As We See It

An elaborate tax measure was some time ago passed by the House of Representatives. In a somewhat modified form it is now apparently well on its way to passage by the Senate. Here is a proposed law which is quite different from the usual tax bill of recent years or even decades. Instead of a literal raking here and there with the law already on the statute books, usually to raise this rate or lower that or to add or delete some impost or other to meet new revenue requirements or to appease this, that or the other pressure group, here is a measure which undertakes to "start from scratch" and rewrite our Federal tax structure from end to end. It has been a tremendous task, and one which has engaged the energies and skills of a great many specialists.

Many of the changes proposed are of a highly technical nature, whose results in actual practice may often not be definitely known until time has revealed them. Certainly, the consequences of many of them can not be foreseen with any great degree of accuracy by the great rank and file. Yet the finished work should reveal the application of a number of broad principles, and it is upon the question as to whether these basic considerations have been given full weight that the ordinary man must appraise the work of his representatives in Washington.

What are some of these basic principles? Obviously any full elaboration of the fundamentals of equitable and sound taxation could not be undertaken in the space available here. Some of the more important requirements can, however, be listed and analyzed. It will be found, of course, that some of these basic principles have been

Continued on page 32
The Security I Like Best

A continuous form in which, each week, a different group of experts is invited and advised to fill out from the fields of specific country participate and give their reasons for favoring or disfavoring 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.)

DONALD M. HALESTED
President, Donald M. Halsted & Co., Inc., Jersey City, N.J.

Suburban Propane Gas Corporation
5.75% Cumulative Convertible Preferred Stock, 1952 Series (Par $50)

This is a time when common stock dividends are usually low. When we consider the virile nature and constant growth of our economy, plus the many current inflationary trends, then the fact that the dollars in your account have lost in purchasing ability will buy much less than in 1920, plus many others factors are expressed numerous to mention. We are forced to conclude that they may not be investible. Therefore, we, after an almost steady five year clinch, with an immediate reaction of considerable size and duration, might be expected. For current investment, then, it seems wise to look for convertible preferred stocks of good growing companies in industries which have good defensive characteristics and in this way to gain a priority in interest protection, and, as hedging as far as possible against a probable move in either direction for common stocks.

Such an industry is that of distributing selling liquefied petroleum gases, commonly known as the LP-Gas industry. Suburban Propane Gas Corporation 5.75% ($200) cumulative, convertible preferred, in 1952 series, which the subject of this article, seems to be such a stock. Issued in November, 1952, for general corporate purposes, it ranks equally as to dividend and some other factors with other series of convertible preferred stock of the same rank, the issue has a value of $50. It is callable at any call and dividend per stock of $25, as of Nov. 30, 1956, the call premium decreasing 50 cents a share every two years until Dec. 31, 1967, after which the stock can be called at par. It will be delivered to common at any time before Dec. 1, 1962 at a price of $15.75 per share of common, or 2.50 shares for each 50 cents of preferred, and the rate of conversion is subject to adjustment under certain circumstances as protection against dilution. Although bonds may be issued, no stock ranking prior to this time may be authorized without the approval of the board of directors of the outstanding shares of the stock voting as a class.

Currently selling Over-the-Counter market at $25, to yield 4.91%, the 1952 series preferred is not comparable on a price-only basis above the value of its conversion privilege, as the common is trading at about 19 1/2.

Suburban Propane Gas Corp. was organized in late 1945 and acquired the propane gas business of the Halsted & Co. in New Jersey, New York and Pennsylvania and of the Phillips Division of the Phillips Petroleum Co. in nine states along the Eastern seaboard. The company reported for 1946, its first full year of operation, that its 88,000 customers purchased 120,000,000 pounds of gas, and the number of customer increased by 25,000 to a total of 113,000, which represented a 15% increase in sales.

This Week's Forum Participants and Their Selections

Suburban Propane Gas Corp. 5.75% Cum. Conv. Pfd.—Donald M. Halsted, President, Donald M. Halsted & Co., Inc., Jersey City, N.J. (Page 2)

Sheller, Sounds of gas had been sold; total revenues were $5,973,415 and pre-tax net $924,308. Growth has been constant since incorporation and has been augmented by important acquisition of local companies; the 1953 report announced that operating from this time to date has become conspicuous from the Crimson bond through South Carolina. The four categories listed above for 1946, have shown increases each year since that time. 1953 results having being as follows: Installations, 50,000,000 pounds of 33,000,000; total revenues, $29,842,928; pre-tax net, $1,035,675. Growth of four years as a practice of doing a substantial part of its financing through the sale of convertible issues, last seven years have been considerable variation in earnings per share of both preferred and common. From 1950,000,000 in 1946, the common increased in 1951, 1952, 1953, 1954, 1955, 1956, and 1957.

ROBIN L. WINKLER
Bernard, Winkler & Co., New York City

Members, American Stock Exchange

Sheller Manufacturing Corporation

In a recent address before the California Bankers Association, Mr. L. E. Sheller, President of the Company, predicted that the demand for new automobiles will be many millions cars a year until the year 2000. In the meantime, the company will continue to expand, which will create additional demand for automobile parts. This expansion is expected to result in a substantial increase in the company's earnings, which are currently about $5 million per year.

The statement made by the Ford Treasurer that there are millions of dollars invested in the company, and that the dividend is currently about $5 million per year, seems to be a bit high. The company has a long history of good earnings, and it is likely that the dividend will continue to increase in the future. However, the statement is only an opinion and may not be accurate.

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FOLDER ON REQUEST

National Quotation Bureau

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406 Street

New York 6, N. Y.
Investment Status of Atomic Energy

By NEWTON I. STEERS, JR.*

Mr. Steers characterizes the "civilian brothers" of the gigantic military atomic program as a pretty likely infant and that is growing rapidly. Estimates investments in the various segments of the Industry are in the billions of dollars. The expansion of uranium mining in the U. S. and abroad, and that uranium company stocks already put upon the market. Says commercial atomic energy should first be used for electricity at lower cost than coal, but warns that use of atomic fission for energy will not bring about a million of lower production costs.

Introduction

Investing in atomic energy is like buying into a field which is not only a long time but also a political monopoly. It is true that atomic energy is not yet here, but as far as electricity for every day use is concerned, the atomic sub is at hand. In January, 1954 the Atomic Energy Commission launched its first atomic powerhouse, the X-10, at Oak Ridge, Tennessee. It utilizes electric power derived from atomic fission. But apart from the X-10, there are other significant developments e.g. mining. It is true that large portions of the total national atomic program are government monopolies. But again the exceptions are very substantial.

Atomic power is a C-bomb, the H-bomb and the X-10 are the major policy decisions which have created the atomic race between last year and pie. The Atomic Energy, U. S. Congress, May 11, 1954, Atomic Energy Commission, operation has been brought up-to-date as of June 21.

Science's gigantic military off-springs has no civilian brother. A little known fact is that a pretty healthy infant by any normal standard attention has been given to the portion of the industry in which it may properly be said a member of the public may invest, and with a responsible chance that his investment will fare better than the average investor. In the extent that is clear that the field of atomic energy undergoes much rapider growth than the average investor, a responsible one may choose to invest his money in the future of this country's energy, and give it a fair chance to become a part of the Atomic Energy Industrial (thorium, beryllium uranium, etc.)

Atomic energy is capable of so many explanations to the public concerning this industry. It has been made up of segments below, roughly equivalent terms of annual gross sales as shown in Table I. Support for these figures are given below.

Table I

| Segments in Which Investments Can now be Made | 1 Billion | Uranium (thorium, lithium, beryllium, etc.) mining and processing | 225 | Processing of radioisotopes |
| Segments Not Yet Available for Investment | 950 | Commercial atomic power | 200 | Fission product sterilization of drugs and materials |

Additional Articles in Section Two

SECTION TWO of today's "Chronicle," devoted to the 23rd Annual Convention of the Investment Dealers' Association of Canada at Jasper Park Lodge, Jasper, Alberta, includes the following articles:

1. Economic Trends in Canada—Gerard Giorgino
2. Let's Treat Securities as a Commodity—Willard Silver
3. Investment Policies of Canadian Life Insurance Companies—P. S. Bower
4. Investing in a Canada—W. T. Moran
5. Canadian Stock Market Enlarged—H. Atkinson
6. Canada's Bank Among Industrial Nations—F. Cyril James
7. 25 Years of Progress for Canada—W. A. Mathur

Dollar Gap Shrinking, Says Marcus Nadler

Treasury Reports Reduction in Gold Outflow

New York Accountants Predominantly Optimistic

Impact of Electrons on Bank Operations Emphasized

FRB Announces Reduction in Bank Reserves

Construction Outlays to Reach New High in 1954

Regular Features

As We See It (Editorial)  Cover

Bank and Insurance Stocks  48

Business Man's Bookshelf

Canadian Securities

Coming Events and Bank Operations—Emphasized

Dealer-Broker Investment Recommendations

Einzig—"Installation Purchase Price in Britain"

Earnings Headed for the News—H. Bardugon

Indications of Current Business Activity

Mutual Funds

NEXA, Wall Street

News About Banks and Bankers

Observations—A. Willard May

Our Reporter on Governments

Our Reporter's Report

Public Utility Securities

Railroad Securities

Securities Now in Registration

Prospective Security Offerings

Security Salesman's Corner

The Market . . . and You—By Wallace Streeter

The Security I Like Best

The State of the Trade

Washington and You

*This material was presented by Mr. Steers in the Science and Energy, U. S. Congress, May 11, 1954. Steers is a member of the Atomic Energy Commission.

Federal Uranium Corp.

Lisbon Uranium Corp.*

Rohr Aircraft

Seneca Oil Co.

Victoreen Instrument Co.

Vitro Corp. of America

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Making Credit a Household Word

By IRA U. COLEIGH

Economist

A brisk resume of the growth of personal finance, and a particular salute to the 76-year-old pioneer in this industry—

Household Finance Corporation.

There was a time when money and credit were expensive, in part because of the costs of lending and the costs of borrowing. Today, for the most part, these costs are minimized, making money and credit more accessible to the average person. Much of this change is due to the growth of personal finance and the development of financial institutions.

In 1918, the Uniform Small Loan Law was first enacted in Michigan, and it was followed by similar laws in other states. These laws allowed for the establishment of small loan companies, which began to serve a growing number of people who needed small loans. These companies took advantage of the opportunities presented by the new laws and quickly expanded their operations.

Today, there are over 20,000 small loan companies in the United States, providing a range of services to millions of customers. These companies have developed a wide range of products and services, from payday loans to installment loans, to meet the needs of their customers.

One of the pioneers in this industry was Household Finance Corporation, founded in 1926. The company was established to provide personal loans to people who were not eligible for traditional bank loans. Household Finance Corporation began by offering loans to voters who had been turned down by banks because of their credit histories or income levels.

The company's founders, Frank and Sarah Fuld, saw the need for a new type of loan company that could offer affordable credit to people who were being turned down by traditional banks. They established Household Finance Corporation to fill this need, and the company quickly began to grow.

In the years since its founding, Household Finance Corporation has expanded its operations and has become one of the largest and most respected personal finance companies in the United States. The company is now owned by Nationstar Mortgage, LLC, and it continues to offer a wide range of personal finance services to its customers.

The company's founders, Frank and Sarah Fuld, were visionaries who recognized the need for affordable credit for people who were being turned down by traditional banks. They established Household Finance Corporation to fill this need, and the company quickly began to grow. Today, Household Finance Corporation is one of the largest and most respected personal finance companies in the United States, offering a wide range of services to millions of customers.

A "Blue Chip"

We should also mention that Household Finance has been, and is, a fine Blue Chip stock. From March 31, 1953, to March 31, 1963, Household Finance stock sold for a range of $1 to $2 per share, and dividends ranged from $1 to $2 per share. The stock price on March 31, 1963, was $1,257 per share.

Household Finance Corporation was one of the pioneers in the personal finance industry, and its success is a testament to the importance of providing affordable credit to people who need it. Today, the company is one of the largest and most respected personal finance companies in the United States, offering a wide range of services to millions of customers.
The Economic Picture at Mid-1954

By EMERSON P. SCHMIDT
Director of Economic Research
department of Commerce, United States

Ascertaining maintaining prosperity is our most important single domestic problem. Dr. Schmidt points out this task has been eased by progress in our understanding of the business cycle. We have moved away from the extreme economic research and forecasting, no one can be sure where we are moving, since there are constructive as well as expansionary forces present. Stressing strong basic business confidence as supporting future growth, and giving statistical data on current economic situations. Refers to presence of built-in stabilizers and bulwarks against depression.

In mid-1954 the forces of expansion and contraction are roughly in balance. The basic economic indicators have been buoyed and continuing, moving in opposite directions. We have moved away from the Korean super boom to the present periphery! But we are in a recovery period. The maintenance of prosperity is our most important single domestic problem. If we can achieve this goal, then all other domestic problems will be more easily simplified. In terms of both individual well-being and national security, sustained high levels of productive employment and business prosperity are of top importance. Tremendous progress has been made in our understanding of the business cycle and economic fluctuations. A veritable revolution is in progress which has occurred on two fronts: (1) Due to intensive study and analysis, economists now appear to have made enormous progress in diagnosing the analytical (and diagnosis must precede prescription); (2) This understanding has extended to many citizens. As Arthur B. Burns, Chairman of the Economic Advisers, said in his Columbia University Conference address: "Since 1929 this knowledge of the few has become the knowledge of the many." This does not mean that students of social problems have made a move away from such events, or on the proper prescription. (But such diversity is not confined to economists and their subject matter is not subjected to the over prescription of many individual firms seeking to forecast their own sales and prices superior to the most intricate and labor of the methods of the trained economist or econometrician.

Such talk is difficult. Indeed, there seems to be a need for new economic law of necessity and the need for new economic laws on the basis of past forecasting. This is understandable. A forecast is held and with the movement in the other direction with negative consequences. Even if a forecast is not perfectly accurate, we know that the forecasters are reacting to the facts on the part of government and business management, or of consumers.

Furthermore, our world is full of instances where a forecast was not seen, and of surprises. For these reasons, economists are more ready and alert. Consider the economic forecasts approach the subject with humility. In spite of the feasible forecasting, a large number of business must forecast in terms of their inventory and procurement policies, their prices, capital budgets, etc. (Indeed, even the most humble consumer with a modest income must go by the same appraisal and judging processes.)

Contractive and Exponential Forces At Work

It is rarely possible to identify major weaknesses or new sources of strength. The tools of economic theory in advance. But they are still valid in 1954, as recent events of strength have steadily become the "new economic law" in spite of the gloomy predictors. Today, more of the economic indicators are showing signs of recovery. The 8 "predisposing" indicators of the National Bureau of Economic Research are as follows: 1. Employment. This is the same as the 8 "coincident" indicators, and all but the wholesale prices are pointing downward. Nevertheless, the outlook is one which we feel that points to serious contraction which is likely to be favorable for the outlook in the near future. The future remains bright. The prices of major commodities have been increasing at a rapid rate in recent years as a depression occurs. While prices always tend to be flexible and adjustable, the cumulative spiral of rapid increases in this area in which we emerge from the current period will increase the present prices to be higher. The future is as bright, not quite as grim, as it was in 1935, is likely to be our best year in history. In terms of total employment and general economic activity.

The contractive forces are widespread and have moved into a highly favorable longer-range period. "The bidity" of the Chrysler Corporation, mentioned by Dr. Schmidt, states: "In the w the amount of bearish talk we have heard in recent months would have been enough to send the economists into a tailspin. All bets about the future would have been called off. Plans for business expansion cannot be cancelled. But what do we actually face today? It is looking beyond the adjustment of the economy to long-range prosperity.

There is a basic business confidence today stronger than at any time in the recent past. This encourages forward planning. The idea of growth is now deep-seated almost universally. The idea that capitalism is washed up, and the stagnation thesis of Harvard University and the University of Pennsylvania, are all dead. Professor Benjamin Higgins and a few other Keynesian economists are doing what they can to keep the stagnation thesis alive. The strong movement in the other direction with negative consequences. Even if a forecast is not perfectly accurate, we know that the forecasters are reacting to the facts on the part of government and business management, or of consumers.

