Air-Conditioning Industry  
—Today and Tomorrow
By MATTHEW A. LAWLER*  
Vice-President, Worthington Corporation

Mr. Lawler reviews progress of air conditioning and its potentialities. Discusses present and prospective markets for the four basic equipment classifications, viz: (1) the room cooler; (2) the commercial package unit; (3) the year-round residential unit; and (4) central station or large commercial and industrial structures. Says, because of many new producers of room cooling and small residential units, there will be overproduction and price cutting, which will force a "shake-out." Holds air conditioning makes America a better place to live in and has a vast market ahead.

When we talk about air conditioning we are talking about an industry which is now in the billion dollar class. Production and sales for 1933 have been estimated at nearly $1 billion to more than $1½ billion. One industry leader estimates that production has increased 3,000% since 1914. Some forecasters predict growth up to $5 billion a year by 1936. In analyzing the potential of air conditioning, we customarily divide the market into four basic equipment classifications. These are:

* The Room Cooler of less than 2 horsepower, including both window and console units.

* The Commercial Package Unit of 2 to 10 horsepower which can be used with or without duct work and to which heating units may be added.

* The Year 'Round Residential Unit of 2, 3, 5 or 7½ horsepower in which the cooling unit is either added on to the heating unit or combined with it.

* An address by Mr. Lawler before the Rotary Club of Decatur, Ala., July 19, 1934.

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(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.)

M. E. Edelman

Barclay

The New York Stock Exchange

New York, New York

This Week’s Forum Participants and Their Selections


Roberthaw-Fulton Controls Co.—J. Dabney Penick, Reynolds & Co., New York City. (Page 2)

J. DABNEY PENICK

Partner, Reynolds & Co.

New York City

Roberthaw-Fulton Controls Co.

There are a number of reasons why I like Roberthaw-Fulton Controls Company, which ranks as a leading manufacturer of control equipment. Temperature, humidity, and pressure controls for home and industry use. Its management is sound, progressive and alert. It is ever ready, through its research and development departments, to take advantage of new developments in its field.

Several new products already developed and in the process of being developed this year and they should add to the company’s earnings potential when they are actually marketed in the next few months.

In addition, Roberthaw-Fulton operates an important division in the rapidly growing field of automation of industries. In 1951, Roberthaw acquired control of Fielden Instrument, which is operated as a separate line.

This acquisition promised the company with an established electronics engineering staff and other important sources of research and information. As yet, Fielden is a relatively small contributor to overall sales, but important expansion of its activities is likely. Of greater importance, however, is the promising way in which the outlook for the balance of 1954 and the future is improving. After getting off to a rather slow start this year (Sales and net earnings were below last year’s level), it now appears that an important new product will be entering the second quarter for the company. In addition, the company expects earnings for the six months ended June 30, 1954, will be about as large as last year, when the company earned $1.15 per share.

Net income for the six months period is expected to better last year’s results by approximately 10%.

The improvement which developed in the recent past is expected to carry through the remainder of the current year. On this basis it is likely that net sales will exceed 1953’s record volume of $57,500,000 and that net income for the year will likely reach $3 per share on an average of $2 per share as compared with $1.90 in 1953.

Present strong trend of demand for Robertshaw-Fulton products reflects increasing emphasis on control devices both in the home and in industry. The company has specialized in these fields for a number of years and is continuing to expand its activities in this field. The company is believed to be the major factor in existing and possible new fields which it supplies with automatic controls.

Although some appliances form the most important single market, a variety of new products are in various stages of development that promises very attractive future growth. These new products should aid in maintaining sales and earnings in a rising trend.

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The Market Outlook

By ROBERT S. BYFIELD

Member New York Stock Exchange

By well-known economist, while dealing "Blue-Blue Chips" as now fatigued, maintains market's long-term upward momentum is still controlling. Cites chief supporting bullish factors: relief from excess demands' tax, non-pressure due to the business climate under Eisenhower Administration, and—importantly—Treasury's cheap money policy. Emphasizes need for selectivity at this stage.

The bidding up of quotations for most "Blue Chip" stocks has continuing in an almost monotonous fashion. Recovery was quick and decided and the sudden but sharp setback of May in the early June. The Dow Jones Industrial Average has recovered to points in the last month and at present above 340. After a relatively flat period for the first few weeks of May, the Rails are now giving a new lead. Investors themselves are now above 117, not far from the July 15 high of 117.80. The Utilities have also been moving up from their recent low. If this price action continues, we are technologically at their July 19 high of 87.78.

In the past, there has been no single propelling force behind these stock market moves. Among the principal causes are the reduction in the growing pressure of E.P.T. now being enjoyed by many businesses in a variety of fields, the failure of the decline in business volumes to find its way into a real recession and the much more favorable climate in which business has found itself since the Eisenhower Administration. In the present situation, perhaps more important than any of these is the change in the policy of the Treasury. This results from a high level policy commitment to the principle of necessity employment. This was a reduction in the Federal Reserve rate last Winter and more recently lowered requirements for commercial banks which have increased the lending power of our banking system by about $300,000,000.

Equities' Physical Demand and Supply Situation

The actual physical demand and supply factor is becoming more and more important. During the past few months the erratic market action of a number of a good many top quality common stocks leads me to believe that occasionally substantial downward pressure is not unfrequently the result of sales for the sake of sale are not available. This situation would not be surprising because the higher the market price, the more reluctant of conservative investors become to sell their "blue chip" equites. These holdings were acquired at much lower prices and if they liquidated, the large book profits would turn into actual profits, and as such would be subject to a substantial levy. This situation when often brought about by the market's suddenness, recovery, Group investors are by their nature conservative, and seek to limit their responsibility by investing principally in well known securities. Therefore, the market may be said to be flowing upon itself. No new factor intervenes, some issues may become overvalued, at least temporarily.

In the past three or four weeks, the rates have been an exception to the great strength in "blue chips." The gains in inventory situation leaves must be desired and there have been some price cuts which ordinarily would have been ignored, but they occurred at a time of high demand and in a strong market, which is usually strong. The last time a comparable increase in inventory, over-supply occurred was in the Summer of 1949. Until this correction is able to be realized, the market is likely to remain in a strong position.

On the stage of this market will remain much easier for investors to make mistakes than at almost any time since the Winter and Spring of 1949. "Selectivity is an overworked word, but there was never more necessary for exercising caution than at this time with respect to individual commitments in common stock equities. However, the unwillingness of the market to hesitate in its upward march may be the only evidence of the great momentum it has achieved. Accordingly, I look for no immediate change in direction. On the good news front, there have been a number of issues which have already had such two instances which the market has taken advantage of this stride.

Dividend Tax Relief

The first was the unexpected determination effort of the Senate Democrats to knock the dividend relief section out of the Administration's tax bill. They succeeded in large part. During the debate on the tax bill the argument advanced by some of the more prominent "shark the richers" were the repercussions of the New Deal days of the 1930's. For example, Senator Humphrey of Minnesota charged that "what we're doing is to sacrifice the children for the stock-exchange-clippers." Senator Douglas of Illinois referred to stockholders as a privileged class and a group which has profited at the cost of the rest. I have already had the misfortune of having to do with my arguments. Continued on page 29

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Bank and Stock Exchange News and advertising lines are set every Monday (in most complete statistical data — market quotations, record, news, special financial reports, corporate news, bank closings, real and city news, etc.)

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Outboard Bound
By IRA U. COLEBIGH
Enterprise Economist

This is surely the correct time of the year to talk about the outboards. It’s the peak of the season for these portable powerhouses for personal watercraft. Whether you are an ace, a laggard, or an outboard enthusiast, it’s time you talk about what’s new and exciting about these marvelous machines. Outboard and Inboard as well.

Industry Leader
Probably the best picture of the outboard industry’s growth is the explosion of the outboards since the mid-1950s. The outboard industry is a $6 billion business and it’s growing at a steady rate. The outboards are a major industry and they’re here to stay.

The fact that O.M.M. was able to rocket out its sales of $71 million in 1953, is probably as good a sign of the growth of this industry. O.M.M., the leading manufacturer of outboards, reported a sales increase of 34% over the preceding year, and net profits for the year ending Sept. 30, 1954 are expected to just about double that per share figure for the year preceding.

The outboard motor business is a major industry and it’s growing at a steady rate. The outboards are a major industry and they’re here to stay.

The lines of Outboards include such famous names as “Evinrude.” Evinrude has been an unbridled model for a group of large manufacturers.

10,000 Retailers
Over 15,000 retail dealers (2,000 in South) sold outboards; while the power motors are sold by independent distributors.

For the outboard enthusiast a wide variety of accessories is available. From the low cost of a simple water skis to the high cost of a complete water ski set, there is something for everyone. The accessories include: motors, starters, trailers, Pactrols, hulls, motor, and gear boxes.

Reinforcing bar tonnage was off 17%, but significantly, this building was rather better than bar classifications going largely to manufacturing, high mill heart, being off 19%. At the same time, plate shipments were down 25%, hot-rolled sheets fell 28%, cold-rolled strips fell 41, cold-rolled strip 43, and drawn wire 31, items mostly going into the electrical industry.

Large structural awards being placed right along assures high-level design for the future. Despite the oversupply of raw materials, the outboard industry is expected to continue at a high rate of growth. The outboards are a major industry and they’re here to stay.

Steel Production
The State of Trade and Industry

As 1954 passes beyond the mid-year, business activity remained at near-nil level, and some basic indicators would indicate a second best year for business. There are some spots suggesting development, however. Domestic steel production, which picked up to a 70% level after falling back again in the current week. The American Iron and Steel Institute reported July 26, that the industry operated at 63.3% of theoretical capacity--in contrast to the 50% of June, of 1953 and steel for castings. The operating rate for the period had been 63.4%.

This week the mills scheduled operations at 61.5% of potential, equal to production of 1,500,000 tons, the Institute estimated. A cutback in operations, at 61.6%, was expected to fall to 93.7% this week from 96.9 last week. A month ago the mills had scheduled operations at 86.1%.

Construction Requirements Brightest Spot in Steel Markets

Construction requirements provide the brightest spot in the steel market. But the outlook for the future indicates that while other products are moving at a noticeably slower pace than a year ago, demand for some building items is outpacing last year’s pace. Structural steel, sheet piling, angle iron, and galvanized sheets are definitely pushing the market. And many other items, such as pipes, are also seeing a good upturn.

Bridge and highway needs stand out. Meanwhile, commercial and institutional building continues to contribute substantially to the expected upturn in construction during 1954. And there is a noticeable construction demand holding up much better than that for wire and the various flat-rolled items. Structural steel is expected to improve in the second half of 1954, and so far the second half is looking good.

The steel industry is expected to continue at a high rate of growth. The outboards are a major industry and they’re here to stay.

In your issue of July 8, in Cobleigh’s column, you mentioned the interest in your review of Canadian finance companies, but think that it is an understated current earnings of Laurentide Acceptance Corp.

For the six months of the fiscal year ending April 30, 1954, the only report of Laurentide Acceptance Corp. so far is that it is expected to have a net income of $7,155,000 for the fiscal year ending April 30, 1954. This is a 17% increase over the fiscal year of 1953.

Dividends in the June months in Canada are due for extreme tests. The Laurentide Acceptance Corp. reported a dividend of $2.40 per share for the six months of 1954, which is a 10% increase over the dividend for the second half of 1953.

For the first nine months of 1954, the Laurentide Acceptance Corp. reported a net income of $7,155,000, which is a 20% increase over the net income of $5,900,000 for the first nine months of 1953.

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Observations...

By A. WILFRED MAY

The Smart Money and the Bull Market

Last week's release of the data on the short interest has elicited considerable comment and criticism. This is as it should be in line with Wall Street's proclivity to concentrate on single-cause explanations, for there is a supposed unyielding demand for referred instances of buccaneer behavior.

To the sophisticated observer the present status of the short position constitutes a substantial bullish rebuttal. For on the New York Stock Exchange it now tops the 3-million share barrier. This is the highest number of shares shorted in a single period since the trend of 1931.

To many it must seem strange that we interpret as bullish such widespread disinterest in the prices of lower key stocks by this highly-professional and astute group of market participants. But the conclusion that the expert-short-sellers' bearish activities are not relevant to the current market disturbances is not quite so much nonsense as might at first be supposed. The Bereaved of the short interest has been carved in the market's name on the source or base of the required weight and financing of the stocks which, of course, is not exchange value. The Political Economy Committee of the New-Bank-May Institute, XXI, S. 3, published a study of the short interest, "Bullishness and bearishness."

The chronic situation of the experts' growing bearishness during falling prices, and bullishness after stocks have risen, is demonstrable. In the rise of 1933-35, for example, the short interest fell by 19.5 per cent. In the short periods, the market showed a short interest figures for the same number of dates showing a decline in the short interest are the highest levels seen in years.

The short interest is published daily by the Stock Exchange. The bull market of 1934, and that of 1927, shows a sharp decrease in the short interest figures.

The interest is not immune to the effects of the prevailing market conditions. The market is likely to go up when the short interest is low and to fall when the short interest is high. The market is likely to go down when the short interest is low and to rise when the short interest is high.

The interest in bull and bear market is a reflection of the prevailing market conditions. The market is likely to go up when the short interest is low and to fall when the short interest is high. The market is likely to go down when the short interest is low and to rise when the short interest is high.

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The Outlook for Smaller Business

BY WENDELL R. BARNES
Assistant Managing Editor, St. Louis Post-Dispatch

After stating that there are 4 million businesses which are small, chief of Small Business Administration predicts these as large as concerns will benefit from an expected pick-up in business activity. The Small Business Administration has worked for tax-revision, and enumerates advantages of pending Tax Revision Bill. Estimates made a measure, a tax reduction of about $7.5 billion. Results show now exceed $26 billion, and at rate of $2 billion a week.

It is wonderful to see an entire thrust of the Federal Reserve Board before Industrial Conference devoted to the problems of smaller business. That is one of the reasons why it is a particular privilege for me to be with you and to participate in this symposium.

An organization of this stature can be immeasurably good in helping small business solve its problems of interference with the problems of business. That, fundamentally, is what the Small Business Administration is designed to do. We have the most possible purposes—to foster the growth and development of business, and in that way, help the entire nation.

So I come to you as a fellow administrator of the vineyard of small business.

Perhaps I can furnish you with some statistics which you have already gathered, but I will call your attention to members of your Board. This is a exchange of information from which we have benefited and encouraged.

When one tries to think about it, the implications of the job before us are truly staggering. There are 4 million businesses which are small. Not all of them are in need of assistance in one way or another, but how thin the 600 employees of the Small Business Administration would be spread.

We need all the help that organizes your kind can give.

The health of business—and, numerically, 95% of all business is small business—is one of the fundamental problems. I happen to think that the broad statement is made that a free economy is best—with a government control controls. This free enterprise, believe, in spite of the fact that United States is the most he oint is as just to meals a serious problem as what we have called "profit system" is better called the "profit-and-loss system."

Essentials of the Free Enterprise System

The free enterprise system calls for the free play of prices, a maximum of free competition and a minimum of government controls. The free movement of goods, services and finance is essential to the sovereignty of the states.

We have had many forms of control which were counter to the free enterprise system. One of the greatest of these was the control of prices, especially after a war, to do which the government controlled these floors, these policies, these controls, which we have said, these limitations of one form of enterprise.

But the important thing is that we have learned from those mistakes to give the people of our country a chance to get rid of any such policies in the future.

The nation has got rid of wage and salary controls, a great many controls as controls on many consumer goods. Some of the things which have some correlation that is, since January 15, 1931, the United States found itself in a free price economy!
country in one year or two or three, to be sure, that is no assurance of the future of the small businesses of the country.

That is, indeed, a major accomplishment of the Small Business Administration, and it is not something that is going to benefit the larger part of the small businesses of the country.

More Than $25 Million of Loans

We have made 442 loans for a total of $25.3 million. It is certainly to be hoped that we shall have another two-thirds of those loans from the federal government, and that we shall do more to help the small businesses expand.

That means providing payroll and jobs, and helping businesses to succeed.

Not yet the Chamber of Commerce of the United States has made a survey. It was found for every hundred new persons that had a payroll—and the same thing applies to the small businesses that have a payroll—the following results:

The small business in the community: Retail sales rose by $175,000, the community added 117 new households, 430 new employees, 62 school children, six new retail concerns, 165 new car registrations, 46 truck and bus registrations, and 84 new residence telephones.

That is a reason why it is so important to a community for new businesses to be started. It has tremendous leverage on the whole community and exerts its due impact on the whole economy. It is equally important that those concerns which are already established continue to grow and expand.

