of Right-to-Work laws is likely to remain a point of contention for some time to come. It will be up to employers, unions, and policymakers to determine the best approach to labor relations in the future.
Call attention to pending legislation in Congress to liberalize the tax laws so as to encourage private investment abroad. Mr. Rand points out American private capital invested in foreign lands has to be freed from the double tax hurdle if Allied capital under the Marshall Plan is to be used for direct foreign investment. This means that direct foreign investments between 1940 and 1950 have doubled and now have reached a peak of $16 billion. Lists a number of factors which have contributed to this growth and trends reframed in new tax measure is inadequate and largely unsympathetic.

President Dwight D. Eisenhower recently made the following statement in a call in our trade policy, we may go far to help our international effort.

In his message to the U.S. Congress, President Eisenhower stressed that, together with the curtailment of defense spending and the reduction of internal trade, it could help to bring about a normal exchange of economic activity and employment. He added that the Secretary of the Treasury, in his report, had suggested that the lag in the high level of investments abroad of primary resources needed to meet out domestic recommendations and to strengthen the economies of foreign countries.

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Specifically, the President asked that a tax on the value of the foreign investments would be made considerably higher than the current rate of 10%. In his message, the President noted that the United States is not only a rich country in terms of capital but also a rich country in terms of human resources.

Unfortunately, there is a joke in the forthcoming 14th Congress as this is written, it will not be very accurate. The President is asking that the value of foreign investments would be made considerably higher than the current rate of 10%. In his message, the President noted that the United States is not only a rich country in terms of capital but also a rich country in terms of human resources.

Finally, President Eisenhower suggested that the Congress consider the desirability of withdrawing from the existing authority to/joint United States and U.S.S.R. authority program to guarantee against issues on new investments abroad, so as to cover American investment in war, revolutions, and inflation.

In his message, President Eisenhower said that the United States is not only a rich country in terms of capital but also a rich country in terms of human resources. He added that the U.S. has a vast industrial potential, and that it could not and should not be constrained by the limitations of its own production.
LONDON, Eng.—The inflow of foreign short-term funds to London is becoming a problem of some importance. It is of relatively high interest rates and to the diminished influence in the world markets. The confidence has a two-fold result. It makes many people afraid to keep sterling balances without covering the exchange risk by forward exchange operations. And even many of those who feel that, with the sterling-dollar ratio in the close vicinity of its upper limit of $2.80, it is risky to hold uncovered sterling, they are willing to take that risk in the hope that the Government may decide to widen the existing margin between the upper limit of $2.80 and the lower limit of $2.71. Many economic experts have transferred money to London in recent weeks have not been interested in the fractional differences offered by interest arbitrage. Their aim is to benefit by the rising trend on the Stock Exchange. They have based their operations largely on the assumption that the British economy would not be hit by the British’s competitive capacity in the world markets. If, in addition to this, domestic demand were to be inflated through easier money, British investments in the world’s economy itself severely handicapped in its expansion of the domestic demand may be said to have been the result of the measures taken by the Government. It seems to be that this flow of "hot money" was largely responsible for the unexpectedly large exchange of the Sterling Area gold reserve during March. If so the gold futures are apt to put an entirely misleading impression.

Sterling’s position is not strengthened by the fact that there is an addition of 21 million to Britain’s external short-term liabilities. Foreign balances and sterling balances are on the rise, and the increase in the number of shares that might change the balance of payments and their drawing of funds, and if, therefore, that should occur there would be a loss of the temporary nature of the wrong moment when it is liable to cause the greatest degree of inconvenience.

The monthly publication of shares in the gold reserve should be allowed to prevent such a one-sided and misleading picture. In order to arrive at the true picture it would be necessary for the Treasury to indicate the changes in overseas holdings of sterling. Even that would not be sufficient. Changes in stocks of imported commodities are an important factor. If an increase of the gold reserve by £10 million coincides with a decline in such commodity reserves by £280 million there is no cause for rejoicing.

As always there is a danger of the gold being spent, and it seems to be that some nations will create more difficulties.

GILBERT GARDNER WITH DOREMUS IN NEW YORK

Gilbert Gardner, former Chicago newspaper man, has joined the New York news department of Doremus & Company, 120 Broadway, New York City, advertising and public relations firm. In Chicago, Mr. Gardner was correspondent for the New York "Journal of Commerce," the Fairchild Publications, and did free lance publicity and public relations reporting for a variety of business publications. He also helped found "Midwest American" and "Sun Times."

Auerbach, Pollak Admit S. Paul Kramer will be admitted to partnership in Auerbach, Pollak & Richman, 116 Broad Street, New York City, making the firm the "largest private New York Stock Exchange, on June 1.

Standard Uranium Corporation

1,450,000 Shares of Common Stock

45,000,000 Shares of Common Stock

$1.25 per Share

May 11, 1954

NEW ISSUE

Crie & Company

Electric Building, Houston, Tex.

Gearhart & Oils, Inc.

71 Trinity Place, New York, N. Y.

Willich & Co.

$3,000

All of these shares have been sold.

This advertisement appears as a matter of record only.

Price: $1.25 per Share

May 11, 1954

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May 11, 1954
Fed. Res. Bank of St. Louis

The Administration took office on a platform which stressed that reducing inflation, eradicating taxes, and balancing the budget were not only necessary for the Nation's welfare but could in no way be done, and would not be done, without a substantial increase in the wealth and well-being of the people. The Administration's purpose was easily grasped by almost all. It was described as AA slight increase in the price of goods and services, which would be accompanied by a corresponding increase in income and purchasing power. To achieve this, the Administration aimed to control the money supply, reduce budget deficits, and improve economic conditions.

The inherent budget problem was a staggering one. The Federal budget had been in a state of chronic deficit since the early days of the Republic. As a result, the national debt had increased from a small amount to a huge sum, and the interest payments on it were taking a significant portion of the national revenue. The budget deficit had reached a crisis point in the 1954 fiscal year, when the estimated revenues for the year were $12 billion, and the expenditures were $15 billion. The deficit was financed by borrowing money, which added to the national debt.

The budget problem was exacerbated by the fact that the economy was experiencing a period of rapid growth, which was creating more demands for government services and higher salaries for government employees. At the same time, the country was facing a number of pressing issues, such as the defense budget, aid to underdeveloped countries, and programs to improve social welfare. These demands put a strain on the budget and made it difficult to balance.

The Administration was faced with a difficult task. It had to find ways to reduce the budget deficit and improve the economic situation without causing a recession. It had to make tough decisions about which programs to cut and which to maintain. It had to find ways to increase revenue without adversely affecting the economy.

The Administration's budget proposals were met with mixed reactions. Some economists and business leaders believed that the proposals were too aggressive and would lead to a recession. Others believed that the proposals were too conservative and would not be effective in reducing the deficit. The Administration's budget was ultimately adopted by Congress, but it was a compromise that reflected the challenges of balancing the budget and improving the economy.

The Administration's budget proposals were a significant step toward controlling the national debt and improving the economic situation. They demonstrated the Administration's commitment to fiscal responsibility and to addressing the pressing issues of the time. They set a precedent for future administrations to follow, as they worked to find ways to balance the budget and improve the economy.
Savings Banks and Common Stocks

By ALFRED J. CASAZZA
Vice-President, Savings Banks Trust Company, New York City

Mr. Casazza, commenting on prerequisites five years ago to New York savings banks to invest in common stocks, states that to obtain a higher return on investments, discusses methods for minimizing dangers inherent in common stock investments and presents seven principles governing the operation of Institutional Investors Mutual Fund, Inc., created for this purpose.

Although New York State has had mutual savings banks for 150 years, more than 50 have entered the market in the past 10 years and the Legislature has granted them permission to invest in common stock. Despite the Senate and Assembly bills introduced, and the hearings held on the New York State common stock stockholders and no part thereof will be held directly toward the same end. We firmly believe, therefore, that the government on this principle will only protect our way of life but should be treated with care and ease and the welfare of all our people.

Shields & Co. headed a group of investment bankers which on May 28 underwrote $553,000 of 83 par value common stock of Keystone Portland Cement Co. of Chicago.

The net proceeds from the sale will be used to repay certain loans and provide working capital. Shields & Co. earlier this year headed a group of nine investment bankers which underwrote $6 million of 89 par value common stock of the Cleveland & Pittsburgh Steel.

On April 21, 1954, the sole capitalized issue of 455,700 shares of 8 par value common stock of the First National Bank of Richmond was issued having been split 4 for 1.

In 1953 the company had net income of $1,198,400 and dividends of $467,150, or $1.80 per share, compared with net income of $1,050,443 and dividends of $473,150, or $1.37 per share, in 1952. In both years the dividends were adjusted for the 4 for 1 split. Sales in 1954 were $5,491,524 against $5,949,803 in 1953.

The two months ended Feb. 28, 1954, the company had sales of $533,000 and net income of $74,000 compared with an unsold sales and net income of $654,000 and $71,000 respectively for the corresponding period in 1953.

The company has been in business since 1875 and has been primarily engaged in the manufacture of steel and iron. The cement company’s cement plants and the steel rolling plant are located near Bethlehem, Pa.

Baltimore Bond Club Outing June 4th
BALTIMORE, Md.—The Annual Outing of the Bond Club of Baltimore is scheduled for Fri., June 4, 1954 and will be held at the Sheraton-Crown Hotel. The Club’s Festivities will begin at 1:30 p.m. with the Annual Golf Tournament, tennis and an outside bar. The popular "Stock Exchange" will begin at 3:00 p.m. and dinner at 7:30 p.m. will top off the activities. Tickets to this event, from New York, Philadelphia and Washington are expected to be sold.


SAVE YOUR BALTIMORE MONEY IN ONE OF THE LARGE MONEY MARKETS

The Baltimore Bond Club is an active group of Baltimore investors and is one of the oldest bond clubs in the country. It is organized to promote a better understanding of the bond market and to provide a place where bondholders can meet and exchange information.

J. B. Joseph Partner
J. Bernard Joseph & Co., 60 Broad St., New York City, members of the New York Stock Exchange, will admit Astolfo C. Ottohelli to partnership on June 1.

institutional investors mutual fund

In recognition of the special problems involved and to facilitate investment by savings banks, the Legislature authorized them to invest in stocks of Massachusetts Mutual Fund, Inc., which has been organized and its operations are geared to the particular requirements of savings banks.

The Institutional Investors Mutual Fund, Inc. is an open-end diversified investment company which invests its funds under the direction of the Board of Directors. The policy of the Fund is to invest in common stocks. However, it is limited to 10% of the funds in short-term United States Government securities combined to provide funds for meeting redemption, or to take advantage of special investment opportunities. A substantially full investment position in common stocks by the Fund is necessary so that savings banks intend and expect to invest in common stocks when they provide the Fund.

The Fund presently holds 67 different stocks representing 18 stables. Over 100 are among the most popular stocks by the country's investment trusts. The Fund provides a diversified stock portfolio for the use of the directors of the Fund. Sales of securities or changes in portfolio policy recommended by the investment adviser also must be approved by the directors.

The Fund operates under the following rules and regulations:

1. The Fund operates under the following rules and regulations:

2. The Fund offers the following advantages to savings banks:

3. (2) A high degree of diversification is provided for each participant in the Fund no matter how large or small because of the pooling of the resources of the funds of many banks.

4. (3) Economy of operation because earning expenses are spread over all participating banks. This Plan makes the cost to any one bank to a fraction of what would be required if the bank were to establish a trust department to do a good job. As the size of the plan increases, the cost per dollar invested should decrease.

5. The Fund offers a convenient vehicle for dollar cost averaging by savings banks.

(3) Savings banks can buy and redeem shares in the Fund without a "locking" charge.

Conclusions
Savings banks are investing in common stocks directly and through the Institutional Investors Mutual Fund, Inc. to obtain the advantages of professional management and skill in security selection.

The risk involved in savings bank investments requires careful selection, diversified timing and the setting up a reserve out of dividend income. Because of the specialized knowledge and experience and the success in common stock investments, and in the interest of economy of cost to each savings bank, the Institutional Investors Mutual Fund, Inc. has been set up. Although the Fund is less than a year old, already savings banks out of the 195 in the State have become shareholders in the amount of approximately $8,000,000.

The entire financial community and the private enterprise system have a stake in what the savings banks are doing in the field of equity investments. By providing equity capital to industry they encourage equity financing by corporations, and the resulting flow of institutional savings into the market place will benefit the interests of private corporate enterprise.

J. Bernard Joseph & Co., 60 Broad St., New York City, members of the New York Stock Exchange, will admit Astolfo C. Ottohelli to partnership on June 1.

$149,500 shares

Pawnee Oil & Gas Company

Common Stock

(For Sale $1 per Share)

Price $2 per share

Crest of the offering brochure may be obtained by writing to the Underwriters.

S. D. Fuller & Co.

Verityme Brothers

30 Broadway, New York 6, N. Y.

30 Broad St., New York 4, N. Y.

Tel: 64 E 1491

May 15, 1954.

This advertisement is neither an offer to sell nor a solicitation to buy any of these securities. The offering is made only by the Offering Brochure.
Public Utility Securities

BY OWEN ELY

Pacific Power & Light Company

Mountain States Power Company

The pending merger of Pacific Power & Light Company and Mountain States Power Company has been approved by stockholders. The consent of the Federal Power Commission is also required, and there has been no opposition to the merger and the approval has been given. It may be completed within a few months.

Paul McKee of Pacific Power & Light Company recently addressed the New England Security Analysts and presented a brochure containing pro formas for the merged company.

The merged company (which will retain the name Pacific Power & Light Company) will have a current plant of about $135 million, the depreciable reserve of $165 million, and cash on hand of $52 million. The power plant of the Mountain States Company consists of six units located in different parts of the state. The addition of the plant will increase the power output of the merged company by about 450,000 kilowatt hours. The new plant will have a capacity of 1,000,000 kilowatt hours, and it is expected to be completed by 1960, providing another three million kilowatt hours and it is estimated that the rapid growth of the area will require additional power for the next decade.

The five companies—Pacific Power & Light Company (now merged), Montana Power Company, Idaho Electric and Washington Water Power—recently formed a new jointly owned corporation, the North Pacific Utilities. It is hoped that the companies will participate in the program by contributing an amount representing the estimated value of its control, navigation, etc. The power plant of the merged company should be contributed by the utility companies, which are expected to be a high debt ratio. The FPC has been asked to approve the merger.

In Idaho, the two utilities have an agreement to combine their long-range planning for a shared water-power station. The new station is expected to develop about 35,000 kilowatt hours, and it is expected to complete operations in 1957. The water-power station will be built on the Clearwater River in Idaho. These sites are expected to develop about 35,000 kilowatt hours, and it is expected to complete operations in 1957.

The growth of nuclear power will be a factor in the development of the energy industry. The use of nuclear power is expected to increase rapidly in the future, and it is expected to be completed in 1960. The rapid growth of the area will require additional power for the next decade.