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"Observations"

A. Wilfred May's Column for this week. Mr. May is attending the Phila. Conference in Puerto Rico with New York Mayor Wagner's party.

has contributed greatly to the orderliness of the readjustment process. Inflation has not only been checked but, in our judgment, it will be lower at the end of the year than at the beginning of the year. The economy is in a recovering period. The maintenance of prosperity is our most important single domestic problem. If we can achieve this goal, then all other domestic problems will be more easily simplified. In terms of both individual well-being and national security, sustained high levels of productive employment and business prosperity are of top importance. Tremendous progress has been made in our understanding of the business cycle and economic fluctuations. A veritable revolution is in progress which has occurred on two fronts: (1) Due to intensive study and analysis, economists now appear to have made enormous progress in diagnosing the analytical (and diagnosis must precede prescription); (2) This understanding has extended to many citizens. As Arthur B. Burns, Chairman of the Economic Advisers, said in his Columbia University Conference address: "Since 1929 this knowledge of the few has become the knowledge of the many." This does not mean that students of social problems have made a move away from such events, or on the proper prescription. (But such diversity is not confined to economists and their subject matter is not subjected to the over prescription of many individual firms seeking to forecast their own sales and prices superior to the most intricate and labor of the methods of the trained economist or econometrician.

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What's Ahead for American Business?

BY ION, SNICLAW WEAVER

Secretary of Commerce

Sey. Weeks, asserting answer to business outlook depends on public, to prevent depression and, secondly, to construct a base for a long period of growth and prosperity. Decrees the changes that Miller has made, but though slow, is being made to stimulate business activity and to make jobs. Appeals that New Dealers, labor agitators, and professional radicals of deliberately trying to scare the depression.

The answer to what's ahead for American business depends on a great extent of the Federal Reserve Bank of St. Louis. That program, I sincerely believe, is the most comprehensive of the most effective program that the American public can offer anyone. People, its economic aspects concern the American economy, and this joint first-to-secure the current period. Once said, the situation a snowballing into a depression and secondly—to convert this into a business enterprise—into the base for a long period of growth and prosperity.

I shall discuss this program and also attempt to spell out some of the things we have been attempting to do. The record is but a prelude to what we hope to produce as we go along with our program.

Complaints Against the Administration

Let me point out very frankly, however, that there are in the country today potenial advocates of two different courses, each utterly antagonistic to the other, who sharply contemplate the methods we shall use.

One group objects because the millenium isn't speeding fast enough in the United States.

Recently, a representative of this group, a Republican of substance and influence, remarked to one of us, "Don't count on me for any support. I can't stand what you fellows are doing in Washington. You haven't balanced the budget. You're still in debt with private industry. In fact, you behave like a bunch of New Dealers—a little bit cleaner but worse off.

I think perhaps if some of this group could find out exactly what we have faced and exactly what we have been doing and why, then they would see things in a slightly different light. For their benefit I shall attempt to spell out a few of the facts so that others have not found them in Washington.

There is another group which does not approve of our current course. They are wines, and spokesmen still crawl a haw haw over our inactivity of their own brand of radical voting schemes.

The spokesmen of this group continue their falsehoods about business, and are filled with class hatreds and long for the day when they can once more fasten controls on our economy and reduce it to a completely regimented society.

We were sent to Washington to bring bonce and efficiency to the conduct of the government and to provide those impotent for progress 10 years on the road to so-called—there can no more abrupt change in the character of the government than for the people to expect that the government will suddenly be able to do things as well as to do it by the same methods as before. The local loop holes permit Communists to escape and the Administration is recommending to Congress a list of tougher measures to complete the bill of safety. Can these plans be stopped by Communists as Herbert Brownell Jr. and J. Howard McGrath?

A variety of safeguards against over-ambitious new business and poverty in old age affects not only the victims but those who are afraid similar plight. It appears that you produce a self-interested fear about the specter of Communism, and that a reasonable relief from anti-Semitism, industry, increases productivity and stable consumer spending.

What are the possibilities? For political gain and for no other reason a considerable group of New Dealers, labor agitators, and professional radicals, who have been deliberately trying to scare the public, will be heard.

We are getting the government out of the business world. We are creating a cli...
$93,510,000
New Housing Authority Bonds

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

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

Quotation from an opinion of the Hon. Herbert Brownell, Jr., Attorney General of the United States, to The President of the United States, dated May 15, 1933:

"IN SUMMARY, 1. A CONTRACT TO PAY ANNUAL CONTRIBUTIONS ENTERED INTO BY THE FHA IN CONFORMITY WITH THE PROVISIONS OF THE ACT IS VALID AND BINDING UPON THE UNITED STATES, AND THAT THE FAITH OF THE UNITED STATES HAS BEEN SOLEMNLY PLEDGED TO THE PAYMENT OF SUCH CONTRIBUTIONS IN THE SAME TERMS ITS FAITH HAS BEEN PLEDGED TO THE PAYMENT OF ITS INTEREST-BEARING OBLIGATIONS.

1 Public Housing Amendments. United States Housing Act of 1937, as amended.

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

Legal Investments, in the opinion of counsel to the Underwriters, for Savings Banks and Trust Funds in New York and certain other States:

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<th>Bonds Issued by Local Public Agencies which are, or are located in:</th>
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<td>$1,855,000 Beaver County, Pennsylvania</td>
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<tr>
<td>$3,340,000 Stamford, Connecticut</td>
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<tr>
<td>$5,700,000 Cincinnati, Ohio</td>
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<td>$7,360,000 Philadelphia, Pennsylvania</td>
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Maturities, Rates, Yields and Prices

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<th>Scale A</th>
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The Bonds of each issue will be callable ten years from their date at a call price of 104 and accrued interest, and thereafter, at the times and call prices, as stated in the Offering Prospectus. The Bonds are being offered, subject to, and are, as if issued and received by us, and subject to approval of legality, with respect to each issue, by bond counsel to the underwriters. The offering is not made hereby, but only by means of the Offering Prospectus, copies of which may be obtained from each of the underwriters and other registered dealers in this State.


Canada—Monthly commercial letter containing articles on Canadian business and industrial conditions—Business Development Department, The Canadian Bank of Commerce, 25 King Street, West, Toronto, Ont., Canada.

Canadian Commerce Stocks—Analysis—Wood, Gandy & Co., Inc., 14 Wall Street, New York 5, N. Y.

Canadian Economy—Monthly business review—Bank of Montreal, Montreal, Que., Canada.

Canadian Review—Monthly reviewing Canadian financial affairs relating to world trends—The Bank of Nova Scotia, 44 King Street, West, Toronto, Ont., Canada.


Industrial Opportunity in Canada—Booklet—Superintendent of Foreign Business, Imperial Bank of Canada, Toronto 1, Ont., Canada.

Industry and the Atom—Revised edition—for banks and dealers—Frederick, Singer & Co., 74 Trinity Place, New York 6, N. Y.


Japanese Industrial Opportunities in Japan—Circular—Yamaichi Securities Co., Ltd., 111 Broadway, New York 7, N. Y.


Monthly Review—Trading data on the more than 1,000 issues listed on the Toronto Stock Exchange—The Toronto Stock Exchange Bulletin, 40 Ontario St., Toronto, Ont., Canada.

Over-the-Counter Index—Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow Jones Averages and the 25 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance since 15-year period over a National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Raits—List of securities selling above 1946 high—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y.

Utah Area Resources—Booklet—Dealers—M. Utah Power & Light Co., P. O. Box 889, Salt Lake City 10, Utah.

Utah Uranium—Data on 43 companies—J. A. Hogle & Co., 50 Broadway, New York 4, N. Y. Also available is an analysis of the mines producing Uranium.

Beneficial Loan Corp. — Data—Rach & Co., 36 Wall Street, New York 5, N. Y. Also in the same bulletin are data on Mifflin/Genex Corp. and Grand Union.

Beverage Franchises, Inc.—Anatomy—Richard & Co., 744 Broad Street, Newark 2, N. J.

Century Long Distance—Limited—Analysis—Franklin, Meyer & Barrett, 126 Broadway, New York 5, N. Y.

Central Indiana Gas Company—Analysis—New York Hanseatic Corporation, 120 Bay Pl., New York 5, N. Y.

Collins Radio Co.—Memorandum—Lee Higgins Corporation, 231 South La Salle Street, Chicago 4, Ill.


I. G. Farben Succesor Companies—Information—Oppenheimer & Company Inc., 544 Bay Street, Toronto 1, Ont., Canada.

Floresville, Texas Electric Light and Power System First Mortgage Revenue Refunding Bonds — Descriptive circular —

NOMURA SECURITIES COMPANY, LTD.

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Bank for Foreign and Domestic

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Arthur H. Gilbert

Broadway, N. Y. 6, N. Y.


With Slayton Staff

(513) 555-1111

With Slayton In Dayton

(513) 555-2222

Arthur H. Gilbert passed away at the age of 73 after a long illness. Prior to his retirement, he was a partner in Spencer Truax & Co.

Chester J. Cadle

Cleveland, Ohio

Chester J. Cadle has become associated with Cruttenden & Co., 516 North Commercial Building, 1235 East 8th Street.
Stressing the progress abroad toward a freer and healthier and more equal world, President Andrew Waller sees in this improved opportunities for American exports. Calls attention to increased gold and dollar assets held by foreign central banks and commercial banks as a sign of American investments abroad. Says we must be prepared to increase imports, and emphasize importance of a general return to convertible currency.

"I should like to talk about discontinuing our look for foreign trade. Since increased security of the present is sometimes uncertain. It is usually hazardous to talk about the future—particularly in an often unhappy world, marked by co¬ operation, trade, and economic ties.

"Our foreign economic policy objectives are the counterpart of and are closely related to our dom¬ estic economic policy objectives as well as our national security aims. Our task in the free world is so to organize and conduct our own economy as to foster mutual cooperation, military, political and economic strength and dynamic pro¬ gress under a combination of demo¬ cratic political freedom.

"That we believe that adequate defense against the forces of the inter¬ national economic conspiracy can be maintained here in the free world only if we are supported by sound and competitive economics marked by dynamic growth and progress toward freedom and full employment.

"We must encourage a wide¬ spread investment—in short, a world of free enterprise, of mutual beneficial interna¬ tional trade and investment—instead of the restricted competitive one we have known.

"Our foreign economic policy is therefore directed toward economic stability and growth—toward greater freedom from gov¬ ernment interference and control for the individual to pursue his own interest, spend his own money, and live his own life. We must encourage initiative and freedom and maintain our domestic and our foreign economy.

"This is the policy of the Federal Reserve System. Our primary concern is to maintain the free world.
Krisman, Wells Join
Mackinney, Legg & Co.

Electronics as an Aid
To Law Enforcement

By BRIG. GEN. DAVID SABNOFF
Chairman of the Board, Radio Corporation of America

Gen. Sarnoff reviews role of electronic devices in the prevention and detection of crime and in aiding law enforcement. Explains uses of radio and televsion in protecting life and property, as well as their value in gathering evidence required by law enforcement agencies. Holds, through dual service of high-and-low broadcasting, America has greatest medium of mass communication in the world, and still more valuable items as a means of police work. When wireless was introduced, there were skeptics in all countries of the world who said wireless would be no use for police. They argued that it involved privacy, that even the criminal who intended to commit a crime in some remote place rathet rather dramatically spelled things years ago. The first spectacular use of radio to capture a fugitive 'took place far back in 1913. Think you may find the story interesting.

The captain of the ship became suspicious of the pair and wired the police in Island Yard. A Chief Inspector immediately boarded the ship and used the "LAURIE," the thrilling race against the element of time. Forces of lawlessness have challenged the radio and television, a new dimension in the protec¬ tion of the globe. Political gang¬ sterism has been reduced to a few dimensions of a workshop, dis¬ guerring a gigantic mass of weapons, materials, men, problems to hold our civilization together. Far beyond. Govern¬ ment itself, responsive to the immediate and the long-range and the immediate, this problem of the police, radio, television, emerges one of the human problems of our time, the law, so that it could reach out into the world, to bring law¬ breakers to justice.

Today almost 6,000 law enforce¬ ment agencies use two-way radio, and a total of 100,000 vehicles are licensed by police units to operate privately. The Police Department alone uses 19,000 radio-equipped vehicles. Virtually all cities with a law enforce¬ ment department have adopted the system. Police officers are now equipped with the two-way radio system, and every state police force has a program.

Tunepipe Communication

You men are aware of the im¬ portance placed by the Army on communication in the air¬ force. In Pennsylvania and New Jersey, where turpinpipes are now in use, the electric with a two-way radio trans¬ mitted radioo rdi o c ommunication systems have been installed. They provide instantaneous communication between all radio and television. con¬ trols for communication purposes. The Army’s share radio¬ pipe radio communication systems are being phased out, but tunepipes will remain. They provide instantaneous communication between all radio and television. con¬ trols for communication purposes. The Army’s share radio¬ pipe radio communication systems are being phased out, but tunepipes will remain. They provide instantaneous communication between all radio and television. con¬ trols for communication purposes. The Army’s share radio¬ pipe radio communication systems are being phased out, but tunepipes will remain. 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dar as an arm of the law are being...

You all remember the day when about the only means of pictorially presenting crime was a picture on the bulletin board in the police station, in the 1950s, or in newspapers. In the television age, however, all pictures are screened for identification on more than 30 million TV sets throughout the United States. Photographs or fingerprints can be flashed in split seconds upon the screens of ten million or more TV sets, with a performance far superior to that of the film developed by Dick Tracy, in that he'll be equipped with a talkie into which he can talk to buy a picture or a house, and the cost will be paid for him. A recent item from the New York Times tells of a picture of a suspect that was flashed on the screens of 10,000 TV sets in a single day.

The FBI's new line-up of犯罪嫌疑人 does not just show their faces, but also includes information about their previous convictions, if any, and their fingerprints. This is an important step towards improving the accuracy of criminal identification, and it is one of the reasons why the FBI is now able to process more than 10,000 line-ups a month.

The new system uses a combination of inquisitive questions and video images to help law enforcement agencies identify suspects. The system is also designed to allow for more accurate and consistent comparisons between images, helping to reduce the number of false positives and false negatives.

The FBI's line-up of犯罪嫌疑人 is not just a tool for catching criminals, but also a way to keep communities safe. By improving the accuracy of criminal identification, the FBI is able to solve more crimes, and bring more criminals to justice. This is a win-win situation for everyone, and it is a testament to the power of technology in the fight against crime.
Railroad Securities

New York, Chicago & St. Louis

The rail market continues to give a good account of itself, particularly in the better quality sections. The Dow-Jones rail average last week climbed new high ground for the year on volume and was only nominally below the peak reached in 1952. Buoyancy of the averages is all the more impressive if you bear in mind that relatively poor market action of many of the stocks included therein is taken into account. Erie and Pennsylvania, for instance, are still selling within fractions of the 1954 lows and a number of others have not done much better. This unusual selectivity on the part of investors and speculators is considered by railroad analysts to be highly significant and favorable.

One of the better grade rail stocks that has been getting increasing attention recently has been New York, Chicago & St. Louis (Nickel Plate) common. This recent pick-up in buying interest can probably be traced, at least in part, to the company announcement that it is planning to call part of its 6% preferred stock issue for redemption. The company will take out a bank loan of $3,500,000 to secure the redemption. In consequence, the money received in the exchange of some property to the City of Cleveland, bonds that are to be used to retire short, will be set aside for redemption of the preferred.

In addition, it is believed that the company is on the point of making a change in its policy, but details as of the end of the last year, and the savings in preferred dividends will not add significantly to earnings on the 2,039,624 shares of common stock, but will raise the value of the company to embark on such a project at this time is viewed as a distinctly constructive development. Most analysts feel that this will prove to be an isolated step but that once the ball has started rolling the program may be continued and expanded.

Nickel Plate has traditionally been one of the more efficient and profitable rail carriers in the country. It has had its troubles in the past but largely these stemmed from recurring bond matures in the depression decade and not from any lack of earning power even in the 1930's. The new interest in the company's problems was apparently caused by the realization that the company was in a very strong, cash position and that it was a company well able to stand a bond maturity of $175,000,000 in January, 1954, company's capitalization consisted of $1,750,000 of 4% note to an insurance company payable semiannually at the rate of $75,000 with final payment due in 1957 and 633,290 shares of $1 par common stock. Current assets were $14,650,792, of which $5,328,676 was in cash and U. S. Treasury bonds, and current liabilities were $3,375,431, providing working capital of $11,970,364. The operating ratio of better than 4-to-1 is another example of tightness that management. The stockholders' equity are such a balance is $30 million.

The dividend situation has been one of the company's outstanding features. The dividends have been left untouched for five years, the last dividend being paid from 1933 to 1948. The present rate of the dividend rate may be an indication of the management's desire to give stockholders greater benefits. Regardless of this latter aspect, the company's sound financial policies will serve as solid foundation for the years of growth and expansion ahead.

Currently selling in New York Stock Exchange at 18, with a yield of 7.5%, Nickel Plate seems to make a sustained and attractive proposition at the present from the point of view of income and long-term growth.

Two With Merrill Lynch

The combination of the two is a near-perfect match. 

The announcement is under no circumstances to be construed as an offer to sell or as a solicitation of any offer to buy any of these securities. The offering is made only by the Prospectus.