It is the province of the Small Business Administration to aid them by financial assistance, under certain circumstances, and that I wish to point out emphatically that ours is a "give" program or a "ball-out" program. We have as much restrictions placed upon us by law and by the action of our Loan Policy Committee as a bank in making loans.

We are in no sense a competitor of the banks—in fact we are forbidden to make a direct loan to an applicant. If we depleted all his sources of private investment, about two-thirds of the cases, we join with banks in making loans. This is what we call "participation loans." We will take up to 90% of the whole loan ourselves.

Although we are now making loans at a rate of about 25% a million a week, we still do not think we are covering the field as expeditiously as we would like. It is for that reason that we have under consideration delegating to our 14 Regional Directors the authority to approve small business loans under certain conditions.

Under the proposed plan, the Regional Director would be authorized to approve any participation loans in an amount not exceeding 25% of the total of the loans and would be authorized to participate in the other credit institutions shares of the loan in an amount not exceeding 55% of the total of the loans and would be authorized to participate in the other credit institutions shares of the loan in an amount not exceeding 55% of the total of the loans.

It is expected that this "authorization" in the Regional Director will go on to pass on the loans in the field without any active consideration being given to the loans with Washington, and that the other credit institutions will become involved in the loan operations of the Small Business Administration.

Aiding Small Business in Getting New Credit

A second major field in which the Small Business Administration is active is in rendering assistance to small firms in procuring contracts from the government and -subcontracts from larger businesses.

Our agents sit in with procurement officers of the Armed Services and they jointly determine what contracts, offered for bids, should be set aside as eligible for bidding by small firms, only. We hope to show an increased interest in the 150% of government orders which currently go to small concerns. In the last 10 months, joint determinations totaling more than $125 million have been made through the efforts of the Small Business Administration and the Department of Defense.

A third field in which a small concern is literally handicapped is in the ability to hire technical employees and managerial know-how. Competent management is the most important single ingredient of a business. We are working to train and upgrade the management of small businesses.

We distribute thousands of pamphlets each month on managerial and technical subjects. We employ the most skilled talents in the industry to write them. Our 50 Managerial Aids—growing every month—cover a wide range of subjects: production, methods engineering, figuring break-even points, pricing policy in bidding on government contracts, materials control, accident prevention, advertising, packaging.

We maintain, also, a field staff which is ever-ready to counsel with the owner of a small enterprise to find out what is wrong with his business, to find out what is not making money, and to bring to his attention the names of qualified people who can provide detailed professional advice. We are right now, engaged in a new project: cooperating with college schools of business in organizing and promoting extension courses on managerial subjects, expressly designed for the men who own or guide small firms.

Our "students" are frequently Presidents of companies which have all the earmarks of successful concerns. These Presidents are "not too proud to learn" and that is one of the reasons they are heading up businesses which are expanding. One such "student" remarked that he had learned enough in one lecture alone, to save his firm $10,000 this year.

As the program now looks, it will probably be expanded to upwards of 20 colleges this fall. I have referred to the speech of Dr. Haig. Another thing he said which industrialists should ponder this:

"Businessmen had better prepare now with improved products and with improved salesmanship so as to play their part in the new economic expansion." That brings up another of our programs—the products assistance program. Under it we do not intend to help the small concern make up the gap between what he can do in respect to research and development of his products and what the larger concern can do.

Here is an interesting sidelight on the importance of research and development in this technological age. Some of the largest concerns spend as much as 2% of their sales each year, on this vital activity. In all the time before 1946, American industry spent a little more than $4,6 billion on organized research. But in the last eight years, industry has spent $9.5 billion on research—more than double the amount for the previous 170 years. All this is in addition to the $31 billion the government has spent on research in the same time—again double what it spent for that purpose in the whole period before 1946.

Heads of large manufacturing firms realize that research is what makes the product go. They have to be well up in the research and product-betterment race to survive at all. If they are to succeed and grow, in a big way, they have to be a step ahead of all competitors in this vital field of research and development.

Now, what can the small manufacturing company hope to do about this? It doesn't have surplus and reserves in the millions to implement such programs. And yet, it needs to be constantly improving its product, making it more attractive to the public or ready to bring it out in a new product in case its present product falls by the wayside.

The competitive race is what helps to build America and to make it the mass-production winner of its age, but it is hard on individual companies which can't keep the pace.

So what can the smaller manufacturer do about all this? There's no use pretending that continued on page 25

United States Steel Corporation
SERIAL DEBENTURES

Dated August 1, 1951

Due $300,000,000 on each August 1, 1955 to 1961, inclusive

Interest payable February 1 and August 1 in New York City

<table>
<thead>
<tr>
<th>Maturities</th>
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Price for all Maturities 100% and Accrued Interest

Copies of the Prospectus may be obtained from only such of the undersigned as may legally offer these Debentures to compliance with the securities laws of the respective States.

MORGAN STANLEY & CO.
DILLON, READ & CO. INC.
DUTTON & CO. NEW YORK
LYTH & CO., INC.
DREXEL & CO.
EASTMAN, DILLON & CO.
GLORE, FORGAN & CO.
WALLACE & CO.
GOLDMAN, SACHS & CO.
HARRIMAN RIPLEY & CO.
KIDDER, PEABODY & CO.
LAZARD FRERES & CO.
LEHMAN BROTHERS
MERRILL LYNCH, PIERCE, FENNER & BEANE
MORGAN STANLEY & CO.
SMITH, BARNEY & CO.
STONE & WEBSTER SECURITIES CORPORATION
WELD, WELD & CO.

July 29, 1951.
It is understood that the Firms mentioned will be pleased to send interested parties the following literature:


"Let Robert Da B."—Circular on automation—Troster, Singer & Co., 74 Trinity Place, New York 6, N. Y.

New York City Bank Stocks—June 30th quarterly analysis—Lamb & Company, 175 Broadway, New York 6, N. Y.

New York City Bank Stocks—Comparative figures at June 30, 1954—The First Boston Corporation, 100 Broadway, New York 5, N. Y.

Northern New Jersey Banks—Current report—Parker and Weisenborn, Incorporated, 24 Commerce Street, Newark 2, N. J.

Over-the-Counter Index—Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones average and the over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 13-year period—National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Ballot Analysis—Analysis of standing—Sutro Bros. & Co., 120 Broadway, New York 5, N. Y.

Selective Bullish—Discussion of market areas which may be considered as sectors of Wall Street, New York 5, N. Y.


Sugarcane-Distribution 1848-1954—Iamborn & Company, Inc., 29 West 36th Street, New York 1, N. Y.


American Hospital Supply Corporation—Analysis—Loewi & Co., 225 Broadway, New York 7, N. Y. Also available on Baxter Laboratories, Inc.

American Motors—Memorandum—Hirsch & Co., 25 Broad Street, New York 4, N. Y. Also available is a memorandum on Olin Mathieson Chemical Corp.

Brooktime—An Analysis—H. C. Flood & Co. Limited, 360 St. James Street, W., Montreal, Que., Canada.

Central Public Utility Corporation—Analysis—H. Hents & Co., 63 Beaver Street, New York 6, N. Y.

Chrysler Corp.—Bache & Co., 36 Wall Street, New York 5, N. Y.

Also in the same bulletin is data on Foote Mineral.

Cohalt Consolidated Mining Corp., Lid.—Bulletin—Arteca Securities Corporation, 111 Broadway New York 6, N. Y.

Du Pont-Alied Chemical—Comparison—Pershing & Co., 120 Broadway, New York 5, N. Y.

I. L. Farben Successor Companies—Information—Oppenheimer & Co., 17 Broad Street, New York 4, N. Y.

Hazard Corporation—Analysis—G. A. Saxton & Co., Inc., 79 Pine Street, New York 6, N. Y.

Hyram—Circular—Singer, Bean & Mackie, Inc., 40 Exchange Place, New York 6, N. Y.


River Forest Corporation—Lerner & Co., 10 Post Office Square, Boston 9, Mass.

Sasty Fuel Injector Corporation—Analysis—Stamrowe Trading Co., Inc., 96 Wall Street, New York 5, N. Y.

Southern Nevada Power Company—Analysis—First California Corporation, 100 Montgomery Street, San Francisco 20, Calif. Also available is an analysis of Texas Eastern Transmission Corp.

Tempo Air Corporation—Bulletin—de Witt Comline Organization, 100 Broadway, New York 5, N. Y.

Western Union Telegraph Co.—Analysis—Joseph Farolli & Co., 29 Broadway, New York 6, N. Y.

F. W. Woolworth—Analysis—Harris, Upham & Co., 14 Wall Street, New York 5, N. Y.

Worthington Corp.—Memorandum—Hersfeld, Stern, 30 Broad Street, New York 4, N. Y.

Yale & Towne Mfg. Co.—Memorandum—Walton & Co., 35 Wall Street, New York 5, N. Y.

Continued from page 2

The Security I Like Best

for the company's product, the maintenance equipment and others. The industry embarked upon a broad diversification program. This resulted in expansion on several fronts, the result that Robertshaw-Pultron now serves virtually all industries. Industrial controls and thermostats now account for a large portion of the company's volume. This market can be expected to continue growing in importance in the future.

Further expansion of the new technology of "automation" which is attracting attention of all industry at present. This program will have an impact in increased demand both for control products and for the electronic instruments being developed by the company. In this connection, it is important to bear in mind that the primary beneficiaries of this trend toward automation could be the manufacturers of automatic controls, regulators and instruments.

The logic for Robertshaw-Pultron's important growth in business has been its ability to develop new and different uses for its products and markets which it has been serving. Due to this policy of development and diversification, the company has increased its sales volume to markets such as kitchen ranges, gas, space and water heaters, clothes washers and dryers, dishwashers, as well as in the automotive, commercial and industrial fields, have steadily increased.

The company also has participated in defense production both during and since the war. It believes that it will continue to play an important part in its overall operations. Much of the company's research has been concentrated on components for the aircraft and guided missiles. This program is designed to take advantage of the considerable potential of electronic and automatic devices in these essential fields so that should Robertshaw-Pultron act as a primary and continuous source of supply.

In conclusion, I would like to emphasize that Robertshaw-Pultron should continue to realize further benefits from the broad development program which was instituted several years ago and which has been implemented on a major scale in these new areas in a major program.

(1) A definite program of increasing research activities. A new research center was completed early this year and the research budget has been increased substantially. (Two dramatic new products for gas ranges, the "Pilot-Watcher" and "Temp-N-Time" are tangible results of this increased emphasis on new product development.)

(2) The new laboratory at Arana, Calif., is increasing its research in the aircraft and guided missile fields.

(3) The Fielden Instrument Division is making steady progress in the development of a complete line of electronic instruments and soon should contribute profits instead of losses.

(4) The company recently obtained an additional $8,000,000 to finance a plant expansion program and for increased working capital which should enable it to increase plant capacity by approximately 35%. Inasmuch as this new plant capacity will not be available in volume until shortly after January 1955, the company's earnings have been penalized by the cost of these additional funds during this transition period.

(5) In addition to the increase in capital expenditures by the new plants, a substantial reduction in manufacturing cost from the modern facilities is anticipated. The company believes that it appears to be in a most promising position to capitalize upon the growing trend toward automation in operations in both the home and factory. The company is well placed in Minneapolis-Honeywell, the common stock of Robertshaw-Pultron, for approximately eight times estimated 1954 earnings whereas Minneapolis-Honeywell now yields approximately 22 times approximately 22 times its estimated earnings.

In view of the foregoing, plus the fact that around current prices (27) the average price per share Robertshaw-Pultron yields approximately 4%, this stock has important potentialities for future improvement.

Gearhart & Otis Wire To F. J. Morrissey


George Nelson Joins George A. Rogers Co.

George Nelson is now associated with George A. Rogers Co., Inc., 125 Nassau Street, New York City, traders and dealers in inactive investment issues.

Mr. Nelson has a wide knowledge of New York Street, having started in the financial district in 1907. He operated his own firm, George A. Nelson & Co., from 1921 to 1932.

With Barrett Herrick

(Special to The Financial Chronicle)

ST. LOUIS, Mo.—Russell C. Mc¬

inerney, Manager of the Herrick & Co., Inc., 418 Locust St.

concerning the future of the securities industry.

COMING EVENTS

in Investment Field

July 23, 1954 (St. Louis, Mo.) Security Traders Club of St. Louis—Summer outing.

Aug. 7, 1954 (Chicago, Ill.) La Salle Street Women "career party" at the Lake Shore Club.

Aug. 13, 1954 (Denver, Colo.) Investment Bankers Association summer meeting

Aug. 14, 1954 (Hollywood, Calif.) Investment Bankers Association summer meeting


Sept. 22-26, 1954 (Atlantic City) National Security Traders Association Annual Convention at the Statler Hotel.
Our Foreign Aid Program
In Need of Change

By HON. HERBERT B. WARBURTON* U. S. Congressman from Delaware

Republican Congressmen discuss certain aspects of our foreign aid program. Warns, though foreign aid should be continued as bulwark against Communism, we cannot, because of our present economic “shackles,” afford the golden egg. Says foreign aid should be adjusted to economic realism, and cites example of Canada in producing locomotives. On Aug. 5, we are to spend $25,000,000 in cash gifts. Concludes foreign aid can be a two-way street.

I propose to discuss with you for a few minutes certain aspects of our current foreign aid program, as an implement of our policy of assisting our friends in the world and the need for this assistance, in the light of the tremendous struggle with Communism.

It is a matter of fact, it is a matter of vital necessity that we affect the political and economic well-being of foreign countries, and that we support our allies, while it is an acknowledged principle that the great first necessity of our allies is gone, even despite the full value of the dollars that the allies have been able to get in rehabilitation and rearmament.

The hugo potential of our economy is rising. It is true, indeed, that we have unemployment and other things of that kind, and it is true that our industrial plants are high-powered, if not on the peak of efficiency. It is, as it true that business in this country is generally good, and our levelling-off process is in progress. Also, it cannot be denied that the change-over achieved at the highest peak this nation's industry has ever reached.

Yet, there are many of us who believe that the individual is entitled to an opportunity to be employed and that this need is his right. This means, in the light of this country's economic world, that the individual is entitled to an opportunity to live and to expand his production. Certainly, both the employer and the employer are entitled to one goal in common: to create a mutual community, a mutual effort, a cooperative and profit-making effort.

We want to use the field of foreign aid. Here we can find an opportunity, both to defend our country and without which our allies have been able to expand.

The President has made it clear that this program must continue as a vital and necessary part of our war effort. But the fact remains that it is not in our interest and it is not in our country's interest to continue the program as it is. We are going to have to face the fact that the program must be adjusted to economic realism in the regard. For our Foreign Aid Program although it is not in vast amount as our work, it is as high as published. But let us look at this method of operation.
**Discuss Outlook for Retailers**

**Wallace L. Crawford; Richard B. Spleshope and Fred C. Hecht**

**Business Outlook Favorable: Millions**

**President,**

Federal Reserve Bank of St. Louis

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**The Following summarizes a speech before the Retail Home Furnishings Market, the Merchandiser, Minneapolis, Minn., June 3, 1954:**

**Market.** The emphasis is on great values, and nothing additional — what Sears executives call slide and feature, may be said. The showing is in great stores and small, in great malls, in great cities and small. The emphasis is on great values, and nothing additional — what Sears executives call slide and feature, may be said. The showing is in great stores and small, in great malls, in great cities and small.

**Sears, Roebuck & Company**

Herewith are Sears, Roebuck & Co.'s views regarding current furniture sales, prices, styles and trends, and their outlook for balance of 1954 and Sears' buying policies.

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**T. Recent and Current Trends in the Furniture Industry**

**Sales:** Sears, like most other furniture retailers, have shown a substantial increase over recent months. Definite improvements in interest rates and consumer income have been showing up, however, recent- ly, so that the present situation is very close to the same as last year.

**Prices:** In spite of the decline in sales volume there has been very little weakening in manufacturer's selling prices. Competitive conditions, however, resulting from the declines in retail sales have necessitated numerous re- ductions in retail prices. In addition, to price adjustments, which probably have amounted to 2% to 3% during the recent past few weeks, Sears, like other retailers, has not found it necessary to cut prices to promote business. It should be noted that special mer- chandise at lower than the average- age manufacturer's mark-up is being made available to manufacturers for this purpose.

**Styles:** Furniture styles have not changed radically during the past year. Modern has continued to advance, and the public continue to show a preference for light finishes.

**Furniture Outlook for the Balance of 1954**

**Sales:** The outlook is optimistic and expects an increase in furniture sales during the coming fall sea- son. The fall retailing outlook is very optimistic.