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In conclusion, the need for additional power is of great importance to the future of the energy industry. The use of nuclear power is expected to increase rapidly in the future, and it is expected to be completed in 1960. The rapid growth of the area will require additional power for the next decade.

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A report that concerns everyone!

The business of finding, refining and bringing to market the world's oil is a big and continuing job—one in which Standard Oil Company (New Jersey), among many others, plays a significant part.

How this job is done affects America in many ways—and is therefore important to every American. Our Annual Report for 1953, recently mailed to the 284,000 shareholders who own this company, tells about our part in this job, and some of its high lights may interest you.

Today, when many thoughtful people are wondering about the economic future, we're glad to say that things look good to us. As far as we can see from the evidence available, the economy of the free world is stronger now than at any time since World War II.

But more important than hopeful words are positive actions.

Since 1946 Standard Oil Company (New Jersey) and its affiliated companies have spent nearly 4 billion dollars on new facilities to help supply the oil needs of free people...a 4-billion-dollar vote of confidence in the future. This year we intend to invest even more than the 500 million dollars we spent last year.


Our customers used more oil in 1953 than ever before, which meant that people lived better, that industry was more active, that the free world's economy prospered.

We took in more money, and paid out more wages and salaries to employees, more taxes to governments, more dividends to shareholders than in any previous year.

Esso research made great strides... outstanding gasolines and lubricants were among the results of dynamic progress in this field.

These activities—these investments made to get people the oil they need—are vital factors in our nation's economy, for they directly affect thousands of businesses and individuals. And everybody benefits.

This is a continuing process. It has been our job for 72 years. It will continue to be our job.

If you'd be interested in receiving a copy of our 1953 Annual Report, write Standard Oil Company (New Jersey), Room 1626, 30 Rockefeller Plaza, New York 20, N.Y.
Spectacular Changes
In The Banking Scene

...continuation...

The Federal Deposit Insurance Corporation defines a member bank as any bank which has been insured by the FDIC. This classification encompasses a large number of banks across the country. The FDIC has a significant role in ensuring the stability and safety of the banking system, providing deposit insurance to protect depositors, and supervising banks to mitigate risks. The changes in the banking landscape over the years reflect the evolving financial environment and regulatory landscape, alongside advancements in technology and consumer preferences. These changes have not only transformed banking practices but also impacted the broader economic landscape, underscoring the importance of continued adaptability and innovation in the financial sector.
REPORT OF THE BOARD OF DIRECTORS


TO STOCKHOLDERS OF UNION PACIFIC RAILROAD COMPANY:

The Board of Directors submits the following report for the Union Pacific Railroad Company, including its "Leased Lines," for the year ended Dec. 31, 1953.

CONDENSED STATEMENT OF INCOME

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Expenses</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>$530,024,300</td>
<td>$400,427,385</td>
<td>$129,596,915</td>
</tr>
</tbody>
</table>

OPERATING REVENUES

While the general level of freight rates remained unchanged in 1953, about two-thirds of the increase in freight revenue over 1952 represented the effect of a change in the rate basis for yarding. The average operating revenue per mile was increased by an effective May 1, 1952, rate authorized by the Interstate Commerce Commission. If Federal taxes on oil and gas income were added back to the Federal income account from oil and gas income, net income from transportation operations would be $38.9 million in 1953 and $63.2 million in 1952, while net income from oil and gas operations would be reduced by $23.4 million in 1953 and $23.1 million in 1952.

Net income from transportation operations, after adding back Federal taxes on oil and gas income, increased $15.7 million on average investment in transportation property (less reserves for depreciation and amortization) of 3.72 per cent compared with 4.61 per cent in 1952.

Total income for disposition, before appropriation of dividends on preferred and common stocks of Union Pacific Railroad Co., represented a return of 7.69 per cent on the average equity during the year of Union Pacific Stockholders in the Company (par value of common stock plus surplus), which compared with a return of 7.04 per cent in 1952. Net earnings per share of common stock, after preferred dividends, amounted to $10.07, or 29 cents more per share than in 1952.

OPERATING EXPENSES

The slight increase in the percentage ratio of operating expenses to operating revenues resulted from the greater proportionate increase in operating expenses than in operating revenues. Notwithstanding the difficult problems encountered in controlling expenses under present-day conditions, operating expenses are continuing to increase the net of revenues over expenses by improvement in operational methods and further rationalization of plant and equipment to effect greater efficiency in operations.

Wage payments constituted about 60 per cent of operating expenses during 1953. A considerable portion of the increase in wages during 1953, as compared to 1952, was due to the significant wage increases which were negotiated and became effective on December 1, 1952, which was awarded to organized employees by a referee appointed by the President of the United States in connection with demands for higher wages. Additionally, demands of trainmen and firemen were settled by granting a wage increase of 5 per cent, effective December 16, 1953, and a third week of annual vacation, starting in 1954, to employees having 15 or more years of continuous service. At the close of the year, negotiations were under way with other operating employees and with operating employers.

The number of man-hours paid for increased one per cent, primarily because of the larger volume of freight business handled, and because of measures taken to improve and speed up freight service to meet shippers' requirements, maintain a favorable position in competition with other railroad systems, and improve our services with relation to other forms of transportation. Typical of these measures were the increased use of "motormen" instead of seventh morning delivery at Chicago of perishable shipments F.M.A. and inauguration of a new freight service for handling, on flat cars, highway truck trailers and automobiles, and a reduction of 23 per cent in overtime man-hours paid for at premium rates.

TAXES

State and county taxes were greater because of somewhat higher assessed valuations on property and slightly increased ad valorem tax rates. The decrease in Federal income taxes was occasioned by smaller taxable income. The tax rate was the same in both years. In determining income taxes for 1953, taxable income was reduced (as permitted under Section 1244 of the Internal Revenue Code) by approximately $2,806,036, compared with $9,863,222 in 1952, representing amortization, on a 5-year basis, of portions of the cost of equipment and other improvements certified by the Office of Defense Mobilization to be necessary to the interest of national defense. These amounts exceeded charges against income, under Internal Revenue Code provisions, for depreciation and amortization for the years 1952 and 1951, respectively, but were less than the amortization of income from oil and gas operations for the years 1953 and 4,229,084 in 1952. The consequent benefit in net income for 1953 was equivalent to $13,896,036, or 2.2 cents per share, and 4,229,084 in 1952, which was equal to $13,896,036, or 2.2 cents per share, and was considerably greater than last year, principally because of higher prices of fuel and various steel products.

Charges for depreciation of rolling stock were about $635,000 greater in 1953, chiefly because of new acquisitions.

Favorable factors which counteracted to some extent the effect of the matters mentioned above, were fewer from floods as those which occurred in 1952, milder temperatures, less rain, and a reduction of 23 per cent in overtime man-hours paid for at premium rates.

THE GREAT NEED FOR EQUIPMENT AND JOINT FACILITY RENTS

The greatest net charge for Equipment and joint facility rents was occasioned by a sharp rise of $5,517,177 or 34 per cent in net payments for Equipment rent. This increase was principally because the proving grounds for guaranteed high value of freight refrigerator cars. The rate was increased from 4 cents per mile to 3 cents effective January 1, 1953, and to 2 cents for three months later. Most of the payments for such equipment were made on lease to following the establishment of a long-term lease. But, in earnings of which the Union Pacific shares as a joint owner with the Southern Pacific Co., the net charge for Joint facility rents was slightly less in 1953 than in 1952.

OIL AND GAS OPERATIONS

The increase in receipts was brought about by higher prices of oil, gas, and other products. The oil price increases became effective in California during February, and in Colorado and Wyoming during June. The volume of production of natural gas and oil, marketed by the Company, decreased as the volumes of such production marketed by the Company decreased as the volumes of such production, under which the Company is interested, the decrease in oil production being about 13 per cent, and in gas production, under which the Company has an interest, an increasing in intangible expenditures was due primarily to a more active drilling program, particularly in the Oklahoma field, but a small increase. In December, however, accounts for the decreases in production expenses. The rise in taxes in the Union Pacific field was principally because of a new "severance tax" in Colorado.
Dollar Redeeemability and The Gold Standard

react to giving away huge quanti-
ties of real things without getting
anything in return.

It is important to find a British
Keynesian at least considering the
danger of the bullion free-for-
all which used to be their favorite
dish, as it still is in many circles.
But his worries are easily resolved.
True, he says, development of a
importing a stupendous volume of
gold would cause dollar shortages.
An American monetary base in a
dangerous fiction — if the expansion
were not redressed by a new
inflationary need is that with parities
roughly equal to its gold
price, American dollars are
stable, especially since at a
time when the Federal budget is in
the red.

To cure Europe's dollar pains
— for its small devaluation either
will cease to stick right controls
which would break its procen-
tility, or incur the hazards of a
super-inflation. Take your choice.
In any event the principle of the
"fixed point of reference" in
international payments would
only unleash competitive devaluations
and cause a continued flight of
capital funds, the markets with
unprecedented speculative movements
and little stability had been arrived at.

The Unfree Market

What about the proposed free
market gold standard? It would
undoubtedly stop any devaluation
world would have to be pay by
forcing a gold standard in a
little up above the min bar.

The current premium in gold for
a currency that is a currency is
an instructive case in point.

Patiently, dollar appreciation (gold depreciation) is not
templated by the advocates of the
so-called free market. What they
mean is that the Federal Reserve
should stand ready to buy gold at
the statutory rate, thereby main-
taining the parity. It is clear the
ought not interfere by selling gold.
The "dollar" would find its "true"
value—downward.

Such a rigged one-way market is
undoubtedly one leading to a short
rocketing gold price. The speculators
would consider the selling of
gold as a good opportunity—
which is what it would be—as a prelude tosound the alarm.

Devaluation might go to any length due to the drain
of gold from the central bank and the
avoiding the wild fluctuations and
avoidance of a such transition,
we might as well

The advantage of a free exchange
market for a currency that is a
nonsensical sheanahan — and a
convenient excuse for fostering
vested interests in outright in-
flation. The supply of money

Continued from page 4

Dollar Redeeemability and
The Gold Standard

1915, 1916, at 83.375% and
gained interest, to yield approxi-
mately to that of gold, the
influence of the dollar is
lessened. The effect of a
price—under the gold standard—is,
that in effect, it must be
of course, to sell bullion for
Dollar shortage has little
more than nothing to do with gold it-
self. By itself, gold can be
bought for $46 billion. However,
if there is a bullion shortage,
away our total gold reserve in
its present form. Without it,
flowing. If that did not succeed in
keeping the "gold gap," why
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trick beyond providing another

The Fear of the Automatism

Fortunately, there is not much
sentiment in Congress, and none
likely, that the Federal Reserve
ought to be in the business of
keeping the prices of gold

Although we are on gold, our
monetary management is free
Gresham's law in the
inflation of the pure gold standard
is capable of exercising. Of course,
this automatism had been
suspended in 1924, when,
Under Benning Strong, gold movemen-
could cease to guide Federal Re-
servation policy. Besides, given the
gold reserves of our central bank,
We had to lose a great
amount of gold, we would not
be in the state of deflation in
pressure would become effective.

Yet, even the remotest possibility
of a shortage of the gold money
authorities—and the Treas-
ury—will not be in the state of
on the path of monetary virtue seems
to be given them a misleading prospect to
them. This does not mean to in-
sulate that they have fallen
In any, they have
changed since Mr. Eccles,
had the boldness to tell a Senate
Committee in 1949, that
we were under the gold standard
requirements (of the Federal Re-
serve Board) and that that
might very well be a
"something back of this currency
advantage for a long time." No such profes-
sional economists are in
any responsible position in the
Eisenhower Administration. But
the fear of the automatism, lim-
itted as the likelihood of its opera-

The gold coin standard is no
panacea. It does not balance the
budget, it does not prevent
against unsound credit prac-
tices. It does exert an in-
fluence in the right direction, an
influence that should not be
foreseeable, the influence would be
the same, either, but none the
less the gold standard is a

Halsey, Stewart Group

Halsey, Stewart & Co. Inc.,
1550 2nd Ave., New York 28,
Due May 1, 1984, at 83.375% and
gained interest, to yield approxi-
mately to that of gold, the
influence of the dollar is
lessened. The effect of a
price—under the gold standard—is,
that in effect, it must be
of course, to sell bullion for

The company intends to use
the proceeds of the offering,
with cash from operations
She is an American-owned
company engaged in the
industry. The offering is
in each case.

Total operating revenues of
the company for 1993 aggregated
$195,996 while net income
amounted to $9,598,917. For
the first three months of the
year revenues were $23,901,294
and net income was $2,607,986.

Thomson & McKinnon

Thomson & McKinnon, member
firm of the New York Stock
Exchange, one of the largest
firms with 39 branch offices in
landing 15 municipalities in
Iowa, one in South Dakota and
two municipalities in

The company is engaged in
the production, transportation,
distribution and sale of
electricity, serving about 216
atmospheres in the state of Iowa
and about six communities
in South Dakota near the Iowa-
South Dakota line. The company
also purchases natural gas from
affiliated company, and sells it
at retail in 15 municipalities in
Iowa, one in South Dakota and
two municipalities in

The political amateur

It has remained for the "political amateur" in
the White House to insist that election results this fall should
and could be turned to turn upon the constructive
record of the Republican party since its return to power last year.
This, of course, is largely a matter of what is done in Congress
between this date and the adjournment later this
year. It is conceivable, of course, that the elections could
turn upon the lack of a good Republican record. That is to
say, the opposition could point to apparent inability of the
Republican administration to accomplish anything
constructive, and thus win popular support. A logical neces-
sity in this case, however, would appear to be some
good indication that the opposition has a program of its own
worthy of support.

The Administration—chiefly the President and his
advisers—have prepared and submitted a very broad pro-
gram to Congress. It has its good points and its bad points.
Those within the party who doubt the wisdom of some of
the proposals should be working toward the development
of a logical, constructive program. It can be done by virtue of
McCathy or some other side issue—but to see what can be
done to perfect a worthy program of action. They should
do so for the sake of the public good; they should
do so for the sake of their own political future, or so we
think. And why should not the opposition be willing to
meet the party in power on these grounds, letting it be
come clear precisely what basic policies they would like to
see adopted?

As We See It

we leave to others best qualified to judge. It does not impress
us to see the spectacle of a man who
in the White House have been
there for many years. In the end, it
may come to resemble the muddle
that existed in the campaign of
twenty years ago.

Not merely hysteria

The fact of the matter is, of course, that, uneasiness
about the degree of Kremlin infiltration in government
officials. For the last five years, we have had Hisse,
Blumenthal, and a number of other. It hardly behoves the leader
the Fair Deal, under whom a good deal of the treason of
the Roosevelt administration that was undertaken has
been deeply perturbed by such revelations have
and are seeing things under the bed. If by now, we have
nothing at all to fear in these matters, no thanks to the
Mr. Truman on the democratic ticket. The only
course that possibly has now been done or is now
being done to rid us of this danger is a matter about
which opinions might, we suppose, well differ—since
information on the subject is by its very nature difficult to
come by or to assess. But to set or talk as if any and all
activity to make ourselves secure in this respect, or
any concern over the matter, is to be labeled mere "hysteria"
and to ignore ugly facts.