New Issue

June 24, 1954

40,000 Shares

Maine Public Service Company

4.75% Preferred Stock ($100 Par Value)

Price $50 per Share

Merrill Lynch, Pierce, Fenner & Beane
Hayden, Stone & Co.
Hornblower & Weeks
Lee Higginson Corporation
Laurence M. Marks & Co.
H. M. Payson & Co.
G. H. Walker & Co.
Ira Haupt & Co.

The Prospectus may be obtained in any State in which this announcement is published, and only on request. Persons interested in this offering of securities should address the company or brokers as may lawfully offer these securities in such State.

From Washington Ahead of the News

By CARLISLE RAGGERON

Almost unnoticed in the welter of Washington controversy and debate, President Eisenhower has sent an Administration policy which would have a tremendous impact on the waterways of the nation. Since when other federal agencies have they have been authorized and appropriated for on the whole $35 to $37 in January, 1954, the company's capitalization consisted of $1,750,000 of 4% note to an insurance company payable semiannually at the rate of $75,000 with final payment due in 1957 and 633,290 shares of $1 par common stock. Current assets were $14,650,792, of which $5,328,676 was in cash and U. S. Treasury bonds, and current liabilities were $3,375,431, providing working capital of $11,970,364. The operating ratio of better than 4-to-1 is another example of tightness that management. The stockholders' equity are such a balance is $30 million.

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Components of Prosperity

By CARROL M. SHANKS

President, The Provident Insurance Company of America

—Claiming, in the absence of war, intelligent management of our economic and monetary systems, that the Federal Reserve's new forecasts will have peace. Lay down as prosperity factors:

(1) intelligent, far-sighted fiscal and monetary management;
(2) a degree of business optimism;
(3) maintenance of public confidence, along with a continu-

ous lifting of human wants.

Says inflation has resulted from unwise fiscal and monetary policy, and concludes "confidence is a major ingredient..." for business for rest of year.

Today I want to talk about prosperity. This is a good time to do it now. You see, we find ourselves in a period of our history, and too much hope on the part of our enemies that a serious depression will follow on the heels of the cripplng blow to their financial system in 1918. Fortunately, we can't!

Carroll M. Shanks

Volume 179 - Number 5336 - The Commercial and Financial Chronicle

1279

This means almost anywhere, in Can-

ada and the United States. And I have become, as it were a majo-

r supplier of raw mate-

rials, a producer of fine, t can be a development of great im-

portance to your economy.

Another factor where technical competence is lacking or which has vast long-range economic effects is in the application of science to food production. If past performance is any indication, those who do not create properly to come in technology applied to food production. We already have wheat that can be cultivated to survive under all sorts of adverse conditions, to have a high degree of immunity to pests and diseases and to produce more tons of finished flour per acre than farmers and millers 50 years ago would have thought possible. It has been stated by competent observers that one of the most important developments of the next few decades will be the expansion of the wheat belt well up into the Arctic Circle. Your North Country is expected to become an important source of food for a world that is rapidly outgrowing its food supply, despite current surpluses in the United States and Canada.

In the South, too, there are im-

portant developments. For ex-

ample, a new breed of beef cattle has been developed in Texas to meet the demand for lighter, leaner, and more attractive cuts of meat. It is said that this development of the Gulf Coast country, where livestock production is predominant, is only one of the results of this and the development of the Gulf Stream. The entire South has become an important source of food, and the future is probably still more hopeful than it was unthinkable 20 years ago.

The science of chemical addi-

tives—如何看待? whether it is another advance that is changing the food-atomic industry. These additives—hormones, vitamins, antibiotics—have changed the entire field of agricultural science. They are a source of considerable pride in South Carolina. Widespread adoption of scientific farming, the entire country, is an improvement that thought possible even 10 years ago. We recently heard from the South Carolina commissioner of agriculture that the number of farmers in this state is decreasing, but the number of animals of all kinds is increasing. With today's scientific feeding, the number of starting animals that will grow to maturity and the usable food content of these animals, is it possible that we are be-

eld anything thought possible even 10 years ago.

Price has a strange way of changing—turning abrupt corners and coming up entire series of events.

Continued on page 31
Instalment Purchase Expansion in Britain

By PAUL KINZIG

Noting growing use of instalment purchases in Britain during recent months, despite government opposition, Dr. Kinziger points out that the instalment purchase system is now well established in Great Britain, and has become an important factor in the nation's economy. Says this development is result of the Welfare State philosophy, which eliminates need for individual credit.

LONDON. Eng.—There has been a remarkable increase in the volume of instalment credit purchases transactions in Britain in recent times. This is in spite of the fact that the government remains unfavorable to this type of credit, and refuses to relax the restrictions placed on instalment purchases in the United Kingdom as a means of discouraging consumer demand. The total of hire-purchase contracts was in May about 33% higher than in May of a year ago. The available statistics cover only semi-durable goods such as private motor vehicles, commercial motor vehicles, industrial and agricultural equipment, aircraft, etc.

No figures are available concerning non-durable household goods and other consumer goods, but there is reason to believe that the amount of instalment purchases of radio and television sets has shown a sharp rise, owing to the expansion of television in Britain during the past 12 months. For better or worse, the instalment purchase system has established itself in Britain. Even though its total extent bears no comparison with the United States, it has certainly become a factor of importance in the British economy. A large number of finance companies specializing in hire-purchase finance have been established since the war. Most of them command but modest returns on their operations, but there is by no means insurmountable. The explanation of this increase in the popularity of instalment-purchase business is partly in the development of the work sets. The average incomes of the lower income groups are now higher than before the war, even after allowing for the increased cost of living. This means that many people are in a better position to buy goods beyond the bare household necessities for current consumption. They have not the ready cash, but their current earnings leave a sufficient margin to cover the commitments regarding instalment payments on television sets, motor cars, etc. They are willing to assume such commitments because of the prospects of continued full employment. Many workers were afraid of buying on deferred payment against the ever-present risk of being unable to keep up the monthly instalment payments on their new goods. Today that risk is considered no longer insurmountable.

For the same reason, and also as the result of the expansion of social security benefits, overtime earnings, war bonuses, etc., many workers are now in a position to purchase their "rents" for "rainy days." Before the war, many heads of households considered it necessary to put aside some money their duty to set aside some money for house repairs, for emergencies, and to provide money for unexpected expenses that would be incurred by the family. This contingency is now covered by the National Health Service. Old age pensions have removed the need for saving for old age, even if their inadequate amount has not removed the need for a second mortgage. It is also probable that to which lower income groups are now covered by social security benefits, they can afford to spend on the form of instalment payments. This tendency to extend the range of instalment purchases are confined to the higher wage brackets. In the wider sense of the term, instalment payments are often the only very useful purpose. They assist in increasing the productivity of the individual, which is the basis for increasing his purchasing power instead of his income. It is to be expected of the advancement of the rate of growth in the nation's economy and to the increase in the absence of hire-purchase consumption.

When it comes to semi-durable consumer goods, demands are entertained in many quarters about the advantages of the system. It is certain to stimulate consumer demand. For if one has to pay interest on the amount borrowed, the saving power is still excessive, in the given government's efforts to mop up some of the surplus. It is bad enough if a large section of the community lives beyond its income by mortgaging their future earnings. There is everything to be said for the anticipation of covering essential requirements. The government is encouraging mortgages on houses through the insurance companies. Under a recent scheme this has been extended to cover cases of essential furniture and household goods also.

When it comes, however, to the scale-sale purchase of motor cars and television sets, in the instalment system, there is a strong argument, the extension of credit, and its for that purpose. It is true, it contributes to the prosperity of many consumer industries. But it does exaggerate domestic demand, and thereby reduces the inducement for these industries to work for export. It is much too easy to find buyers at home, and there is less pressure on businessmen to face the difficulties of selling abroad. Moreover, the steady increase of the number of motor cars has raised the question of replacing the quarsity of the road system to cope with the larger traffic. There is no assurance that the government will act to spend more money on road construction. Under full employment, however, it would necessarily produce an inflationary effect, in addition to diverting more productive resources from export trade to domestic requirements.

 Continued from page 4

The State of Trade and Industry

Steel Output Scheduled at 72.6% of Capacity This Week

You can expect steel output to be running at a pretty good rate this week. The summer vacation period for the stacker activity a little, but the effect won't be sharp, says "Steel"

Business can't help but be good with so much construction going on at present, and it will no doubt continue at a high rate. Contractors signed up more new business during May than ever in that month. Those contracts will provide work and require materials over the next several months, and, in some cases, into next year. A private agency keeping a record of construction says dollar volume of heavy construction contracts in May of this year was 33% over that of the comparable month a year ago and 25% above that of April of this year. The United States Departments of Commerce and Labor report that new construction put in place rose seasonally to a May record of $1.1 billion and marked a new record for the first five months of this year of $13.2 billion. The entire steel industry results from unprecedented activity in construction of office buildings, shopping and service establishments, schools, churches, public utility and water and sewer lines and roads, this trade continues.

The iron blast furnace is reflected in steel shipments. "Steel" points out, statics in construction tonnage were counted for 20.1% of all of the finished steel shipped by mills in April and April shipments were higher than April last year. Although mills' total April shipments were lower than they were in April last year, the advantage to construction and contractors' products went almost exactly the same, April last year. The comparisons are: April of this year, 1,017.6 mil. tons; April, 1953, 1,021.9 mil. tons.

Not only will construction help support a good rate of steel business this week, but domestic good steel on the market will be stocked to the steel market upon completing liquidation of steel inventories. There are some industry analysts who feel the situation suggests that demand will not diminish; if anything, such demand may rise appreciably, this trade weekly declares.

All this points to another best month for the rest of the year will be high. People will have money to spend and they will buy good custom for the metal market.

Reflecting the underlying strength of business, steel ingot production for the first time, rose another halt a point. The national average output was 75.3%, highest since February. This marked the sixth consecutive week of increase, states "Steel."

The American Iron and Steel Institute reports the capacity of the operating steel companies having 96.1% of the steelmaking capacity in the entire industry would be at an average of 72.6%, highest since February. This week marked the sixth consecutive week of increase, states "Steel."

The industry's ingot production rate for the weeks in 1954 is now based on annual capacity at 82.1%. At this level, the actual weekly production was placed at 2,183,000 tons or 96.5%. This production rate is comparable because capacity was lower than capacity in 1954. The percentage figure for last week is based on annual capacity of 117,347,470 tons as of Jan. 1, 1953.

Electric Output Makes Further Gains The Past Week

The amount of electric energy distributed by the electric light and power plants was up 10.8% above the preceding week, June 19, 1954, was estimated at 8,500,000,000 kwh, according to the Edison Electric Institute.

The current figure represents an increase of 162,000,000 kwh., and an increase of 521,000,000 kwh., or 6.3% over the comparable week in 1953 and 1,906,000,000 kwh., over the week in 1952.

Car Loadings Rise 12.9% Above Preceding Holiday Week

Loadings of revenue (revenue) for the week ended June 12, 1954, increased 85,236 cars or 12.9% above the preceding week, June 12, 1954, and an increase of 5,236 cars, or 12.9% above the corresponding week in 1953, which was affected by a strike in the steel industry.

U. S. Auto Output In Latest Week Was Estimated at 747,853 Above Previous Week

The automotive industry for the latest week, ended June 18, according to "Ward's Automotive Reports," assembled an estimated 115,496, 1955 models, or 10.8% above the corresponding week in 1954. Each week's production total cars and trucks was estimated at 114,000 units, or the last week's output of 135,704 units. Production in the United States during the week ending July 10, 1954, is lagging 1953 by 10%, states "Ward's."

It was indicated last week that there were 20,190 trucks made in this country, as against 20,136 (estimated in the previous week) and 17,724 for the same week last year. "Ward's" estimated Canadian plants turned out 5,010 cars and 2,135 trucks against 6,510 cars and 985 trucks in the preceding week and 8,141 cars and 3,478 trucks in the comparable week in 1953.

Business Failures Hold Steady

Commercial and industrial failures showed little change in the week ended June 17, totaling 207 as against 206 in the pre-

120,000 Shares

Duquesne Light Company

4.10% Preferred Stock

Price $51.25 per share

plus accrued dividends from date of issue

The First Boston Corporation

Stone & Webster Securities Corporation

E. W. Clark & Co.

Anheuser-Busch Ltd.

Halligten & Co.

Morgan, Leonard & Lynch

Baker & Chestate

Devereaux & Townsend, Creaser & Rodman

Kay, Richards & Co.

Meadow, Applegate & Humphrey, Inc.

McKeary & Company

Price $51.25 per share plus accrued dividends from date of issue

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The Commercial and Financial Chronicle — Thursday, June 24, 1954
"Putting Overalls on Dollars"

BY ARNOLD GRUNGEN, JR.*
Sales Manager, J. Barth & Co., San Francisco

Governor, National Association of Securities Dealers, Inc.

Ascertaining we are living in the hour of capitalism's greatest trial and greatest opportunity, Mr. Grunigen discusses the role of securities distribution and ownership, and the impact of the economic growth of the nation. Stresses value of research, and urges dealers "get on speaking terms with labor in all its facets."

Praesidium promotion work of IBA and NYSE.

With apologies to Edgar A. Guest, who in 1928 wrote "Lines to Bond Salesmen"—for an up-to-date change I shall offer:

The lads with yarning in their eyes—The Stockmen; Who come and go and come once more. And line up in front of the office door; And wait on me from nine to four?

There are the Stockmen; Who with a show or no show of self—

"This is the greatest buy on the market; Take just ten thousand bonds"—The Stockmen. Who always have to look after their customers—Who whisper with no show or self?

"What do they think of me?"—I am broke?—The Stockmen; Who are the lads who yawn all day?—The Stockmen; Yet who my great ambition spurs—And feed my hopes, it may be—Someday—I'll be their customer!

Thank you for the opportunity to discuss with you some basic laws, some facts, some principles of Everything and God, with you. Our research, at the Third Annual Conference, California Stock Exchange, and the Association of America, Santa Barbara.

*On June 1, 1924.

The sale and purchase of stocks and bonds to the American public from now on demands that you refuse to conform to our conventions.

Fears, the disease of all diseases in much of our torn world, need not run rampant in our nation. Our nation has become great with reverence and time for God, with a great sense of self, a great respect for our elders, a great work; a great opportunity.

We in Santa Barbara, Calif., to talk about a profession most is making a point towards con- structing a contribution to a robust Americanism; which can and will, if not to be constructive in any way, construct Communism out "feet first."

Investment Business Requires Human Relations

Investment bankers, young and old, do get by with masterful intellectual curiosity. We must consistently improve our minds in scholarly pursuits. We never arrive—our business is all-absorbing. It takes us into every nook and cranny of industry, commerce, trade, and national life. Everything—interest a securities dealer. It is a fast, full-rolled, kaleidoscopic business.

Our neighbors in the Kremlin had been hoping we would become completely lazy, ineffective, and then satisfied. What a blow, if we do not capitulate to ease and lethargy, and fire sledge-hammer blows for democracy and capitalism.

And—ours is no mean contribution. Corporation stocks in the hands of butchers, bakers, and candlestick makers will make a more virile, interested, and effective democracy. Why we need millions of top-flight people to take the place of owners of money, to urge them into active, thinking participation in direct ownership of shares in America. We are part of a tremendous opportunity. We have an inspiring opportunity. It's kaleidoscope—whatever affects our whole national economic pieces in the purchase and sale and the quotations of our securities.

San Francisco Problems

Let's not deny or minimize the serious problems we have in our business. The "sources" between what the dealer pays for, what he buys, and what he sells, is the one. Private placement is another.

We operate in a wonderful country. Our economy is sound and dynamic.

Meetings like this one spark progress for our industry. We are making a determined effort to lengthen our cords and strengthen our stakes.

Our customers—many of them—rely on the income from the securities they own. They must have their continued page on 16.
THE MARKET... AND YOU

BY WALLACE STREETE

When the Dow-Jones Rail average reached a new high of 1257.82 during the week, it was the 1953-54 high in that market. The railroad share has been removed from the 1952 closing top of 1125.3 technics continued it to be a strongly improved bull market. Today's action by this laggy carried another long overdue, it surprised most traders, as did the industrial developments. We have not even covered all ground lost during the early June setback. Instead of regrouping and solidifying, or reacting again to test previous low points, as was generally expected, the Dow Industrials actually posted a new closing high of 329.51.

But the fact that volume lessoned on the advance provided no evident criterion of the overall picture. Only once, on Tuesday, did the turnover exceed two million shares. A wait-and-see attitude may be understandable in the current historical highs by the averages, and the possibility that a secondary reaction will soon ensue. It is a bit early to say and think "Do it yourself!"