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**Atlantic City:**

**WILSON, D.C. — Atlantic Associates Brokers & Dealers has been forced with offices at 1424 R Street, N.W., to conduct an in- vestment business. Robert C. Snow is a principal.

**Spending at the International Consumer Conference in San Francisco, July 19, Paul M. Mills, Vice-President of the Com- mercial Exchange, Baltimore, Md., said despite adjustments going on in the economy, business as a whole is still buoyant and is not leveling off at all.**

**Future bright,** Mills con- cluded, the "only cloud is whether the government is going to go forward and accept the advice of the business community and of society voluntarily organized, in the interest of the country, for the sake of its possibilities.

**We call it a free enterprise. Preserve this and America will continue to grow and there is assurance ahead for still greater wealth which everybody will share. Turning back the clock as far as we have allowed it to go is not necessary in this work which serve a good purpose, but if we do not have some adjustments for repeated doses of too much medicine, we will have lots of patients, just as there is little hope of recovery for some of the patients, and little hope of recovery for some of the patients." (3)

**CRAWFORD,**

President, A. C. Lloyd & Company

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**Moore, Leonard Instals Dial Quote Service**

**PITTSBURGH, Pa. — Moore, Leonard & Lynch, 50 Broadway Building, New York, is offering a Dial Service on the New York Stock Exchange, in coop- eration with the state of Pennsylvania, has just an- nounced that it is offering a telephone equipment which will give periodic stock market informa- tion by tape recorded message.

In exactly the same manner as dialing a number for the correct time or for the weather forecast, you can dial EKXY 4-1045 any time, day or night, for the latest report on the market trends, with no reading of important news.

The idea was conceived by Moore, Leonard & Lynch, who told the state that they were not sure what the answer was, but they asked the state to try it out on the New York Stock Exchange.

This is a new service available where you can dial the number pre- served in securing information on today's market trends on the New York Stock Exchange.

Initially, plans call for chang- ing the tape recording three times daily, and more often in event of large price changes. Saturdays and Sundays, when the stock market is closed, the firm will broadcast a tape on its own mar- ket survey.

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**Leonard Lynch & Co.,**

Telephone 4-1045, New York City
Financing Through Public Stockholders

By PHILIP S. SMALL

Vice-President, Finance, Pacific Intermountain Express Co.

Financial expert, maintaining troubles of truck-line industry have been largely due to the much greater railroad stockholdings, also points out advantage of shareholders as customers and salesmen. Cites tax and other benefits from establishment of liquid securities market. In quest for public stockholders Mr. Small advocates substantial earnings, reasonable offering price, stock distribution in territory served, full and continuing information to shareholders, and constant dividend payments.

The subject of my talk, in slightly expanded form might be why truck lines should have public stockholders and how to get 'em.

Obviously, there is no use giving you suggestions of how to get 'em unless you are first convinced that you want 'em. As the salesmanship experts tell us, you have to create desire before you can get action.

So let's consider why truck-lines should have public stockholders.

We can all agree, I am sure, that the trucking industry needs more friends among the voters, and that the American voter votes with his pocketbook. If the case get not the case, we would not have these truck-lines to cut taxes in election years. So, one reason to have public stockholders for truck-lines is to have more voters who are personally, financially interested in seeing that truck lines get a square deal when it comes to assessing the cost of the highways that everybody needs.

The ten truck-lines with publicly held stocks now have, as a
guest, 12,000 to 15,000 stockholders. The other 2,200 Class I truck lines today, if all of these lines had one stockholder for each $15,000 of gross revenue, which is the average for four of them that are publicly held, the Class-I truck lines would have 250,000 stockholders instead of less than 35,000.

We still wouldn't be up to the railroad industry, with 8,000,000 stockholders.

But if we had the votes of these public stockholders reasonably interested in seeing that truckers get a square deal, it would make a great deal of difference.

You can be positive that a good part of our troubles in recent years can be linked to the fact that railroad stockholdings have been able to outvote truck-line stockholdings by 22 to one.

Besides the advantages of stockholders as voters, they have great merit as a control mechanism. When investors diversify, they usually diversify as to industries and geography as well as to common stocks. They require, therefore, that an investor will own stock in all possible lines that compete for him as a customer.

The stockholder will usually let his investment guide his purchase of goods and services, other features such as price and quality being equal. I can identify a large percentage of our company's stockholders as being among our regular buying customers.

While we think that stockholders tend to become customers, we question the wisdom of trying to make stockholders out of customers, if they are customers concentrating in holdings of their own volition. For this reason we neither grant the occasional requests to supply lists of our customers as prospects for our stock, nor do we assign the names of our stockholders to use for traffic solicitation.

Profitable Stockholding Stimulates Salesmanship

The stockholder is a good salesman for you, especially after his investment has proven profitable. He may have no freight himself, but he will do a considerable amount of word-of-mouth advertising.

We very definitely have a larger share of the available traffic, in relation to the tonnage of competition there is in these areas than any other companies.

Another very valuable type of stockholder is the one that is your stockholder. A good many privately owned companies have some stockholders among their own employees and executives, but unless your stock ownership is sufficiently dispersed so that there is a reasonable condition of competition, there is a reluctance on the part of the employee to become a stockholder.

Generally speaking, the smaller the stockholder, the more liquidity he requires, because his invested reserves are more likely to be drawn upon for emergency needs.

We hope company stock purchase plans in our company in which 150 employees are now

Continued on page 28

Boston Edison Company
First Mortgage Bonds, Series E, 3% Due 1984

$18,000,000

Price 101.19% and accrued interest

TheProspectusmaybeobtainedinanyStatewherethisannouncementiscirculatedfromonlysuch
designatedandotherdealersmayalsooffertythesesecuritiesinthesameState.

HALSEY, STUART & CO. INC.
R. W. PRESSPRICH & CO.
BAXTER, WILLIAMS & CO.
W. E. POOLCO & Co., INC.
WEEDEN & CO.
WM. E. POOLCO & CO., INC.
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FIRST OF MICHIGAN CORPORATION
HELLER, BRUCE & CO.
CLAYTON SECURITIES CORPORATION
FREEMAN & COMPANY
MULLANEY, WELLS & COMPANY
THE ROBINSON-HUMPHREY COMPANY, INC.
TALMAGE & CO.
MALLACO & CO.
THOMAS & COMPANY

H. W. PRESSPRICH & CO.
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TALMAGE & CO.
MALLACO & CO.
THOMAS & COMPANY

July 27, 1954
Background and Reasons
For End of Business Decline

By GARFIELD V. COX
Robert Law School of Business, University of Chicago
Chairman of Board, South East National Bank, Chicago

Professor Cox discusses reasons for business decline, the factors controlling its extent, and the grounds for believing that downward trend will probably continue.

The fact appears quite clear that the general business decline which began a year ago will end this summer. Should this happen, the current construction trend will not have been one of the mildest of all recent cycles; and possibly not one of the most important. Why has there been such a business decline? What is the reason for it? What has been its extent?

Probably the most important reason for the business decline has been the reduction in the annual rate at which the nation is spending for national security. Interestingly enough, it is the expected rise of the first quarter of '54, this large segment of our gross national product this year.

A second reason was that during the first half of '53, retail sales failed to increase with the result that output, business also decreased by 6 1/2%.

For the foregoing trends led business to shift from accumulation of inventories at an annual rate of $3.6 billion at the first quarter of '53 to reduction at a rate of $4.8 billion in the first quarter of '54. Since retail sales of goods to consumers also declined moderately after the middle of '53, this has meant substantial cuts in output and employment.

Why have these reductions in buying had only a scattered effect upon particular industries and segments of the economy? Although a downward spiral of the wider business cycle, a number of industries and the other industries by chance. One of the prominent exceptions was that of the Federal Reserve Board in shifting from a tight money policy to an easy one. State and local government spending happened to be in a strongly rising trend. From the second quarter of '53 to the first quarter of '44, they increased the rate of their spending for goods and services by 10%. Federal purchases of goods and services for purposes other than national security purposes other than national security were reduced, but so that both consumers and businesses firms had larger money income, left to spend.

Although business curtailed its buying in order to reduce inventories it did not in most lines dump goods at cut rates; and except for producer durables, the extraordinary for the index of industrial production which was in the face of a decline of more than 8% in the year. The failure of the price index to fall during the past year is due largely to the fact that the index of 22 sensitive commodities was up 15%, the greatest decline for almost 30 months following the speculative peak reached last autumn.

In fact this index has risen 6% this spring in response to government stockpiling of critical raw materials, the increased price level of manufacturing in most industries.

Another reason why wholesale prices have not increased the past year is that in 1953 and the first half of '54 the price level of farm products has only increased 13%. The fact that the highly organized labor has been able to keep wage rates advancing in manufacturing industries in the face of shrinking employment also tends to increase resistance to cut rates. Another factor has been the way in which the payroll in common stock prices collapsed this year in the face of declining demand for its buying equipment, this has been largely offset by increase in the price of housing and residential construction and by strong demand for automobiles and farm equipment.

Although between the second quarter of '53 and the first quarter of '54 consumers reduced their rate of purchase of goods by 4 1/2%, they increased their spending for services by 3.7%. They were therefore able to do this because, for the first time, they would decline in personal income had been offset by reduction in their personal savings and increased unemployment benefits.

During the fall and winter, when many lines of business were falling off somewhat, construction continued at a rapid pace, this continued after the first month after, serving notice that the decline would be recession lurking in the immediate economic future.

Because of the great interest which has attached to this situation of the post-Korean business, this mid-year review is making special reference to a number of its detailed statistics which are not ordinarily released for publication.

As previously announced, Dodge Brothers' construction contracts awards in the 37 eastern states for the first six months of '54, setting a new record '71 over the same period last year and 71% above the first-half record set in 1953.

A closer look at the detailed data reveals: (1) Continued strength of residential construction, well beyond expectations of most forecasters; and a strong trend toward construction of new homes in the latter part of the year. This trend is reflected in the fact that the 37 eastern states for the first six months of '54, setting a new record '71 over the same period last year.

(a) A sharp drop in awards for construction of manufacturing facilities, which dropped by a sizable increase in the number of orders for the construction of these facilities, the latter over orders in the first two years of the Korean War. In fact, this index has risen 6% this spring in response to government stockpiling of critical raw materials, the increased price level of manufacturing in most industries.

(b) Sharp decline in awards for construction of manufacturing facilities, which dropped by a sizable increase in the number of orders for the construction of these facilities, the latter over orders in the first two years of the Korean War. In fact, this index has risen 6% this spring in response to government stockpiling of critical raw materials, the increased price level of manufacturing in most industries.

The The Beginning of Wisdom

"While reported costs is necessarily an important factor, it cannot be the deciding factor in comparing the operations of a Federal agency with a private organization.

"The many activities now performed by private enterprise for the Federal Government, which the government, because of its freedom from taxes and its enormous credit resources, could perform more cheaply under contract; and the payment of taxes by the Federal Government is a true saving in cost.

"This concept ignores the consideration that when a commercial-type operation does not pay taxes, it leaves a larger amount of taxes to be absorbed by other taxpayers. If this concept were ac-

Prof. Garfield V. Cox is chairman of the board of South East National Bank, Chicago. He was editor of the Journal of Political Economy from 1934 to 1954.

微量元素 in this analysis refer to the January-June periods of the years specified. All data are for the 37 eastern states.
Money and Morals
By LESTER O. SCHRIVER
Managing Director
National Association of Life Underwriters

Life insurance economist, warning we have in a way become victims of the philosophy of the 'burning nurse' theory that depressed currency has resulted in the disintegration of governments and the death of civilizations. Says money and morals are twin virtues; without the one, the other is destroyed.

This thesis has been in the process of circulation for a long time, and it seems to me that the system is apt to become malignant. The idea is that if you can get people to believe that a system is impractical, it will become more complex. Indeed, it is not an idle fear that we have become, in a measure at least, victims of the philosophy of the 'burning nurse.'

It happens that for many years I have been deeply interested in the problems of economics and the history of money. It seems to me that there is a close parallel in the reasons for the disintegration of governments and the death of civilizations. Whenever civilization begins to deteriorate, it will find certain symptoms common to each period of its disintegration that there has always been a close relationship between the debasing and debased money.

A debased currency is a dishonest metal. It is a falsehood. It is immoral, deceptive and destructive. It will ultimately ruin any nation—our beloved America.

Why Nations Collapsed

History is replete with the broken promises of nations, and it always begins with the tampering with the established values. Ancient Egypt tried it. The Pharaohs decided that they would mix their gold coin with base metals. But a coin half gold and half lead was still less valuable than the pure gold, therefore, only half as valuable as pure gold.

We face the same situation today. When the Caesars needed more money they melted their gold coins and made new coins from the salvaged metals. But they found that the new coins were not worth the "weight in gold." It is not as when France and Germany, to say nothing of Chiru, tried to increase money by the

SEG Adopts Simplified Form S-9 For Registration Of Certain Debt Securities

It was announced by the Securities and Exchange Commission on July 21, that it has adopted and simplified Form S-9 for registration under the Act of 1933 of certain debt securities. Numerous companies have their representatives consider the proposal favorably upon the proposed Form and submitted helpful and constructive suggestions, many of which have been incorporated in the Form, as adopted.

The Form may be used for registration of nonconvertible fixed interest debt securities of an American company.

If the letter has been in business at least 10 years, has an earnings history which meets certain requirements, and files periodic reports with the Commission under the Securities Exchange Act of 1934, then it is not necessary to present the Form, the Commission stated.

"The new form reduces the information requirements essentially to five items, including financial statements of the issuer consisting of a year summary of earnings and surplus and a balance sheet, together with a brief accompanying indication of its principal business and operations. It is a question of the use of the process of the information required to be furnished by the securities, the history of the issuer, the earnings coverage, etc., of companies eligible to use the form.

Money and Morals

As a matter of fact, this organization is not being brought into the process of bringing about the disintegration of the United States—by any means; but it is a step in the direction of making us more conscious of the importance of the problem. The solution of the problem is not to be found in the establishment of a gold standard, but in the recognition of the fact that money is a social institution, and that its maintenance depends on the cooperation of all the people who use it.
Lindbergh and the H-Bomb

ROGER W. BABSON

Commenting on the Lindbergh theory that the H-Bomb is bringing about a new era in world history, Mr. Babson recalls that it is unique among the innovations of today in having been born in 1945. Holds fear of H-Bomb, like the fear of printing 500 years ago, could handicap our Western Democracies with a blight of pessimism. Says that of retaliation, but will not accord with Christian teachings. Urges preparing for the worst, and lays down precepts to be followed.

My readers have been disturbed by General Lindbergh’s impertinence and article in the July 17 issue of the "Saturday Evening Post," in which he states that the Nation is bringing about a new era in the history of the world. I disagree with Mr. Taylor’s article in this issue and disagree with the following statement by Mr. Taylor: “In all probability, there will not be a third world war, even though we have many of the conditions that prevail in a war.”

Mr. Babson’s statement that “the fear of H-Bomb” is like the fear of printing 500 years ago does not agree with all of us. My personal opinion is that the fear of H-Bomb is like the discrimination of H-Bomb. It is not a fear of H-Bomb, it is a fear of the use of H-Bomb. It is not a fear of the H-Bomb, it is a fear of the use of the H-Bomb.

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The statement of income set forth below shows the Corporation's income for the second quarter and the first six months of 1954, both before and after giving effect to a change in accounting practice with respect to depreciation and amortization of emergency facilities. Because of the very large amounts of the Corporation's amortization of emergency facilities in relation to its property account and its income, a decision was made effective January 1 of this year to take as an income deduction, for statement purposes, in respect of the cost of assets covered by Certificates of Necessity, depreciation by the declining balance method of twice the Corporations regular rates of depreciation. This is in lieu of the depreciation and amortization of emergency facilities formerly provided for these assets. The six columns are set forth in order that there may be ample opportunity for comparing the results on both the former and present methods of accounting.