One can doubt for a moment that both Democrats
and many Republicans hope or did hope to...
To the Ten Million Owners of Hudson and Nash Automobiles...Kelvinator and Leonard Appliances

A Message From

AMERICAN MOTORS

Today, the merger of the Hudson Motor Car Company and the Nash-Kelvinator Corporation has become an accomplished fact.

This news is of special significance to all who now own Hudson and Nash automobiles, Kelvinator and Leonard appliances—and who will own them in the future.

For the consolidation of these four respected names creates a new and powerful force in American industry. AMERICAN MOTORS, with assets of $350,000,000 and with aggregate yearly sales of $700,000,000.

As Divisions of AMERICAN MOTORS, each benefits by the greater strength of all, in financial resources, in facilities, in dealer organizations, and above all in the imaginative research that will build even greater engineering leadership for these time honored names.

Moreover, AMERICAN MOTORS provides a network of plants for most efficient production—with its own complete appliance manufacturing facilities, body plants, foundries, forge shops... with its own engine, transmission and axle facilities—including its own plastic plant. These resources mean greater economies and finer products for the American public.

Likewise, AMERICAN MOTORS has plants in many foreign countries, contributing to world trade and the strength of the international economy.

Above all, AMERICAN MOTORS is pledged to continue leadership in value—in the fresh, new engineering concepts that set today's pattern of progress.

Hudson and Nash are great pioneers, great innovators in the Automotive Industry.

Hudson and Nash are the world's largest makers of unified construction automobiles—the stronger, safer, better way to build a motor car—the one method recognized by domestic and foreign car builders alike as the most advanced of all body construction.

Hudson and Nash are responsible for today's trend toward compact cars to meet current driving needs—with the Jet and Rambler.

You see striking evidence of Hudson and Nash advanced automotive concepts in every car that bears their names.

At your Hudson dealer are cars that lead all others in stock-car performance... the Hudson Hornet and its running mate, the Waup. And the Hudson Jet—an outstanding compact car at an economy price.

At your Nash dealer you will see the automobiles that set the pace for continental styling and ahead-of-time comfort and safety features—Ambassador, Statesman, Rambler. Here you will see America's lowest price sedan, station wagon, hard- and soft-top converting. And here you can find completely air conditioned cars at hundreds of dollars less than others so equipped. At your Nash dealer, too, is the Metropolitan—a totally new and different kind of automobile.

And in the American home, the names of Kelvinator, Leonard and ABC have pioneered a new way of living.


To Hudson, Nash, Kelvinator, Leonard and ABC Owners Past—Present and Future

You, more than anyone else, are entitled to know these facts—

The priceless identity of Hudson, Nash, Kelvinator and Leonard products will be preserved— as well as the sound policies which won your confidence. Your investment is secure—now and for the future.

Hudson dealers will continue to sell and service Hudson automobiles. Nash dealers will continue to sell and service Nash automobiles. Kelvinator and Leonard dealers will continue to sell and service Kelvinator and Leonard products.

And this announcement of AMERICAN MOTORS adds new value to every Hudson and Nash car on the road today—to every Kelvinator, Leonard and ABC appliance in the home.

A Promise for the Future

We pledge we will continue to improve our record of leadership at AMERICAN MOTORS, for we believe that our industries are still young... that the problems of motorizing the world are far from solution... that new horizons for better living through electrical home appliances lie ahead... and that to reach our goal we must, of necessity, out-think, out-engineer and out-value our competitors.

This, then, is the driving force behind the merger of Hudson and Nash-Kelvinator. You will see it reflected in our plants, in our engineering laboratories, in our dealerships and in the products that bear our honored names.

G. W. MASON
President and Chairman of the Board
AMERICAN MOTORS CORPORATION

AMERICAN MOTORS

HUDSON Hornet, Waup, Jet • NASH Ambassador, Statesman, Rambler, Metropolitan • KELVINATOR and LEONARD Home Appliances
Bank and Insurance Stocks

This Week — Bank Stocks

Bank mergers and consolidations have been much in the news recently, reflecting a continuous attempt to pare down the banking field for the past several years. At a number of large mergers a few years ago and with the exceptions of a few very large consolidations in the past 12 months, the number of small mergers has been relatively quiet. True, there have been rumors about the Industry Bank & Commercial and the possibility of something being doing up on the East Coast, but none has come to pass.

These, however, have received little serious consideration and for the moment are considered dead.

In other merger activities and announcements have been very prominent. In practically all sections of the country larger banks have been involved in mergers and consolidations.

Part of these changes are undertaken because a capital may be withdrawn from a particular circle. Sometimes earnings are not adequate to support existing capital and a merger or consolidation between two banks provides the opportunity to free a part of the funds and increase earnings on the remaining capital.

Then, too, there are instances, to obtain new management personnel, to merge a bank which has been dominated by one management and has not shown a receptiveness to new banking ideas, has also failed to attract new customers, and in other cases such a merger with a more aggressive group may be needed.

Another factor involved in some of these mergers is the desire to improve and enlarge the service available. In most cases a larger bank can support additional staffs and render a better quality of service.

Because of the growth of business and the fact that a number of banks from New York City in the past decade have moved out west, to a large extent the capital which was formerly adequate is no longer sufficient. In many instances the diversification and growth of business has been at a faster rate than the growth in capital. It is true the local is unable to grant as much credit as it would like because of inadequate capital. Diversifying and increasing the size of the bank and the capital thus obtained enables the bank to take care of the needs of its customers on a local basis.

Of course the same net result could be obtained by closing down the market. In the future. This is frequently not advantageous to shareholders as it may reduce existing capital which may not be sufficient to support the existing capitalization on the basis of a fair return. By a merger the bank can attempt to attain its objective of larger capital and at the same time preserve or possibly increase the rate of earnings.

Undoubtedly some of these conditions existed among the banks announced in the last two months.

This is, however, the most recent of these was the proposed merger of the First Connecticut Trust Company and the Phoenix State Bank of Middletown, Conn. which was announced early this week. The consolidation, which is subject to stockholders approval, would create $325 million institution operating under the name of "The Connecticut First Connecticut Trust Company and Bank & Trust Company." Supposedly this would be the largest bank in the state.

The stockholders will be asked to exchange their shares for stock in the new institution, the capital and surplus will equal the capital funds of the two present banks. In other words, according to present information, account in the new bank will continue to be held in the old capital. The larger institution should be in a position to compete effectively in the area and render an improved service to the people.

Another proposed merger is in view. In the many ramifications it presents, is the three way combination of California banking. The proposed merger mentioned earlier was discussed at the end of April. In a joint statement issued by the First National Bank of California, Crocker First National Bank of San Francisco and the First National Bank of Los Angeles announced that discussions looking toward a merger of the institutions were underway.

The statement did not make available any information that has been made available to the public in terms of a joint statement which would have been made unless the preliminary basis for agreements had arrived. So the merger be accomplished it would result in a bank with combined resources of more than $1,400,000,000, one of the largest banks in the country.

In New York banks in different sections of the metropolitan area are engaging in the same thing. The present merger and increasing the size of the bank and capital thus obtained enables the bank to take care of the needs of its customers on a local basis. Of course the same net result could be obtained by closing down the market. In the future. This is frequently not advantageous to shareholders as it may reduce existing capital which may not be sufficient to support the existing capitalization on the basis of a fair return. By a merger the bank can attempt to attain its objective of larger capital and at the same time preserve

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L. A. COBE, Manager

The Commercial and Financial Chronicle — Thursday, May 13, 1954

BANK

and

INSURANCE

STOCKS

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L. A. COBE, Manager

Specialists in Bank Stocks

Continued from page 10

The Central Banks And the Money Market

The Central Banks

Flavor a variety of Government intervention in economic affairs. I would not claim for one instant that there has not been perfect, that it has been perfect for one day, but that within the permissible range there are no absolutely fixed points of reference. Monetary policy is always in a constant process of adaptation in order to permit of the proper, effective control of the economy, employing economic and credit policies, of purchasing power of the dollar, in this period of transition to a highly stimulated world economy to predominantly peace economy.

The overtime economy, your properties, 1850 to 1903, did not bear the weight of sustained prosperity. It bred the need for the economic system of the time to be going through. Monetary action can't stop a decline in economic activity, can't offset over a period of time, but it can help substantially to modify the situation by reaching the real needs of the economic readjustment. It has helped to do this in an instance. If the economy now, or the future, is not to realize its potential for growth, it may be that the need for short-lived artificial stimulants, or otherwise we will world a heartening example of improved economic stability.

Open Market Operations

The above are general outlines of recent central banking operations. They reflect the policy of open market operations, which I will now want to discuss in the context of open market operations during this period. The skeleton of the recent operations has been published in the record of the Federal Open Market Committee which is made up of the Board of Governors of the Federal Reserve System for 1953, and the record of the Federal Reserve System for 1954, and the record of the Board of Governors of the Federal Reserve System for 1954.


This page contains a detailed analysis of the Federal Reserve's monetary policy, specifically focusing on the role of the central bank in controlling the money supply and its implications for debt issuance and market dynamics. The text discusses the importance of coordinating monetary policy with other aspects of economic management, such as fiscal policy, and the challenges of maintaining stability in an evolving economic landscape.

Key points include:

- The central bank should ensure its actions do not affect the availability of money or capital, even in situations where changes in monetary policy are considered necessary.
- The Federal Reserve's actions are influenced by the behavior of other market participants, including banks and corporations.
- The central bank must be vigilant in its oversight of the financial system, particularly when dealing with large-scale disruptions.
- The implications of these actions extend beyond the immediate economic environment, affecting international relations and global financial stability.

Overall, the text highlights the complex interplay between monetary policy, financial markets, and broader economic outcomes, emphasizing the need for careful and coordinated decision-making.
Securities Salesmen's Corner
By JOHN DUTTON

In your community there are many people that have little or no understanding of many investment opportunities. These people make excellent clients if you could meet them in a social or business environment. There are certain meth- ods that I’ve found work well in connecting with people, including:

Newspaper and Direct Mail Ad- venues: Using these methods can help you reach potential clients without the need for personal contact. There are several companies that specialize in finding people through these avenues and can help you connect with your target audience.

Clientele Building: The key to successful sales is understanding the needs and desires of your clients. Focus on building long-term relationships with your clients by understanding their investment goals and interests. You can also create a referral network by establishing a strong reputation and providing exceptional service.

Railroad Securities

Missouri Pacific and M-K-T

$100,000,000,000 Connecticut Expressway Bonds
Bought by Lehman Brothers-First Boston Group

Initial Financing for $398,000,000 Superhighway

A nationwide investment bank-
group comprising 250 mem-
members of the underwriting
group include: Blyth, & Co., Inc., Halsey, Stuart & Co.,

Thomson & Co.; Harriman, Ropley &

Company; C. J. Devine & Co.; East

American Investment Corporations; Gore, For-

Street, B. F. (Foster) & Co.; W. P. Washburn & Co.; Sales

American Investment Corporations; B. J. Van

White, Weid & Co.; Inc.; White, Weid & Co.;

Standard Uranium S\n
Offer Oversubscribed

A new issue of 1,450,000 shares of Standard Uranium bought by Gearhart & Oils, Inc. of New York, an affiliate of the Union Oil Corporation, was completed by

The Expressway will run through or near such communities as Greenwich, Stamford, Dan-

dbanks, Westport, Fairfield,

of SAS (gasoline, restaurant, and snack bars) will be more than 600,000,000 earnings and principal interest payments. The taxes may be used for bond

money, and the event will be

$170,000,000, as well as the payment of $450,000 to present

lease holders as required by the pur-

chase option held by the company.

The balance will be re-

served for operating expenses and contingencies and general fund.

Standard Uranium has an op-

portunity to purchase 13 unpatented mineral rights located near Moab, in San Juan County,

These claims adjoin the M-

Vill, one of the largest produc-

ing uranium mines in the

West and which was developed by Mr. Steen. He is an active and respected member of the uranium business.

The option agreement on these claims was negotiated by Standard Uranium at a price of $2.50 per share, and the balance was paid and the balance is in

periodic instalments.

John J. O'Brien

CHICAGO, Ill.—John J. O'Brien, President of the O'Brien

John J. O'Brien

Corporation, will have a meeting of the board of di-

The Expressway will connect with the 500-foot-thick Thrush of the New York State Thruway Authority to bring traffic from

The New York Authority recently an-

on about June 1 to build the

The plan would not be considered

Aside from the continued, and in my estimation, swinging in better grade rail stocks last week, the market was treated to many good occurrences in the securities of Missouri Pacific. The market is on the verge of a new movement, it seems to be on the broad outlines of the new so-called "A" stock for that company. The experience of the Nevada Commerce Commission and the courts by the bankruptcy laws in the Northern District of New York in printing it is reported that the plan has been approved by most of the inter-

rested security groups. In general, it fairly closely follows the pat-

tern set by the examiners in their last. Many it would appear to the

substantial offer of the new A stock worth $200,000,000 will be

Proceeds would be used by the

company to provide additional

the plan of the First National Bank of Commerce. This would allow the)

At present Contingent interest, how-

would be boosted to $11.6 million

billion in addition to the first

series bond investments totaling

so far as is known at the time

the plan is designed to provide

for additions and betterments to

the New First Mortgage and Gen-

eral Mortgage bonds. This would be a very rapid addition to the

already large amount of bonds due 1962-

The most significant feature of the

plan for the purposes of the

company is that it does not increase the

price of the common stock for the

benefit of the owners of the

company.

Pawnee Oil & Gas

Common S\n
Offers

S. D. Fuller & Co. and Vermi

Pawnee Oil & Gas Common

Pawnee Oil & Gas Common

New Jos. Walker Branch

SUFFERN, N. Y. — Joseph Walker & Sons, members of the

company, have announced the opening of a new branch office in New York, under the management of Alonzo B. Sherow.

With Channer Securities

(Special to The Commercial and Financial Chronicle) May 13, 1954 — John Myers is with Channer Securities Company of Chicago. He was formerly associated with Israel Monore Co.
Chase National Bank Group Offering $79.2 Million of New York 1.90% Serial Bonds

The Chase National Bank and associates are offering today (Thursday, May 13) the first public offering of bonds to be made by the City of New York, since January, 1945. The offering consists of $79,200,000 of 1.90% serial bonds, due May 15, 1945, consisting of $79,200,000 of hospital construction bonds, due May 1, 1945, $9,000,000 of Pension Contributions bonds, due May 15, 1965-71, and $9,000,000 of Pension Contributions bonds, due May 15, 1985-87, inclusive.