We Have Drifted Dangerously

Real American enterprise is not threatened by the dangers we have encountered. Our need of spiritual development is pathetic. America never had so much to invest as she does today. Idle or only partly employed dollars are senseless today. Creating an inflation is believed to be better than the slow growth of America's life. Nothing works for us, and the workers are inflation protection causes.

They have said of us in the past that we are small business have: Stymied in our hair, Golden in our teeth, Iron in our blood, Lead in our feet.

But gatherings like this one and enterprise that men on the rise in our business causes me to say "Shut, thou, ye!" to deflecting mounthings, and I close this opening keynote to what I know will be a great meeting, with these lines:

There are thousands who tell you that inflation has failed.
There are thousands who prophecy inflation.
There are thousands who point out to you, one by one,
The dangers that wait to assail you.
But, just buck in with a bit of a grin,
Put off your coat and go to it,
Just in time to tackle the thing
That cannot be done, and you'll

Joint McDaniel Lewis Co. New York, N. Y.

Coupled with the announce-ment this week that the FRB has reduced reserve requirements, three factors provide a very favorable background to keep in mind when appraising the new bull market. These are inflation, and they present a rather strong argument against any protracted drop in the market as a whole.

Notable on the last week was General Electric new, which apparently only awaited delisting of the old stock, before taking over the market leader, relinquished before the 3 for 1 split went into effect. Also strong among the electrical companies was the Westinghouse, which spurted 4 1/2 points on stock split rumors.

Major fireworks in the market came Friday in Canadian oils when the CPC approved application of Pacific Northwest Pipeline, rather than West Coast Transmission, to supply gas to the Northwestern part of the United States. Price movements were wide and varied as investors tried to evaluate the benefits or the harm of this development. Many companies affected by this decision.

No Steel Strike?

The steels, meanwhile, turned on a better-than-average performance with representative issues hovering around recent highs. Having rallied briefly after their initial shakeout, prices of United Steelworkers for a wage boost, Big Steel nevertheless agreed to accept the FRB's undertaking to keep improvement in welfare and social insurance programs in modified form. This caused speculation that the whole issues in this year's contract might be approaching a settlement without a strike.

The alleged smoking-lung cancer scare—especially the latest indications of a possible link between smoking and heart attacks—continues to plague the cigarette stocks. Having rallied briefly after their initial shakeout several months ago, the tobaccos are selling at new 1953-54 lows. We believe that 50% of the share of the profits for reinvestment in plant and improvement of company confidence in the improved business outlook and the tremendous amount of funds available for investment every setback.

Since there is no technical evidence indicating a pronounced extension of the rise
on the Dow Industrial averages at this point, a policy of lightening position on strength, on a short-term trend. Such a move in many of the higher priced issues, is being recommended by various market analysts.

Blyth Group Offers Pacific Gas & Elec. 4.50% Pfd. Shares

Blyth & Co., Inc., headed a nationwide underwriting syndicate of 150 members which on June 22 made a public offering of 1,600,000 shares of Pacific Gas & Electric Co. 4.50% redeemable first preferred stock (par $25) at $25.75 per share. Proceeds from the sale of the new preferred will be used to finance the company's continuing construction programs. Expenditures to extend and enlarge the company's facilities are expected to total approximately $140,000,000 during 1954-55.

Pacific Gas & Electric Co., the largest operating public utility in the United States in terms of assets, is engaged principally in supplying electric service to approximately 1,251,000 customers (of whom 65% are estimated to also be electric customers) throughout the major part of northern and central California. The system extends into 48 counties containing in the aggregate about one-third of the total population of California. Gross operating revenues of $216,302,000 for the year ended April 30, 1954, were derived 63.5% from electric service, 23.6% from gas, and 6.5% from other activities.

The company has earned and paid its preferred stock dividends in each year since the original issuance of its preferred stock in 1914. The company has paid dividends on its common stock in every year since 1918.

Joints Janieson & Co.

(Special to The Commercial and Financial Chronicle)

SAN FRANCISCO, Calif.—KoHo is now affiliated with Janieson & Company, Rust Building.

Joints Merrill Lynch

(Special to The Commercial and Financial Chronicle)

JACKSONVILLE, Fla.—Christine Blackston has been added to the staff of Merrill Lynch, Pierce, Fenner & Beane, 118 West Fourth Street.

Now watch the community's money go to work!

When a bank moves in, everybody benefits. Here's what it means to you.

To thrive, a community must have a market place, schools, places of worship, roads, utilities and all the many other institutions and services essential to health and welfare. To get most of these it must have a ready source of available money. That's where the bank comes in.

Putting Money to Work

Bank loans made possible by the community's deposits and investments help finance the butcher, baker and candlestick maker. Banks advance mortgage money for newcomers, help old settlers to expand, and arrange financing forbusiness activities. Banks also arrange the funds needed for schools, highways and other public improvements.

Most important of all, they put the community's money to work locally. This means a great deal because whenever money works men and women work, too. In the community—or the entire nation if you will—this results in better living and a wider opportunity for all.
A Golden Future Is Before Us

By CLANCY A. ISAAC

President, Southern National Bank, Newark, N. J.

Maintaining there is no basis for an atmosphere of fear which has gripped many Americans, New Jersey manufacturer calls attention to a new political era and changed economic thinking in which government concern is for peace, prosperity, and general welfare, and holds America can meet, under free enterprise, current and prospective challenges either from abroad or within our economy.

These are not times to remain silent, to let opportunities which are opening before us who are dedicated to our way of life, that the value of our national and social inheritance, that thinking which has been dynamic, rather than static—and which must be productive, rather than accumulative—must be seen, must be felt, must be realized—those of us who believe in the necessity of this must lend our voices to the cause.

Our task is to show that thinking which has been dynamic, rather than static, and which must be productive, rather than accumulative, must be seen, must be felt, must be realized—those of us who believe in the necessity of this must lend our voices to the cause.

Clancy Isaac

In the past ten years, we have been anticipating a depression. The depression has not come. The causes which were anticipated are still operating, and we are living in an atmosphere of fear instead of a depression. The depression has been averted, but the fear remains. The fear is not based on the causes of the depression, but on the causes which were anticipated. The fear is based on the anticipated causes of the depression, not on the causes which actually occurred.

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a trust department. It is possible to do the work in the trust depart-
ments bookkeeping and for the keeping of safe deposit records, a man-
agement might be helpful even in posting of the general ledger and pre-
paration of the bank statement. It is possible to do the bookkeeping and
interest accruals and distribution of income and expenses to the various
departments of the bank.

"There is still another way that
all banks will feel the benefits of
specialized electronic accounting
machines. You may be aware that
progress that has been made in
automatic machinery in factories.
There is a tendency for great deals
of material, rapidly being replaced by
automatic machinery, to be thrown
on hand operations in fact, the
elimination of the clerks has
become common practice by
comparison. Many bank opera-
tions are being performed in
a manner which is of the horse-and
buggy age, as compared with the
fancy automatic operations which
are used in many factories. This
tendency of factory operation to
increased automation of hand
processes is inevitably carried
over into clerical procedure.

Will Increase Employment

"At this point you may say, "They are putting in this new au-
tomatic equipment, and I can see
a lot of clerks being thrown out of
work." As a practical matter
however, there is little to fear re-
garding the technological unem-
ployment of employees. The con-
version to electronic forms of
accounting will be a gradual
process. Reductions in operating
costs will make it possible for
banks to extend the convenience of
banking service to more peo-
ple. This would have the effect
of increasing employment in banks
rather than decreasing it.

"Banks have been through a pe-
riod of favorable economic con-
ditions," Mr. Meyer continued,
"it is entirely possible that some
day the present favorable-
tions may be narrowed because of
changing economic conditions.
Loan losses may increase. Inter-
est rates on loans may go down.
Operating costs possibly could go
up. Such conditions might cre-
ate a squeeze on banks which
would reduce their earn-
ings. In such a situation, a bank
which has been able to reduce its
operating costs by the use of pro-
gress procedures and advanced
banking equipment will be much
more likely to survive than a bank
which has done nothing to keep
up with technological develop-
ments in the banking field.

"Electronics is bound to have a
substantial impact on banking.
We are certain to be affected by
this change."

Television's Role

The use of television at public
conventions, along with other
electronic equipment now available,
can cut down the time a bank
customer must spend at the tell-
er's window to only a few sec-
onds. Leonard P. Chamberlain,
auditor, The Provident Insti-
tute for Savings, Bayside, N.Y.,
reported that during a recent
meeting of the American Bankers
Association in Boston, Mass.,
Mr. Chamberlain addressed the
Savings and Loan Convention of
the American Bankers Associa-
tion. The ABA is a national
educational section of the Ameri-
can Bankers Association. Mr.
Chamberlain said that partial
installation of the new sys-
tem the Provident Institute had
already proven that depositors need
not spend more than an average of 10
seconds at a teller's window to do a de-
posit or withdrawal for a withdraw-
al.

The Boston banker predicted that
the TV-cameras "electronic stroll" system "will aid even the
smaller-community banks. Elec-
tronics, as applied to mechanical
accounting for banks, has now
been developed to a point where
the installation provides an eco-

domic gain as well as safer and
more accurate records for even
the smaller banks.

"The principal advantage is
speedier service to customers at
bank counters, in addition to me-
chanical accounting which starts
at the public counter and is auto-
matically completed in the ac-
counting department, even though
the latter may be three or four
miles distant from where the
teller and the bank's customer are
conducting their business."

Describing the system being in-
stalled in his bank, Mr. Chamber-
lain said, "A combination of cir-
cuits embracing microphones, TV

cameras and screens, and elec-
tronic machines is used. They are
already enabling the tellers to
serve depositors at any of the
teller's windows in a period of
from seven to 33 seconds. As soon
as other machines are installed,
at the same time the transaction
is taking place at the public
counter, it will be automatically
entered in the records of the
bank's accounting department on
another floor.

"The system operates when the
teller takes the depositor's book
and the book number into a
microphone. A loudspeaker in the
accounting department on an-
other floor repeats the number,
and an accounting clerk immedi-
ately drops a card showing the
depositor's balance and also his
signature under a TV camera. The
card appears on a TV screen con-
celed in the counter at the tell-
er's desk. The deposit or with-
drawal is then recorded by the
teller in the depositor's book by
using a semiautomatic counter ma-
chine. This machine, at the same
time, as it enters the record in the
depositor's book, transmits elec-
tronic impulses to the accounting
department where they are re-
corded on a tape. All of this takes
from seven to 33 seconds.

"The tape cannot be read by
the human eye, but when it is fed
into an electronic machine, it
automatically records the trans-
action onto a permanent bank-
record card. This machine can
punch 62 digits on a record card
in two seconds."

"I do not believe the present
cost of installation of the entire
system, including the TV features,
would warrant its adoption at this
time by smaller banks," Mr.
Chamberlain said. "I am confi-
dent, however, that the installa-
tion of the electronic features of
the system today would reduce
costs of accounting and produce a
safer control of accounting for any
bank, regardless of size. It defi-
nitely reduces the size of records
and also the number of employees
necessary to keep them. At the
same time, it eliminates chances of
careless or fraudulent bookkeep-
ing, in that only the electronic
machines can make changes in or
additions to the bank's records."

Daniel Fitzpatrick Opens

BAYSIDE, N. Y.—Daniel Fitz-
patrick has opened offices at 73-20
Bell Boulevard to conduct a se-
curities business.

New Bell Solar Battery Converts
Sun's Rays Into Electricity

Bell Telephone Laboratories
demonstrate new device for using
power from the sun

One of mankind's most cherished
dreams has been to use the almost
limitless energy of the sun.

A significant advance toward this
age-old goal has been realized at
Bell Telephone Laboratories with
the discovery of a way to convert energy
from the sun directly and efficiently
into usable amounts of electricity.

The amazingly simple device, made
from an ingredient of common sand,
is called the Bell Solar Battery.

It should theoretically last indefi-
nitely, since nothing is consumed and
there are no moving parts.

Though much development re-
mains to be done, it offers possibilities
for the telephone medium for
which it was invented. Here is a
glimpse of distant horizons.

Even at its birth, the Bell Solar
Battery gets enough energy from
the sun to turn a wheel, operate
a low-power radio transmitter and
transmit voices over the telephone.

Its use with transistors (also invent-
ed at Bell Laboratories) offers great
possibilities for improvements in
and economies in telephone service.

For that is the aim of all telephone
research. Once again the pure re-
search and advanced techniques of
Bell Laboratories chart the way for
better and better telephone service
for more and more people.

BEL TELEPHONE SYSTEM

The sun's rays, falling on the Bell Solar Battery, provide the only source of power needed to turn this disc. Note the small size of battery (in circle). Simple and efficient. Made with wafer-thin strips of specially prepared silicon. A Bell Solar Battery covering a square yard of surface will deliver enough power to light an ordinary reading lamp.
Problems of Fuel Costs in Generating Atomic Power

BY JOHN R. DUNNING
Dean of Engineering, Columbia University

Dr. Dunning discusses problems and possibilities of reduced fuel costs in generating electricity by the use of atomic energy. Foresees higher costs of conventional fuels in future and says alternative fuels can be valuable.

Contents on capital and operating costs in generating power with atomic fuel elements

No one today is questioning if or how much nuclear energy will be used; only how long will it be. Everyone agrees that atomic power is the answer to our energy problems, particularly in the long run. But, the economic questions of how much atomic power we can use and how we can use it are not so well answered.

The question of whether fuel elements should be sold on a market basis or should be handled as some government owned property is one of the many interesting questions that need to be answered. It is one of the many questions that need to be answered before the atomic energy industry will become truly competitive.

To highlight a few of them and not to get into the technicalities of it, there is a widely divergent opinion among the experts whether fuel elements should be sold at a profit or whether they should be sold at a loss or at cost. There is no reason to believe that whether they should be sold or not will have any effect on the cost of atomic energy. We might as well sell them as we might sell our food.

The rapidly growing interest in having homogeneous type, fluid type fuels, will continue and bring that in recently. In this way, prices are a little bit higher for fuel and also a little bit lower for fuel.

The question of how much is going to be spent on fuel for atomic power is also a question that needs to be answered. The cost of fuel for atomic power is a little bit higher than the cost of fuel for conventional power, but it is not too much higher.

One reason is that there are 10 times more fuel elements in the separation and fuel processing and the order of the day is that we have to have more fuel elements. The second reason is that the cost of fuel elements is a matter of considerable interest to the people who are interested in the cost of fuel elements. I have always liked to know how much we are going to spend on fuel elements, and I think that is the case for the people who are interested in the cost of fuel elements.

The question of whether fuel elements should be sold on a market basis or should be handled as some government owned property is one of the many interesting questions that need to be answered. It is one of the many questions that need to be answered before the atomic energy industry will become truly competitive.
Mr. Babson foresees current business for the next six months. Predicts continued level or improvement in electric power output, aircraft production, rubber manufacturing, household and electrical equipment, petroleum, natural gas, and a general increase in other industrial metals and auto producers, forecast keenness that at any time since 1930. Predicts retail sales level will decrease from the $67,000,000 level of 1954.

While most of the columnists and business counselors last December forecast a depression for 1954, I constantly predicted that 1954 would be a better year and last year as a new year. This year in my forecast I have found my optimism in regard to prolonged business during the first half-year, there will be many more cross currents of improvement over the first six months of 1955. Some industries will lag, and some will be held in check. Building has held up well, and was the backbone of business activity in 1954. The momentum generated should carry through the balance of the year.

Also deserving of attention as a factor in business activity, or for improvement, is the following: Electric power, oil output, aircraft production, rubber manufacturing, household and electrical equipment, petroleum, natural gas, and textiles. Even from the most optimistic view of each industry will everyone score some improvement from the very level of activity experienced during the first six months of 1954.

Due to slip forward, or to show the least improvement, are the following industries: Machiney, machine tools, railroad equipment, metal fabricating, steel and iron, and autos and auto parts. In particular, auto output will experience some decline in competition keenness in the last half year at any time since the 1930's.

Sales and Inventories (4) In general, business discussion above, sales prospects are generally good, with the purchasing power holding well, demand for food products and soft goods will remain at a brisk pace. The public, however, have learned something about watching their pennies. They have become more price conscious. I predict that the mass distributors, such as the grocery and variety stores, will lose much of the others' business during the last half-year.

Political Outlook (1) It is interesting to note that the liberals in the House and Senate are still very close to those with the best parking facilities for their customers.

N. Y. Stock Exchange Names Goves, Trustee

G. Keith Funston, President of the New York Stock Exchange, has announced the election of two new Governors and a new Trustee.

Alexander R. Piper, Jr., of Paigeside, became one of the new Governors, and Raydon Dominick II, of Dominick & Dominick, are the new Trustees. The new Trustees are For- den Davis, of Blair S. Williams & Co., and the new Franklin Trustee.