Second Quarter ended June 30  
1954  
1953  

On Basis of Accounting Practice Followed  
After Change in Accounting Practice (See Footnote)  

<table>
<thead>
<tr>
<th>Sales and operating revenues</th>
<th>$133,486,000</th>
<th>$132,486,000</th>
<th>$168,942,000</th>
<th>$261,366,000</th>
<th>$261,366,000</th>
<th>$327,856,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from operations after deducting all expenses Incident theretoe, except these expenses shown separately below</td>
<td>$21,919,000</td>
<td>$21,919,000</td>
<td>$35,965,000</td>
<td>$43,742,000</td>
<td>$43,742,000</td>
<td>$62,507,000</td>
</tr>
<tr>
<td>Provision for depreciation and depletion</td>
<td>8,713,000</td>
<td>5,259,000</td>
<td>6,077,000</td>
<td>17,355,000</td>
<td>17,355,000</td>
<td>11,996,000</td>
</tr>
<tr>
<td>Provision for amortization of emergency facilities</td>
<td>7,294,000</td>
<td>7,199,000</td>
<td></td>
<td>15,058,000</td>
<td>15,058,000</td>
<td>13,237,000</td>
</tr>
<tr>
<td>Interest charges</td>
<td>888,000</td>
<td>888,000</td>
<td>1,407,000</td>
<td>1,838,000</td>
<td>1,838,000</td>
<td>2,611,000</td>
</tr>
<tr>
<td>Provision for Federal income and excess profits taxes—</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current year</td>
<td>2,155,000</td>
<td>2,155,000</td>
<td>10,561,000</td>
<td>8,103,000</td>
<td>8,103,000</td>
<td>17,559,000</td>
</tr>
<tr>
<td>Future years</td>
<td>15,593,000</td>
<td>17,369,000</td>
<td>25,244,000</td>
<td>31,955,000</td>
<td>35,421,000</td>
<td>46,144,000</td>
</tr>
<tr>
<td>Net Income</td>
<td>$ 6,223,000*</td>
<td>$ 4,550,000*</td>
<td>$10,721,000</td>
<td>$12,147,000*</td>
<td>$6,321,000*</td>
<td>$16,363,000</td>
</tr>
<tr>
<td>Earned per share of common stock outstanding at end of each period (1954—6,198,454 shares; 1953—6,200,654 shares)</td>
<td>$ 96</td>
<td>$6.7</td>
<td>$1.67</td>
<td>$1.84</td>
<td>$2.20</td>
<td>$2.52</td>
</tr>
</tbody>
</table>

J & L STEEL  
STEEL CORPORATION — Pittsburgh  
And Subsidiary Companies  
Consolidated Statement of Income for the quarter and for the six months ended June 30, 1954, compared with the same periods of 1953
The stock market forged through July with its record still in evidence, but the stock exchanges were yet to lose ground on any month so far this year. For the senior group as well as the junior market, the monthly gains in at least the averages were the better of the two years, ranking up with those of January.

The market lately has left lobsters, which with the blue chips alternating between a couple of sessions of good strength and several of distinctly wabens, enough to keep most market observers wary. The secondary issues, beleaguered over everyone who has been featured a bit more prominently in periods of strength, but for the most it has been a very conservative performance that has failed to kindle any of the wild andigation that has marked the previous periods of high market levels.

So far this year the industrials have added some 65 points in posting the best prices seen in a quarter century. But the line of 103 was reached by some 60 points to go to eclipse the famous peak of 1929 which, considering the progress made so far, is at least statistically possible before this year runs out. The railroad story is a somewhat tamer one, but the two dozen points or so added by this index so far this year can be con sidered as new high ground. Even though this average did mark a perfectly perfect record by a fractional loss in March.

A Steel-Fueled Week

It was largely a steel week, what with the meetings of the top producers coming along plus some merger talk that was potent enough to bring out some good market action. U. S. Steel's meeting on Tuesday inspired some heavy advanced trading in the ticker. A block of 14,000 shares for a $786,000 transaction. The usual dividend and a dip in earnings, however, chilled the enthusiasm.

Bethlehem Steel was even more in the public eye the big event of the game of trying to figure out what dividend action to expect at Thursday's meeting. The fans anticipated a further increase in ordinary dividend a day jump of close to four points at best in the stock. This carried it 15 points above the 1927 clash in January when a surprise special dividend was paid. Until that unexpected development, Bethlehem had been one of the issues that failed to partake in the upturn of last Fall.

Youngstown Sheet, linked with Bethlehem in merger talk without official confirmation, had an erratic time of it during the week. The strength wasn't enough, however, to enable the issue to even equal its 1951 high, which is still 400 points below the averages of record highs since 1929. Follansbee Steel also featured in merger activity after the management announced an offer for the property was expected. The firm retraced its steps, the deal is not going through the company, but for today, when unofficial talk indicated that the market price had rather fully discounted the expected fancy raise.

The lesser grades which stepped into the spotlight included such as Stouge, which appeared no less than in second place in one day's list of most active issues and grade a new high. An indication of secondary issues have lagged is that this issue's new top was only the seventh since 1952 and only about a quarter of the 1946 high. Gamble-Skogmo was another in the depressed bottom half of the list to step out with a new top. It did eclipse by a narrow margin the peak of 1952 but had sold at better levels during the year from 1940 on than on before that. Other cheap issues that took a turn in the limelight included Libbey, Nell, Rexall Drug, Continental Motors and General Cable.

Middle-grade issues which are faring far better than the blue chips that have led the way uphill include General Dynamics, Bullard, The Fair, Robbins Mills, and Lerner Stores.

Reversal by Tobaccos

The tobacco, sorely pressed by a rather persistent decline in cigarette consumption plus all the medical debate over the possible adverse effects of smoking, were able to show off on their market trend when product figures indicated an upturn in demand. Some stout figures were followed particularly by the British market that has been moving from this division for months. A number of companies reduced the 1955 share, derived new interest from indications that the government would relax its rigid tax demands on inventories of whiskey piled up since the end of the War. Part of the disfavor for liquor issues has stemmed from the need for heavy tax payments, which have approached the eight-year limit. The relief proposed would extend the tax-free storage for 12 years.

American Telephone emerged as something of an enigma. The issue came alive only recently after holding in a narrow range for half a year. With the carrier's general public the great market has formed to historic highs. But it turned reactionary after setting a new high for eight years by the slimmest of margins. Then there was enough selling to drop the price a point in one session and nearly twice as far the following day, which is rough handling for this us age telephone. This is the market building up popularity among brokers recently, largely because other quality issues have dropped yields to 3% or less against the better than 5% still available in Telephone. This left it as the selling of an oddity among the blue chips, one that the institutional investors were counting a good hit attractive. The future will reveal whether the hopes work out.

Aircraft Sticky

Aircraft, which have done so well so far, weren't able to wring much more than modest expectations out of the latest troubles with the Reds in Asia but, on the other hand, things looked good as they subjected to any realizing that could push them into the casualty column. There is a high cement market in recent buying has been for in which, if true, would tend to keep them relatively steady. And since they have been excellent and prospects are not less bright for continued good profits.

Oils, which were among the weaker groups recently, weren't half so prominent on the losing side this week as in the past since they subject to any realizing that could push them into the casualty column. There is a high cement market in recent buying has been for in which, if true, would tend to keep them relatively steady. And since they have been excellent and prospects are not less bright for continued good profits.

The figures compared with the 1953 peak of 97 million.

In order to take care of this load, the Committee estimated that by 1965 the capacity of all United States interconnected power systems would increase from the recent figure of 86 million kW to between 181 and 218 million kW, and by 1970 to 301-423 million kW. The upper and lower limits of these forecasts were based on two different assumptions as to the rate of growth. During the years 1928-1953 the average annual load growth was 7.8%, but this figure was considerably higher in earlier years due in part to the dampening effects of the depression in the 30's. Hence, the Committee has assumed a rate of growth of 4.5% per annum through 1975, and a maximum of 6.8%. These figures would allow for a considerable slowing down in the post-war rate of growth, but not a complete stagnation or a readjustment such as the one which we have recently experienced.

While the fine figures are not yet available, it looks as though the rate of increase in output for the first half of 1954 would approximate the 1953 rate of 4.5% as forecast for the year. Even a 5% rate of gain would not have been experienced except for two factors—(1) an increase of 10-11% in residential sales, which was especially large. The additional construction combined with the fairy heavy sales of electrical items; and (2) the steadily increasing power demands of the plants of the Atomic Energy Commission.
Federal Reserve Bank of St. Louis

Digitized for FRASER

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The appointment of Leonard D. Draper, Jr., as a Vice-President in the New York branch of the Manufacturers Trust Company, New York, was announced on July 26 by Head Office.

Mr. Draper came to Manufacturers Trust Company in January, 1939, and in January, 1943, was named Assistant Vice-President.

Mr. Draper will continue to serve as an Assistant Vice-President and John F. Adams as an Assistant Secretary of Manufacturers Trust Company was also announced on July 26 by Mr. Flanagan.

Mr. Draper joined Manufacturers Trust in October, 1928, and is assigned to the security analysis department in the bank's main office, 55 Broadway.

Mr. Draper was first employed by Manufacturers Trust in February, 1933. He is also assigned to the loan analysis department.

The appointment of R. Peter Badie and Leonard J. Schmitz to Vice-Presidents in the Bank of New York, announced by Albert C. Simmonds Jr., President, was announced.

Mr. Badie, who joined the commercial loan department in 1933, had been Assistant Vice-President since 1950. Mr. Schmitz became assistant vice-president in 1919 and became a Trust in 1919 and became a Trust in 1919 and became a Trust in 1919 and became a Trust in 1919 and became a Trust in 1919.

Also elected were Clifford P. Kingsley and Volker S. Whitelack as Assistant Vice-Presidents, and J. K. Koechel as Trust Officer, Pennsylvania.

Henry White Jr. was made Assistant Secretary in the banking department.

Henry C. Bruntt, President of Empire Trust Company, New York, announced on July 21 the election of Mr. Oakley Baldwin to the position of Assistant President.

Mr. Baldwin will be in charge of the Bank's Foreign Department. Previous to joining the Bank, he was Assistant Vice-President at the Industrial National Bank of Providence, R. I., and for 15 years with banks in New York City.

The Bank of New York in Singapore, Shanghai, Hong Kong and Shanghai is.

At a meeting held by the Board of Directors of the Frank National Bank of Franklin Square, N. Y., E. Seymour was elected an officer of the bank with the title of Personnel Director, it was announced by Mr. Arthur T. Roth, President.

Mr. Seymour received his B.S. degree from New York University and is also a graduate of the School of Business, New York University and the American Institute of Banking.

Mr. Seymour joined the personnel department of the Franklin National on April 2, 1937, and was elected Assistant to the personnel department.

Mr. Seymour was active in personnel work with the National Business Center, Inc., The National Tuberculosis Association, and the United Air Lines.

In announcing the election of Mr. Seymour, Mr. Roth said, "Our staff has grown to such proportions that we feel a wider expansion of the bank, that Mr. Seymour will devote his entire time to the personnel department and the understanding of the many new branches of the banking industry. This will be accomplished," Mr. Roth said, "through a series of educational meetings at which the inter-relationship and inter-departmental relationships of the departments have with the other departments. Under this program we believe that we can make an even better opportunity to take full advantage of the opportunities offered through a career in banking.

Today," both commented, "the necessity for maintaining two ways of working well and the interchange between all departments and individuals in the bank's staff is more important than ever before, if high standards of com- munity service and efficiency are to be maintained. New opportunities and responsibilities are thus provided for the almost 600 employees now comprising our personnel staff," Mr. Roth concluded.

George T. Hubbell, Chairman of the Board of Directors, Long Island Gas Company, Garden City, New York, announced on July 28 the election of Frederick Hauntfeld, Jr., as President and Director of the bank. Mr. Hauntfeld, 39, who has served as Executive Director, will fill the vacancy created by the recent retirement of Alfred N. Nash, who has been elected President of a larger bank.

Mr. Hauntfeld joined the bank as a Teller in 1929, became an officer in 1935 and has been Executive Vice-President.

Mr. Hubbell stated that the Directors of the First National Trust and Banking Company, which has accepted Mr. Nash's resignation, are confident that, under Mr. Hainfeld's leadership, the outstanding credit standing of the bank will continue as it has in the past under the guidance of Mr. Nash.

Mr. Nash has been associated with the bank since the early 1920's and has been the position of Assistant Vice-President since 1951.

From June to July, Mr. Nash became an officer in 1928, the deposits of the bank have grown from approximately $25,000,000 to over $28,000,000.

The City Trust Company, Wilkes Barre, Pa., announced on July 29 the appointment of E. P. FitzGerald, of Scranton, Pa., as Assistant to the Trust Company and has opened its office at Peoplesbank and Underhill Road, Wilkes Barre.

The announcement will be open on July 30. The usual opening is the bank's 25th in Westchester County; its 9th drive-in.

At the 97th Annual Meeting of the Officers of the Connecticut Savings Bank of New Haven, the Board of Directors made in the official staff. Herman E. Glass, formerly a Corporation, was elected a Trustee, and Paul F. Evarts, Jr. Manager of the Savings Bank Branch was elected an Assistant Secretary.

Mr. Evarts became associated with the Bank in January, 1937, and has served in number of different capacities. He was on the Staff of the Savings Bank Branch located in the Connecticut Savings Bank and, with the exception of a few months, has been associated with the Savings Bank Branch since opening date in October, 1949.

Mr. Evarts is Manager of that Branch, and he will now be Assistant Secretary and Manager of the Branch.

The First National Bank of New Beclhaw, Pennsylvania, recently sold a portfolio of $200,000 went into voluntary liquidation effective July 10 and was absorbed by the Oil City Trust Company, Oil City, Pa.

The Mercantile National Bank at Dallas, Texas increased its capital stock July 16 from $5,900,000 to $10,750,000, $7,500,000 increase was made by a stock dividend and $1,750,000 by sale of new stock.

Advance of Jesse W. Tapp, Executive Vice-President of the Bank of America, San Francisco, Calif., to the post of Vice-Chairman of the Board of Directors, is announced by S. Clark Beise, President of the institution.

Mr. Tapp will train his activities to the Los Angeles headquarters of the bank about Sept 1, Mr. Beise said.

A meeting of the bank's Managing Committee, Mr. Tapp is also a member of the General Committee and is Adviser to the bank on agricultural financing policies. He has served as the advisory council of the board and on the audit committee.

Appointment of two assistant general managers of the Bank of Montreal, Montreal, Canada was announced on July 23 by R. Hubbell, President. They are G. A. Arno, a 20-year employee of the bank and R. D. Mulholland, manager of the Montreal main office.

Mr. Hart formerly was third assistant manager of the Bank of Montreal, New York office. He recently returned from an extended air tour of the Far East, covering more than 35,000 miles on behalf of the bank.

Mr. Mulholland, who became manager of the Montreal main branch in 1923, previously had charge of the offices in Victoria and Ottawa.

Joins Wm. E. Conly (Special to THE FINANCIAL CHRONICLE)

LONDON, Cebu.–Scott Pitton has joined the staff of William E. Conly, Jr., S.F., Main Street.

There has been a marked quickening of investment interest in American securities among residents of Alberta in recent weeks and with the small amount of new money that has appeared available. The rise has been something of a surprise in view of the possibility of a possible split. In a case like this it is always difficult to determine whether it inspired the rumors or whether the rumors were responsible for the rise but in either event some such step would certainly appear logical. There are also some sources that feel that now that less money is being spent on the property there is a chance that dividend policies may be liberalized. Whether or not either of these developments materialize; soon there is fairly clear agreement among railroad analysts that the increased investment interest in the shares is fully justified on the basis of the road's earnings and prospects.

One of the most favorable aspects of the Coast Line picture has been the wide and consistent rise in freight revenues and freight earnings. In this respect the company has been one of the most important companies in the country. The trend of present earnings is particularly impressive and more the more since it looks the way that it was 

CONSOLIDATIONS

NEW BRANCHES, DEPTS., ETC.

REVOLUTIONS

and Financial Results in Brief

1953

Total Assets (thousands of dollars) $317,044,555

Net Increase $5,039,585

Net Income $2,718,844

Net Income per Share 457

Dividends 90

Number of Stockholders 9,469

Consolidated properties which supplied 71.75 per cent of natural gas requirements for 1953. Owens 457 miles of transmission mains. Distribution system consists of 2,500 miles of mains and service lines. Serves Salt Lake City and Western Utah, and the Tri-City area of Southwestern Wyoming. Interruptions to service are paid continuously by the company since 1955. Present dividend rate is 4.5% a share per annum. Listed on the Pittsburgh Stock Exchange.

MOUNTAIN FUEL SUPPLY COMPANY

General Office—36 South State Street

Salt Lake City, Utah

Number of customers increased 10.7 per cent, from 93,873 to 103,931. Gas sales increased 9.6 percent to 41,621,365 MCF.

Expansion of facilities in 1953 was the greatest in history for any one year. Gas reserves available for the future are.
The Return to "King's Money"

money, however, cannot be con-
verted into gold or silver. In its maintenance in circulation, it is known as a "bank note".

Instead of following this prin-
ciple, the colonies lost far more money than they might have
required. Evidence confirming
this is that the early colonists
were unaware of the curse of gold and silver. They entertained
no idea of the difficulties in using degraded foreign coin, their only
money. This was partly because of
the far more common medium, cash. As a result, the currency
circulated throughout the world
lacked integrity. This has not been
true of the gold or silver coinage
true of the French gold franc until
the early 1800s. Spain coined all its
coins at Lima and Mexico city. This
Western world was extensive, and it was almost the only money cir-
culating in the Americas. The unit was the pataco or Spanish dollar, as known in North Amer-
ica.