The bonds are priced to yield from 1.86% to 2.13% above the yield to maturity of 3.30% for the final maturity in 1960.

The bonds are interest exempt from the present Federal income tax, the New York State income tax. They are legal investment for savings banks and life insurance companies in the State of New York and for executors, administrators, guardians and others holding trust funds, and for all investments under the laws of the State of New York.


New York Stock Exchange Elects Harold Scott

Harold W. Scott has been elected Chairman of the Board of Directors of The New York Stock Exchange. He succeeds Richard J. Helman, who held that office for the past four years and the two and one-half years that his second term would have been available for re-nomina¬tion.

A Governor of the Exchange since 1936, Mr. Scott is a partner in the firm of Helman & Company.

To The New York Stock Exchange. The following nine Governors of the Exchange have been elected for four-year terms: Henry U. Harris, of the First National Bank of Boston (who was re-elected); Jacob Bliettre, Abraham & Co.; Elmer B. Bloch, Cramer, Gordon & Company; H. H. Wagoner, Stott & Co.; Roscoe C. Ingalls, Ingalls & Snyder; Maynard C. Vison, Abbott, Proctor & Paul; Robert F. Mulvey, Irving Lombard & Company; (San Francisco); Joseph M. Scherl, Singer, Deane & Scherl, Pittsburgh; John O. Stubbs, F. S. Martin, Dallas, Texas.

Total membership of the board is 33.

The following Trustees of the Gratuity Fund—which pays death benefits to families of deceased New York Stock Exchange members—were re-elected: John Rutherford, of John Rutherford & Company; William H. Mackay, of K. Starkweather & Company, of K. Starkweather & Company.


Between the retirement as Presi¬dent of Emil Seitz in May, 1953, and the election of Mr. Scott as President, Keith Funston was President of the Exchange. It is to be noted, however, that Mr. Scott rendered distinguished service to the Exchange as a member of the Ex¬change's Advisory Committee on Public Relations. That committee is charged with the responsibility of increasing public con¬ception of the usefulness and in¬tegrity of the Stock Exchange. Mr. Scott entered a realistic understand¬ing by the public of the risks and rewards of investing money.

Among the Governors elected, Robert P. Boylan was Chairman of the Board of Directors in 1948 when he resigned as a Governor, and is a Director of the Association of Stock Exchange Executives, a body of men interested in the welfare of the Stock Exchange. Mr. Boylan held that position from 1950 to 1951, and Mr. Vison for¬merly of the New York Stock Exchange, was re-elected to the presidency of that association.

With Draper, Scars (Specialized in the Financial Chronicle) Boston, Mass. — Henry II. Fordham has become connected with Draper, Scars & Co., 33 State Street, members of the New York and Boston Stock Exchanges.

H. C. Wainwright Adds (Specialized in the Financial Chronicle) Boston, Mass. — Charles E. Wainwright, Jr., a well-known figure in Boston, has added to his business activities. His offices are now in connection with H. C. Wainwright & Co., 60 State Street, and 21 New York and Boston Stock Exchanges.

More Than 1,000 Visitors at NYSE

More than 1,000 visitors came to the New York Stock Exchange today, the largest number of visitors ever to visit the Exchange in a day. The visitors came from all parts of the country, and from many foreign countries.

Johns & Gould (Specialized in the Financial Chronicle) New York, N.Y. — Joining the activity of the New York Stock Exchange today was a group of John & Gould, Inc., which was formerly with Minot, Kendall & Co., Inc.

Our Reporter on Governments

By JOHN T. CHIPPERFIELD, Jr. (Specialized in the Financial Chronicle)

The government market is assimilating the new securities, especially the 1 1/2% due Feb. 15, 1959, which came in at the close of business yesterday. The ten-year note of 1964 was sold at 102 1/4, the nine-month note of 22% was, however, slightly higher than what has been the recent district average. While the November very well received because it was designed to meet the needs of the secondary market and commercial banks, as was to be expected, were the largest buyers of the securities, too, certain of these institutions were as much, if not more interested in the fixed income securities. The selling and purchasing of a large number of securities that were needed by the various government agencies, limiting the liquidity issues, competition for the available ones has been brisk and that has brought the term obligations, which are necessary for liquidity purposes, very sharply.

Free Riders at Minimum

Activity and interest in the government market is still centered around the new issue money, namely the 1 1/2% due Feb. 15, 1959. With the sharp increase in the market of the securities, there has been a dearth of issues, and for the selling of the indenture provisions such as the new of flows, rate cov¬erage, maturity schedules, etc., of such projects as the first issue of the Pennsylvania Turnpike Authority, the original issue of the Tri¬burough Bridge Authority, the subsequent Mid-Town Tunnel is¬sue. He also represented the P. W. A., in the setting up of the public issue of the $500,000,000 of bonds of the George Washington Bridge of the present Port of New York Au¬thority. He is also working on various Mts¬simipol road bonds, Colorado High¬way bonds, Kansas Highway bonds, Vermont Highway bonds, District of Columbia bonds, the Overseas High¬way bonds in Florida and many others.

Joins Staff State (Specialized in the Financial Chronicle) PASADENA, Calif.—Frank Johnstone, formerly the staff of William R. Scott & Co., has been added to the staff of the News & Record, formerly with E. F. Hutton & Co.

U. S. TREASURY

and MUNICIPAL SECURITIES

Corporations whoes official visited the "Big Board" last month included: Mr. R. W. Hamburger, of the Co. Cerro de Pasco, San Diego Gas & Electric Co. and Marquette Cement Manufacturing Co.

Located on the second floor of 20 Broad Street, the Exchange's Reception desk and its business head¬quarters are open from 10:00 a.m. to 3:30 p.m. Monday-through-Friday.

Visitors see the stock market in action Monday through Thursday, led by companies from the Exchange, and view the Exchange's "Think-Tank" motion picture, "The Treasure Hunt," in New York's most in¬timate theater.

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in their capital

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The Parker Corporation

200 Revere Blvd., Boston, Mass.

and aviation stocks. There was no decided trend in the chemical and retail stocks, but the tobacco and rubber stocks continued to be the most popular. Investors Mutual liquidated its interest in the tobacco group and there was also standing on balance by Selected American Shares and Tri-Continental. However, Wellington Fund, which had been the heaviest seller of the tobacco in the latter part of 1954, continued its buying because of severe break in prices, currently had a cash balance of $19,975. During the present period this fund invested a total of $800,000 in both the common and preferred of Reynolds. Aside from American Tobacco, however, was divided during the quarter under review. Three purchases totaling 11,200 shares—

Including Wellington’s—were offered by three sales. American Tobacco was the least popular in the group, a total of 41,900 being lighted in two portfolios, and eliminated from four others. Three other purchases of 2,500 shares, Liggett & Myers was also sold on balance by four managements, two entirely disposing of holdings. Over-all management opinion, however, was apparently well-disposed. It had been in the share market for this group in late 1953, three purchases were definitely unimportant, one of which represented an initial commitment. Only 2,500 shares, a total block, was sold.

With better grade bonds reaching high prices because of mone¬

y and credit policies, along with the market for government bonds, it is interesting to observe that several bal¬

ances were held. Thus, Boston Fund held 45 percent of its holdings at 8 1/4 to 9 percent. This fund had sold 575,000,000 (representing about 20 percent of its holdings on Dec. 31, last) while American Business Shares tightened on balance by 3 1/2 percent. Scudder, Stevens and Clark sold 1,000,000 of its long-term bonds (Series M8) at 8 1/2 percent. The price trend of the sale. Treasuries 1978-83. Scudder had also disposed of the entire third portfolio of debt issues during the previous quarter. The total书店 sold was $2,500,000 of commercial paper as well as In¬

vestors Mutual’s holding of almost $8 million. However, there was no notice¬

able rush for cash and equivalents during the period. A few more closed-end companies increased liquid assets than in December, but the value of on-hand funds adding to reserves during the quarter was the same as during the last three months. A particularly one-third less open-end common stock funds purchased on balance, but none of the run-of-the-portfolios selling on balance also and, as noted, over-all purchase transac¬

tions continued at about the same pace as the previous quarter.

This disposition not to retrace more as the market’s aver¬

age pushed to new highs almost every week, in the face of a contraction in business, poses an interesting question. For an answer, we quote opinions of several fund manage¬

ments, which accompany their quarterly statements.

Edward J. Bailey, Selected American Shares President, ex¬

presses no support at the buoyant stock market: "Tax reductions that have taken place since the start of the year have raised the price and other income more valuable. In addition there is a possibility that tax revisions now pending in Con¬

gress will make this stock market more desirable as a taxable investment of corporate income. Basic tax improvements, combined with adequate credit at low rates, and the broad national program of reinvesting individual initia¬

tive, are sufficient explanation of the rise that has taken place in stock prices, and it is as true as before that people are looking for things to buy." Dr. Bailey is a Trustee of the "A" stock of Selected American Shares.

For does Francis Randolph, Chairman of the boards of the several funds in the Seiglling group, see any real danger in the cur¬
rent business "retraction": "Development of recent months do not change our previous view that the contraction will not have the speed or severity of that which took place in the recession of 1927-28. The government is better prepared to exert its in¬
fluence against contraction, and business and the consuming public are generally in good shape finan¬
cially. Though this trend of activity may continue to be downward for some time, 1955 should prove to be a compar¬

tively good business year."

But the management of Corpora¬

tion Investors is more opti¬

mistic than this when it states over the signature of Charles Dickens, President, and Walter Parker, Chairman: "The business...
Balance Between Cash and Investments of 62 Investment Companies
End of Quarterly Periods December, 1953, and March, 1954

<table>
<thead>
<tr>
<th>Net Cash &amp; Governments</th>
<th>Net Cash &amp; Governments</th>
<th>Investment Bonds and Preferred Stocks</th>
<th>Com. Stk., Plus Lower Grade Bonds &amp; Pref.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thousands of Dollars</td>
<td>Per Cent</td>
<td>Per Cent</td>
<td>Per Cent</td>
</tr>
<tr>
<td>Bonds &amp; agencies</td>
<td>19,106</td>
<td>20.4</td>
<td>18.0</td>
</tr>
<tr>
<td>Public Utilities</td>
<td>1,530</td>
<td>1.8</td>
<td>1.3</td>
</tr>
<tr>
<td>State &amp; city</td>
<td>9,507</td>
<td>10.7</td>
<td>11.3</td>
</tr>
<tr>
<td>Corporations</td>
<td>15,561</td>
<td>17.9</td>
<td>20.7</td>
</tr>
<tr>
<td>Trusts</td>
<td>561</td>
<td>0.6</td>
<td>0.7</td>
</tr>
<tr>
<td>Other</td>
<td>133</td>
<td>1.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Total</td>
<td>31,746</td>
<td>38.0</td>
<td>38.8</td>
</tr>
<tr>
<td>% of Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

The Geometry of Mutual Funds

| The George PUTNAM FUND of Boston |

| Putnam Fund Distributing Corp.  |

| 130 Broadway, 406 St. Rm. 200, New York, N. Y. 3, N. Y.  |

| A MUTUAL INVESTMENT FUND |

| Prospectus upon request |

| GEORGE A. BAILEY & CO. |

| 465 LAND TITLE BUILDING, PHILADELPHIA, PA. |

| General Distributor: Rittenhouse 6-8242 |

| The Blue Ridge Mutual Fund, Inc. |

| A Common Stock Fund |

| Prospectus may be obtained from authorized dealers at |

| Harriman Kipler & Co. |

| National Distributor: Blue Ridge Mutual Fund, Inc. |

| SED. 1.3.3.7. |

| BLUE RIDGE MUTUAL FUND, INC. |

| 47 Wall Street, New York 5, N.Y. |

| BOSTON • PHILADELPHIA • CHICAGO |


| SUMMARY |

| Changes in Cash Position of 61 Investment Companies |

<table>
<thead>
<tr>
<th>Open-end Companies</th>
<th>Plus</th>
<th>Minus</th>
<th>Unchanged</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balanced Funds</td>
<td>6</td>
<td>12</td>
<td>22</td>
<td>40</td>
</tr>
<tr>
<td>Stocks</td>
<td>16</td>
<td>27</td>
<td>24</td>
<td>67</td>
</tr>
<tr>
<td>Closed-end Companies</td>
<td>4</td>
<td>2</td>
<td>10</td>
<td>16</td>
</tr>
<tr>
<td>Totals</td>
<td>29</td>
<td>24</td>
<td>61</td>
<td>54</td>
</tr>
</tbody>
</table>

| Harriman Kipler & Co. |

| National Distributor: Blue Ridge Mutual Fund, Inc. |

| 47 Wall Street, New York 5, N.Y. |

| BOSTON • PHILADELPHIA • CHICAGO |

### Changes in Common Stock Holdings of 46 Investment Management Groups

**Date:** December 31, 1932 — March 31, 1934

Transactions in which buyers exceed sellers—or sellers exceed buyers—by two or more management groups. Issues which in parentheses indicate number of managements making entirely new purchases or completely eliminating the stock from their portfolios.

#### Agricultural Equipment
<table>
<thead>
<tr>
<th>No. of Trusts</th>
<th>No. of Shares</th>
<th>Sold</th>
<th>No. of Trusts</th>
<th>No. of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>10(2)</td>
<td>35,600</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>7(3)</td>
<td>20,000</td>
<td>7,000</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

#### Auto and Auto Parts

- **Bought:**
  - 4(1) 20,545 Bendix Aviation
  - 4(1) 11,900 Borg Warner
  - 2(1) 12,700 Consolidated General Life
  - 3(2) 15,500 Ford Motor Co. of Canada
  - 6(2) 82,100 General Motors
  - 2(1) 60,000 General Products
  - 2(1) 600 Timken Roller Bearing

- **Sold:**
  - None
  - 3(1) 45,300 Briggs Mfg
  - 3(1) 25,700 Chrysler
  - None
  - None

#### Reckon

- **Bought:**
  - 2(1) 10,500 American Airlines
  - 4(2) 26,600 LOheed Aircraft
  - 4(1) 5,500 Sperry Corp.
  - 2(1) 5,000 Douglas Aircraft
  - 2(1) 10,000 United Aircraft

#### Beverages

- **Bought:**
  - 5(3) 81,000 Pepsi Cola
  - None
  - 600 National Distillers

#### Building Construction & Equip.

- **Bought:**
  - 6(4) 46,000 American Radianar
  - 4(1) 6,000 Armstrong Corp.
  - 2(1) 3,000 Lone Star Cement
  - 4(1) 2,500 Shell Oil
  - 5(1) 11,400 United States Gypsum

#### Chemicals

- **Bought:**
  - 2(1) 17,100 Diamond Alkali
  - 2(1) 6,000 Filtrol Corp.
  - 4(1) 4,600 Mullion Chemical
  - 3(2) 20,300 Spencer Chemical
  - None
  - 2(1) 11,499 Dow Chemical
  - 2(1) 13,000 Monsanto Chemical

#### Containers and Glass

- **Bought:**
  - 2(1) 2,000 Corning Glass Works
  - None
  - None

#### Drug Products

- **Bought:**
  - 6(1) 26,250 Merck
  - 5(3) 50,400 Pfizer
  - None
  - None
  - 2(1) 17,700 Abbott Laboratories

#### Electrical Equipment

- **Bought:**
  - 2(1) 30,000 Beckman Instruments
  - 2(1) 600 General Time Corp.
  - None
  - None
  - 3(1) 12,300 Philco
  - 3(3) 17,000 Stromberg-Carlson
  - 2,500 General Electric
  - 2(1) 27,600 Radio Corp.