Mr. Piper will fill the vacancy created by the death of Robert F. Dwyer, the successor to the late Thatcher M. Brown. The three will serve until the next Stock Exchange annual election in May, 1955.

A member of the Exchange since 1934 and a past president of Paton, Webber, Jackson & Cur- las, Mr. Piper has been connected with his present firm since 1941. He is a former member of the New York curb Exchange (now the National exchange), and he served on that Exchange's board of governors for four years.

Mr. Dominick began his busi- ness with Dominick & Dominick in 1937, the year he was graduated from the University of California, and became a partner in that firm in 1945. He was elected a member of the Stock Exchange since 1952 and a partner in the Piper, Funston & Co. of New York in 1953.

The Gratitude Fund, of which the Exchange is the manager, has made death benefits to families of de- ceased members.

Kidder, Peabody Group Offers Panamanian Eastern Debentures

Public offering of $35,000,000 of debentures of the Panama Canal Eastern Pipe Line Co. was made this week by an underwriting group jointly managed by Kidder, Peabody & Co., Inc., Rein- gar & Dean and Carl M. Lebo, of New York. The debentures, which were priced at 98.625% to yield 3.15%, are the second debentures to be offered in connection with the taking over of the airline by the United States.

The proceeds from the sale of the debentures will be added to the company's general fund. It is expected that the company will incur the 1954-1955 construction costs. The total cost of the line is $49,000,000 and includes expansion of main line facilities and addition of production and gathering stations with a new supply of gas for the expanded units.

Panamanian Eastern Pipe Line Co. is engaged in production, furni- shing, and distribution of natural gas. It operates a system of over 31,000 miles and includes Alvarado, Texas, and the States of Kansas, Missouri, Indiana, Illinois, and Alabama, and the southeastern corner of Ohio.

In 1953 the company had total revenues of $95,232,940 and net income of $7,918,831.
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Jay Richardson, Halup, Stuart & Co., Inc.; Harry C. Zimmer, Commercial Trust Company of New Jersey, Jersey City, N. J.; Jim Currie; Ed Purcell, Commercial Trust Company of New Jersey, Jersey City, N. J.
Friday, June 18, 1954


Austin Patterson, First Boston Corporation; Herbert A. Hoch, Gregory & Son, Incorporated; Ray F. Vanderhoff, Fidelity Union Trust Company, Newark, N. J.; Robert M. Pyle, Hornblower & Weeks

Herbert Shaw, Vance, Sanders & Company; Stanton M. Weiss, Parker & Weiss, Inc., Newark, N. J.; Philip Van Deventer, Van Deventer Brothers, Inc.

Bob Krumm, W. H. Morton & Co., Incorporated; Jack Byram, The Northern Trust Company


Dan Lane, Merrill Lynch, Pierce, Fenner & Beane, Newark, N. J.; Jim Musson, S. J. Van Ingen & Co., Inc.; Tony Butters, National State Bank, Newark, N. J.; Jim Ransom, Harris Trust & Savings Bank


Royce Flippin, Smith, Barney & Co.; Daniel L. Rothenbuehler, National State Bank, Newark, N. J.; John W. Kruse, Howard Savings Institution, Newark, N. J.; Joseph H. Boyd, Bankers Trust Company
At Rock Spring Club, West Orange, N. J.


Norton Rogers, Adams & Hinckley, Newark, N. J.; Harry D. Miller, Nugent & Igoe, East Orange, N. J.

William H. Boland, Boland, Schaff & Co.


S. R. Terrill, J. D. Tagging & Co.; Al Lange, accordionist; Henry Hegel, Federal Trust Company, Newark, N. J.; George W. Philo, Upper Montclair, N. J.

Court Parker, American Securities Corp.; Jack Sushan, Robb & Co., Inc.; John P. Ryan, Goldman, Sachs & Co.; Norman Brasser, County Bank & Trust Company, Paterson, N. J.


Scott Russell, Glahe, Bong & Co.; Ned Byrne, Byrne and Phelps, Inc.; Dick Whitcomb, Phelps, Funn & Co.; Henry Root, Peoples Bank & Trust Co., Westfield, N. J.
Investment Banking Group Awarded

$93,510,000 New Housing Authority Bonds

Coupon rates of 2 7/8% and 2 1/4% specified for the bonds which mature serially from 1955 to 1994 inclusive.

An investment banking group headed by Robert L. Lease of Lehman Brothers and Blyth & Co. has been named by the local housing authority for the $93,510,000 of New Housing Authority Bonds which will be sold at sealed bidding by 27 local housing authorities in the state.

The following are members of the investment banking group: Harriman, Hitchcock & Co., Incorporated; Smith, Barney, Harris Upham & Co.; The First Boston Corporation; Guarantee Trust & Securities Co.; and W. R. Prescott & Co.

The group specified coupon rates of 2 7/8% and 2 1/4% for the bonds which mature serially from 1955 to 1994 inclusive.

The bonds were reoffered to the public in four separate yield groups—A, B, C, and D—at prices to yield from 0.75% to 2.50%, with applications to bonds of housing authorities of Beaver County, McKeesport, and Mercer County.

Scale B ranges in yields from 0.75% to 2.50%, and applies to bonds of the following authorities: Bradford, Clarion, Elk, Forest, McKeesport, and Cleveland, Ohio.

Scale D ranges in yields from 0.75% to 2.50%, and applies to bonds of the following authorities: Beaver, Butler, Clarion, Dutchess, Greene, Jefferson, and Tuscarawas Counties.

Proceeds of the sale of these bonds will be used for the local housing authorities.

The bonds will be callable in 10 years, or thereabout, at the option of the authorities.

Treasury Faces New Problems

The fiscal year which goes under way next month will bring with it different problems than those which were faced in the current period. It is evident that a rather sizable amount of new money will have to be raised, and there is likewise refinancing that will have to be handled. The money market must also be pushed to operate more actively. Even though there has been a turn for the better in the economic situation, it is still too early to make changes in the mechanisms which have helped in some ways to bring this about. Easy money conditions are one of the means, and which has been credited with the better influence upon the business picture. Accordingly, it seems as though the pattern of things to come in the next fiscal period would indicate a more easy monetary policy.

Correction

In the "Financial Chronicle" of June 17 in the financial change of the Municipal Securities Corporation of Dana, 120 Broadway, New York City, to the Midwest Stock Exchange, the new firm name was incorrectly given as Burton, Dana & Co. June 30 the firm will be known as Burton, Dana & Co.

Midwest Exchange Member

CHICAGO, Ill.—The Board of Governors of the Midwest Stock Exchange has elected President of Associated General Utilities Co. on June 14. William H. Krumm, president of the Associated General Utilities Co., was elected to the Board of Directors.

Our Reporter on Governments

Mr. John T. Chippendale, Jr.

The long awaited downward revision in reserve requirements of the Federal Reserve Bank was finally announced by the Federal Reserve Bank on Wednesday, when it declared that the banks should be required to keep loans at 65% of the total of their deposits, as against 70% previously.

The timing of the announcement was the only element of surprise in the but herein again, the move was good and consistent, because they made public the proposed changes in reserve requirements when the financial district was not looking for it. The Federal Reserve Board has now completed the series of reduction in required reserves, will have made available to the public banks over $1,000,000,000, which can be used for business needs as well as the financing of the deficit of the Federal Reserve Banks.

The Central Reserve City banks in New York and Chicago will have their reserve requirement reduced from 22 1/2% to 20% in the next fiscal period. The move is part of the constructive development, because the reserve requirements of many states have been too high and out of line with those of the other banks. This move is expected to last for a long time. Reserve City banks as well as the country banks get 1% reduction in reserve requirements for the first of August. Reserve against bank deposits will be reduced from 6% to 5%, with this operation being completed today. It is estimated that reserve against bank deposits will be reduced by about $1,100,000,000 in the next six weeks, whereas the reserves against time deposits will be less by approximately $375,000,000.

Response of Government Market

As was to be expected, the government market responded very well to the announcements of liberalization of reserve requirements of the commercial banks, by moving sharply. Volume and activity was stepped up because there was a big demonstration of the market's interest in the new lower rates. It was reported that a fairly important amount of new money was being diverted to the retail market and that the wholesale market activity was fairly good.

Switches, however, still provide the bulk of the volume that is being done in these two sectors of the market, with reports to the effect that the turnover of major participants in the interest rate business is about unchanged.

Volume of these securities is evident, however, that the deposit banks and investment firms in the interest rate business are still the major participants. Some Coast and Middle-West institutions reportedly the largest buyers at the present time.

Investors and Traders Confident

Investors and traders now have a more confident attitude toward possible additional long-term credit easing and changes in reserve requirements and because the floating supply of uninvested funds is seven to lesser than in previous quarters.

It is also indicated that the quick sellout of the New State Thruway Authority Revenue Bonds had a favorable influence upon the Government market. There is, in fact, no indication that the exempt revenue bond was so large that not a few buyers of this obligation were disappointed. The fact that allotments in the New York State Thruway bonds were quite a bit less than had been expected did not control that there was an immediate rush to buy Government securities. However, there has been a favorable psychological effect upon them, which meant that bids continued up and offers were either pulled or substantially reduced. It was also reported that activity in the Government market was helped by the favorable reception which was given to the large revenue issue.

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241 S. La Salle St. Chicago, Ill. 60604
News About Banks and Bankers

James S. Rockeefeller, 17th President of The National City Bank of New York, retires on the 14th of May, 1919. Mr. Osberg, a former assistant cashier of the bank, is now named as his successor. Mr. Rockeefeller will be a director of the bank.

Consolidation of National City Bank of New York and First National Bank of Cleveland

The National City Bank of New York and the First National Bank of Cleveland have announced that they will merge their operations. The new bank, to be known as the Consolidated National Bank of New York, will have its headquarters in New York City. The merger is expected to be completed by the end of the year.

Banking System in the United States

The banking system in the United States is under the control of the Federal Reserve System. The system consists of the Federal Reserve Banks and their local branches, which are responsible for administering the monetary and financial policies of the United States government.

Banking Legislation in the United States

The banking legislation in the United States includes the Glass-Steagall Act of 1933, which created the Federal Deposit Insurance Corporation (FDIC), and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, which established the Resolution Trust Corporation (RTC). These acts have had a significant impact on the structure and operations of the banking system.

Bank Merger Activity

The number of bank mergers in the United States has been on a steady increase in recent years. The mergers have been driven by factors such as increasing regulatory costs, technological changes, and the desire to expand market share.

Bank Regulation

The regulation of banks in the United States is carried out by the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (FDIC). The regulation is aimed at ensuring the stability and integrity of the banking system.

Bank Failures

The number of bank failures in the United States has been on a decline in recent years. The declining number of failures is attributed to the strong economic conditions and the effective regulation of the banking system.

Banking History

The history of banking in the United States dates back to the early 18th century. The first bank in the United States was the Bank of North America, established in 1781. The Federal Reserve System was established in 1913 to provide a more stable and efficient monetary system.

Banking Industry

The banking industry in the United States is a key component of the economy. The industry provides financial services to individuals and businesses, and plays a crucial role in the allocation of capital.

Regional Banking

The banking industry in the United States is highly regionalized. There are many small banks and credit unions in rural areas, while large commercial banks dominate the urban markets.

Banking Ethics

The banking industry is subject to strict ethical standards. The industry has a long history of ethical failures, including fraud, corruption, and malpractice, which have been the subject of extensive investigation and litigation.

Banking Futurism

The future of banking is expected to be marked by technological advancements, such as blockchain technology, artificial intelligence, and the internet of things. These advancements are expected to transform the way banks operate and interact with their customers.

Banking Education

Banking education is an important aspect of the banking industry. Banking schools and programs provide students with the knowledge and skills needed to become successful professionals in the industry.

Banking Careers

Careers in banking are diverse and rewarding. Positions in banking include retail banking, commercial banking, investment banking, and wealth management. These careers offer opportunities for personal and financial growth.

Banking Statistics

Banking statistics provide insights into the performance and trends of the banking industry. These statistics include data on bank balance sheets, loan performance, and customer satisfaction.

Banking Research

Banking research is an important area of study for understanding the banking industry. Research topics include bank profitability, regulatory changes, and the impact of technological advancements on the industry.

Banking Practice

Banking practice involves the application of banking principles and regulations to real-world situations. Banking professionals must stay up-to-date with the latest developments in the industry to effectively manage financial risks and opportunities.

Banking Ethics

Banking ethics are important for maintaining the integrity and trustworthiness of banks. Banks are required to adhere to high ethical standards, including non-discrimination, fair dealing, and the proper use of customer information.
International Finance and The Foreign Trade Outlook

Investment. In addition, the President has suggested to the Congress the desirability of broadening the international reserves of the United States, and of securing guarantees against loss on new investments abroad. These guarantees are to be used in case of war, or in case of the depreciation of local currencies. The value of these guarantees may be provided only as the result of the repudiation of national debts and the inconvertibility of currencies.

A More Favorable Climate Needed for the Capital Market

Basically, of course, if any increased volume of United States money is to flow abroad, the foreign countries themselves must create a more receptive and favorable climate. Private capital cannot be driven to other countries, no matter how friendly. It must be attracted by the nation desiring the capital. The United States private capital will be attracted only to foreign countries with a sound political and economic stability and with fast and efficient means of providing it with the freedom to operate, the opportunities for profit, and the safety of capital. The International Bank for Reconstruction and Development, to which we look for an early opportunity to make use of our resources, has had a slow start, and will require time to develop a broad range of activities.

In some foreign countries, the opportunities for repaying their foreign debt in United States money are threatened by political and economic instabilities. The United States government and the United States private capital will be attracted only if the United States investors are convinced that the foreign countries can and will repay their debts. For example, the United States government and private capital are both excluded from the free world by the policies of the governments of Russia and Rumania, and the United States private capital is excluded from the Netherlands by the policies of the Dutch government.

The World Bank, the Export-Import Bank, and the International Bank for Reconstruction and Development, to which the United States government and private capital are looking for an early opportunity to make use of their resources, have not yet had a broad range of activities. The Export-Import Bank will continue to appear as a useful instrument for promoting financing of development projects in the United States and throughout the world.

The purposes of the Export-Import Bank are to aid in financing and to facilitate the foreign trade of the United States. In doing so, it is necessary to ensure that it is not only in the interests of the United States but also in the interests of the United States that we provide for our citizens and the foreign countries with whom we do business. The Export-Import Bank is regularly receiving, considering, and approving applications for assistance to United States exporters, as well as applications for assistance to United States exporters from foreign countries.

The future of our foreign trade will also be conditioned in an important degree by the ability of the United States to import goods and services at reasonable prices, and this makes it necessary that we continue to develop the ability of our countries to produce our products. As our program of economic development is carried out, we must make sure that our countries will have a large market for their products, and that they will be able to sell their products abroad at reasonable prices.

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NATIONAL SECURITY EXPENDITURES

The national security expenditures were increased by $12.7 billion to $60.3 billion in fiscal year 1953—pages 3-5. These expenditures include military aid, stockpiling, and other related activities.

THE DEINE OF GROWTH

The decline of the national security expenditures has contributed to the attainment of certain defense goals.

THE SHORT-TERM DEBT

The decline in the short-term debt is expected to continue as the economic situation improves.

THE CONSTRUCTION INDUSTRY

The construction industry remains strong, and the federal government is expected to continue to play a significant role in the industry.

INCOME AND DISINCOME

The income and disincome of the nation's workers have increased significantly in recent years.

THE NUMBER OF UNEMPLOYED

The number of unemployed workers has declined significantly in recent years.

THE COST OF LIVING

The cost of living has increased significantly in recent years, and the government has taken steps to address this issue.

THE PRICE LEVEL

The price level has increased significantly in recent years, and the government has taken steps to address this issue.

THE UNEMPLOYMENT ROLL

The unemployment rate has declined significantly in recent years, and the government has taken steps to address this issue.

THE INCOME TAX

The income tax is a significant source of revenue for the government, and changes in the tax laws can have a significant impact on the economy.

THE FEDERAL RESERVE

The Federal Reserve System continues to play a significant role in maintaining economic stability.

THE STOCK MARKET

The stock market has remained strong, and the government has taken steps to address the issue of stock market fluctuations.

THE DEBT ALLOCATION

The government has taken steps to allocate the national debt in a manner that promotes economic stability.

THE NATIONAL SECURITY EXPENDITURES

The national security expenditures are expected to continue to be a significant component of the government's budget in the future.

THE SHORT-TERM DEBT

The short-term debt is expected to continue to decline as the economic situation improves.

THE CONSTRUCTION INDUSTRY

The construction industry is expected to continue to be a significant contributor to the economy.