On April 2, 1792, our Congress
passed legislation based upon
President Roosevelt's suggestions for establishing a mint and coinage system. Hamilton's proposals were that the value of the Spanish dollar was to be used to coin the unit, and that it would control the foreign coin's value. As a coin of high value, the dollar was to be stated in the explanation of choice of value for our domestic silver dollar, which was the coin of the first order of im-
portance. If the dollar was not to be
long and difficult. Not until
the year 1857 did the trying begin to see what kind of money which
was coinable in a foreign country
is the substance of dollars.
In that year, the United States began to pay a series completely to displace with domestic
the coinage of gold and silver gold pieces in accordance with
this thought. Not until 1849 was the dollar and the demand for
a gold coinage of the United States
of one dollar coin. The gold pieces were the Eagle, or
ten dollar gold piece, containing
the same amount of gold as a Half
Eagle, and the Quarter
Gold.

1 Truly this experience con-
cludes with the small "King's
Money," Book 2149.

By the early legislation we di-
rected the Mint of the United
State, the name apparently pre-
ferred by Hamilton (See his "Re-
presentations of the United States"
Vol. II, pp. 2111 to 2149) and
the dollar was to be valued at $2.25
25 grams of silver plus 25.96
grams of base metal constitute a 900/1000 or "New-
World" coin. It had the feeling of universal desirability, its silver piece plus the 100 silver coin in circulation.
It was not difficult to see
that the coin, given the power of the banking system, would have
primary state holders.

Confusion Over the Meaning of
the law, and the process of
Bimetallism.

The distinguished British econ-
omist, Adam Smith, in his book
"The History of Their Employment
and Competition of Foreign Ex-
port and Domestic Products."

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Confusion Over the Meaning of
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Bimetallism.
Truly startling to most thoughtful public persons would have been a vision in 1854 of the happenings of 1953. One of the most obvious and meaningful events of 1953 has been given to the change in our currency path from that of the 'Crimean' narrow limits by the Bank and the Treasury. The false doctrine that money is coined money is still a legal fiction in the land; in 1853, the 'New Dealers' of 1933 were still employing such money in public coffers, while the founding fathers clearly uncoined metal was actually in circulation.

After 20 years, the initial assaying of the new silver continues to amaze many persons. Moreover, a large percentage of the coins, the value unimpaired by the free market, was kept back from the assay offices by the founding fathers by the necessity of assaying that only coined metal would be used in the future.

The currency by the Board of Governors to lend credit at low interest rates continued, has calculated controlling the supply of currency, an improper power in a democracy. Where and how do we stop? Subsidies, control over plowshares and har¬vesting, controls ad nauseam in many directions amount to attempting to control exchange.

When, with a strange com¬ plexity, the people of this land saw our government authorities' grave mistake in violation of the gold clauses which declared that there would be no more payments in gold. In its report recommending favorable depreciation of gold (the Big Gold, 1st Sees.) The Commit¬ tee on Banking and Currency of the House of Representatives said: "The case justifies the claim of the House of its Guardians in the enforcement of the present emergency. These gold clauses, and the power of the government to create money and determinate the value thereof."

Currency consists of the cir¬ culation of the money and promises to pay money. The importance of any of the money laws and authorities which authorize the Congress to create money for its own credit purposes for circulation as media of exchange. This is a new process of controlling the power of the government to create money and determine the value thereof.

The Federal Reserve System has been in operation for 26 years, and many years later, Mr. Brough, of course, was just in time to join the disorganization of so many coins as to distinguish their value; but we know that the founding fathers, when writing the money powers of the United States, were concerned especially with the almost coincident submission to the execution of the Congress. This new relationship, amounting to servitude on the part of the people of the United States, has continued for 26 years and included an apparently far greater degree of executive department over our monetary system than ever before in our history, has been passed an Act saying: "Any make any thing but gold and silver Coin in the payment of taxes."

By no language did the Constitu¬ tion prohibit the States from making anything but gold and silver Coin in the payment of taxes; and Congress contained a stipu¬ lation that the money paid for public debts and public securities must be in gold and silver Coin.

By the departure in 1933 from our 1933 sales of paper money and debt securities business from offices at 33313 Thirteenth Avenue, Mr. Tur¬ ner had been transferred to the sales of the Bank of America in Dallas and Odessa.

Tracy L. Turner Opens

VEBO BEACH, Fla.—Tracy L. Turner, one of the well-known salesmen in the securities business from offices at 30511 Thirteenth Avenue, Mr. Tur¬ ner had been transferred to the Bank of America sales office in Dallas and Odessa.

Halsey Stuart Group
Offers Utility Bonds

Halsey, Stuart & Co. Inc. and its brokerage subsidiary, E. Stewart, have announced that they have acquired the assets of the Edward E. Stoddard Co., and are now offering utility bonds. The company expects to have an important interest in the sale of bonds, and to have an important part in the sale of bonds and securities.
Continued from first page

The Federal Reserve And the Skidding Dollar

who knows history knows that this has happened before, always culminating in a setback more severe than the preceding one. Experience since 1945, and he is no less convinced of the inevitability of some significant change in the capital structure of the economy. It is of the nature of the case that this view will not be repeated. He is not convinced that the Federal Reserve System is de¬
gaging itself from its historic role of aid to the nation and of the Federal Re¬
serve dollars. They could not have sur¬
peredly in making an infla¬
yous of economic policy, which would have such a gentle change, it would be wonderful, and a deviation of demand would quite come to a P. of D.

The Present Situation

Questions still haunt us. The long-term trend is toward a pace which is only slightly lower than the rate at which we have eased, there comes a time when the present trend will be reversed, and, as this benefit is ex¬
hausted, it is not only more difficult to maintain but will be the realization perhaps abruptly that the Bank does belong to the people who has the power or are will¬
ing to make use of it. There is the matter of whether the Federal Reserve dollars are supposed to take up the slack as in the past, the matter of the Federal Reserve banks and cities, and counties, and states have found their resources strained, with tax rates rising and borrowing power approaching legal and perhaps physical limits. Are we got to such a point that in evasion, it is only the Federal Reserve System and the Bank of New York that is not easily induced to invest fur¬
ther in this country? Then with the cost and earning of the bor¬
row may have merely marginal bor¬
row by the large companies and when a company or a nation has all the capital equipment it can profitably use, its demand declines, and business slackens to a little more than replacement levels, and perhaps to less than replacement levels, since the new machinery bought in large quanti¬
ties will last a long time and will not need to be replaced so soon. Many are saying that there is an impending economic crisis, but they cannot find a reason, and spending at a rate that is below reasonable expectations. It is not popular to speak of a recession; it even is the fond stato¬
gion at replacement levels, but that does not mean that those who have prosperity if businessmen and farmers do not spend what they pay to mortgage bonds, Federal Reserve and Treasury bonds, and commercial paper. The writers of the Clearing House state, the authors of these articles, is not the major chal¬
At the present time, the demand for gold is not at a very high rate because it is still represented by a relatively small amount of gold that is not easily induced to invest fur¬

provide a large amount of gold that is not easily induced to invest fur¬

The Federal Reserve and the Skidding Dollar

The Federal Reserve System, it has been argued, is a part of the Federal Reserve dollars, this has happened before, always culminating in a setback more severe than the preceding one. Experience since 1945, and he is no less convinced of the inevitability of some significant change in the capital structure of the economy. It is of the nature of the case that this view will not be repeated. He is not convinced that the Federal Reserve System is de¬
gaging itself from its historic role of aid to the nation and of the Federal Re¬
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peredly in making an infla¬
yous of economic policy, which would have such a gentle change, it would be wonderful, and a deviation of demand would quite come to a P. of D.
restrict credit and thus reduce the velocity of money or to eliminate them.

On the other hand, if the relations of the Federal Reserve with its members were based to a considerable extent on personal or political considerations, if the bank needed more accommodative policies, or if a change in a term loan on self-sustaining institutions such as the Agricultural Credit Bank or the National Bank for Agriculture came into being, Federal Reserve banks might be able to adjust their discount accommodation to the needs of the situation without incurring a severe penalty.

When the Federal Reserve was exercised against the wishes of the Treasury, the Federal Reserve Bank, however, did not cease to purchase government securities. In the spring of 1934, the Treasury agreed not to press the System to buy bonds further, and the Federal Reserve Bank accordingly sold a large part of its purchases to special situations, and in this way reduced its holdings to about 10 per cent of its peak. But by the time such sales had been completed, the Federal Reserve Bank almost looked like locking up the car after the garage was cut through.

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Outlook for the Air-Conditioning Industry

Central Station Equipment

The market for central station equipment is increasing rapidly, as the demand for such equipment increases in commercial and industrial buildings is already evident. This is particularly true in the large office buildings and factories where air conditioning is a must. The demand for this type of equipment is expected to continue to grow in the near future.

The room cooler market

The room cooler market is experiencing a rapid growth as well. The demand for these units is increasing in homes and apartments, as well as in smaller office buildings. The demand for these units is expected to continue to grow as the weather gets hotter.

Air Conditioning in Its Commercial Application

One of the most important applications of air conditioning is in the commercial sector. This sector includes offices, schools, hospitals, and retail stores. The demand for air conditioning in these environments is expected to continue to grow as the weather gets hotter.

The opportunities for air conditioning in the commercial sector are vast. This is particularly true in the service industry, where air conditioning is a must for customer comfort. The demand for air conditioning in this sector is expected to continue to grow as the economy improves.

In summary, the outlook for air conditioning is bright. The demand for air conditioning is expected to continue to grow in both the residential and commercial sectors. This demand is expected to continue as the weather gets hotter and the economy improves.

Continued from page 4

The State of Trade and Industry

was 160.3 in June. —Index is based on the average output of 1917-19.

The production in the quarter, totaled 21,804,676 tons and was 1.7% above the quarter in 1948. The production was 22,324,323 tons or 8.1% above the average for the quarter in 1947.

The output in the first half was 71.5% of the capacity as rated at the start of this year whereas the second quarter production was 70.9% of capacity.

Automobile Sales

According to the latest Los Angeles Auto Report's "new car sales in the first 10 days of July slipped 43% below the high of 6.1 million cars in the first 10 days of June. The downturn put new car dealers at the lowest daily retail level in February. Nevertheless inventories dipped 1.4% below the June 30 count.

However, the report states, the holdout the selling season to eight months, and the August sales of car deliveries were 36% below the previous 10 days and 15.2% under the 10-day count of the first 10 days of June, as an average of 16,500 cars a day were retailed.

The dismal performance has dampened somewhat industry hopes but the fact is that the market is not as bad as it looks and the dealers are finding cars on hand equaling a 25-day supply on the basis of the July 1 inventory.

Electric Output Is Up for the July 24th Week

The trend of electric energy distributed by the electric light and power industry for the week ended Saturday, July 24, 1954, was 8,051,000,000 kWh, according to the Edison Electric Institute.

The current figure represents an Increase of 152,000,000 kWh. above the previous week's figure of 8,131,000,000 kWh.

The improvement was more than the comparable 1953 week and 1,775,000,000 kWh. over the like
week in 1952. The largest gains in power output continued to be shown in the South and Mountain Regions.

Car Loadings Drop for July 17 Week

Loading of revenue freight for the week ended July 17, 1954, totaled 694,545 cars, the Association of American Railroads announced. This was down from the corresponding week in 1953, but an increase of 85,545 cars or 14% above 1952. The figures for July 17, 1952, when loadings were reduced by a strike in the steel industry.

Loading of revenue freight for the week ended July 17 increased 14.2% over last year, according to the association.

Business Failures Dip, But Are Above Year Ago

Commercial and Industrial failures dipped to 188 in the week ended July 22 from 226 in the preceding week, reported Dun & Bradstreet, Inc. To 226, 437 which occurred in the similar weeks of 1953 and 1952. Compared with the 230 reported to the same week in 1953 the 1959 total of 251.

The week's failures involving liabilities of $5,000 or more dipped to 163 from 192 last week, but were more numerous than a year ago, according to the Dun & Bradstreet figures. Small casualties, those with liabilities below $5,000, occurring in this size group. Casualties, with those with liabilities below $5,000, occurring in this size group.

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Vacations supplies were slightly increased for the week ended July 22 from 29 to 34. More wholesale and retail business were done and some business failures were taken care of.

Midsummer Brings Reduction in Retail and Wholesale Trade

The total dollar volume of retail trade in the week ended July 22 was estimated by Dun & Bradstreet, Inc., to be from 3% below to 10% above the level of one year ago. This varied from the comparable levels 1953 with the following percent-

Ages 18-5 to 1; South -4 to 1; Southwest -2 to 1; East and North-

Boating seasons slowed retail activity in many parts of the country; most main-floor business was that of lathers and other similar forms of retailing. The demand remained for the meat, milk, and groceries, produced and increased, and consumer credit continued to expand.

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Mutual Funds

By ROBERT E. RICH

Is Service the Key?

The Stock Exchange's Monthly Investment Plan—sometimes called the "pay-as-you-go stock plan"—was given a slick going-over the month by "Tide" magazine, comprehensive advertising and marketing trade journal. The essence of the report was that the wheels were turning furiously but the Exchange's program wasn't getting anywhere, even with $6.1 million in advertising being placed in 200 newspapers, and with window displays, marketing kits and direct-mail pieces given to Exchange firms to help them along in their own efforts.

"Tide" headlined the report, "Stock plans founder on the rocks of供大家参考的文本内容。
The Outlook for Smaller Business

be can afford expensive labora-
tories and other facilities for his
plant and on his payrolls. When
he has succeeded, he can find a laboratory which will
help him out of his difficulties and solve some specif-
c problem in technology. The whole point is where to turn for that sort of thing, the owner
will do with that type of professional help.
We, as small businessmen in the Wash-
We have a very large book which we keep in our Wash-
offices. It is titled "Industrial Research Laboratories of the
States," and it gives the names of all laboratories, by states, which do outside work for a fee.
These include private laboratories, college laboratories and government laboratories.

Each of the 50 states has an index, with a vast range of pro-
ducts, that any small businessman to the laboratory or
in any field he is interested in, is listed and clas-
ses in that particular product.

If you want a specific answer about your product, in a tech-
nical question of this sort, you can write to the Federal Reserve Administration to help you find
the answer. We don't have experts on the staff to
answer for you, but they have the answer. If you
and you want, your answer is usually not in
us, as we can probably communicate by the
answer. Of course, you have the opportunity to be a
cluded as answering a specific question.

The Small Business Adminis-
the government agencies, have been doing this sort of thing for some time—and I may add that we have helped our applicants in 78% of the
cases referred.

You may impress upon it your
that the vast unsolved mysteries of our economy—of
formation are available from your government. It is yours to
ommand. But we cannot force it upon
You must first ask for it.

There are about 19,000 patents
ly and are sought by all the govern-
plements are available from your government. They are a

The government Patent Office, Department of Commerce, were looking for a new product to manufacture and they
ly want to keep track of these.

Not long ago, a small midwest-
pany happened to be thinking about a new product to take to
pany and which they had been
pany, which, in turn, gave us a large number of patents, millions of dollars. It was an
ecessary research, and if you are doing any research for detecting a mass below the surface of the earth, you are going to need such a
type—they had something better. This is the kind of thing you must keep
for anybody to manufacture, through license under this patent.

This paper is designed to help the smaller businessman in the
fishing boats. Now boats that are used to fish in the
se for every side to catch the
able to find the

This alert small manufacturer
rnoy in his financial picture for applications of a
vey one to commercial
ship Industries are open.

The "American" in business who
what and go to what, a competitor of another man who just drops a hook and line overboard, by guess
the hook. This is based on the knowledge, sometimes it is a very
price matter to develop this
and to buy the right kind of bird.

The basic elements of business
have not changed in a thousand years. The basic one, which holds true and
improving, its selling, is likely to find
 competitors.

This is not the same country it
history of the United States economy as in 1893 or before.
As the price of living has increased in 1958 will not be what it is
to-day. New markets are opening up and competitors are likely to
take place.

Businessmen must learn to
and improve the techniques of
just as they update and improve their products. One
or, the top salesman is coming
 now, a good salesman, who with energy was about as effec-
 on the same sales job. Now we are getting into
an important competitive period in which selling is or paramount
important. There can be no at-
 communication and the
, and you must put forward the prod-
to speak for itself and to sell

The market is there but it has
captured. It won't come running after the seller.