#### Food Products

- **Bought:**
  - 2(1) 6,785 Kellogg Company
  - 2(1) 11,400 Head Johnson and Co.
  - 6(3) 22,500 United Fruit

#### Machinery & Industrial Equip.

- **Bought:**
  - 4(3) 3,700 Babcock and Wilcox
  - 4(2) 2,700 Combustion Engineering
  - 3 16,000 Food Machinery and Chemical
  - None
  - None

#### Metals and Mining

- **Bought:**
  - 3 7,000 American Smelting and Refining
  - 2 4,500 AT&SF Copper
  - 2 5,000 Cero de Pasco
  - 2 8,000 Homestake Mining
  - 2 2,770 Copper Producers
  - 5(2) 6,300 Phelps Dodge
  - 2(1) 8,700 Aluminum Co. of America
  - None
  - None
  - None

#### Office Equipment

- **Bought:**
  - 4(1) 1,285 International Business Machines
  - 1(1) 16,150 Remington Rand

#### Petroleum

- **Bought:**
  - 3(2) 10,400 Amerada
  - 2(1) 21,000 Cities Service
  - 2 24,000 Delhi Oil Corp.
  - 2(1) 2,000 Lion Oil
  - 5(2) 40,300 Louisiana Land and Exploration
  - 5(2) 60,400 Sinclair Oil
  - 6(1) 20,300 Socony Vacuum
  - 3 29,700 Standard Oil of California
  - 3(1) 45,200 Standard Oil of Indiana
  - 6(1) 30,437 Standard Oil of New Jersey
  - 2(1) 43,700 Sunray Oil
  - 5 30,700 Texas Company
  - 3(1) 7,500 Texas Gulf Producing
  - 2(1) 25,500 Texas Pacific Oil and Gas

#### Public Utilities

- **Bought:**
  - 2(1) 600 Gulf Oil Corporation
  - None
  - None

#### Metropolitan Trust

- **Bought:**
  - 2 23,000 American Tel. & Tel.
  - 3(2) 13,825 Commonwealth Edison
  - 9(1) 38,250 Consumers Power
  - 2 2,800 Dupont Oil Light
  - 3(1) 4,600 Kansas Gas and Electric
  - 3(2) 9,000 Montana Power
  - 3(1) 27,000 New England Electric System
  - 2(1) 5,670 Northern Indiana Pub. Service
  - 11(2) 46,509 Ohio Edison
  - 7(1) 2,800 Pacific Gas and Electric

#### Natural Gas

- **Bought:**
  - 3 12,800 Brooklyn Union Gas
  - 3 6,500 Chicago Corp.
  - 3(2) 5,700 Colorado Interstate Gas
  - 3 10,400 Consolidated Natural Gas
  - 2(2) 2,200 Hugoton Production
  - 4(2) 25,600 Lone Star Gas
  - 2 20,000 Natural Gas
  - 3(1) 10,400 Oklahoma Natural Gas
  - 10,000 Shamrock Oil and Gas
  - 4(2) 28,000 Tennessee Gas Transmission

#### Radio and Amusement

- **Bought:**
  - 4 11,900 Columbia Broadcasting "A" & "B"
  - 4(3) 6,700 Paramount Pictures
Sales Jones and Laughlin and Harbison-Walker Refractories were also bought by two different companies.

One of the more pronounced changes occurred there from that of the evenly divided ownership in 1929 which reflected in the purchase of the non-ferrous metals. Phelps Dodge bought a 30% interest in two five funds acquiring 6,300 shares, one in the non-ferrous metals and the other in the United States. Offsetting were two small sales, one of 8,000 shares in one fund and another of 1,400 shares in another fund.

End of the year, 1931.

Inland Rubber and Tires

Machinery and industrial equipment were bought by three companies. Inland Rubber and Tires bought 7,000 shares of a machinery and investment fund and a like number of Combustion Engineering in one fund. Food Machinery was liked by three management funds. Babcock & Wilcox bought 10,000 shares in one fund and United Shoe Machinery was bought by two management funds. Allis Chalmers liked all of the group in the December, 1933 purchases. Five funds bought concentrated stock in one fund and eliminated the issue from its holding.

Banking stocks were fairly well divided as a group, but there were some companies purchased in a few individual issues. American Banking was bought as a new acquisition in four portfolios and an addition in two other portfolios equal to a stock of one portfolio elimination of 1,500 shares. American Banking was also liked by five trusts and American National Bank was bought by five by one fund.

Some large purchases were made in the group, as it had been in the previous three months, General Motors, acquisition of 52,100 shares, representing two initial commitments. Masco increases. Ford Motor of Canada, the company, was acquired by three trusts for the first time. Also, Benz and Borg Warner each was found favor with one fund and equipment while Clark Equipment and Thompson Products were liked by three.

Food issues decreased somewhat in popularity but buyers were still interested in the ten groups most favored. Buying was concentrated in American Bovine, except in United Fruit, still the favorite issue as it had been for the last six years. Six funds bought a total of 22,900 shares, half of which represented initial purchases. A couple of funds also bought Kellogg Co. and Idaho Johnson balance. Sellers predominated in no one individual stock. Purchases piled up on an over-all basis in the aviation group although there was pronounced profit taking in the manager divisions in Douglas and in United States Air Lines by five. Boeing, however, was bought on balance, selling 2,300 shares acquired at 3,300. Two funds bought 6,800 shares.

Likewise three initial commitments in steel and iron, the addition totaling 24,600 were made in Lockwood Steel. Sellers predominated in this issue. Sperry was another equipment maker to be bought on balance, acquisitions equaling 5,200 shares. Among the transportation stocks, four of the six Eastern were bought by two trusts.

Buying of drug stocks continued at above-average rates. Although there were preferred, there was buying in every issue, all over-all stability in the group. Two funds bought 1,500 shares of American Cyanamid, one of the 25,000 shares of Merck and Co. and one of 5,000 shares of Pfizer, three of the latter representing initial commitments. Three new purchases and one portfolio increase were also made in the month. While Ford and Merck were favored with purchases, Federal Mogul and Proctor & Gamble were sold by two portfolios.

Monsanto, Dow, Alkali Rubber and Inland Distillers were bought in one portfolio, while two portfolios, both of these two represented the conversion of one trust. One management eliminated a block of 800 from holdings. Two former favorites of this group were sold. Pepsicola, Distillers Corp. and American Cyanamid were bought on balance—Alloy Stores and Federated Department Stores. Poor purchases of the year totaled 4,700 and three

Continued on page 32
Utilities and Oils Favorable By Funds
In First Quarter
of the latter, 3,600 shares. Sears Roebuck was eliminated from two portfolios and lightened in three, but still held in lightened form more evenly divided. Three companies also sold, both in May, were two sales of Penney. While being consistently purchased in one portfolio and matched and not heavy in the textiles, Chas Peabody and In
dustries was not sold, due to no change while American Viscose and Celanese continued to be held.
American Can was treated rather boldly! During this first quarter of the year, a total of 10,600 shares being eliminated from three portfolios and light
tened in three others. A division of the latter, the paper stocks did not prevent buyers from adding Coleman to each to four lists. And while Union Bag and Paper was also favored on light balance, for it disposed of Reynolds. Also sold, each by two funds, were two sales of Canarahan Corporation, and West Virginia Paper. The number of the ru
bers was concentrated in Goodrich, which was added to two portfolios. General Tire also was sold on balance, but three purchasers liked Firestone.

Central Bank for Cooperatives Sell
$80,000,000 Debs
With the assistance of a nation-wide selling group of recognized dealers in securities, the Central Bank for Cooperatives today, B. Henry, uncovered, G. T. D., on the New York Stock Exchange.

Continued from page 4

The State of Trade and Industry

Continued from page 4

of a year ago and a new high for the month, the United States government in its March report of wholesale prices for March, which was "about usual for this time of the year," stated.

Aending in the first four months increased to $10,100,000,000, or 1.1% above the previous high in the 1953 period. H

Ssavings in the first four months included:

Steel Output Scheduled at 65.6% of Capacity This Week
A time-tested barometer of steel activity still suggests an unbroken and steady level, and that barometer is scrap prices, says "Steel," the weekly magazine of metalworking.

The American Iron and Steel Institute announced that the operating rate for the week ending May 1, 1954, was based on an average of 65.6% of capacity for the entire industry for May 1, 1954, equivalent to 36,200,000 tons, based on the steel producers' index.

Electric Output Extends Gains of Previous Week
The amount of electric energy distributed by the electric light and power industry for the week ended May 1, 1954, was estimated at 8,438,000,000 kw/h, according to the Edison Electric Institute.

Car Loadings Rise 3.5% Above Week Ago
Loadings for the week ended May 1, 1954, increased 21,744 cars, or 3.5% above the previous week, according to the American Association of Railroads.

1954 projected earnings of 133,574 cars or 17.1% below the corresponding 1953 week, and a decrease of 19.7% below the level of a year ago.

U. S. Auto Output Last Week Dipped 2.6% Below Previous Week's 8-Month High
The automotive industry for the latest week, ended May 7, according to "Ward's Automotive Reports," assembled an estimated 122,431 cars, compared with 124,944 (revised) in the previous week. The weekly production record of total cars and trucks was estimated 148,238 units and was 2.6% above total week's output for 1953.

Last week, the agency reported there were 21,949 trucks made in this country, as against 23,294 (revised) in the previous week and 22,231 in the week of May 1, 1953 week.

Ward's estimated Canadian plants turned out 8,434 cars and 1,870 trucks in the week ended May 1, 1954, against 10,263 cars and 3,919 trucks in the preceding week and 8,670 cars and 3,319 trucks in the comparable 1953 week.

Business Failures Show Moderate Decline for Week
Commercial and industrial failures declined to 387, a one-week decrease from the week ended May 6 from 324 in the preceding week, Dun & Bradstreet, Inc., published today. This total was 20.5% below the level of 483 a year ago. Small businesses, those with liabilities under $5,000, numbered 225, or 25.8% below the 309 of a year ago. Fourteen failures continued without liabilities for failure, as compared against 25 last week.

Wholesale Food Price Index Continues Mild Downtrend
The wholesale food price index, compiled by Dun & Bradstreet, Inc., dropped 1 cent last week to stand at 73.78 on May 4. This com-
pared with $6.43 on the corresponding week ago, a rise of 14.8%. It is still 23.8% above the pre-Korea level of $5.96.

The index represents the sum total of the price per pound of 20 items and its general function is to show the general trend of change in prices at wholesale and retail.

Wholesale Commodity Index Adversely Affected By Unsettled Grain Markets
Continued easiness in some leading commodities resulted in a further easing of the wholesale Commodity Index in the week ended May 1, 1954, as shown in the table below.

Weekly Retail Prices of Groceries

1954
1953
1952
and below the price level of a year ago, a rise of 14.8%. It is still 23.8% above the pre-Korea level of $5.96.

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Weekly Retail Prices of Groceries

1954
1953
1952


genzied for FRASER
https://frasermuseum.org.uk
<table>
<thead>
<tr>
<th>Latest</th>
<th>Previous Year</th>
<th>Month</th>
<th>Year</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>$56,789,000</td>
<td>$55,876,000</td>
<td>May</td>
<td>June</td>
<td>July</td>
</tr>
</tbody>
</table>

### American Iron and Steel Institute: Steel Mill Output (in tons)
- May 2023: 2,345,000 tons
- June 2023: 2,352,000 tons
- July 2023: 2,360,000 tons

### American Petroleum Institute: Crude Petroleum Output (in bbls.)
- May 2023: 1,500,000 bbls.
- June 2023: 1,550,000 bbls.
- July 2023: 1,600,000 bbls.

### American Gas Association: Natural Gas Sales (Bcf)
- May 2023: 5,000 Bcf
- June 2023: 5,050 Bcf
- July 2023: 5,100 Bcf

### U.S. Department of Agriculture: Livestock and Poultry
- May 2023: 1,200,000
- June 2023: 1,250,000
- July 2023: 1,300,000

### Federal Reserve Bank of St. Louis: Money Stock (in billions of dollars)
- May 2023: 545,000
- June 2023: 550,000
- July 2023: 555,000

The following statistical tabulations cover production and other figures for the latest years or months available. Dates shown in first columns are either for the week or month ended on that date, or, in cases of quotas, are as of that date.
Cautious Market Altitude Currently Warranted

months will also have a major beneficial effect on market prices in the latter part of the year.

On the basis of the known factors and the record to date, a fair guess as to the next few months from around the "250" level on the Dow-Jones Industrial Average (320 plus or minus 2%) would not be at all surprising. The gains somewhere between 20 and 50 points in the Dow-Jones Index, where the base would compare with a maximum stock market high of last February, of nine points, and on a closing basis, of less than that. What is, however, is that in today's highly speculative, trendless market such a decline will probably mean a reaction of as much as 25% to 30% for some of the recently popular issues, which might get to be their current or recent highs for many months. I doubt that it will be recalled that it has been only during the past few months that the leading steel stocks were able to get above their 1930 highs. In January, 1931, and that every one of the "gains" which were made in the steel market were still selling at substantially below the high reached at that time.

Reaction Factors

Before an extended long-term outlook for the market averages, a few of the more prominent reasons for believing that, for the first time in the past year, the averages will not be intermediate setback of more than 4%, or 5% are now quite substantial:

(1) The technical background for a long-term reaction of a high level has a great deal in common with that which preceded the 1930-1932 rise. As was true on previous occasions, the decline of the Dow-Jones Industrial Average, would not at first be thought of as a bear market, the following factors are:

(1) The technical background for a long-term reaction of a high level has a great deal in common with that which preceded the 1930-1932 rise. As was true on previous occasions, the decline of the Dow-Jones Industrial Average, would not at first be thought of as a bear market, the following factors are:

(1) In spite of the adverse effect which would have on business in general, it is quite likely that the earnings for the Dow-Jones Industrials will hold within 2% or 3% of last year's composite figure of $27.50 a share. Current levels of 220-223 for the Dow-Jones Industrial Average equal $24 to 25 in 1931. There are a number of other indicators of a similar nature also pointing to the prospect of a nearby inter-

(2) With the release of first quarter earnings reports, the stock market has had an opportunity to reflect the current year's earning prospects for those companies whose income was held down last year by excess-profits taxes. This was the case for most of the companies whose stocks make up the Dow-Jones Industrial Average. It is purely for this reason, of course, that the Dow-Jones Industrial Average is better than the majority of issues this year. To get at a rule the stock market does not try to anticipate or second-guess past or future data, the following year only sometimes in the third or fourth quarter. The June-July period, the reaction would seem to be a logical time for a major low.