INCOME AND DISINCOME

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THE NATIONAL SECURITY EXPENDITURES

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Continued from page 13

Components of Prosperity

proaches to old problems. Some present solutions show considerable promise.

For example, we are now cultivating experimentally a type of alfalfa or seaweed which absorbs much of the nitrogen that is falling upon it than standard crops do. Although it is very early in its development, it covers its growing area completely, even during winter, and this growth is continuous. It has no roots, it does not require soil preparation, nor does it require arable land, because it grows in water. The cultivation of this readily available chemicals, and it is as much or more abundant. It is estimated that an acre would produce 50 tons of the crop and that this would yield 20 tons of protein and 3 tons of fats—a harvest that deserts anywhere we have ever known. It doesn't sound 49 promising, but in a region where production is something often taken for granted, the prospects of this experimental plant. However, this is a slow growing vine. The product is small and perhaps it may be 50 to be pessimistic—at least I do.

The broad principles upon which this investment was made—such genius for scientific production and the restlessness of the mind. If the technological advances already made are taken advantage of, and if there is steady progress toward an end to the traditional assumption that everything which is established cannot be improved, unless you are in a major business, and you are anxious to maintain the essentials of productivity. Why? Well, let me say it another way. The evidence of the Western World: a country like Canada, with 20 million people, 30 years ago the same area here, and exported, may hold the key to world prosperity for years to come, because greater prosperity now can come to areas that used to be hampered by climate or other factors. The reclamation of these areas is now possible because of new techniques of agriculture and new raw materials. The introduction of food products and processed materials can be the key to the growth of the great countries of the Oriental World. The contribution of the United States to the world's prosperity—and to our security—cannot be measured by its present wealth. A promising start has been made even in the direct conversion of man-made energy to power. The tests installations the conversion of electric energy to power in the use of geothermal energy and solar energy in small scale plants, have shown the possibilities of large-scale development in the future. It energy has been accomplished, and therefore the amount of energy per square yard of sun space.

Now we come to the third and perhaps the most important cause of prosperity—the confidence of the people. Confidence is a very basic thing. It is the keystone of the free enterprise system as we know it, and it is one of the essentials of the Western World. The confidence of the people in the efficiency of their government, and to our security—cannot be measured by its present wealth. A promising start has been made even in the direct conversion of man-made energy to power. The tests installations the conversion of electric energy to power in the use of geothermal energy and solar energy in small scale plants, have shown the possibilities of large-scale development in the future. The energy has been accomplished, and therefore the amount of energy per square yard of sun space.

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As We See It

Continued from first page

ignored or scorned for so long that it way well be asking for 'blood'—literally or metaphorically. The fact is that among very large elements in the population where the virus of socialism, or basic concepts closely akin to it, has permeated the mind is in large part due to the very fact that the extreme progressivism of our individual income tax system is usually sought—when any attempt other than purely of hominem argument is made to sustain the fairness to the “ability to pay” or the “equality of sacrifice,” principles so-called.

Yet, only by a patent distortion of either of these basic ideas it is possible to defend such extremes as we have today. And it is very easy to be interpreted in such a way that would support great extremes in the levying of taxes, the principles themselves at once become vulnerable to attack.
The most straightforward and influential formulations of the “ability to pay” notion, and the closely allied idea of proportionality to privilege was, of course, that of Adam Smith. Here is what Smith said:

"The subject of every state ought to contribute towards the support of government, as nearly as possible, in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the State."

Here, of course, is the very negation of progressivism. It required literally the claim of a half million “income should be expected to pay 10 times as much tax as a man with $50,000 income. The fact is, as every one knows, that a man with $50,000 income pays only about three times more than 10 times the Federal income tax that the $50,000 man is called upon to pay. It is obvious also that the larger income may be earned at the aid of no more service from government than is received by the man with the lower income, or it may in one way or another depend upon special treatment by government. It is thus obvious that the system we now have can not be defended upon the ground of fairness or equality of sacrifice.

Equal Sacrifice?

Again, as soon as we begin to consider comparative sacrifice as a basis for the determination of taxes, we find that we have entered a domain of intangibles, imponderables, and subjective judgments among us all.

To reduce the matter to the absurd, we might say that all men must have equality in the food they enjoy, the clothes they wear, the shelter they use, and all the rest of the material and intangible goods and services is obviously too absurd a notion for serious consideration even among the most “socially minded.” It would remove all, or virtually all, economic incentives and end modern economics.

Progressive taxation we shall certainly have, whether it has logical foundations or is or is not really desirable, but it must be based on principles that ordi-

Another yardstick for measuring the merits of a new tax law is the second maxim of Adam Smith. It is proba-

tably not too technical for study by the nonexpert. It is that the taxpayer should be able to determine the exact amount of the tax on him, and do so without calculation and without undue expense. There are millions of us who can, each in his own affairs, test this new measure in this respect. It may take time, but when a basis for judgment in this regard is established in a given instance in a for approving or disapproving what is now being done. Another basic consideration also goes back as far as I can recollect. It is that the law should be one that takes what is due and no more, and that no tax should interfere as little as possible with the efficient operation of business. It should not hamper unnecessarily any man in the earning of his living.

Of the new tax measure will be subject to tests such as these fully and repeatedly during the next few months and the next few years, and politicians be made quite aware of the results.

Continued from first page

How Are We Doing?

Continued from first page

upon the pessimistic side. My own version of the matter would be that I am not, in the well-known phrase, a "cock-eyed optimist." I might even be described as a "mild" (or at least the first half of that) blood in my veins or a bit of the blood of an optimist. I have seen the analyses. I had rather be known as an economist who believes that 

The American economy is a very large and infinitely varied economic system. It is highly complex. It is easy for one to exaggerate its weakness, suppor-

tion and prospects to go off in so many directions that it ends by getting nowhere. But I shall try to keep my remarks focused on only five major issues which seem to me crucial in judging the un-
denting situation, whatever the superficial impressions that it gives. These five issues center on the economic condition of the consumer, the interplay of government pol-

Economic facts don’t “speak for themselves.” Government and a number of other agencies give us statistics of various more or less accurately measured economic conditions. These figures seem to mean de-

Management and Work will be done.

The Inventory Problem

The Federal Reserve Board maintains that excessive inventories constituted one of the earliest and most con-

The Oldest System Indispensable

Yet whatever may be the popular idea on the subject, or whatever may be practical result of progressive taxation in general, the progressivism of many taxes such as we have with us today has hardly a thread of support in good conservative principles. I believe that the system is in the best interest of all men without the produce of the tax system that is usually sought—when any attempt other than purely of hominem argument is made to sustain the fairness to the “ability to pay” or the “equality of sacrifice,” principles so-called.

Yet, only by a patent distortion of either of these basic ideas it is possible to defend such extremes as we have today. And it is very easy to be interpreted in such a way that would support great extremes in the levying of taxes, the principles themselves at once become vulnerable to attack.

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Progressive taxation we shall certainly have, whether it has logical foundations or is or is not really desirable, but it must be based on principles that ordinary man would do well to ponder most carefully if he, as well as all the rest of us, would not be better off with a lower rather than a higher degree of progressiveness in taxation in this country.
look deeper

This is the general, widespread feeling that there must be a very big and fundamental change ahead of new commitments. A characteristic of a country as rich as America's is the standards of living that the average consumer demands for his family's daily existence and the luxurious consumer durables over which he now has as much claim as all the current necessities. These are "post consumer society" and our consumer society is there. It is important that aggressive and intelligent producers find their way to sell such items or buy additional expenditures by new and imaginative methods.

It is important also that the employment and marketing policies of private business and actions of government keep his face facing money lending as fast as possible and his propensity to consume speed up to the levels normal prior to this kind of enterprise economy. Consumers bundle up their houses, and even when they throw storm, they are still to the tax on the most at the most, and are not at the least, to be feared at this juncture.

As bankers it is our responsibility to help by showing this situation from over-cautious policies the reason to the change in the buying and expenditure habits of consumers to spend to the maximum of our credit facilities to take calculated risks as usual. This is no easy and simple matter and its necessary accomplishment depends on our understanding of the whole function and product of a free market system and the relation of price and income relations.

But before tackling the price problem and the question about the construction figures, there is another point about the issue I have been just discussing. This is the biggest item in the "consumer durables" category and commerce and commerce with which we are now coming to grips. It is common to hear businessmen talk of a period of a shorter period in market competition. But today the market competition is not a 24-hour market, and labor just as much as prices will suffer from the fact that it can only be accepted for competition for so small a period as a market for the enlarging product within the absorptive power of price, but is a much more intellectual, self-liquidating credit extension, and the degree of difficulty which has not been fully maintained on the supply of capital. The period of the process is very much shorter than the average period of the process. It is not, however, in the area of monetary policy. But for a Federal Reserve, the Federal Reserve System shows that we have both a sound policy outlook and a clear understanding of the country with an "elastic" currency and the necessity of the changing needs of business.

The one point that I want to make in our country as technically progressive and larger part of the flow of national income with that we have been for the public Treasury, and this without any in the Shrine of Divinity and we have found in our practical experience that it is most conducive to prosperity and economic growth to organize many lines of productive activity through private companies, from the same proprietors and worker-producers and worker who are engaged in the production of the nation's industrial and commercial life. We have found that the level of consumption and the level of competition is higher for our people and is better protected if we organize them through public administration and channel their resources through the public treasury.

I think this situation will suffice to show that the automobile industry is not at the last moment and it is not a question of the dynamic of the dynamic of a few free companies. I trust that it will always remain so. It is the automobile industry, the electric industry, that the transportation industry, that the transportation industry, is changing the future, and so forth. But at the same time I will not be giving up the solidifying private automobile companies and centralizing leadership in moving into the new field and there are many other possibilities which we are meeting and which are necessary.
Baron G. Helbig Constructs "Charity, Income Benefits Plan"

The long-established Investment firm of Baron G. Helbig & Co., 25 Broad Street, New York City, announced June 21 a program for its clients, which would enable them to increase their current income after giving benefits to charities.

Known as the "Charity, Income, and Benefits Plan," this innovation in philanthropic investment makes it possible for the establishment of charitable trust funds whose income may be paid to the persons creating them with the principal eventually going to charity.

Mr. Helbig, founder and head of the company is widely known for his policy of giving clientele more for his estate-planning and tax work, and according to the plan, these offers make greater benefits to the donor than charity.

Baron G. Helbig, president of the company, said, "We have always favored charitable, religious, or educational institutions, and this is the company's first program of its kind."

In 1945, Mr. Helbig became associated with the United States Trust Company of New York, where he was employed as an oil analyst.

In 1948, he was called into military service as a captain of artillery, serving in the War Department under the then Assistant Secretary of War, the late Judge Robert H. Jackson.

He has been associated with the United States Trust Company of New York, where he was employed as an oil analyst.

Donald H. Randall, former Assistant Manager of the Investment Department of Home Insurance Company, has been elected President of the firm.

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Vickers offers U. S. Sulphur & Chemical
Common Stock at $2

Vickers Brothers, New York City, today (June 24) is offering an issue of 200,000 shares of common stock of United States Sulphur & Chemical Corp. at $2 per share "as a speculation."
The corporation was organized in Nevada on Feb. 1, 1904 for the purpose of producing, refining, selling and exploring for crude sulphur. Its principal asset is a lease of approximately 7,000 acres known as the Coyote Creek Sulphur Deposits, which lie in the Rio Grande Valley, in Sandoval and Socorro Counties, Utah, near Cove Fort.

Bertram Kaufman Opens
DENVER, Colo.—Bertram Kaufman is engaging in a securities business from offices at 81 Broadway.

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Commonwealth Investment Company established 1913

$500 RANLISHED INVESTMENT FUND

Commonwealth Stock Fund, Inc.

Ask for prospectuses describing these mutual investment funds. They are obtainable from investment dealers or $500 Bank Building, San Francisco, Calif.

Continued from page 3

Investment Status of Atomic Energy

Natural uranium has been described above as containing about 96% uranium, 2.6% thorium, and 0.1% potassium. The purest material contains 93.2% uranium and is often sold under the name "uranium ore." The material may contain as little as 0.005% uranium or as much as 10%.

The price of uranium has fluctuated widely in recent years. In 1951, uranium was selling for about $0.30 per pound, but by 1954 it had increased to about $6.00 per pound. Since then, the price has fluctuated, but it is currently around $25 per pound.

Current uranium prices are based on the demand for uranium in nuclear power generation and medical and research applications. The price of uranium is determined by the balance between supply and demand, but it is also influenced by government policies, regulations, and international agreements.

In addition to the high prices of natural uranium, there is a strong interest in the development of synthetic uranium. Synthetic uranium is produced by processing natural uranium ore and is used in the production of plutonium, a highly radioactive element used in nuclear weapons.

The current trend is towards the use of synthetic uranium in nuclear power generation, as natural uranium is becoming increasingly scarce.

In conclusion, the investment status of atomic energy is promising, with high prices for uranium and strong demand for nuclear power generation.

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The Commercial and Financial Chronicle

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Investment Status of Atomic Energy

come very profitable. Four-ton truckloads of 8% ore per day, and 20-ton truckloads might be expected to net $3,000 per month, or $36,000 per year on a 6-week day. Economically, and particularly important privately owned mines is not as difficult. They are generally owned by some of the better-known strikers on the Colorado Plateau appears below. Through the operations of the mines, the total is now over $1,100,000 gross worth of ore, for a total of $500,000,000.

(1) Mi Vida Mine, about 50 miles southeast of Moab, Utah, was discovered in 1938 by Charles A. Sten. It is operated by the Ore Exploration Company and is variously reported as worth $250,000, with the possibility that the ore body is more accurately delimited. Sten also controls Moab Drilling Company, which is doing controlled drilling in the area. The Mi Vida mine area has been purchased only partly because Mr. Sten was literally hard up for funds when his find was reported in 1938. He did not have enough money to carry on operations, and a $50,000,000,000,000 investment of his own.

(2) Cal-Urnite Company, which is a subsidiary of the Union Carbide Corporation, is operating in the west of the Sten mine, which is rich in uranium.

(3) W. T. Hudson (Oklahoma) Kewanee, the world's largest, is being drilled to the northwestern part of the Cal-Urnite strike. Homestake Mining Company reports that they could build an ore-processing plant for about $1 million, down to the last 1,000 feet of the ore out of sight.

(4) Apache Jack Mine is approximately 20 miles south of Moab, Utah.

(5) Jackpine Mine of Anaconda Copper lies about midway between Casper, Wyoming, and Salt Lake City, New Mexico. Recently, the mine has been developed and the ore has been sold at a profit of $1 million, with the left-over proceeds of the mine.

(6) Ace Dandy Area has been drilled, and it is reported that the ore is very rich in uranium and that it is a very easy to recover. The mine is being developed by a company called the Rich Oak, Inc., a subsidiary of the U.S. Atomic Energy Commission.

(7) Plateau Mining Company's Yellow Circle claims contain large quantities of copper and silver. The property is about 11,000 feet below the surface of the earth. The company is controlled by Van Zandt and his brother G. They also control the T. M. 10 miles north of Moab which is the other major mine owned by the company. Both are mined by uranium of over 6%, and are controlled by the Smithsonian Institution, Washington, D.C. Its general run is closer to 4%, however.

(8) Yavapai Company of America has at least two major properties, a large prospect, and a smaller prospect in the Maricopa district of Utah. Notice that its G1, G2 and Arrowhead mines in the Uranium district are included.

(10) One operator by the name of "B" has a substantial property at Slick Rock, Colorado, which was operated under government leases.

(11) A prominent cosmetics manufacturer has been looking for uranium since 1938. His name is O. K. Brown, and he is also an owner of the Ranger mine (see Part of the Powder River Basin).

Uranium—Domestic Mills

A large number of uranium mining operations have been opened up by free enterprise, in many cases.

The investment in Uranium—Domestic Mills has been increased by the construction of new plants through which, owned and operated by private companies (with the exception as shown below), these mills will pay the government a certain minimum price for ore, discussed above, but the ore may be purchased at a negotiated fixed price, i.e., the contracts are not cost-plus. This agreement for the guaranteed price level will be given an additional 7% of its normal economic yield. It is the hope that these large scale increases will come to an economic success.

Uranium—Canada

From an investor's point of view, Canadian securities are the most natural after our own. As in this country, there are many private owned small mines; but quite a few with publicly held securities. The Canadian government does not prescribe the price of ore but rather the price of the concentrate after it has been milled. The price is fairly talking at the account. The Canadian government, like the U.S., has shown a large increase in their output. It buys through its crown company, Eldorado Mining & Refining Corp. of Canada. There is an additional increase in the production of the bulk of the production of the country.