We are getting back to a period
where salesmanship, proper pric-
ng of a genuine commodity is cru-
imental to the success of any free market system—any
because you are selling a physical prod-
Sure, we have a buyer's market in a majority of lines. What's
that means for the small manufacturer?

In a buyer's market such as this one, you have a great advantage
over any other buyers in your market in our economic history. The
bank accounts are full and running
or if a salesman interests a
product in his market, he should
with the discourag-
the prospect could say, "I like your
the brand of business, but I just don't have the money."

The top salesman, now—
he that has the right attitude, that has
'an assertion that the
the subject. The new selling

For the calendar year 1953 the
corporation reported products and services sold of $76,618,00-
4,500,000. The most important
projects was the recently integrated Fairlack Works, near
ville, Pa., which was substantially completed by the
end of 1953, with all producing units in operation, and the
improvement of iron ore properties in
by Mexican deposits
high grade iron ore of approximately 400,000,000 gross
nted amount required to complete
le of the plant and the
8,361,000. The adjusted net in-

The outstanding development for the year was the completion of Continental Insurance

Taking the individual insurance Fire, other
quences the point gain may not have been quite so large but the
percentage gain was greater.

It is interesting to note that most of the
are now selling near the high of their range for the year.

For the balance of 1954, we would anticipate that insurance
stocks will continue to enjoy relatively favorable market action.

Underwriting operations are expected to be maintained near the
year, as a result of which there are few
ations for the approach of the new year.

As in the past we would not expect all shares to follow the
365, and the most of these

NATIONAL BANK
of INDIA, LIMITED

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Gold Hoarding Seen Diminishing

Bank for International Settlements reports postwar hoarding propensity weakened, partly because of fall in free market price of gold and also because of strengthened confidence in national currencies.

In its review of gold movements during 1963, the 24th Annual Report of the Bank for International Settlements takes note of the decline in the gold hoarding propensity, which has prevailed throughout the postwar period. Commenting on the current report states: "This number of reasons, gold may go elsewhere than into monetary reserves. In the first place, there may continue to be occasional shortages of goods and services, and in some countries in the east it has been the custom of the banks to allow customers to lend part of their assets. This cannot serve their purpose. Firstly, in some of the countries of the Middle East, where gold has much increased in recent years, gold is being minted again for use as a means of payment. Fortunately, many of the banks and firms in Europe, and also in Japan, have acquired gold because they have been trying to balance their national currencies. If they do, their gold reserves will not be able to spread the risk of fluctuating their exchange rates. Thus it may be that the gold which flowed into monetary reserves may be called "soft gold," and that this distortion cannot be determined.

Looking back over the postwar period, one finds that during the first half of 1950, the price of gold was $36 an ounce. During the first half of 1963, it was $35 an ounce. The figures for the second half give a somewhat exaggerated impression of the extent of the decline in gold hoarding; toward the end of the year, the price of gold was $30 an ounce, and that is quite a substantial amount of silver, gold, a six-year period. It is quite a simple way of getting into monetary reserves. But, even so, the decline in the amount of "gold hoarding" is quite substantial.

The French public has specialized in hoarding coins; the second half of 1953 may be the beginning of a decline. The first half of 1953 may be the beginning of the decline in the free-market market.

The French public has specialized in hoarding coins; the second half of 1953 may be the beginning of a decline in gold hoarding. The first half of 1953 may be the beginning of the decline in the free-market market.

The British gold market in London on 22nd March 1963, the immediate restoration of the free market in all transactions as has existed before September 1939, but it must undoubtedly be regarded as a step in the direction of convertibility. There are no restrictions on gold sales, but purchases are limited to three classes of buyers:

(i) holders of "registered accounts" in a type of sterling which can be acquired only by non-dollar, non-sterling areas.

(ii) all sterling area residents may buy limited quantities of gold for trading and industrial uses.

(iii) all gold in the British government's gold stocks, the Bank of England, and all other official reserves are a result of sales of gold by the U. S. Treasury to the Bank of England of 1945, all reserves.

Our Reporter on Governments

By JOHN T. CHIPPENDALE.

The Treasury reported that the offering of $3,000,000,000 of tax anticipation certificates were over-subscribed at least by ten times the amount requested. Last June the Treasury offered $3,000,000,000 of tax anticipation certificates at 4%, which is the current rate of 1.5%. This latest offering of tax anticipation certificates indicates the national debt is still able to be discounted.

The Government market is under pressure for the reasons it is swing to have come along since that if the time is going to follow its indicated timetable, it will do so by a few months at the most. It seems, however, that the initial rise in the offer has already begun, and that the favorable operation for them will be within a matter of days. The Treasury does not try to get the last drop of blood out of the turnip by shaving the rate too low. If the Treasury is still interested in pushing out maturities, and the not a little of the effect, it seems as though the banks and institutional investors who can take on medium-term maturities are the ones to be expected to be in the refunded operation. Accordingly, it is the opinion of certain money market experts that the package deal, whether it be a long note or a short bond, or a combination of the two, will be very well prepared for the impending refunded operation.

Refunding Preferences

It is believed that the one-year obligation will get considerable support from the commercial banks and those investors who are in an active market for new issues. On the other hand, the out-of-town commercial banks, which are much more sensitive to a certain degree of interest rate on the package deal, whether it be a long note or a short bond, or a combination of the two, will be very well prepared for the impending refunded operation.

Federal Applying Pressure

Even though the money market is not ready on the easy side of the market, the money market is not in a state of equilibrium. The Federal Reserve is putting in the next few weeks, which adds to the investible funds, it is expected that the pressure will be accompanied by a move to bring down transaction rates, and bring about run away conditions in the Government market. On the other hand, however, the Treasury is meant for either new money or refunding purposes will be well attended to.

The Federal Reserve has some member banks since the start of the year have done considerable about the strengthening of market conditions. The advantage of the current refunding to add to their holdings of issues due in the near future. It is said, however, that there has been some interest for the bonds because of the demand from the aforementioned areas."

The Commercial and Financial Chronicle—Thursday, July 23, 1941

"Our Reporter on Governments"
Outlook for the Air-Conditioning Industry

It is one of our most interesting industries today, that of Station Equipment for large commercial and industrial structures.

The Room Cooler Market

The room cooler market has had the most spectacular growth in recent years. In 1953 the market was valued at $75,000,000 in 1948 to about $1 million units in 1952. This year, manufacturers' shipments for the first six months of the 1953 model year are expected to be in the range of $35,000,000. The result has been the growth of business in the century, price cutting and all the troubles that accompany overproduction.

We feel that a large part of the market for home air-conditioners, which will be taken over, in time, by residential units, is being overestimated. This year, Worthington introduced the Worthington 500, a unit designed to meet the needs of the home market. The unit is designed to meet the needs of the home market.

Central Station Equipment

Central station equipment is a field in which growth is occurring. We look forward to a large increase in our sales of such equipment.

While we are optimistic about central station equipment, we do wish to repeat a warning which Mr. W. W. Worthington, President of Worthington, made when he spoke in Decatur, Ala., last November.

He said it would be quite wrong to suppose that all you need to enter this market is a group of dollars with his hat. The competition in this area is intense, the air conditioning race will be won, he said, by the best engineering minds and the best sales and service ingenuity.

Central station equipment and in the short space of two years the picture has changed considerably. The spring and summer of 1952 were extremely hot in most parts of the country. The public demand for air conditioning exceeded the ability of the nation to supply it. This demand caused such a widespread public.window and popular interest that the market was elevated to national interest status. Every national magazine carried articles on the subject and many questions were posed in the industry, for which predictions for its future growth showed some variation on the fantastic.

As a result many companies have rushed into the field. Whereas there were about 50 companies marketing room air-conditioners under their own brand names a year ago, today there are 125. Some of these names are well known to the public. Others are unknown.

If we judge by the history of the automobile and the electrical refrigeration industries, it is not difficult to foresee what will happen in the air conditioning field in the years immediately ahead.

Overproduction and Price Cutting

With many new producers coming into the field, many room air-conditioners and small commercial and residential units, there will be price cutting and this cannot but eliminate many of the weaker units.

Several factors are contributing to overproduction and price cutting:

1. First, there was a general downturn in business during the first quarter of 1953, and the sales turn now appears to have run its course with the industry tending to turn upward again. However, the experience left its mark in the form of a drop in orders.

2. Second, we have had an abnormally cool spring and early sum-

Air Conditioning in its Commercial Application

One of the main benefits of air conditioning is the ability to control the temperature in buildings. In the past, this has been done by refrigeration or by the use of air-cooling devices.

The market for air conditioning in buildings is a rapidly growing one. The demand for air conditioning in buildings is expected to increase by over 40% in 1954 over the previous year. The growth in the market for air conditioning in buildings is expected to continue at a rate of approximately 12% per year.

Central station equipment is a field in which growth is occurring. We look forward to a large increase in our sales of such equipment.
in 1952. The largest gains in power output continued to be shown in the West Central, Southeast and South Regions.

Car Loadings Drop for July 17 Week

Loading of revenue freight for the week ended July 17, 1954, was 9,669,000 tons, the American Railroads announced. This was a decrease of 69,669,000 tons from the corresponding week in 1953, but an increase of 8,545,484 tons or 14.5% above the previous week, which was reduced by a strike in the steel industry.

Loading for this week ended July 17 increased 123,983 cars or 21.9% above the preceding holiday week.

Business Failures Dip, But Are Above Year Ago

Commercial and Industrial failures dipped to 188 in the week ended July 17 from 197 in the week ended July 10, 1953. Dun & Bradstreet, Inc. However, casualties continued above the 183 reported in the comparable week of 1952 and 1951. Compared with the prewar level, failures were cut by 60 to 271 in 1953.

The failures involving liabilities of $5,000 or more dipped to 163 in 1952, but were more numerous than a year ago when 122 were reported. Failures involving liabilities under $5,000, dipped to 25 from 34 yet remained above the 1953 level of 17. Twenty-three businesses succumbed with liabilities in excess of $100,000 in 1953.

Retail trade accounted principally for the week's decline; its casualties dropped to 88 from 114, while mild dips brought manufacturing to 92 and the service trades to 32 in 1953, being reduced from the 49 of 1952.

Canadian failures remained the same as last week with 24 as compared with 22 in 1953.

Midsummer Brings Reduction in Retail and Wholesale Trade

The total dollar volume of retail trade in the week ended July 17, 1954, was down 13% from the all-time high set in 1953. It was down 12.9% from 1952, 11.8% from 1951, and 10.7% from 1950.

The total dollar volume of wholesale trade during the week ended July 17, 1954, was down 11.8% from the all-time high set in 1953. It was down 10.9% from 1952, 10.5% from 1951, and 10.3% from 1950.
EATON & HOWARD
Balanced Fund

BY ROBERT E. RICH

Is Service the Key?

The Stock Exchange's Monthly Investment Plan—sometimes called the "pay-as-you-go stock plan"—was given a slick go-round this month by "Tide" magazine, comprehensive, and marketing trade journal. The essence of the report was that the wheels were turning furiously but the Exchange's program wasn't getting anywhere, even with a million million dollars in adver-
tising being placed in 500 newspapers, and with window displays, marketing kits and direct-mail to Exchange firms to help them along in their own efforts.

"Tide" headlined the report, "Stock plans founded on the rocks of applause commented that the market is "tiny and small," and that "the marketing paralysis is largely the result of a mental block, this basic understanding by members about how handle MIP."

This report on MIP is in sharp contrast, of course, with the record gains made, quarter after quarter, by mutual funds in total net assets, shares outstanding and number of new shareholders.

Why the difference? The answer, of course, is that new growth in one element of the securities business and "apathetic" in the other, particularly when the marketing objective (to use the argot of the up-town agencies) of both the Exchange's plan and of mutual funds is identical—the inclusion of middle-class income-earners within a program of systematic or periodic investing in equilibrium.

By vote, many people, familiar with mutual funds, might, in answer, say that mutual funds offer professional management, continuous monitoring and diversification (truly well-known by now to everybody in the securities business.

However, is there an additional reason to this puzzle? Is it, perhaps, that mutual funds, during the greatest years of their growth so far have been concentrating on service to their in-
vestors?

And the next question, logically, is how appealing are these service features to a prospective investor, presuming he has decided to invest in equities in some fashion.

In contrasting the two—so the service features give to mutual funds, the body of their investor base, the competitive edge to make their sales click.

Certainly, periodic investing, automatic reinvestment of divi-
dends, four dividend checks a year (or one a month with some funds), monthly and semi-annual dividend income, are service features found with many or some mutual funds, and hard to beat.

Clearly, mutual fund retailers can sell their prospects two things —the benefits of equity investing and service. The Exchange's MIP sells one thing—equity investing on a periodic basis.

* * *

Speaking of the service features offered by mutual funds, the body of the investor base, the competitive edge to make their sales click.

Commonwealth Investment Company, first in the business with a voluntary systematic payment plan, and first among dealer-distributed mutual funds with automatic reinvestment of dividends, is now first with a standard and central loan arrangement in which the investor, by a simple, pre-addressed card, easily and quickly pledge their shares of Commonwealth Invest-
ment Company's Commonwealth Stock Fund to the Bank of California and receive a check, by return mail, for 65% of the value of the shares pledged at $200 (there is no maximum) and shares may be pledged even though certificates are not in the investor's name.

"A person," Commonwealth states, "who owns something that can be used as collateral, a loan takes him two-thirds of the value of what he owns. He likes to know that he has something upon which he could borrow, even though he might never have the occasion to do so.

* * *

MASSACHUSETTS INVESTORS TRUST reports for the 3 months ended June 30, 1954, a net asset value of $23.06 per share, exclusive of a capital gain payment of 24c per share in February or the equivalent of $23.20 per share as compared with $18.60 at the close of the second quarter of last year.

The trust had total net assets of $603,893,255 on June 30, 1954, with 117,432,693 shares in circulation.

These figures represent new highs in the trust's history and sales of securities from the port-
folio of $13,158,048, excluding short-term positions.

SELECTED AMERICAN VICE Stock Fund reports assets at June 30, 1954 rose to $32,109,526 or $10.26 a share, compared with $27,031,462 or $12.88 a share on Dec. 31, 1953, and $23,692,402 or $8.84 a share at June 30, 1953.

At mid-year common stock represented 63.0% of assets; U.S. Governments and cash, 16.7%. The company had invested in 200 industrial and 150 bond companies. The five largest hold-
ings by industry were electric utility 12% of assets, oil 10%, electrical equipment, 7.7% pharmaceutical and drug 7.7% and building 7.4%.

TOTAL NEW assets of Shareholders of Boston on June 30, 1954 were $11,003,883, com-
pared with $10,331,367 on Dec. 31, 1953, according to the report.

Net assets on June 30 were equivalent to $28.58 per share compared with $25.01 a share on Dec. 31, an increase of 14%. Duri-
ing the six-month period. The fund had $73,215 shares outstanding on June 30, an increase of 21%.

INVESTMENT trust of Wellington Fund on June 30, 1954, was $11,100,383, com-
pared with $10,331,367 on Dec. 31, 1953, according to the report.

Net unrealized appreciation in value of the investment portfolio was $1,250,400 on June 30, 1954.

Common stocks constituted 77.4% of the net asset value, gov-
ernments included in the net asset value accounted for 22.6%.

WHITEHALL FUND, Inc. reports that its net asset value increased to a new high of $23.26 per share and compared with a figure of $18.84 on Dec. 31, 1952.

The fund has $20,629 shares outstanding and of its $13.86 reported last June 31.

Net unrealized appreciation in the investment portfolio was $1,250,400 on June 30, 1954.

Common stocks constituted 77.4% of the net asset value, gov-
ernments included in the net asset value accounted for 22.6%.

NET asset value of Wall Street Investment Corporation on June 30 amounted to $16.07 on each of the 228,202 shares outstanding, this 59.9% a share increase over the $13.86 last reported June 31.

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The Outlook for Smaller Business

can afford expensive laborаe

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"We don't know where to turn

a small plant may say.

Well, he can try the Small

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The Small Business Administra-

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We covered all

The outstanding gain for the

It is interesting to note that

NATIONAL BANK

Bank and Insurance Stocks

BY H. E. JOHNSON

This Week — Insurance Stocks

Insurance stocks continue to be among the best

The advance for the group so far this year has been quite

The gains in these stock groups are really quite substantial considering the stable character which most of these stocks exhibit. In comparison with the general market, they show a better performance and on the whole the insurance stock groups the action of insurance shares is indeed favorable.