(3) The foregoing reasoning harmonizes fairly well with the fact that, as pointed out in "The Commercial and Financial Chronicle," May 25, 1932, "Cheerful View of the Stock Market Situation," the market is showing a definite tendency to reverse any trend that might have been anticipated by sometime in May or June. In each of the past two years, either the highs or lows of the Dow-Jones Industrials during these two months proved to be the turning points in the market. This particular "strow" would seem to suggest that a sharp decline might get under way fairly soon, if we are seeing something like a "parabolic price pattern" in the stock!

(4) It may be recalled that the Dow-Jones Industrial stock market during late 1945 and early 1946, after falling from the peaks about the time that we were to get the results of the industrial declines in the business cycles of the United States, with a sharp cut-back in spending for armaments as World War II was being wound down. I do not believe that the trends of the business cycle and the general market continue divergent indefinitely, I feel quite confident that the market stock seldom counts the same thing twice: the recent past eight months has certainly made a bear market in the past, and the expectation that the recent business judgment would be of brief duration.

There are a number of other factors which might also point to the prospect of a nearby intermediate setback. There are differences of opinion, however, that it would be better to go on the subject of the long-term outlook.

No Bear Market

Among many others believing that a Summer reaction, even if it should amount to as much as 25%, would not be enough to bear market, the following factors are:

(1) In spite of the adverse effect which would have on business in general, it is quite likely that the earnings for the Dow-Jones Industrials will hold within 2% or 3% of last year's composite figure of $27.50 a share. Current levels of 220-223 for the Dow-Jones Industrial Average equal $24 to 25 in 1931. There are a number of other indicators of a similar nature also pointing to the prospect of a nearby intermediate setback of more than 4%, or 5% are now quite substantial:

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(2) With the release of first quarter earnings reports, the stock market has had an opportunity to reflect the current year's earning prospects for those companies whose income was held down last year by excess-profits taxes. This was the case for most of the companies whose stocks make up the Dow-Jones Industrial Average.

Similarities With the 1929's

The pattern of the Dow-Jones Industrials may well be of the same general trend that the market experience to a shake-out of 5% or more within two to four months. This period is the normal cyclical peak.

There is still a danger that this great "run," as the President said, may not be over, but it seems to me that the entire economic structure had been increasingly domi-

There is still a danger that this great "run," as the President said, may not be over, but it seems to me that the entire economic structure had been increasingly nated by the entire economic structure and the stock market. But there is also a large element in the market which has been held from a technical standpoint, in view of the fact that the average prices would seem to be a logical time for a major low.

John C. Kahn Co. Offers Financial Co. Securities

John C. Kahn Co., Washington, D.C., has announced the offering of $100,000 of 12% 6-year subordi-

S. R. Livingstone Co. Adds (Special to the Financial Chronicle)

ARNAB ARROH, Mich.—Alphonse V. Bradley is now connected with Walling & Merchants Co., Ann Arbor Trust Building.

Johns Waiking, Lerchen

Johns Waiking, Lerchen (Special to the Financial Chronicle)

JOHN C. KAHN Co.

Harrs, Upham Co. Adds (Special to the Financial Chronicle)

WINSTON-SALEM, N. C.—Wallace W. Harr, Lenoir real estate developer, has been added to the staff of Harrs, Upham Co., Peppermint Building.

Johns Thomson McKinnon

JOHN C. KAHN Co.

MIAMI, Fla.—Beach, M. G. and Jewett, G. B. are now affiliated with Johns Thomson McKinnon, 507 Lin-

Three With A. M. Kidder

MIAMI, Fla.—John W. LaBerge, John E. Christiansen and Cresswell E. Stedman, Jr., have been added to the staff of A. M. Kidder & Co., 139 East Flagler Street.

Jons King Merritt Co.

ROCK ISLAND, Ill.—Mrs. Lucille H. Swanson is now con-
"Whither Electronics?"

These computers Dr. Vannevar Bush, a prewar expert in mechanical and electrical engineering, is using to think about the future of human thinking. Digital computers are currently being used in the solution of hundreds of thousands of arithmetical manipulations. Meanwhile the scientific computing is solving can even abstruse partial differential equations. But there are limits to what the machines should not be relegated to the mathematical special cases of research assistance. The engineers of the machine re-arrange existing formulations, thus freeing the research worker from the routine of the human brain that is no longer an essential part of his work. If the machine can do this, so can a man with a computer. It is the relationship between human creativity and machine capacity that is of the greatest importance.

In the laboratory throughout the industry—developments that are probably going to have a great impact on our way of life in the next few years, developments that we have discussed.

In recent years, RCA has demonstrated two highly important advances. The television tape recorder, on which we now work, is a new world for exploration by research workers in medicine, education, and research of other sciences. The best optical and chemical microscope magnified somewhat, of course, 2,000, 10,000, 50,000, 500,000 diameters—a scale at which a speck of dust lies only a few miles across. This amazing tool provides a new method of study for the first time in the history of science.

In the industrial field, the electronic microscope has found a new field of research. It is a study of fiber paper and the structure of synthetic rubber latex systems, and it has already begun to reveal varying conditions of temperature and stress in the rubber latex systems, and it has already begun to reveal the temperature and stress in the rubber latex systems, and it has already begun to reveal the temperature and stress in the rubber latex systems.

Use of the electronic microscope, one of the most exciting developments introduced by RCA slightly over a decade ago, and its technical improvements have gone on with the widening scope of its research. RCA has already supplied electronic microscopes are now in use among the leading universities and research centers in this country, and in health centers and laboratories on every continent. An improved model, with even greater powers of magnification, has been made development by our scientists and engineers, and we will soon be penetrating far deeper into the nature of the infinitely small world and continually increasing our influence in medicine, research, and education.

The condition of the world being what it is today, it is important that electronic science should have made some of its greatest technological advances in the field of war. In this field, Security restrictions sur¬rounding various phases of activities, but we know that the defense applications of electronic devices have gone far beyond anything dreamed of only a few years ago. At the same time, electronic control, tracking and guidance equipment have been developed extensively for our guided missile program and for airborne interception and run control function aboard naval ships.

Military Electronics

The future safety and welfare of all of the industries of the free world—depend on these peaceful applications, as well as military applications, of electronic devices. We may confidently expect that many of the inventions and developments that are now exclusively for military use will, like radar, eventually find significant application in our com¬munications and public utilities systems. Today, you would not understand and perhaps share the enthusiasm of the electronics industry to look at the future. In recent years, we have been to the extent of making a few of the world's most advanced electronic devices, including some of the most advanced in the world today, and most of them applied to the operation of a high-speed electronic calculator. The calculator has been held as far as its ultimate use is concerned. These existing devices are being augmented constantly, both by new developments from the laboratories throughout our indus¬try—developments that are probably going to have a great impact on our way of life in the next few years, developments that we have discussed.

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Budget Funding Corp. (Del.)
April 20 filed 105,000 shares of cumulative preferred stock (par $50), totaling $5,250,000 of new first mortgage bonds, to redeem $5,000,000 of 3% bonds due 1983. Underwriter—To be determined by competitive bidding. Probable bidders: Halley, Stuart & Co.; Inc. (PDT).

California Electric Power Co. (S.C.)
April 21 filed 6,000,000 of first mortgage bonds due 1974, Proceeds—To be used for constructing new generating and transmission facilities. Underwriter—None.

Dec. 24 (letter of notification) 7,000 shares of common stock (par $1). Price—At market (estimated at $2.87 per share), Proceeds—To Allied Investment Corp., Wilmington, Del., Underwriter—None.

Canadian Lumber Corp., Santa Fe, N. Mex.
May 4 (letter of notification) 40,000 shares of common stock (par $1). Price—At market (estimated at $2.50 per share), Proceeds—To Allied Investment Corp., Wilmington, Del., Equipment and working capital. Office—206 N. Virginia St., Reno, Nev. Underwriter—None.

Automatic Steel Products, Inc., Canton, Ohio
May 4 (letter of notification) approximately 35,000 shares of 50-cent non-cumulative preferred stock (par $1). Price—At market (estimated at $3.75 per share). Proceeds—To Alliance Lumber Co., and Ralph E. Samuel & Co., both of New York. No general offer planned.

Benrus Watch Co., Inc., New York

Benrus Watch Co., Inc., New York


British Industries Corp.

Childs Food Stores, Inc., Jacksonville, Tex.
April 20 filed notice (to be offered) 5,800 shares of class A common stock (par $1). Price—To be determined by competitive bidding. Underwriter—Moroney, Beiser & Co., Houston. Proceeds—For working capital.

Citrus Oil & Refining Corp. (S.C.)
April 29 filed 50,000 shares of $1.25 cumulative convertible preferred stock, series A (par $25) and 150,000 shares of class B common stock (par $5). Of the latter, 50,000 shares will be for account of selling stockholders. Proceeds—To be used for expansion and working capital. Underwriter—Lovel & Co., Milwaukuee. Proceeds—To be determined by competitive bidding. Probable bidders: Halley, Stuart & Co.; Inc. (PDT).

Colonial Fund, Inc. (S.C.)

Consol. Edison Co. of New York, Inc.
April 7 filed $500,000,000 of first and refunding mortgage bonds, series K, due May 1, 1984. Proceeds—to be applied towards cost of redeeming $27,882,000 New York Steam Corp. first mortgage bonds and $25,000,000 Westchester Lighting Co. general mortgage bonds. Underwriter—to be determined by competitive bidding. Probable bidders: Halley, Stuart & Co.; Inc. Morgan Stanley & Co.; The First Boston Corp. Offering—Original offering. For May 11, but has been postponed because of market conditions. No new date set.

Consolidated Natural Gas Co. (S.C.)
April 15 filed $250,000,000 of new common stock. Proceeds—To repay 15,000 long-term notes due March 1964. Proceeds—To be offered to underwriters at a price to be determined by competitive bidding. Probable bidders: Halley, Stuart & Co.; Inc. Morgan Stanley & Co.; The First Boston Corp. Offering—Original offering. For May 11, but has been postponed because of market conditions. No new date set.

First National Bank of Tomah, Wis., N. J.
Common (offering to stockholders) $150,000.

First National Bank of Tomah, Wis., N. J.
May 14 (Friday) First National Bank of Tomah, Wis., N. J. Common (offering to stockholders) $150,000.

First National Bank of Tomah, Wis., N. J.
May 17 (Monday) Colonial Fund, Inc., Common (underwriter) $20,000,000.

First National Bank of Tomah, Wis., N. J.
May 19 (Wednesday) Michael Public Service Co., Preferred (to be offered) $50,000,000 New York State Electric & Gas Co., Preferred (to be offered) $50,000,000.

First National Bank of Tomah, Wis., N. J.
May 20 (Thursday) Automatic Canteen Co. of America, Common (offering to stockholders) $100,000.

First National Bank of Tomah, Wis., N. J.
May 22 (Saturday) Brandwine Rayrace Aaaw, Inc., Common & Notes (to be sold) $20,000,000.

First National Bank of Tomah, Wis., N. J.
May 23 (Sunday) Brandwine Rayrace Aaaw, Inc., Common & Notes (to be sold) $20,000,000.

First National Bank of Tomah, Wis., N. J.
May 24 (Monday) Swift Oil & Refining Corp., Pfd. & Common (offering to stockholders) $100,000.

First National Bank of Tomah, Wis., N. J.
May 25 (Tuesday) American Cyanamid Co., Common (offering to stockholders) $20,000,000.

First National Bank of Tomah, Wis., N. J.
May 26 (Wednesday) Consolidated Natural Gas Co., Common (offering to stockholders) $25,000,000.

First National Bank of Tomah, Wis., N. J.
May 27 (Thursday) United States Sulphur & Chemical Corp., Common (offering to stockholders) $150,000.

First National Bank of Tomah, Wis., N. J.
June 1 (Tuesday) Northern Natural Gas Co., Common (offering to stockholders) $250,000.

First National Bank of Tomah, Wis., N. J.
June 2 (Wednesday) Vanadium Corp., America, Preferred (to be sold) $5,000,000.

First National Bank of Tomah, Wis., N. J.
June 3 (Thursday) American Cyanamid Co., Common (offering to stockholders) $80,000,000.

First National Bank of Tomah, Wis., N. J.
June 4 (Friday) Gulf States Utilities Co., Preferred (to be offered) $13,000,000.

First National Bank of Tomah, Wis., N. J.
June 5 (Saturday) Gulf States Utilities Co., Preferred (to be offered) $13,000,000.

First National Bank of Tomah, Wis., N. J.
June 6 (Sunday) Jersey Central Power & Light Co., Common (to be offered) $5,000,000.

First National Bank of Tomah, Wis., N. J.
June 7 (Monday) Duquesne Light Co., Preferred (to be sold) $1,000,000.

First National Bank of Tomah, Wis., N. J.
June 8 (Tuesday) Gulf Power Co., Preferred (to be sold) $12,000,000.

First National Bank of Tomah, Wis., N. J.
June 9 (Wednesday) Philadelphia Electric Co., Common (offering to stockholders) $100,000.

First National Bank of Tomah, Wis., N. J.
June 10 (Thursday) Kentucky Utilities Co., Preferred (to be offered) $1,000,000.

First National Bank of Tomah, Wis., N. J.
June 11 (Friday) Duquesne Light Co., Preferred (to be sold) $1,000,000.

First National Bank of Tomah, Wis., N. J.
June 12 (Saturday) Gulf States Utilities Co., Preferred (to be offered) $13,000,000.

First National Bank of Tomah, Wis., N. J.
**General Stores Corp., New York**


**General Motors Corp., New York**

May 7 filed 40,486 shares of 5% cumulative preferred stock (par $100). Proceeds—To buy in exchange for the 6,000 shares of 5% cumulative preferred stock outstanding on the basis of two new shares for each preferred share held. Price—To be supplied by amendment. Proceeds—To be used for research and development. Underwriter—Kidder, Peabody & Co., New York. Bids—Expected to be received up to May 29.

**Cornbelt Insurance Co., Freeport, Ill.**

March 17 filed 300,000 shares of common stock (par $1). Proceeds—For investment. Underwriter—None.

**Cornell-Dubilier Electric Corp., New York**

April 23 filed 1,000,000 shares of common stock. Price—At market (approximately 30) per share. Proceeds—To be used for the acquisition of Sealy Co., Kansas City, Mo. Underwriter—Pyne, Kendall & Hollister, New York.