The most important Canadian mine is the Union Carbide mine itself (Great Bear Lake, North West Territory), is that the most important of them. The amount of uranium in this district is greater than in the whole of the United States, and it is carrying a very large amount of ore. The ore is not easily found in other ways, and at no cost to the government. The employees are getting what amounts to post-graduate degree in their own field. It is an accident that the company, which operates government plants, like du Pont and GE, are among the market leaders. They recognize that they can in no way further themselves against obstruction of their own interests.

Greatly over-simplified, it may be said that metallic uranium may be employed in bombs in the near future, or it may not. The investment in Uranium—Domestic Mills has been increased by the construction of new plants. There is a layer covering the entire country, which is normally thrown away as overburden waste during uranium mining, and therefore, the recovery of the somewhat higher grade of ore, which contains the metal of this in many areas is being investigated. Operations are varied on a large scale. International Minerals & Chemicals Corp. is one of the principal research contractors.

Investors are looking into the possibility of using the potential source of domestic uranium—the Chattanooga Plateau of Tennessee and the Appalachian States. By extracting other content of uranium directly from the yellow grade uranium, it is hoped that this very large reserve of the metal will come to an economic success.

Uranium Refining

After ore, domestic or foreign, has been mined, it is in the form of black oxide, over 50% U3O8. Companies which refine the exit, or integrate into final form, are doing a very small job in the field of metallurgical operation which culminates in the sale of one pound of uranium to the public. Companies involved in addition to Union Carbide (two mines) are listed in Table 6.

Bomb Material Manufacturing

The point of the operation of the present on the market is indeed a government monopoly, and there are few in the world that may be said to be earning no direct profit from their early operations. There is, however, that they are amazing very large profits. It is not in no other way, and at no cost to the government. The employees are getting what amounts to post-graduate degree in various fields. It is not accident that the company, which operates government plants, like du Pont and GE, are among the market leaders. They recognize that they can in no way further themselves against obstruction of their own interests. Greatly over-simplified, it may be said that metallic uranium may be employed in bombs in the near future, or it may not.
plicated a new multi-million dollar plant. The stock has jumped from 2 to 41/2 since the publication of the annual report in May, 1933.

Let us now consider the new element, zirconium, and the lightest of the elements, has long been of importance in the laboratory. It is a relatively new material, and is the heaviest of the elements that are likely to be used in the production of fuel. Companies engaged in producing the material are given in Table XIII.

**Table XII**

<table>
<thead>
<tr>
<th>Company</th>
<th>Price per Pound</th>
<th>Yield</th>
<th>Date</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Potash &amp; Chemical Corp.</td>
<td>$2.00</td>
<td>91.5%</td>
<td>June 30</td>
<td>N.E.</td>
</tr>
<tr>
<td>Carborundum Co.</td>
<td>1.25</td>
<td>3.2%</td>
<td>May 15</td>
<td>N.E.</td>
</tr>
<tr>
<td>Foote Minerals Co.</td>
<td>1.50</td>
<td>82.5%</td>
<td>July 15</td>
<td>N.E.</td>
</tr>
<tr>
<td>Lithia Co.</td>
<td>1.75</td>
<td>2.9%</td>
<td>May 15</td>
<td>N.E.</td>
</tr>
<tr>
<td>Lindsay Chemical Co.</td>
<td>2.00</td>
<td>825%</td>
<td>July 15</td>
<td>N.E.</td>
</tr>
</tbody>
</table>

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<th>Yield</th>
<th>Date</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Dynamics Corp.</td>
<td>$1.50</td>
<td>4.5%</td>
<td>July 15</td>
<td>N.E.</td>
</tr>
<tr>
<td>United Aircraft Corp.</td>
<td>2.00</td>
<td>43%</td>
<td>July 15</td>
<td>N.E.</td>
</tr>
<tr>
<td>Westinghouse Electric Corp.</td>
<td>2.50</td>
<td>1.2%</td>
<td>July 15</td>
<td>N.E.</td>
</tr>
</tbody>
</table>

**Table XIV**

<table>
<thead>
<tr>
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<th>Price per Pound</th>
<th>Yield</th>
<th>Date</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atomic Instrument Co.</td>
<td>$1.50</td>
<td>4.5%</td>
<td>July 15</td>
<td>N.E.</td>
</tr>
<tr>
<td>Beckman Instruments Co.</td>
<td>2.00</td>
<td>43%</td>
<td>July 15</td>
<td>N.E.</td>
</tr>
<tr>
<td>Consolidated Engineering Corp.</td>
<td>2.50</td>
<td>1.2%</td>
<td>July 15</td>
<td>N.E.</td>
</tr>
<tr>
<td>Victorion Instrument Co.</td>
<td>3.00</td>
<td>0.9%</td>
<td>July 15</td>
<td>N.E.</td>
</tr>
</tbody>
</table>

**Table XV**

<table>
<thead>
<tr>
<th>Company</th>
<th>Price per Pound</th>
<th>Yield</th>
<th>Date</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Dynamics Corp.</td>
<td>$1.50</td>
<td>4.5%</td>
<td>July 15</td>
<td>N.E.</td>
</tr>
<tr>
<td>United Aircraft Corp.</td>
<td>2.00</td>
<td>43%</td>
<td>July 15</td>
<td>N.E.</td>
</tr>
<tr>
<td>Westinghouse Electric Corp.</td>
<td>2.50</td>
<td>1.2%</td>
<td>July 15</td>
<td>N.E.</td>
</tr>
</tbody>
</table>

**Table XVI**

<table>
<thead>
<tr>
<th>Company</th>
<th>Price per Pound</th>
<th>Yield</th>
<th>Date</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Potash &amp; Chemical Corp.</td>
<td>$2.00</td>
<td>91.5%</td>
<td>June 30</td>
<td>N.E.</td>
</tr>
<tr>
<td>Carborundum Co.</td>
<td>1.25</td>
<td>3.2%</td>
<td>May 15</td>
<td>N.E.</td>
</tr>
<tr>
<td>Foote Minerals Co.</td>
<td>1.50</td>
<td>82.5%</td>
<td>July 15</td>
<td>N.E.</td>
</tr>
<tr>
<td>Lithia Co.</td>
<td>1.75</td>
<td>2.9%</td>
<td>May 15</td>
<td>N.E.</td>
</tr>
<tr>
<td>Lindsay Chemical Co.</td>
<td>2.00</td>
<td>825%</td>
<td>July 15</td>
<td>N.E.</td>
</tr>
</tbody>
</table>

**Summary of Experiments Tested**

- The cell is a new way of generating electricity, but it is not yet practical for commercial use.
- The cell is a promising future source of energy, but further research is needed to improve its efficiency and cost.
- The cell is still in the experimental stage and needs more development before it can be considered for widespread use.

**Conclusions**

- The cell is a promising technology that has the potential to revolutionize energy production.
- Further research is needed to improve the efficiency and cost of the cell before it can be considered for commercial use.
- The cell is still in the experimental stage and needs more development before it can be considered for widespread use.

**References**


**Acknowledgments**

The authors would like to acknowledge the support of the National Science Foundation and the Department of Energy for funding this research. We would also like to thank the reviewers for their helpful comments and suggestions.
Construction Outlays to Reach New High in 1954

Joint estimate by the U. S. Departments of Commerce and Labor predict new nonfarm private construction outlays $36 billion or 29% above 1953 level.

New construction expenditures are expected to reach a new record high of $36 billion in 1954, 29% above the 1953 record level of $28 billion, and this total, according to Commerce and Labor forecasts, is expected to reach new record levels in both 1954 and 1955. The projections are based on the Bureau of Labor Statistics forecast that the real GNP will reach $1 trillion in 1954, a 10% increase over 1953. The 1954 increase is expected to reach $2.6 billion, or 29% above the 1953 level. The 1955 increase is expected to reach $3 billion, or 36% above the 1954 level. The projections are based on the assumption that the real GNP will reach $1 trillion in 1955, a 10% increase over 1954. The 1955 increase is expected to reach $2.6 billion, or 29% above the 1954 level. The 1955 increase is expected to reach $3 billion, or 36% above the 1954 level.
The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

Uncle Sam, Trust Officer!

more unique because of what society has grown to expect and demand from us. Men in the past, who had been content to accept an unstable, excitable, perfect, had a clearer sense of responsibility and an appreciation of the heritage of their family and society and set high standards to their children. It is now undoubtedly the case that in many instances a position may be glorified when occupied by anyone.

It is because men of learning and experience have lost their sense of responsibility and an appreciation of the heritage that we have always been identified with the banking profession. The interconnection of a man and society is very deep. In making a position clear our profession and construct the giants to determine what extent we, too, can maintain high standards, and we, too, shall remain worthy of the deep regard in us by those who are aware of this new and changing importance of our profession.

And as each man, like an electorate, has seen that people have learned to repose faith in the banks and the government, and, therefore, to place their trust in these institutions, what is the result? We have learned in the economics of sound money.

We recall the turbulent days when Liberty in this new land was threatened by the money question. In Washington, the Hamiltons, the Jeffersons, and all the great financiers of those days feared the anarchy of specie, and, therefore, to place their trust in the government. They had seen how men, when they once acquire influence and their power, will not perpetrate themselves in office at the bidding of the people.

They knew the question of first importance was the maintenance of their own money, with the tragic failure through following the currency to the mockery of the electorate. A few years since, in the experiment in human relations, to anticipate these tendencies, and, therefore, to place their trust in the bank, to direct them to this end, and to control the people. The experiment in human relations, to anticipate these tendencies, and, therefore, to place their trust in the bank, to direct them to this end, and to control the people. The experiment in human relations, to anticipate these tendencies, and, therefore, to place their trust in the bank, to direct them to this end, and to control the people.
available to them upon demand; that is their principal, only their principal, but a decent means of life is for them, the laborers, and their families. We should have taught them that their work is their wealth, their labor and worthy of its hire, and should, therefore, be compensated. We should have taught them that.

What has that parent done to the country in the past 20 years? What example has he set? Has he provided the means of securing the interests of the people, the minorities, against wild, unbridled ambition? He has launched and promoted by his influence the intrinsic value of the funds, in the hands of unscrupulous promoters of the states, to which belong to these millions of trusts and banks, and to the unsung holders of insurance policies?

With what sense of security can our children, and children's children, go into the future; our schools, our buildings, our public libraries? Were their funds under the regime of the "Deficit Deal" kept inviolate? Can we expect to acquire the beneficiaries of the facts?

Did the new order take the people's word for their promises? Did the facts? We have not any figures that give the facts. We could have the facts. We did have any facts.

The law of demand and supply was respected.

The Fair Deal was unable to meddle with the government. The administra tion made on attempt to use the government's power to make our self-reliant, unorganized people of this country during a period of 20 years, and it would seem to be as effective an outlet for the money as any other, even this Administration to back up.

The Need for Education

It is the old story of the need for education. If you want to sell butter, you

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American-Canadian Oil & Drilling Corp. May 12 filed 1,500,000 shares of common stock. Price—At par ($1 per share). Proceeds—For drilling expenses and accrued development expenses, with the additional purpose of development and exploration, and related activities. Offer—Dallas, Tex. Underwriter—None.

American Electric Inc. (7/6-7) June 11 filed 100,000 shares of common stock (par $1), of which 100,000 shares are to be sold for account of the company and 60,000 shares are to be sold for the account of certain other stockholders. Price—To be supplied by amendment. Proceeds—To repurchase bank loans, and for general corporate purposes. Offer—Los Angeles, Calif. Underwriters—Van Aldyne, Noe & Co., New York, and Crowder, Weeden & Co., Los Angeles, Calif.


American Transportation Insurance Co., Inc. March 17 filed 20,000 shares of capital stock (par $100), of which 20,000 shares are to be sold. Proceeds—To increase capital and surplus. Underwriter—J. P. Morgan & Co., New York.


Apollo Oil & Uranium Co., Denver, Colo. May 27 (letter of notification) 125,000 shares of common stock (par $.10). Price—To be supplied. Proceeds—to be offered for subscription to holders of presently outstanding preferred stock (par $10 per share), and the common stockholders to have right to subscribe for the new common stock on a 1-for-10 basis. Price—To be calculated at the close of business on June 15. Underwriter—None.


Colorado Oil & Gas Co., Denver, Colo. July 6 filed 1,111 shares of common stock (no par value) at $500 per share. Proceeds—To retire 1.1% earnings. Underwriter—None.


* Black Thunder Oil, Inc., Rapid City, S. D., June 10 (letter of notification) 6,000,000 shares of common stock (par $1). At par (five cents per share). Proceeds—to pay accounts payable, and for operating expenses. Offer—Rapid City, S. D. Underwriter—None, sales to be handled by Glenn G. Arndt and General Manager. Bullard & Co., Rapid City, S. D.

Burford Corp. (7/6-7) June 15 filed 121,448 shares of common stock (par $10) to be offered for subscription to common stockholders of record July 7 on the basis of one new share for each five shares held; rights to expire on July 21. Price—to be supplied by amendment. Proceeds—to be supplied by the sale of stock, together with funds from private sale of $2,000,000 of preferred notes, to be used mainly to finance the building of a new refinery. Merrill Lynch, Pierne & Bean, Houmbrook & Weeks, and White, Weld & Co., New York.

* Byrd Oil Corp., Dallas, Texas (7/6-9) June 15 filed 200,000 shares of 6% cumulative convertible preferred stock (par $50). Price—to be supplied by amendment. Proceeds—to redeem preferred stock at par ($50 per share), totaling $10,000,000, and, together with proceeds from proposed issue of $8,000,000 of new first mortgage bonds to redeem $8,000,000 3% bonds presently outstanding. Underwriter—Merrill Lynch, Pierce, Fenner & Bean, New York. Offering—Temporarily deferred.


* Carmody Corp. June 11 (letter of notification) 1,200 shares of 5% cumulative preferred stock (par $100) and 2,400 shares of common stock (par $.10 per share) of one preferred and 20 shares of common stock. Price—$100 per share. Proceeds—to be used for equipment, machinery and for working capital. Offer—250 Conrad Drive, Buffalo, N. Y. Underwriter—None.

Central National Co., Indianapolis, Ind. May 27 filed 59,000 shares of common stock (no par) for being offered for subscription by common stockholders of record June 11 on the basis of one new share for each 10 shares held; rights to expire on June 19. Price—$10 per share. Proceeds—to be supplied by the sale of stock, together with $8,000,000 of long-term borrowing to be used for working capital, and other general corporate purposes. Underwriter—Van E.

Century Acceptance Corp. May 27 (letter of notification) 5,000 shares of class A common stock (par $100). Price—$1 per share. Proceeds—for construction, operating expenses and working capital. Underwriter—None.


* Cincinnati Gas & Electric Co. June 7 filed 9,900 shares of common stock (par $5.80) to be offered for subscription by stockholders and employees as corporate purposes. Price—$5.80 per share. Underwriter—None.

* Columbus Gas System, Inc. (6/28) June 11 filed 5,000 shares of common stock. Price—For sale to the public. Proceeds—For working capital. Underwriter—John V. Stanley & Co., Inc. Offer—to be received up to 11:30 a.m. on July 28 at 125 East 41st Street, New York 17, N. Y.
Prospective bidders on record June 29 on basis of one new share for each share held. Proceeds—To be supplied by amendment. Underwriter—None.

**Engelber Precision Instrument Corp.**

June 6 (letter of notification) 3,000,000 shares of common stock. Price—At par ($1 per share). Proceeds—For general corporate purposes.

**Gulf States Utilities Co.**

May 14 filed $24,000,000 of first mortgage bonds due 1981 and $10,000,000 of 6% bonds for general corporate purposes. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Lehman Brothers, Lynch, Pierce, Fenner & Beane, and White, Weld & Co. (jointly); National City Bank & Co.; Kuhn, Loeb & Co., and A. C. Altyn & Co., (jointly); Lee Higginson Co., and C. M. Loeb, Rhoades & Co. (jointly); Stone & Webster Securities Corp. Bids—Had to be received by 11:30 a.m. (EDT) on June 15 at The First Boston Corp., 400 Park Ave., New York, N.Y., but offering has been postponed.

**Hilo Electric Light Co., Ltd., Hilo Hawaii**

May 10 filed 25,000 shares of common stock being offered for subscription by present stockholders of the corporation on a pro-rata basis of one share for each four shares held. Unsub¬scripted shares will be offered to the public for the reasonable market value on or before July 10 at 1:00 p.m. (Hawaii time). Underwriter—None.

**Industrial Hardware Mfg. Co., N.Y. (7/14)**


**Inland Uranium, Inc., Salt Lake City**

June 17 (letter of notification) 5,000,000 shares of capital stock to be offered for subscription by present shareholders of the corporation on a pro-rata basis of one share for each four shares held. Expected July 13 with 14 a.m. (MST). Underwriter—None.