One standard of comparison is the Dow-Jones Industrial Average. The Dow-Jones Industrial Average is listed in the Wall Street Journal under the caption of "Barrows." At the beginning of 1954 the Dow-Jones Industrial Average was at 195.62, and at the close of the present year it had reached a level of 228.89. During the entire year stock prices have moved up from 198 at the beginning of 1954 to its high of 226.28. This was a gain of almost 65 points or about 33%. With the exception of two or three industrial groups, there are not many groups of securities that can show so favorable a market action in the current period.

Of course, there are individual industrial stocks which show larger percentage gains just as some of the insurance shares have done considerably better than the average. However, the rise in insurance stocks has been more general than the stock market as a whole. In contrast to the declines which some industrial stocks have sustained since the start of the year, practically all of the major insurance stocks have made at least modest gains.

The price action of the life and casualty insurance companies so far this year is shown in the following table. In addition to the figures presented in the table, the Dow-Jones Industrial Average for the year ended 1953, the point change for the period and price range for 1954 are presented. Where stock shares have been distributed in the case of the Fidelity & Guaranty, Hartford Fire, and Phoenix Insurance companies, prices have been adjusted so that figures are on a comparable basis.

| Index | Basis | Last Year | 1954
<table>
<thead>
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</thead>
<tbody>
<tr>
<td>Action</td>
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<td>Price</td>
<td>Date</td>
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<tr>
<td>Barrows</td>
<td>1/1/54</td>
<td>195.62</td>
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<tr>
<td>American Fidelity &amp; Guaranty</td>
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<tr>
<td>Fidelity &amp; Guaranty</td>
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<td>Hartford Fire</td>
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<td>Phoenix</td>
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<td>Security Insurance</td>
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<td>Washington</td>
<td>1/1/54</td>
<td>29.00</td>
<td>12/31/54</td>
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</table>

The outstanding gain for the group has been in the Continental Casualty with a rise of 54% points or close to 57%. Other substantial advances were shown by the Security Insurance, Fidelity & Guaranty, Hartford Fire, Insurance Company of North America, Phoenix, Fidelity & Guaranty, and U. S. Fire. In other instances the point gain may not have been quite so large but the percentage gain was greater.

It is interesting to note that most of the shares are now selling near the high of their range for the year.

For the balance of 1954, we would anticipate that insurance stocks will continue to enjoy relatively favorable market action. Underwriting operations are expected to be maintained near the satisfactory level of last year. Investment earnings for most institutions and the trend toward so that overall results for the year should be almost equal to those of 1953.

Considering the foregoing, quite a few companies should be

In the early part of the year stocks in some of the companies in increased cash payments, stock dividends or stock splits.

As in the past we would not expect all shares to follow the

The cost of divided dividends in cash for some of the companies in increased cash payments, stock dividends or stock splits.

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Gold Hoarding Seen Diminishing

Bank for International Settlements reports postwar hoarding seemingly weakened, partly because of fall in free market price of gold - 1953, the 24th Annual Report of the Bank for International Settlements takes note of the decline in the rate of gold hoarding, a phenomenon which has prevailed throughout the postwar period. Current interest in the Report states:

"One reason, of course, gold may go elsewhere than into monetary reserves. In the first place, there are the goldsmiths and their arts and industry, including the gold objects. In many of the countries in the east it has been the custom to keep a reserve portion of one's assets in gold, e.g., in the form of rings specially fashioned for the. The second thing, in some of the countries of the Middle East, it is believed oil has much increased in recent years and this is being used as a means of payment. Fortunately, private industrialists who have acquired gold because they have increased their sales in their national currencies or have business dealings abroad. The fact that the gold pays the way it is distributed. It would, of course, be incorrect to state that all gold that is sold to them. The remaining gold may be stored in gold boxes in monetary reserves may be called 'hoarded gold' since its distribution cannot be determined. This is what is meant by the word 'gold.'

A great change in the flow of gold over the past 5 years. While in the first half of the 1930s the net increase of gold hoards at a very high rate, this has now been reduced to the second half-year. It should, however, be stated at once that the figures for the second half-year cannot be directly compared with the preceding table.

Looking back over the postwar period, one finds that during the years 1929 to 1946 it was customary to keep a reserve portion of one to three gold pieces in one's asset value. The data show that the change is not brought out by the fact that the goldsmiths making account of the hoard is higher."

Estimates of "Disappeared Gold" (in millions of U.S. dollars)  

<table>
<thead>
<tr>
<th>Year</th>
<th>Gold production</th>
<th>Gold hoarding</th>
<th>Gold reserves</th>
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<tr>
<td>1945</td>
<td>500</td>
<td>1,000</td>
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<td>1946</td>
<td>750</td>
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<td>1948</td>
<td>1,250</td>
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<td>3,750</td>
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"The figures for gold production and gold hoarding are based on the Federal Reserve Bank of St. Louis."
indications of current business activity

american iron and steel institute

number of operating plants

latest

previous

volume

year

9,346,000

1,030,000

23

187

1,014,000

1,014,000

36

36

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Financing Through Public Stockholders

participating, of whom 114 are not employed, of whom 32 were paid on which pooled payroll deduction.

In an annual income from which each of the employer's and each of its employees is credited to the em- ployment, and that the growth of the company's capital stock is regular, and is carried on a capital stock.

In the first year and a half of the company's business, it was

to build a new and less expensive building. This was done with the help of some 400 shareholders, including some who are still stockholders.

We do not expect the employee who becomes a stockholder of our company to make us a present of his earnings, or to earn himself a salary in return for the work he does, but we do expect him to work harder than he would if he were paid more for his work.

In a case where the employee is more likely to catch a leak than he is to improve his earnings.

Market Liquidity Needed

In any event, if you want the advantages of employee stock- holding, you cannot secure them in any substantial measure unless your stock is reasonably liquid and quoted in a readily available market.

A very important reason for having public stockholders, the only way to secure a ready market, is the fact that stockholders have the same rights as any other investor, and that the company's stock is quoted in the market, and the company can therefore sell it at any time when it desires.

At this point I would like to consider three questions:

1. What can happen when a stockholder is not a stockholder?

Some years ago a friend of mine was the principal owner of a large company. He was interested in the growth of the company, and he owned a substantial block of preferred stock in the company. He paid a large dividend, and the dividends were paid regularly, and were carried on a capital stock.

The factors listed included: market price of the stock, market value of the stock, and the stock's earnings per share. The factors were then used to calculate a valuation of the stock.

There is a list of 19 factors, which is not complete. You can

realize that with 13 or more factors considered, no established formula, and no list of weighted factors, the results are not very reliable. There is no certain way how such arguments are sometimes settled.

To the best of my knowledge, there is not enough public stockholders so that the company has been able to sell its stock at a price higher than the market price. The company has been practically speaking, only two of the 13 listed. These two are the price per share on the stock and the size of the block to be sold.

The size of the block has come to be the most important factor in determining the market price of the stock. This price is not necessarily the same as the market price of the stock at the time the block is sold. The block is sold at a price that is below the market price of the stock.

In the second instance quoted, the company was quoted in the market and it was trading at about $100 per share. The company had sold a block of stock at $75 per share.

The ability of the stockholder to sell his stock at any time is an important factor in determining the market price of the stock. The company may sell its stock at a price below the market price of the stock.

In actual practice, the stockholder should be able to sell his stock at any time he chooses, at a price that he feels is reasonable.

The market price of the stock is not necessarily the same as the market price of the stock at the time the block is sold. The block is sold at a price that is below the market price of the stock.

To the best of my knowledge, there is not enough public stockholders so that the company has been able to sell its stock at a price higher than the market price. The company has been practically speaking, only two of the 13 listed. These two are the price per share on the stock and the size of the block to be sold.

The price per share on the stock is not necessarily the same as the market price of the stock at the time the block is sold. The block is sold at a price that is below the market price of the stock.

As a result, the stockholder should be able to sell his stock at any time he chooses, at a price that he feels is reasonable.
On the Wrong Road!

"In fact, the market economy can thrive only as part of a well-regulated, welldirected order [roughly, a free enterprise system]. Its place is in a society where certain elementary things are not only respected but color the whole life of the community, individual responsibility, respect for certain indissoluble institutions, mutual helpfulness, in honesty and seriousness for advancement and for developing his faculties, independence, responsibility for planning one's life and that of one's family, enterprise, the answer to risks, the sense of workmanship, the right contacts with nature, the sense of continuity and tradition, the courage to brave the uncertainties of life on one's own account, the sense of the natural order of things.

"The lengths to which we have gone already in thinking of an essentially unbureaucratic world are indeed remarkable. That is a fact which the economy would have to face, for they are among the worst sinners.

"How often we discuss, enchanted by the elegance of a certain type of analysis, the problems of aggregation of the hydraulics of income flows, the attractions of vast schemes of economic stabilization and social security, the beauties of maintaining 'functional' public finance, the progress of giant enterprise, and so forth, without realizing that, in doing so, we are granted a society which is already largely deprived of the bourgeois conditions and habits which I described!

"It is shocking to think how far already we are thinking in terms of aaproperionated mechanism in the bourgeois conditions and habits which I described!"

Continued from page 3

The Market Outlook

National Uranium Stock Offered at $1 a Share

Vickers Brothers and J. W. Kaufmann & Co., both of New York City, are offering publicly $50,000,000 worth of common stock of National Uranium Corp., at $1 per share "as a speculation." The company intends to use the anticipated net proceeds of $310,000

"first, to repay the $100 bor-

owed from One Hundred Asso-
ciates..." and, second, to re-
mortgage payments made June 10, 1958, $90,000,000 due in 1958, $90,000,000 due

to the company for the use of

work, drilling, driving of exploratory and

work, road building, and other

projects, to be held on the com-

pany's properties and/or to

advancement of new mining claims.

National Uranium Corp. was

formed to promote the use of

uranium and similar products

Robert J. Robinson

Blair, Collins, Co.

B. J. Cunningham

Nalsey, Stuart Group

Offers Consolidated

Nal. Gas Debentures

Chicago, Ill. - Bernard J.

Cunningham and Nalsey, Stuart & Co., Inc. and

associated yesterday (July 28) of

$50,000,000 of consolidated Nal. Gas Co. debentures due 1970, at 101.85% and secured

by a mortgage on all the properties

of the consolidated Nal. Gas Co., including all its subsidiaries.

Consolidated Nal. Gas Co. is

engaged solely in the business of purchasing and holding all of the outstanding stock of five operating companies engaged in the natural gas business.

The holders constitute an interconnected and integrated natural gas system engaged in all phases of the natural gas business, including manufacturing operations, distribution, transmission, storage and sale of gas.

Robinson Join s

Blair, Collins, Co.

S. Charles Robinson has been

appointed Manager of the stock trading department of the invest-
mment banking firm of Blair, Roi-

lins & Co., 44 Wall Street, New

York City, it was announced by

Mr. A. Davis, Chairman. Mr. J.

Davis, a former employee of Blair,

Co., Inc., as a director and

property of the company's and/or to the development of new mining claims.

National Uranium Corp. was

formed to promote the use of

uranium and similar products
NEW ISSUE CALENDAR

July 29 (Thursday)

Illinois Central RR.—For
Proceeds—To acquire properties and leases. Office—Big
Bldg., St. Paul, Minn. Underwriter—Judson

Thirty (Friday)

Republic Uranium Corp.—For
Proceeds—To redeem 9 1/2% debentures. Office—124 W. 42nd
St., New York, N. Y. Underwriter—Weber Investment
Corp., 242 N. University Ave., Palo Alto, Cal.

August 2 (Monday)

Midland Commercial Corp.—Preferred
Proceeds—For the purpose of financing the acquisition of
2,000 Savings Bank Bldg., Salt Lake City, Utah. Underwriter—
Pratt and Merrill, Inc., 146 South Main St, Salt Lake City, Utah.

Alpine Uranium Corp., Salt Lake City
Proceeds—For mining expenses. Office—425 Ernst &
Crammer Bldg., Denver, Colo. Underwriter—Kircher &
Jacquith, Inc., Denver, Colo.

August 3 (Tuesday)

Automatic Filing Corp.—Debentures
Proceeds—For marketing activities. Office—1000
Wall St., New York, N. Y. Underwriter—A.
Carpenter-Morrison & Co., Inc., 114 Broad
St., New York, N. Y.

Central Ohio Power Co.—Preferred
Proceeds—To acquire 1,000,000 shares of a new
common stock. Price—$1 per share. Proceeds—
For capital purposes. Office—111 E. Main St., Columbus, Ohio.
Underwriter—None.

August 4 (Wednesday)

Southwestern Power Co.—Preferred
Proceeds—To acquire 1,000,000 shares of preferred stock. Price—$1 per
share. Proceeds—For capital purposes. Office—111 E. Main St., Columbus, Ohio.
Underwriter—None.

Atlantic Power Corp., St. Louis, Mo.
Proceeds—To acquire 1,000,000 shares of common stock
(par $1) at market (approx. $38.50 per share). Proceeds—To
acquire 200,000 shares of common stock. Price—$15 per share. Proceeds—
For capital purposes. Office—S. & N. Power Co., 507 S.
Broadway, New York, N. Y.

Banner Mining Co., Lordsburg, N. M.
June 20 (1st of the month) 20,000 shares of common stock
(par $1) to be offered first to stockholders to July 30, 1961. Proceeds—For capital

Basic Atomic Inc., New York
June 23 (1st of the month) 191,700 shares of common
stock (par $1) to be offered first to stockholders to July 30, 1961. Proceeds—For capital

Basic Atomic Inc., New York
June 23 (1st of the month) 191,700 shares of common
stock (par $1) to be offered first to stockholders to July 30, 1961. Proceeds—For capital

Byrd Oil Co., Dallas, Texas
June 22 (1st of the month) 2,500,000 shares of cumulative
preferences class A common stock (par $1) to be offered first to
Co., Salt Lake City, Utah. Underwriter—None.

Carpenter-Morrison Uranium & Oil Co., Inc.
July 8 (letter of notification) 250,000 shares of common stock
(par $1) to be offered first to stockholders to July 30, 1961. Proceeds—For capital
purposes. Office—111 E. Main St., Columbus, Ohio.
Underwriter—None.
Pittsburgh Metallurgical Co., Inc.

Pubco Development Co., Albuquerque, N.M.
July 21 filed notices of dissent by 78,967 shares of common stock (par $1) to be issued and sold at $1 per share upon exercise of outstanding warrant. Warrants, dated advanced to period July 15 through Oct. 15. Proceeds—For general corporate purposes. Underwriter—None. Statement effective July 6.

Radak Oil, Inc., Rapid City, S.D.

Realty Mortgage Co., Denver, Colo.

Republic Union Corp., Moab, Utah (7/10)

Riverside Plastics Corp., Hicksville, N.Y.

Rockhill Productions, Inc.
July 15 filed notice of dissent by 20,000 warrants to purchase 23,009 shares of common stock. Price—$2 per share. Proceeds—to be used by amendment. Underwriter—Mortimer B. Burnside & Co. and Batkin & Co., both of New York.

San Fernando Valley Urban, Inc.

Shasta Water Co., San Francisco, Calif.
July 15 filed notice of dissent by 700,000 shares of common stock (par $2.50). Price—To be offered by amendment. Proceeds—to be used by amendment. Underwriter—Davidson & Co., San Francisco, Calif.

Somerset Telephone Co., Norridgewock, Me.

Southern California Edison Co. (7/18)
July 27 filed notice of dissent by 20,000,000 of first and refunding mortgage bonds due Aug. 1, 1994. Price—$100 per $100 principal amount of bonds and $100 per $100 of preferred stock. Proceeds—to be used for general corporate purposes. Underwriter—None. Statement effective Aug. 1.

Southern California Edison Co., Los Angeles, Calif.

Starfist, Inc., Reno, Nev.
July 9 filed notice of dissent by 612,883 shares of preferred stock (par $10) and 262,882 shares of common stock (par one cent) to be offered for subscription by common stockholders. Price—$10 per $100 unit. Proceeds—for purchase of land and construction of and to construct and equip a luxury hotel. Underwriter—None. Statement scheduled to be received on Aug. 18.

State Bank of Wisconsin, Milwaukee, Wis.
July 18 filed notice of dissent by 30,000 shares of common stock ($5 par). Price—$1 per share. Proceeds—to be used for general corporate purposes. Underwriter—Officers of state bank.

Sulphur Exploration Co., Houston, Texas (8/3)

Supermarket Merchandisers of America, Inc.

July 16 filed notice of dissent by 100,000 shares common stock. Price—(par $5 per share) to be offered by amendment. Proceeds—to be used for general corporate purposes. Underwriter—None. Statement effective July 6.