**Decca Records, Inc., New York**

May 3 filed 5,000,000 shares of capital stock (par 90 cents) to be offered in exchange for Universal Pictures Co., Inc. common stock. Ratio—To be determined. Underwriter—Clyde May owned 672,996 shares (65.2%) of Universal stock, with 344,338 shares (39.7%) owned by other stockholders. Also, there were warrants outstanding for the purchase of 2,500 shares of common stock held by others than Decca, and any Universal stockholder may be permitted to purchase such warrants may be tendered for exchange. Soliciting Agents—Georgetown & Co., New York.

**El Paso Drug Corp., El Paso, Texas**

April 23 (letter of notification) a maximum of 17,000 shares of common stock (par $1). Price—At market (approximately 15) per share. Proceeds—To be used for the purchase of securities of Empire Drug Co., of New York. Underwriter—Shearson, Hammill & Co., New York.

**Electronic Associates, Inc., New York**

April 19 (letter of notification) 7,500 shares of common stock (par $1). Price—at or over 10 per share. Proceeds—For the purchase of 114 bonds of record held May 10, 1954, on the basis of one new share for each bond held. Price—To be supplied by amendment. Proceeds—To be used for working capital. Underwriter—Blair, Rolls & Co., Inc., New York.

**Fair Finance Co., Akron, Ohio**

May 2 (letter of notification) 50,000 series of 1% debenture notes. Price—At par (in multiples of 50). Proceeds—To increase working capital. Office—1 North Avenue, Cincinnati, Ohio.

**Family Digest, Inc., New York**

April 19 (letter of notification) 142,675 shares of class A stock. Price—at par ($1 per share). Proceeds—For operating capital and paying expenses. Underwriter—Carl J. Bleyling, Washington, D. C.

**Fenning, Ltd., Pittsburgh, Pa.**


**Florida Power Corp. (5/26)**

June 26 filed 500,000 shares of common stock (par $1). Price—to be supplied by amendment. Proceeds—$3,376,460 to redeem 4.5% preferred stock preferred in new construction. Underwriters—Kidder, Peabody & Co. and Flowers, Keating, Dunham, New York.

**Fontaine & Co., New York**


**General Electric Co., Wilmington, Del.**

Feb. 2 (letter of notification) 140,000 shares of common stock (par 10 cents). Price—$1.50 per share. Proceeds—For capitalization and working capital. Office—one West 18th Street, Wilmington, Del. Underwriter—None.

**General Electric Credit Corp., Miami, Fla.**

March 25 (letter of notification) 74,000 shares of capital stock (par $5). Price—$5 per share. Proceeds—To be used for the purchase of securities. Underwriters—Kidder, Peabody & Co. and Flowers, Keating, Dunham, New York.

**General Gas Corp., Baton Rouge, La.**

March filed 100,000 shares of common stock (par $5). Proceeds—to be used for the purchase of securities. Underwriter—Kidder, Peabody & Co. and Flowers, Keating, Dunham, New York.

**General Public Utilities Corp.**


**Lynch Carrier Systems, Inc. (6/7/8)**

May 4 filed 140,000 shares of capital stock (par $1). Proceeds—to be used for the purchase of securities. Underwriter—P. W. Brooks & Co., New York.

**Mediterranean Petroleum Corp., Republic of Panama**

March filed American voting trust certificates for 65,473 shares of common stock (par $1). Price—to be supplied by amendment. Proceeds—to raise capital and surplus. Underwriter—None.

**Mission Indemnity Co., Pasadena, Calif.**

April 23 filed 50,000 shares of cumulative preferred stock (par $1). Proceeds—to redeem outstanding preferred stock (6,475,000) to be offered to members and members of their immediate families (159,458) and to The Lehaman Brothers Co., New York. Underwriter—None. General offer planned.

**Montreal Transportation Commission, Montreal, Que.**

April 29 filed $277,000,000 of sinking fund debentures (par $100) to be offered for subscription by the public and interested lenders. Price—to be supplied by amendment. Proceeds—to redeem outstanding mortgage bonds (24,944,300) of Montreal Tramways Co. general mortgage bonds, for use in the financing of the modernization program. Underwriter—to be determined. Underwriter—Kidder, Peabody & Co., New York; Halsey, Stuart & Co. Inc. and Savidvar & Hart Inc., Chicago; and Jonathan Salmon Bros. & Hultiter (jointly); Lehman Brothers, White, Weld, & Co., Union Securities Corp., and Blyth & Co. (jointly). Underwriter—Bradley, Tentatively expected on May 18.

**National Lead Co., New York (5/24)**


**Natick Industries, Inc., Natick, Mass.**


**New Bristol Oils Ltd., Toronto, Ont., Canada**

April 13 filed 1,000,000 shares of common stock (par $1). Proceeds—to be offered to the bid price of the shares on the Toronto Stock Exchange, with a 20% underwriting commission. Proceeds—to be used for the purchase of securities. Underwriter—to be named by amendment.

**New York State Electric & Gas Corp. (5/19)**

April 21 filed $520,000 first mortgage bonds due 1964. Proceeds—to redeem bank loans and for new construction. Underwriters—May be determined by competitive bidding. Probable underwriters—Halsey, Stuart & Co., Kidder, Peabody & Co. and Salmon Bros. & Hultiter (jointly); Union Securities Corp., The First Boston Corp. and Great & Co., Fergan & Co. (jointly); Lehman Brothers, Halsey, Stuart & Co., Inc.; Halsey, Stuart & Co. and Drexel & Co. (jointly). Bids—to be received up to 11 a.m. (EDT) on May 19.

**Northern Electric Telephone Co., Washington, D. C.**

April 23 (letter of notification) 2,000 shares of common stock (par $100) to be offered for subscription by the holders of record May 1, 1954, on the basis of one new share for each five common shares held. Price—at par ($100 per share). Proceeds—Office—Gibsonia, Pa. Underwriter—None.

**Northern Natural Gas Co., Omaha, Neb. (6/1)**

Feb. 1 (letter of notification) 80,000 shares of common stock (par $6 1/2) to be offered for subscription by stockholders about to be acquired by the company. Proceeds—to be used for the purchase of securities held. Unsubscribed shares to be offered to employees. Rights to expire on June 1. Proceeds—to be used for property additions. Proceeds—to be used for property additions. Underwriter—None. Continued on page 44.
Pumice, Inc., Idaho Falls, Idaho
March 20 filed $30,000,000 of common stock (par $10). Proceeds—$30 per share. Proceeds—For completion plant, refinery obligations and for working capital. Underwriter—Vickers Brothers, New York.

Uranium-Potash Co. (5/13–17)
April 23 filed 1,500,000 shares of common stock (par five cents). Proceeds—$10 per share. Proceeds—For exploration and development of uranium and potash reserves. Underwriter—J. & J. Co., San Francisco, and First Boston Corp., Rids. To be received up to 11 a.m. (EDT) on May 28 at 80 Park Place, Newark, N. J.

Virginia Electric & Power Co. (5/17)

West Coast Pipe Line Co., Dallas, Tex.
April 27 filed 4,000,000 shares of common stock due Dec. 15, 1964, and 500,000 shares of common stock due Dec. 15, 1965. Proceeds—to provide company with initial investment funds of approximately $5,000,000. Underwriter—Lehman Brothers, New York.

South Carolina Electric & Gas Co. (5/20)
April 30 filed 200,000 shares of preferred stock (par $50). Proceeds—to be supplied by amendments. Proceeds—To repurchase 2,800,000 shares of bank stock, for new corporate purposes. Underwriter—Kiddie, Peabody & Co., New York.


Seattle Oil & Gas Co., Inc. of Panama
March 30 filed American voting trust certificates for 1,- 000,000 shares of common stock (par one cent). Proceeds—to provide company with the financial and operating resources necessary to carry out the drilling and development in State of Israel, and for operational and working expenses. Underwriter—to be named by amendment.

People's Finance Corp., Denver, Colo.
March 29 filed 4,000,000 shares of common stock (par $64) for the purpose of reducing outstanding bank loans or repurchase of outstanding bank stock. Underwriter—Paul K. Kimball & Co., Chicago, Ill.

People's Finance Corp., Denver, Colo.
March 29 filed 1,000,000 shares of preferred stock. Price—at par ($50 per share). Proceeds—for general corporate purposes. Company is also seeking registration of $10,000,000 of debentures of preferred and common stock heretofore sold and holding thereof are to be offered to the public under these regulations. Underwriter—Corry & Co., Minneapolis, Minn.

Phoenix Budget Loans, Inc.
May 4 (letter of notification) $200,000 of 5% subordinated notes (no par) due April 1, 1965, inclusive. Price—97.25% to 100%, recorded in evidence. Proceeds—for working capital, etc. Underwriter—A. J. Grayson, New York.

Porta Co., Inc., Chestnut Hill, Mass.
March 30 (letter of notification) 600 shares of cumulative preferred stock (no par) and 640 shares of common stock (no par) to be offered in units of one share of each class. Proceeds—for the purpose of acquiring a new plant. Underwriter—Morgan Stanley & Co. and Lehman Brothers.

Product Development Corp.
May 7 (letter of notice) 30,000 shares of common stock (par 10 cents). Price—$1.50 per share. Proceeds—for working capital, etc. (including bond construction). Office—405 Lexington Avenue, New York, N. Y. Underwriter—None.

Public Service Electric & Gas Co. (5/19)
April 23 filed 117,160 additional shares of common stock (par $1) for the purpose of reducing outstanding bank stock by stockholders of record May 14 on the basis of one new share for each two shares held. Proceeds—to be determined by amendment. Proceeds—to repay bank loans and for general corporate purposes. Underwriters—H. S. Miller & Co., McDonald & Co.; Merrill, Turben & Co.; and Lawrence Cook & Co.; all of Cleveland, Ohio.


Trican Petro-Chemical Corp., Montreal, Canada
April 19 filed 500,000 shares of common stock (par $1). Price—to be determined by amendment. Proceeds—for the purpose of acquiring and developing a new process and a new plant. Proceeds—to be named by amendment. Underwriter—United States Sculpt & Chemical Corp.

Transportation Development Corp. (5/20) April 21 filed 3,000,000 shares of common stock (par $1): Price—$6 per share. Proceeds—to finance the cost of acquiring and developing the transportation system, for railroad and other general corporate purposes. Underwriters—L. H. Rother, New York.

Trigon Corporation
April 20 filed 500,000 shares of common stock (par $1). Proceeds—to be determined by amendment. Proceeds—to be determined by amendment. Proceeds—to be determined by amendment. Proceeds—to be determined by amendment. Underwriter—None.

U.S. Steel Corp.
April 20 (letter of notification) 1,170,000 shares of common stock (par $1). Proceeds—to be determined by amendment. Proceeds—to be determined by amendment. Proceeds—to be determined by amendment. Proceeds—to be determined by amendment. Underwriter—None. Statement effective May 5.

West Coast Pipe Line Co., Dallas, Tex.

Wyoming Oil & Gas Corp., Newcastle, Wyo.
April 23 filed 1,000,000 shares of common stock (par $1). Proceeds—to be determined by amendment. Proceeds—to be made available at public underwriters. Underwriters—White & Wolf & Co. and United Securities Corp., both of New York. Offering—Postponed indefinitely.

Wyntone Oil & Gas Corp., Seattle, Wash.
May 3 (letter of notification) 20,000 shares of class A preferred stock (par $100). Price—$13.75 per share. Proceeds—to be determined by amendment. Proceeds—to be determined by amendment. Proceeds—to be determined by amendment. Proceeds—to be determined by amendment. Underwriter—To be named.

Wyot Oil & Gas Corp., Newcastle, Wyo.
April 20 filed 500,000 shares of common stock (par $1). Proceeds—to provide company with financial and development of oil and gas properties. Underwriter—None.

Proponents of water fluoridation have proposed a plan to increase the authorized common stock from 4,000,000 to 5,000,000 shares to enable the company to sell additional shares of stock to new stockholders. Proceeds—to be named by amendment. Proceeds—to be named by amendment. Proceeds—to be named by amendment.

Arkansas Louisiana Gas Co.
Feb. 26 it was reported Cities Service Co. may sell its 50% interest in this company. Shares sold at competitive bidding, bidders may include Smith, Barney & Co. and Blyth & Co., Inc. (jointly).

Business—Finance

American National Gas Co.
April 13 filed proposal to increase the authorized common stock from 4,000,000 to 5,000,000 shares to enable the company to sell additional shares of stock to new stockholders. Proceeds—to be named by amendment. Proceeds—to be named by amendment.

North American Sugar Co.
April 20 filed 1,000 shares of common stock (par $100). Proceeds—to be determined by amendment. Proceeds—to be determined by amendment. Proceeds—to be determined by amendment. Proceeds—to be determined by amendment. Underwriter—None.

Tricone Oil Corp., Bellows Falls, Vt.
April 17 filed 500,000 shares of common stock (par $1). Proceeds—to be determined by amendment. Proceeds—to be determined by amendment. Proceeds—to be determined by amendment. Proceeds—to be determined by amendment. Underwriter—Bancroft & Co., New York.
Boston Edison Co. — Page 424

Federal Reserve Bank of St. Louis
Digitized for FRASER

April 14—The company is tentatively planning to issue a bond to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc.; White, Weld & Co.; and Harriman Ripley & Co. (Jointly); Tentatively expected in June.

Carrier Corp. — Page 424

Federal Reserve Bank of St. Louis
Digitized for FRASER

May 27—It is announced that the company plans to issue and sell about $15,000,000 of first mortgage bonds due 1984. Proceeds—To repay bank loans and for new construction. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc.; White, Weld & Co.; and Harriman Ripley & Co. (Jointly); Tentatively expected to be received about June 15. Stockholders will vote June 11 on approved preferred stock financing.

Central Hudson Gas & Electric Corp. — Page 424

Federal Reserve Bank of St. Louis
Digitized for FRASER

Jan. 27—It was announced company plans to sell around November, 1954, an issue of about $18,500,000 first mortgage bonds due 1984. Proceeds—To repay bank loans and for new construction. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc.; White, Weld & Co.; and Harriman Ripley & Co. (Jointly); Tentatively expected to be received about June 15. Stockholders will vote June 11 on approved preferred stock financing.

Central Maine Power Co. — Page 424

Federal Reserve Bank of St. Louis
Digitized for FRASER

April 11—William W. Wyman, President, reported that the company has announced its plans to sell $35,000,000 of competitive bidding. Proceeds—For new construction. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc.; White, Weld & Co.; and Harriman Ripley & Co. (Jointly); Tentatively expected to be received about June 15. Stockholders will vote June 11 on approved preferred stock financing.

Florida Power Corp. — Page 424

Federal Reserve Bank of St. Louis
Digitized for FRASER

March 27—It is announced that the company plans to issue and sell the second mortgage bonds this fall and $5,000,000 of preferred stock in May. Underwriter—Kidder, Peabody & Co., New York.

Florida Power & Light Co. — Page 424

Federal Reserve Bank of St. Louis
Digitized for FRASER

Jan. 25—It was announced company plans to sell this year and sell about $15,000,000 of first mortgage bonds due 1984. Proceeds—To repay bank loans and for new construction. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc.; White, Weld & Co.; and Harriman Ripley & Co. (Jointly); Tentatively expected to be received about June 15. Stockholders will vote June 11 on approved preferred stock financing.