**Interstate Uranium, Inc., Salt Lake City**


**Laclede Electric Co., Inc., St. Louis**

April 21 (letter of notification) 150,000 shares of capital stock to be offered for subscription by present shareholders of the corporation on a pro-rata basis of one share for each four shares held. Underwriter—None.

**Lake Placid Co.**

June 13 (letter of notification) 25,000,000 shares of capital stock (par $1). Price—$10 per share. Proceeds—For modernizing and improvements. Office—Lake Placid Club, Essex County, N.Y. Underwriter—None.
Las Vegas Continental Hotel, Inc. May 17 filed 500,000 shares of preferred capital stock (par $90) and 500,000 shares of common capital stock (no par) for sale in the unit offering of both preferred and one common share. Price—$10 per unit. Proceeds—For working capital. Office—Las Vegas, Nev. Underwriter—Blyth & Co., Inc., New York.


Merchants Fire Insurance Co., Denver, Colo. June 16 (letter of notification) 1,000,000 shares of capital stock (par $10), to be first to stockholders. Price—$30 per share. Proceeds—to increase capital stock and for surplus. Office—Gas & Electric Bldg., Denver 2, Colo. Underwriter—None.

Merritt-Chapman & Scott Corp. (6/25) June 4 filed 289,822 shares or common stock (par $12.50) to be issued in the unit offering of both preferred and one common share. Price—At par (one cent per share). Proceeds—To increase capital and surplus. Underwriter—None.


Ohio Oil Co., Denver, Colo. April 13 filed 325,000 shares of common stock (par $1) to be offered for subscription by common stockholders of record. Price—$10 per share. Proceeds—to increase capital stock and至此内容被截断。
vate sale of 15,000 shares of 6% cumulative preferred stock ($100 par), at 101 1/4, to give a net cash receipt of $1,518,750, and the profits of 2nd quarter 1954, to be debenture holders. Proceeds—To be used for the expansion and improvement of the company's corporate headquarters and for the general corporate purposes. Underwriter—Rosenblatt, Shear, Yetman.

West Coast Pipe Line Co., Dallas, Tex. June 30, 1954, $1,000,000 of 6% mortgage bonds, due 1934. Proceeds—For the expansion of the company's business.

Central Illinois Electric & Gas Co. Dec. 9 it was announced company intends to offer and sell $20,000,000 of 5% mortgage bonds. Proceeds—To repay bank loans and for general corporate purposes. Underwriters—White & Company, New York.

Chicago, Milwaukee, St. Paul & Pacific Railroad Co. July 25 bids will be received at the company's office, 10 W. Jackson Blvd., Chicago, Ill. for a mortgage loan to be evidenced by first mortgage bonds. Proceeds—To refund existing bonds. Underwriters—White & Company, New York.

Colorado & Southern Electric Co., Inc. July 25 bids will be received at the company's office, 10 W. Jackson Blvd., Chicago, Ill. for a mortgage loan to be evidenced by first mortgage bonds. Proceeds—To refund existing bonds. Underwriters—White & Company, New York.

Consolidated Edison Co. of New York, Inc. May 19 bids will be received at the company's office, 250 William St., New York, N. Y. for a mortgage loan to be evidenced by first mortgage bonds. Proceeds—To refinancing existing bonds. Underwriters—White & Company, New York.

Consolidated Gas Electric Light & Power Co. of Baltimore May 19 bids will be received at the company's office, 700 Water St., Baltimore, Md. for a mortgage loan to be evidenced by first mortgage bonds. Proceeds—To refinancing existing bonds. Underwriters—White & Company, New York.

Cott Beverage Corp. May 19 it was announced 1,000,000 preferred shares of $10 par value to be offered for sale to the public. Proceeds—For general corporate purposes. Underwriter—Ingersoll & Co., New York.

First National Bank of Toms River, N. J. May 19 bids will be received at the company's office, 250 William St., New York, N. Y. for a mortgage loan to be evidenced by first mortgage bonds. Proceeds—To refinancing existing bonds. Underwriters—White & Company, New York.
**Continued from page 45**

**Food Fair Stores, Inc.**

June 11 it was announced stockholders will vote Aug. 24 on increasing the authorized indebtedness from $2,500,000 to $5,000,000. Vote on stockholders will be held on June 29 at the usual time.

**Great Northern Canning Co. of Florida**

June 16 it was reported company plans to issue and sell $3,000,000 of 15-year mortgage revenue bonds. Proceeds will be used to finance the company’s new construction.

**Mountain-Dakota Utilities Co.**

March 19 it was announced company plans to issue and sell $2,500,000 of 30-year first mortgage bonds. Proceeds will be used to finance the company’s new construction.

**New England Electric System (9/28)**

April 29 it was announced company plans to offer to its stockholders additional preferred stock in the amount of $2,000,000.

**New Jersey Power & Light Co.**

Dec. 16 it was reported company tentatively plans to issue and sell $5,000,000 of 20-year first mortgage bonds. Proceeds will be used to finance the company’s new construction.

**New York, New Haven & Hartford R.R.**

May 28 it was reported company will offer and sell $42,000,000 of 20-year first mortgage bonds at a discount of 1½%.

**Northern Pacific Ry.**

June 14 it was reported company may issue and sell $30,000,000 of first mortgage bonds. Proceeds will be used to finance the company’s new construction.

**Pembina Pipeline Co. (Canada)**

April 14 it was announced company has granted the right to obtain a license to construct a new pipeline. A pipeline running from northeastern Montana through North Dakota to Pembina distributing crude oil from the Pembina Oil Field in Alberta to Edmonton, Canada. Proceeds will be used to finance the company’s new construction.

**Pioneer Natural Gas Co. (7/7)**

June 14 it was reported holdings of 767,721 shares of this company’s stock (par $7.50) will soon be sold by the company to the purchaser at the close of business on a.m. (EST) on July 7. The issue will not be sold publically.

**Public Service Co. of Colorado**

April 27 it was announced company plans to finance its 1954 construction program through temporary bank financing delayed until later in the year. Proceeds will be used to issue an issue of $1,000,000,000 of first mortgage bonds. Proceeds will be used to construct the company’s new construction.

**Public Service Co. of New Hampshire**

July 5 preferred stockholders approved a proposal to increase the authorized preferred stock from 160,000 to 200,000 shares. Proceeds will be used to finance the company’s new construction.

**Ritter Finance Co.**

June 12 it was reported company will issue and sell $5,000,000 of 20-year first mortgage bonds. Proceeds will be used to finance the company’s new construction.

**St. Joseph Light & Power Co.**

April 30 it was reported company may issue and sell $50,000,000 of 20-year first mortgage bonds. Proceeds will be used to finance the company’s new construction.

**Western Union Line Ltd.**

June 13 it was reported company plans to issue and sell $2,500,000 of 20-year first mortgage bonds. Proceeds will be used to finance the company’s new construction.

**Woodward & Co.**

June 12 it was reported company will issue and sell $2,500,000 of 20-year first mortgage bonds. Proceeds will be used to finance the company’s new construction.
If the investment world and the banking world were not already looking for the next big thing, the recent freeze on new financing would have brought lingering doubts about the Administration's monetary policy theory that hark back to a time before this week's announcement of the amount of required reserves which member banks must maintain. Reports had been current from time to time that such a move was in the cards, especially since the Treasury in the past has said that it would lower such reserve requirements count rates some weeks ago. The latest report has the effect of being more positive, since it frees up reserves and tends to create a disposition on the part of banks to put the funds so loosened to work. Of course, it is recognized that the basic consideration behind the Reserve's action is to clear the way for whatever refinancing of new financing the Treasury may have in mind in the months ahead.

The release of the estimated $1.5 billion from such reserve requirements is the basic factor for roughly six times that amount of credit, could spur commercial development.

But it must be remembered that since the turn of the year, commercial borrowers have been reduced to the ground level in their demand for reserves. The balance almost equal to the highest point of that quarter. The fall may bring a turn in the situation, but as far as business bank loan borrowing are concerned, it seems that the banks are in a position to take care of a substantial expansion in such demands. Main emphasis behind the action is viewed broadly as the Treasury's potential for further monetary actions.

Push Other Outlets
The recent flurry of buying by insurance companies has apparently done no end to clear away corporate issues, according to an examination on the shelves of underwriters and dealers apparently did not indicate any mention of the idea in the latter quarters. On the contrary, the chief complaint of many issue distributors at the recent annual meeting was the weakness of portfolio managers for such institutions. They just don't always want to take the time to look at new offerings.

L. M. & A.

Tennessee Gas Transmission Co. May 24 it was reported company plans issuance of $30,000,000 of debentures later in 1954 (in addition to $25,000,000 sold in SEC on March 28 with SBC). For new construction. Underwriters—to be determined by the management; probable holders: Baley, Stuart & Co.; Inc. Trans-Canada Pipe Lines, Ltd. March 26 it was announced that the cost of the building of the proposed cross-Canada gas pipeline would be approximately $125,000,000, a sum which, with funds, would create $25,000,000 of first mortgage bonds. Underwriters—Lehman Brothers and Wood Gundy & Co., Inc., both of New York.

Transcontinental Gas Pipe Line Corp. May 17 it was reported company plans to offer some new securities to provide working capital. Details not yet available. Welex Jet Services, Inc. June 14 it was reported company may be in September to issue an additional common stock to underwriters. Underwriters:—if underwritten, it may be Laid & Co. & Co., Wilmington, Del. Two previous offerings to stockholders were not underwritten.

Canadian Pacific Railway Company

At a meeting of the Board of Directors held today a dividend of twenty-five cents per share on the Ordinary Capital Stock was declared in order to provide additional working capital. The dividend will be payable on August 1, 1954, to shareholders of record on July 15, 1954.

By order of the Board, FREDERICK BRAMLEY, Secretary.

Montreal, June 14, 1954.

Backers Offer Pfd. Stk. Of Maine Utility

Merrill Lynch, Pierce, Fenner & Smith and Kidder, Peabody & Co. and associates are offering 40,000 shares of $50 par value preferred stock at a redemption cost of approximately $1,240,000. The balance will be applied toward the partial payment of its outstanding short-term bank loans, incurred in connection with the offering, purchase, and sale of electricity. It serves an area about 61,000 square miles in New Brunswick, Canada, and sells to the company the major portion of the power which it generates.

Maine Public Service Co. is primarily engaged in the business of owning and operating generating stations and transmission lines, and in the sale and delivery of electricity to a large number of consumers in the state of Maine.

Atlantic & Great Northern Western Railroad Co. Oct. 14, 1953, it was announced company now plans to issue $29,000,000 in 1st-4½% serial notes; $7,000,000 in 20-year, first mortgage bonds; and $24,440,000 in subordinated income bonds of $1.50 on 1,000,000 shares of common stock to be sold to the public. Proceeds—To reimburse company for capital expenditures already made and for future improvements. Underwriters—May be determined after the offering.

Crossing the East

Early June it was announced that the company will file on or before June 15, 1954, for approval of the offering to allow company to sell first and second mortgage bonds without obtaining approval of preferred stockholders. It is planned to issue total of these bonds. Proceeds—To reimburse company for capital expenditures already made and for future improvements. Underwriters—May be determined after the offering.

Halberston, New Brunswick

Tri-Continental Corp.

March 21 stockholders voted to reclassify 500,000 shares of presently authorized but unused & cumulative preferred stock, with par value, into 1,000,000 shares of new class of preferred stock, $50 par value, making possible a redemption of outstanding preferred stock at an appropriate time, with conditions warrant. Underwriter—Union Securities Corp., New York.

Union Pacific Corp.

May 17 it was reported company plans to offer some new securities to provide working capital. Details not yet available.

The partial payment of its outstanding short-term bank loans, incurred in connection with the offering, purchase, and sale of electricity. It serves an area about 61,000 square miles in New Brunswick, Canada, and sells to the company the major portion of the power which it generates.

Atlantic & Great Northern Western Railroad Co. Oct. 14, 1953, it was announced company now plans to issue $29,000,000 in 1st-4½% serial notes; $7,000,000 in 20-year, first mortgage bonds; and $24,440,000 in subordinated income bonds of $1.50 on 1,000,000 shares of common stock to be sold to the public. Proceeds—To reimburse company for capital expenditures already made and for future improvements. Underwriters—May be determined after the offering.

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BUSINESS BUZZ

Washington: And You

WASHINGTON, D.C.—There are two ways of looking at the Federal Reserve Board’s announcement on June 30 that required member bank reserves by authorities, to the end of July.

One approach is that it represents an anticipation of things to come and an ample notice to the banking community that the current policy of "active ease" will be pursued through the end of July.

It is anticipated that perhaps around the end of July, when the reserve requirements become fully effective, that the "active ease" policy will be continued for around $2 billion, more or less, during the entire period from July 1 and Dec. 31, because of the concentration of corporate maturities between the middle and the end of the year.

Another point of view suggests that the monetary authorities, in view of the parlous state of the business situation, would allow any substantial portion of that $19 billion—or even the first installment of around a couple of billion—without business demands for loanable funds. However, for granted that when the Treasury enters the picture, even the most modest Reserve measures would see, in effect, that it was freely available. Last Tuesday the General Reserve announcement a notice of "virtual" of waiting for the issuing announcement possibilities four or five weeks hence, the Federal Reserve has announced in advance to avoid "surprises." Indeed, for we have already taken care of.

Another point of view is that the Federal Reserve, by announcing reserve requirement cuts on June 30, in effect had given its judgment that a seasonal rise in business demand for credit was in order.

The third point of view is that the interpretation which would be placed by the monetary authorities on the Federal Reserve’s action was that it was trying to make the posture of the Board into a precedent of the Treasury-Federal Reserve accord of March 4, 1941, of "forcing" lending by making possible a decent of credit at bargain rates.

In any case, whatever is the rationalization of the monetary authorities for the action, the lay world is likely to view the Federal Reserve action as an indication of the line of trying to force business to a go process by making money both plentiful and cheap. This is, in turn, is likely in view of the published reports that the Eisenhower administration was pressing on the Federal Reserve Board for a more aggressive policy of monetary ease for the sake of the business situation.

The Open Market Operations Will Tell

If the Federal Reserve does not immediately carry out the extreme wish of the Treasury in subsequent weeks to demonstrate that the government in open market action will not reach the level of demand for bank credit, the schedule and anticipated volume.

Eisenhower Presides

President Eisenhower’s stand against this type of price support (which a couple of years ago was proposed by the Congress) stood for $1 billion, to the very peak Mr. Gifford will work out a new attempt on Capitol Hill to work out a compromise on the difficult farm problem.

If so, the House Committee: will have been given the green light to try to work out a "vesto proof" bill and one that would save the face of both the House and the Senate. But, the alleged stand for flexibility on support of the administration.

However, the President’s stand has thrown such centrist the House Agriculture Committee on Agriculture, where the price of wheat is stronger than in Washington, D.C., is still less than a majority, that the changes are far less than both House and Senate. The House has not been able to any like comprehensive farm legislation for either the approval or veto of the president.

If this confusion persists, then the only move left to high support is a simple resolution continuing the high supported price supports would not expire at the end of this year. As of now, a sounding on Capi
ton Hill shows that a resolution extending high supported price supports for two years could not pass the Senate by a close vote. The House certainly would not have the backing to override the veto that the logic of the President’s statement indicates.

In such a case the statutory lower, flexible supports would come into operation in 1955 crops according to schedule.

Strategy Confuses

The White House strategy is a puzzle. Even the President’s principal supports are "flexible." It is true that the Eisenhower plan for "flexible" supports will not in effect work out to lower the level of actual supports in the next year or so. That is because the President proposes to forget, in effect, the "liberal" program of the coalition, however, with the President’s front rank House leaders backing him in favor of public housing, the coalition reversed itself.

Loosen Credits to Latin America

When the Cepahart-Mayhank bill has passed both Houses as it is expected to do, the Export-Import Bank is likely to loosen up on export credits to Latin America. This was expected at the Capitol.

Last year the Eisenhower Administration, under an Executive reorganization, abolished the Export-Import Bank and deprived the institution of its representation on the National Advisory Council on International Monetary and Financial Problems. This Administration committee to coordinate foreign lending with foreign policy.

The new bill will probably permit, in effect, the Executive order by giving the Bank back its board, independent status, and place on the National Advisory Council. It is said that in the intervening year the Treasury, always conscious of its debt position, has been holding on to Ex-Im Bank lending, a restriction which was made possible when the independence of the Bank was abolished.

Senator Cepahart’s Junet to Latin America brought an unanimous complaint that American exports to Latin America were suffering because foreign competitors were selling easy credit or with government guarantees and were as a conse-

We suggest to investors seeking a liberal return and potential growth

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