Texas International Sulphur Co., Houston, Texas
June 21 filed 455,000 shares of common stock (par $1). Proceeds—to be used for subscription by common stockholders at the rate of one share for each share held. Interests are for account of certain selling stockholders. Price—To be determined by underwriter. Underwriter—Roth & Co., New York, on a 'best effort' basis. Offering—May or June. Statements in time.

Manganese Mining Corp.

World Uranium Corp. (8/2)
July 17 (letter of notification) 1,175,000 shares of common stock (par $1). Price—To be determined by underwriter. Proceeds—For mining expenses. Office—250 S. Main Bldg., Salt Lake City, Utah. Underwriter—Charles Wenzel & Co., Salt Lake City, Utah.

Trico Petro-Chemical Corp., Montreal, Canada
June 29 (letter of notification) 250,000 shares of common stock (par $1). Price—to be related to the market price at time of offering. Proceeds—for development costs and general corporate purposes. Underwriter—to be named by amendment.

Umpqua & Wasco Warehouse Co.

United Life and Casualty Agencies, Inc.
July 10 filed notice of dissent by 2,865,000 shares of common stock (par $1) and 1,000 shares of 6% convertible preferred stock (par $100). Price—at par. Proceeds—For general corporate purposes.

United Benefit Fire Insurance Co., Omaha, Neb.

United States Air Conditioning Corp.
July 16 filed 2,000,000 shares of common stock (par $1). Price—to be determined by underwriter. Proceeds—to be used to purchase 1,500,000 shares at $1.25 per share. Proceeds—to be used to purchase 500,000 shares at $1.25 per share. Proceeds—for general corporate purposes. Office—60 Dexter St., Pawtucket, R.I. Underwriter—G. H. Walker & Co., Providence, R.I.

United States Air Conditioning Corp., New Ulm, Minn.
July 19 filed notice of dissent by 500,000 shares of common stock (par $10). Price—to be determined by underwriter. Proceeds—for general corporate purposes. Underwriter—Officers of bank.

United States Air Conditioning Corp., New Ulm, Minn.
July 19 filed notice of dissent by 500,000 shares of common stock (par $10). Price—to be determined by underwriter. Proceeds—for general corporate purposes. Underwriter—Officers of bank.

Upper Third Street Development Corp.
July 16 filed notice of dissent by 2,000,000 shares of common stock. Price—At par ($25 per share). Proceeds—to purchase or lease property for parking facilities. Underwriter—None. Office—2460 N. Third St., Milwaukie, Wis.

Utah Molybdenum Corp., Provo, Utah

Utah National Uranium Mining Corp.

Vampire Co., Idaho Falls, Idaho.
July 19 (letter of notification) 20,000 shares of common stock (par $1) to be issued as bonus to purchasers of each share of common stock. Proceeds—to be used in purchase and development of new uranium mining district. Underwriter—None.

Vicetron Instrument Co.
July 19 (letter of notification) 20,000 shares of common stock (par $1). Price—To be determined by underwriter. Proceeds—to be used in purchase and development of new uranium mining district. Underwriter—None.

Voss Oil Co., Newcastle, Wyo.
July 30 filed notice of dissent by 2,500 shares of common stock (par $1). Price—to be determined by underwriter. Proceeds—to be used in purchase and development of new uranium mining district. Underwriter—None.

Vess Oil Co., Washington, D.C.
July 16 filed notice of dissent by 7,000 shares of common stock (par $1). Price—to be determined by underwriter. Proceeds—to be used in purchase and development of new uranium mining district. Underwriter—None.
Prospective Offerings

American Natural Gas Co.  
April 28

Prospective Offerings

Indians & Tobacco Co.  
July 12

Southern Illinois Gas Co.  
Feb. 28

Central Illinois Electric & Gas Co.  
Dec. 1

New York Telephone Co.  
Nov. 20

West Coast Pipe Line Co., Dallas, Tex.  
Nov. 20

 Consolidated Uranium Mines, Inc.  
July 23

Federal Telephone & Radio Corp.  
July 26
Continued from page 33

Federal Reserve Bank of St. Louis
Digitized for FRASER

Northern States Power Co. (Minn.)
July 12 it was announced that company may issue and sell $20,000,000 of cumulative preferred stock (par $100). Underwriters—May be determined by competitive bidding. Proceeds—To be used by company and its subsidiary, Minnesota Power & Light Co. (jointly). 

Ohio Gas & Electric Co. (9/14)
July 12 it was reported company plans to issue and sell $40,000,000 of preferred stock (par $100). Approximately 1,000,000 shares of the same class of preferred stock, $30 par value, is expected to be sold at a price of $30 per share on an approximate basis, when conditions warrant. Underwriters—Union Securities Corp., New York. 

Welles Jet Services, Inc.
July 12 an announcement has been made that company may in September announce plans to issue and sell additional common stock, up to $100,000. Underwritten by: Laird & Co., Wilmington, Del. Two previous offerings to stockholders were not underwritten.

West Coast Transmission Co.
July 12 it was announced company now plans to issue $29,000,000 in 1-to-5-year serial notes; $71,000,000 in 20-year, first mortgage bonds; and $44,400 in subordinated long-term debentures and $1,000,000 of common stock to be sold to the public. Proceeds—to finance construction of a natural gas pipeline line from the Canadian Peace River field to western Washington and California. Underwriters—Blyth & Co., and Wells Co., New York.

Western Maryland Ry. (8/8)
July 13 it was announced company is issuing and selling $15,000,000 of first mortgage bonds due 1979. Proceeds—to be used for rehabilitation of part of the company's 75-mile series B, due 1976, and the remainder to be used to reimburse capital account for capital improvements. Underwriters—to be determined by competitive bidding and will consist of: Blyth, Stuart & Co.; Morgan Stanley & Co., and Blyth & Co., New York. Underwriters bid Sept. 21 on approving issuance of new bonds. Bids—Expected Sept. 23.

Western Massachusetts Electric Co.
July 12 it was reported company is planning sale in the fall of $50,000,000 in debt securities. Proceeds—to repay bank loans and issue new debt. Underwriters—if determined by competitive bidding, probable bidders: Blyth, Stuart & Co.; and Blyth & Co. Inc., New York. Underwriters—To be determined by competitive bidding and will consist of: Blyth, Stuart & Co.; Morgan Stanley & Co.; and Blyth & Co. Inc., New York. Proceeds—To be reported Sept. 21.

Westing Electric Co.
June 28 it was announced company plans permanent financing. Proceeds—to be used by the company. Underwriters—Previous bond financing in 1922 was handled by Dillen & Read & Co., Inc.

Wisconsin Power & Light Co.
July 6 it was announced management is planning issuance of $18,000,000 in first mortgage due 1984. Proceeds—to redeem $8,000,000 in first mortgage bonds sold last year and 30,000,000 in new construction. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Industrial Securities Corp.; and Blyth & Co. (jointly); Blyth & Co.; Lehman Brothers and Bear, Stearns & Co. (jointly).

With McAndrew Co.
(9/22)
SAN FRANCISCO, Calif.—John W. Hendricks has been added to the staff of the McAndrew & Co., Inc., Russ Building.

With Paine, Webber & Cof.
ILLINOIS CHICAGO, Ill.—Joseph Komar, Jr., has become connected with Paine, Webber & Co., Inc., 209 South La Salle Street. He was formerly with Blyth & Co., Inc., Boston, Mass.

With Metropolitan St. Louis
(9/22)
JACKSONVILLE, Ill.—George L. Carpenter has become associated with Metropolitan St. Louis & St. Louis, Mo. Bank.

With Metropoian St. Louis
(9/22)
CHICAGO, III.—Louis Z. Sevart, Jr., is now associated with the Metropolitan St. Louis & St. Louis, Mo. Bank. His office is at 50 North Dearborn Street.

With Rochester Gas & Electric Co.
(9/17)
The company may issue and sell this year some additional bonds and preferred stock. Proceeds—for new construction. Underwriters—Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., Inc.; Lehman Brothers; and Blyth & Co., Inc. (jointly). 

Transcontinental Gas Pipe Line Corp.
March 20 stockholders voted to reclassify 500,000 shares of presently authorized but unissued $5 cumulative preferred stock into 500,000 of a new class of preferred stock, $5 par value, into 1,000,000 shares of a new class of common stock, $1 par value, into 500,000 shares of preferred stock at an approximate time, when conditions warrant. Underwriter—Union Securities Corp., New York.
Joins Barclay Inv. (Special to The Financial Chronicle)

CHICAGO, III.—Louis S. Breslan and E. H. Kuch have announced the formation of Barclay Investment Co., 39 South La Salle Street.

Benson Forms Own Co. (Special to The Financial Chronicle)

DENVER, Colo.—Eugene W. Benson has formed Benson Investment Co., with offices in the Denver National Bank Building to engage in the securities business. He was formerly with E. J. Shelley & Co.

Three With G. H. Walker (Special to The Financial Chronicle)

ST. LOUIS, Mo.—Theodore E. Steiner Jr., Albert J. Benson and Elmer W. Wagner have been associated with G. H. Walker & Co., 503 Locust Street, members of the New York and Midwest Stock Exchanges. Mr. Wagner was previously with Merriam Trust Company.


DIVIDEND NOTICES AMERICAN GAS AND ELECTRIC COMPANY

Common Stock Dividend

A regular quarterly dividend of $1.00 per share was declared on the Common stock of the American Gas and Electric Company in New York, and London, Ont., payable August 23, 1954, to stockholders of record at the close of business August 5, 1954.

NIK IWI HoT Dr., New York, N. Y.

H. B. HERMIT, Treasurer

July 21, 1954.

DIVIDEND NOTICES DN

NIK IWI HoT Dr., New York, N. Y.

H. B. HERMIT, Treasurer

July 21, 1954.

DIVIDEND NOTICES


W. C. KING, Secretary


DIVIDEND NOTICES

RKO TELECHEMICAL COMPANY

Quarterly Dividend of $0.25 per share was declared on the common stock of the corporation at the annual meeting of stockholders held on July 21, 1954.

H. B. HERMIT, Treasurer

July 21, 1954.

DIVIDEND NOTICES

Quarterly dividends of 20¢ a share on the common stock, payable September 23, 1954, to stockholders of record September 9, 1954.

H. B. HERMIT, Treasurer

July 21, 1954.

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July 21, 1954.
WASHINGTON, D.C.—Congress has been putting on a practical demonstration of late weeks of the political fact that it is almost as difficult to prevent a government-in-business enterprise from growing as it is to establish such an enterprise.

The most dramatic demonstration was the filibuster on the Atomic Energy Bill. Even after the unanimous vote of the President to allow private utilities rather than the Tennessee Valley Authority to furnish an additional supply of electric energy needed by the Atomic Energy Commission, the filibuster was in the air.

The most radical demonstration, however, was the filibuster on the Atomic Energy Act. For one of the overwhelming reasons of military security, the government monopoly of the atom, so far-desired men expressed the fear at the time that if this bill passed, the monopoly would never give it up. The filibuster against permission for the government to take over the power even with shackles demonstrated the determination of the New Deal to act on this one monopoly, and they will not give up one disagreement.

Fight Surrender of Government

Another demonstration of the virility of government enterprise has been given although less dramatic than the filibuster on the overbuilding of the government monopoly on this branch of business. In the Commerce Committee, Reps. (Mrs.) Cecil Harden of Indiana, and Thaddeus Reed of Wisconsin, a majority of the committee was attempting to revive the bill.

Revive Second Mortgage

At the first hearing on the subject of a second mortgage, which was to be included in a version of the Banking Bill, Secretary Benson, the Secretary of Agriculture, Congress put the Agriculture Department, meaning through the Department of the Interior, the Federal Treasury, back into the second mortgage business.

Even the Democrats closed out the second mortgage business, which was included in the Farm Loan Bank Commission, in order to save this second mortgage loan, which was terminated in 1947, although it is now attempting to revive that class of loan also. He is Senator Clinton Anderson, D. N. C.

Secretary Benson, in asking permission to raise rates of interest on both direct and "insurance" loans, asked for the authority to make second mortgage loans. His exact language in this financial expenditure was that farm-FHA, in exchange for this financial gift, now has to refinance any existing bank loans to lend enough money to set up a first mortgage business.

Farm-FHA's idea of an adequate loan is one which provides the borrower with 100% of the fair farm value of the security.

Under another section of this agency's operations, it provides what works out to be a temporary form of "insurance" of a mortgage loan, in order to avoid temporarily the showing of government having to lay out cash. By agreement with the lenders, these loans later come back to the bank, and the interest on them goes to the government.

"Insured" loans run only to nine-tenths of the value of the farm. Senator Benson wanted this also raised to 100% of collateral, but Congress refused this little addition to government-business.

Forex Aid Cost

Rep. Daniel A. Reed of New York, the venerable Chairman of the Ways and Means Committee, has totaled up the cost of the外汇 Aid Act of 1946 and since. In terms of revenue and cash expenditures, these are official figures, compiled from the statements of the Foreign Transactions of the U.S., of the Commerzbank, and from other sources.

From July 1, 1940, according to Mr. Reed, through 1945, or the period of War II, the United States proved $59,660,021 of grants, credits, and other outlays.

From fiscal 1946 through May 15, 1944, the United States provided almost as much foreign aid as during War II, or $45,463,918.

This amounts to an aggregate of $119,341,957,549 from July 1, 1940, through May 15, 1944. However, said the Chairman, reverse lend-lease, cash repayments on loans and grants, etc., plus cash received for sale abroad of U.S. surplus equipment, aggregated during this period, $10,341,625,746.

Subtracting the credits from the gross outlay gives a net cost of foreign aid of all kinds of $109,040,371,704.

However, at simple interest which is being paid on the debt of the United States, the interest cost since the grants or gifts of foreign aid were made amounts to $8,638,526,210, Mr. Reed reported. This would bring the foreign aid cost to American taxpayers to $127,684,805,764.

To this Mr. Reed would add $3,530,600,000, the U.S. investment in the World Bank and Monetary Fund. This makes the aggregate of world saving from June 1, 1940, through May 15, 1945, costing $131,015,385,964.

In other words, the cost of foreign do-gooding in 11 years accounts for almost 50% of the present Federal debt.

BUSINESS BUZZ

"It's only a suggestion, Pembrokeo, but if I were the owner, I'd check this applicant's background thoroughly."

Provides Hope for Confused Times

Foreign proclamations may appear oppressively difficult and the outlook discouraging. There are hopes a dozen members of Congress, however, who do not let their positions hold them down and deter them from looking for ways out. Among them are, at least two, Rep. Charles R. Howell of New Jersey and Senator Herbert H. Lehman of New York, both Democrats.

These two gentlemen have jointly introduced a bill to establish a National Arts Commission, and thereby aid in the promotion of the fine arts. The usefulness of this object is outlined in the declaration of policy of the proposed bill, which is not merely one of the thousands of bills introduced and not acted upon. Already two days of hearings have been given to this subject before the House Labor Committee. In the declaration of policy, Congress would expressly find:

(1) "That this contribution can and shall be made by the fine arts to the morale and welfare of the Nation;"
(2) "That the City of Washington since its establishment never had had a suitable theatre and music center to accommodate with its position as the capital of the Nation now the leader of the free nations (a previous oversight which by an inglorious stretching of the budget would be remedied by the bill)." So with a Washington "Moscow state opera," the U.S. would be led to peace-loving nations.

(2) Congress recognizes that man cannot live by bread alone, and that education in the humanities is essential to political wisdom, and that in the world of today if we are going to face the problems of free men and attempt to add stature to free men and free institutions the relevance of the humanities is an "unquestionable" "It is in the humanities that the classics, science or statistics which produce the answer to Commission."

This column is intended to reflect for the "behind the scenes" interpretation from the floor of Congress and may or may not coincide with the "Chronicle's" own views.

La Salle St. Woman
Party August 7th

CHICAGO, III.—A "Career Party" will be held for members of La Salle Street Women and their guests at the St. John Club on Saturday, Aug. 7. Former members of the organization have been invited to attend and participate in the games and planned entertainment.

President of the Club is Mrs. Joan Richardson of Glencoe, Forrest & Co.

E. F. Hutton Adds
(See to the Financial Postponement)

CINCINNATI, OHIO—Stuart W. Thomson has been added to the staff of E. F. Hutton & Co., 160 Montgomery St., Cincinnati.

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CHICAGO, III.—John C. Shanklin has been added to the staff of Carl Marx & Co., 209 South LaSalle Street, members of the New York and Midwest Stock Exchanges. He was formerly with Francucor & Co.

We have available copies of an Analysis of RIVERSIDE CEMENT
CLASS B COMMON STOCK recently prepared by THE OVER-THE-COUNTER SPECIAL SITUATIONS SERVICE

This analysis about why this stock is substantially important to capital gains.

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