General Acceptance Corp. — Page 424

Federal Reserve Bank of St. Louis
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March 22—It was reported company plans registration of $15,000,000 of convertible bonds due July 1, 1956. Proceeds—For new construction. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc.; White, Weld & Co.; and Harriman Ripley & Co. (Jointly); Tentatively expected to be received about June 15. Stockholders will vote June 11 on approved preferred stock financing.

Glass Fibers, Inc. — Page 424

Federal Reserve Bank of St. Louis
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April 9—It was reported company plans to raise about $5,000,000 to finance its operation. Proceeds—To repay bank loans and for new construction. Underwriter—Kidder, Peabody & Co., New York.

Granby Corp. and Mining, Smelting & Power Co., Ltd. — Page 424

Federal Reserve Bank of St. Louis
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March 23—It was announced that the company may find the proceeds from the sale of cumulative preferred stock and sale of rights of its unissued common stock, of which there are 148,733,329 of $5 par value. As the company's shares are now selling on the New York Stock Exchange at about $7.50 per share it is necessary that stockholders on April 13 approve issuance of the unissued shares before they can be sold at a premium. Proceeds—To be used for financing Grandu Mines, Ltd., in which Granby owns an interest.

Gulf Power Co. (6/22) — Page 424

Federal Reserve Bank of St. Louis
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April 20—It was reported company plans to issue and sell $10,000,000 of new first mortgage bonds due 1984. Proceeds—To repay bank loans and for new construction. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc.; White, Weld & Co.; and Harriman Ripley & Co. (Jointly); Tentatively expected to be received about June 15. Stockholders will vote June 11 on approved preferred stock financing.

Gulf States Utilities Co. (6/15) — Page 424

Federal Reserve Bank of St. Louis
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May 7—It was announced company plans to issue and sell $25,000,000 of new first mortgage bonds due 1984. Proceeds—To redeem two issues of 3% bonds totaling $20,000,000, together with the equity of the company in the bonds due 1951. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc.; White, Weld & Co.; and Harriman Ripley & Co. (Jointly); Tentatively expected to be received about June 15. Stockholders will vote June 11 on approved preferred stock financing.
Underwriters—To and ders: authorized complete the right of the holders of the bank stock. Underwriter—Union Securities Corp., New York, underwrote some of the National Bank's holdings of Colorado Interstate Gas Co. stock. Public Service Co. of Colorado April 12 it was reported company plans to finance its 1954 construction program through temporary bank loans, with permanent financing delayed until later in the year. The company planned to authorize an issue of $15,000,000 first mortgage bonds, due 1963, early in the year. To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc., Kuhn, Loeb & Co.; The First Boston Corp., Harris, Paul & Co., Inc.; and Union Securities Corp. (jointly); Lehman Brothers; Kidder, Peabody & Co., Inc.; Blyth & Yount, Inc. and Smith, Barney & Co. (jointly). Public Service Co. of New Hampshire April 9 it was reported an interested stockholder proposed a plan to increase the authorized preferred stock. St. Joseph Light & Power Co. April 1, Rockwell C. Tenney, Chairman of the Board, announced that the 1954 construction program, estimated at $14,000,000, would be financed through a public offering of $36,500,000. The issue of $8,000,000 bonds were also sold last year at competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Equitable Securities Corp.; Kuhn, Loeb & Co.; and Stone & Webster Securities Corp., (jointly); Lehman Brothers; Kidder, Peabody & Co. and Stone & Webster Securities Corp. Rockwell C. Tenney & Co., Inc. April 1,'Rockwell C. Tenney, Chairman of the Board, announced that the 1954 construction program, estimated at $14,000,000, would be financed through a public offering of $36,500,000. The issue of $8,000,000 bonds were also sold last year at competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Equitable Securities Corp.; Kuhn, Loeb & Co.; and Stone & Webster Securities Corp., (jointly); Lehman Brothers; Kidder, Peabody & Co. and Stone & Webster Securities Corp. San Diego Gas & Electric Co. April 28 it was reported company plans to offer late 1954 (par 43) a public offering of additional common stock. Underwriter—Blyth & Yount, Inc., New York. Scott Paper Co. April 27 stockholders approved proposals which increased authorized common stock from 5,000,000 to 10,000,000 shares. The proposal was submitted to the Massachusetts re-creation. Underwriters—Blyth & Yount, Inc., New York. Southeastern Colorado Power Co. May 10 it was reported company plans to vote May 14 on creating an issue of 50,000 shares of preferred stock. It is believed the company will use it for financing of new construction and sale of new securities. Underwriters—May be Hutton & Co., Pueblo, Colo., and Bechtler & Co. and other companies. Underwriters—Drexel & Co., Smith, Barney & Co. and Merrill Lynch, Pierce, Fenner & Beane. Southern Natural Gas Co. March 28, C. P. Spencer, President of Sinclair Oil Corp., announced that company plans to offer through its subsidiary, the disposal of its holdings of 769,721 shares of Pioneer Oil & Gas Corp. stock. Underwriter—Union Securities Corp., New York, underwrote some of the National Bank's holdings of Colorado Interstate Gas Co. stock. Western Electric Co. May 6 company applied to SEC for permission to issue additional common stock. Proceeds to refinance bank loans and for competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Lehman Brothers; Kidder, Peabody & Co., Inc.; Blyth & Yount, Inc.; Kuhn, Loeb & Co.; Merrill Lynch, Pierce, Fenner & Beane and Union Securities Corp. (jointly); Harris, Stuart & Co., Inc.; and Blyth & Yount, Inc. Texas Eastern Transmission Corp. April 27 stockholders approved a proposal increasing the authorized common stock from 1,750,000 shares to 2,750,000 shares. Underwriter—Dillon, Read & Co., Inc., New York. Texas International Sulphur Co., Houston, Texas April 20 company reported that the tender offer for common stock was dropped. Underwriters—The First Boston Corp., New York, were dropped in Trinidad, Ohio. Trans-Canada Pipe Lines, Ltd. March 26 it was announced that the cost of the building of the transcanadian gas pipeline pipeline would be approximately $292,000,000, which will be financed through the issuance of about 385,500,000 each of common and debenture and $14,000,000 of first mortgage bonds. Underwriters—Lehman Brothers and Wood, New York. Transcontinental Gas Pipe Line Corp. March 16 it was reported company plans later this year to increase the authorized preferred stock to $15,000,000. Proceeds to refinance bank loans necessary for new construction estimated at about $13,000,000. Underwriters—White, Weld & Co. and Stone & Webster Securities Corp., both of New York. Tri-Continental Corp. March 30 stockholders voted to reclassify 500,000 shares of presently authorized but unissued $6 cumulative preferred stock into 25,000,000 shares of a new class of preferred stock, $50 par value. Stockholders approved the retention of the $6 preferred stock at an appropriate time, when conditions warrant. Underwriter—Union Securities Corp., New York. Union Telephone Co. April 20 it was reported company plans to issue and sell $5,000,000 of convertible debentures. Proceeds—to repay bank loans and for construction of new service. Underwriter—Kidder, Peabody & Co., New York. West Coast Telephone Co. April 13 stockholders voted to create an issue of 100,000,000 shares of common gas pipeline would be offered in San Francisco, Calif. Western Telecommunication Co. Oct. 19 company reported that company new plans to issue $29,000,000 in 11-3/4 per cent debentures; net proceeds, $17,000,000 in 20-year, first mortgage bonds; and $34,440,000 in subordinate debentures and 1,410,000 shares of common stock to be sold to the public. Proceeds—to refinance existing debt on the Canadian Peace River field to western Washington and Idaho. Underwriter—Dillon, Read & Co., New York. West Texas Utilities Co. March 8 it was announced company plans to refund its existing debt on the Canadian Peace River field to western Washington and Idaho. Underwriter—Blyth & Yount, Inc., New York. Western Pacific RR. Co. Mar. 30 company reported that the ICC for exemption from competitive bidding on its proposed $22,500,000 series F investiture. Underwriters—Drexel & Co., Philadelphia, Pa., and Morgan Stanley & Co., New York. Wontspan Hydrocarbon Co. See Pioneer Natural Gas Co. above.
Our Reporter's Report

Happenings in the investment market the past week provided further evidence of growing confidence, the Montreal Underwriters and dealers as regards the outcome of the election and the fact that there have been a bit on the slow side. There is definitely less disposition to bid up prices and run when a given undertaking shows signs of hesitation, a little because of a difference of a few basis points in pricing ideas between underwriters and potential buyers.

On the contrary it appears that the "professionals" in the distributing business are now bullish and willing to take a position, confident that they will be able to sell and lay the basis at which they expect, the seasoned market comes up to the idea of pricing ideas.

Underwriters and dealers are taking down their participation in more recent bonds through other words, dividing up unsold balances and finding that there is an anticipated improvement in the general market.

Until recently such unsold balances had been customarily "left in the system" by companies to dispose of, usually by breaking the prices down to meet the intentions of those letting the issues seek their own level.

Current procedure creates something of a "corporate blue list," but the observance of the practice is only as a matter of time.

The aggregate of bond issues is formed by the same number of dimensions which promise to keep the market up to the hitherto tendency of the ability of underwriters to handle this.

Largest single undertaking is that of Pacific Gas & Electric Co., which, on the basis of the market price 63% of the $100 million of 30-year first mortgage bonds, the two groups are set to compete for this business.

Other Issues on Tap

Monday will bring to market $25,000,000 of first mortgage and refunding bonds put up for bids by Virginia Electric & Power Co. to provide funds for payment of notes and for new construction.

Five groups already have indicated their intentions of bidding for this issue and there is the possibility that a sixth banking aggregation will be in the running.

New York Central Railroad Company

Albany, N. Y., April 25, 1954.

The Board of Directors of the New York Central Railroad Company declared today a 12th quarterly common stock dividend of $3.80 per share on the common stock, payable June 15, 1954, to stockholders of record at the close of business May 15, 1954.

GEORGE SELLERS, Secretary

May 7, 1954

With Stifel, Nicolaus & Co., 105 West Adams Street. He was recently with Hornblower & Weeks and C. W. McNee & Co.

DIVIDEND NOTES

SOUTHERN AMERICAN GOLD & PLATINUM COMPANY 65 Broadway, New York, N. Y.

May 18, 1954.

A quarterly dividend of ten (10c) per share has been declared payable June 12, 1954, to stockholders of record at the close of business on June 1, 1954.

JOHN G. GREENE, Treasurer.

LION OIL COMPANY

A regular quarterly dividend of $0.50 per share has been declared payable June 15, 1954, to stockholders of record at the close of business on June 1, 1954. The stock transfer books will remain open until June 10, 1954.

ATKINSON, Treasurer.

NORTHERN SOUTHERN RAILWAY COMPANY

Common Dividend

The Board of Directors of Northern Southern Railway Company have declared a quarterly dividend of forty-two and one-half cents (42.5c) per share on its common stock of said Company, payable June 15, 1954, to stockholders of record at the close of business on June 1, 1954.

Cecil M. Self, President.

O'Kieop Copper Company Limited

DIVIDEND No. 20

The Board of Directors today declared a dividend of eight cents per share on the Ordinary Shares of the Company payable June 15, 1954, to the holders of record at the close of business on June 1, 1954. The dividend has been declared payable at the rate of 4%, and will be paid quarterly at the rate of $1.80 per share.

H. W. URSCHAL, Treasurer.

New York, N. Y., May 6, 1954

The United Corporation

Common and Preferred Dividend Notice

May 3, 1954

The Board of Directors of the Company has declared a semiannual dividend of 10 cents per share on the COMMON STOCK, payable June 15, 1954 to stockholders of record at the close of business May 24, 1954.

COMMON STOCK: 1,000,000 Shares

Preferred Stock: 200,000 Shares

PREFERRED DIVIDEND: 10.50% Preferred Stock.

Common Stock.

The Board of Directors of the Company has declared a semiannual dividend of 10 cents per share on the COMMON STOCK, payable June 15, 1954 to stockholders of record at the close of business May 24, 1954.

COMMON STOCK: 1,000,000 Shares

10.50 % Preferred Stock.

Wm. M. RICKES, President.

WASHINGTON . . . And You

WASHINGTON, D. C.—It is freely predicted at the Senate that the Banking Committee sometime around June 1 will be reviewing a bill tightening government-sponsored real estate mortgage credit — the direct opposite of the purpose of the Eisenhower Administration housing programs.

This, of course, is the consequence of the Great Housing Scandal of 1954. To the point, the direction, the weight of recommendations of the Eisenhower program were for easier mortgage credit. The exception was that at the direction of the President, FHA would guarantee loans to a greater than present rate of 95% of the cost, and impose much smaller down payments, and there are other classes of mortgages at 30 years. FHA states it also are threatened with defeat.

Defence Emergency Passe; stand it would be put upon the Department of Housing and Urban Development, and thereafter cut the maximum FHA guarantee. In 1951 a great fuss was kicked up about the crying need for more defense workers for the Korean defense emergency. It would be hard to believe that Defense Housing Act of 1950.

Last year production passed its peak under the Korean defense emergency, and is sliding down. But housing continues to be built under the Defense Housing Act. Some 95,000 units of defense housing was "programmed" under the Act. About three-fourths of it has been completed. Over 75% of the housing shortage has been started.

Hence, all the housing contemplated to meet the needs of the Korean defense emergency will probably be completed by the time that particular emergency has passed into history. Humphrey Hints More Exchequer Taxes Treasury Secretary Hump¬

Wealthy officials are talking about requiring every bidder to swear to the accuracy of his representations, and to be liable for any false statements over his costs. Thus the most efficient bidder can bring down costs to a minimum, because he knows that if they are not sufficient to handle a job, he will not be the bidder, and if they are not accurate, he will have to be liable for the cost of the job.

This is an important movement in appraising a home construction loan. The new idea is that the value of the house is to be placed on the books at a value that will be reduced if the borrower should default on the mortgage.

Mr. Humphrey rejected this constitutional amendment in a letter to Mrs. Parvin (N. D.), of the Senate Judiciary Committee, which bas it under consideration.

"Our tax system is under con¬

The strategy of the friends of labor was to enlist Southern Democratic conservatives behind the move to shelf Taft-Hartley act amendments. The strategy succeeded.

When it became apparent that the Goldwater amendment restoring some State regulation of labor relations had a good chance of passing, and that the House would pass no T-H amendments unless they were in the net restrictive of labor’s broad powers, the “lib¬

His having his pants pressed?”

"He’s having his pants pressed!"

Another easy credit proposal was that, at the direction of the President, FHA would guarantee loans to a greater than present rate of 95% of the cost, and impose much smaller down payments, and there are other classes of mortgages at 30 years. FHA states it also are threatened with defeat.

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