Technology—Our One Indispensable Weapon

By BENJAMIN F. FAIRBILES

Chairman of the Board, United States Steel Corporation

Mr. Fairlies points out, though we are the strongest and most productive nation, Russia is not far behind us, and we must depend on the one indispensable weapon, namely, "technology," which still is exclusively ours. Deciding to fear this weapon, as concealed in new machines will destroy jobs. Says machines and tools have been the greatest source of welfare and "automation" in industry is nothing new, but is an illusion. Indicates.

Continued on page 42

[Address by Mr. Fairlies at the Annual Dinner of the Greater Johnstown Chamber of Commerce, Johnstown, Pa., Feb. 13, 1955.]

Electric Utilities Sold by Funds

By HENRY ANSCHWALB LONG

Survey reveals that total security purchases by investment company managers during the final quarter of 1954 added, along with the steel, rails and metals. Continued interest is shown in the food, paper, natural gas and machinery issues. Air transports attracted enthusiastic buying, but prospects of plane manufacturers were subjected to protest-taking. Textile and retail equities liquidated. Caution.

Continued on page 42

PICTURES IN THIS ISSUE—Candidate pictures taken on the occasion of the 50th Annual Winter Dinner of the Boston Securities Traders Association at the Parker House appear on pages 25 to 32. Inc.

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The Security I Like Best

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

ALBERT H. DEUBLE
Partner, Van Winkle, Drury Co., Inc.
New York City
Member of N. A. S. D.
American & Foreign Power
4.75% Debentures at 1971

The common stock of American & Foreign Power has been acting very well during the last months. The recent political diffic- ulties in Guatemala, Panama and Costa Rica have shown to us that we must keep our own back yard closed and neglect our neighbors. Therefore, a number of strong portfolios in American & Foreign Power and Enron Corp. who have been more cautious due to 1947 (now selling around $35) than the speculative stocks are giving an immediate return of more than 6%. If the bonds are sold at a slight discount, a still higher return can be realized.

The political and economic cli- mate in Latin America seems to be getting more reasonable. It is possible that Foreign Power could recover property left in that country amounting to between $15 and $20 a share. Almost three months have passed since the reorganization of the company. In the meantime the new securities have become more seasoned. The junior bonds have every chance to work into substantial portfolios of Mutual Fund com- panies. Certainly, they are not high-class but can be considered as providing a better risk.

They are well protected by earning power and especially asset value (equivalent to $13 and $14 a share form a strong base). The junior debentures are outstanding in the amount of $47,300,000. Pre- ceding are the 5% Gold Bonds in an amount of $50,000,000 selling around $26 and $28. A spread is not unusual. From every aspect the junior debentures are the most interesting part in the whole picture and should be considered by every investor who is suspicious of the market as a whole but wishes to remain major keep his capital continuously at work.

Sure, Latin America is plagued by revolutions and sometimes ex- cliations, but the many good and the opportunities are tremendous! All these countries are—economically speaking—on the march and "Foreign Power" is one of the most important instruments for their progress. Therefore, the shareholder may consider switching from some of his stocks into the junior debentures of Foreign Power.

SINDEY N. WINTERS
Partner, Abraham & Co., N.Y.
Member of N.A.S.D.
General Cable Corporation

We believe that wire and cable are most necessary adjunc- ts to the industries having to do with electricity, being used in e very field concerned with the generation and transmission of electricity.

In this country it has been forecast that the electric utility industry will again double its productive capacity over the next ten years. The electrical equipment, controls and electronic industries are expected to grow, as well. And the telephone industry is expected to double.

From the foregoing it seems reasonable to assume that the wire and cable industry will grow again. During this period, also demonstrate a strong growth characteristic. A matter of fact, I believe that wire and cable may show an even stronger growth than the indus¬tries it supplies. People are gradu¬ ally becoming aware of the prob- lem of inadequate wiring. Many households no longer take it for granted to have additional equipment items of convenience and necessity. Someone, one said of the American housewife that if she has her way, the demand for electricity will never be fulfilled. I believe she will have her way, and it must be done with more wire and cable. Indeed in many localities electricians are already expressing the need for more wiring and financing receiving and ade¬quate wiring installations. Therefore, I believe that aggressive and alert units in the wire and cable industries are going to have a strong growth of 15% or more over the period of the next 10 years.

I am impressed with the man¬agement team heading up General Cable Corporation and I have therefore chosen General Cable as my vehicle for representation in this field. Although there are many companies engaged in this highly competitive business, there is only about 16 large ones, and not many of these are interested in serving the public. General Cable is one of the larger producers of overhead wire, and cable used primarily for electric and communication conductors. It is probably the largest in the electric wire field and makes similar and allied products of brass, bronze and aluminum. Output ranges from the very fine gauges, thin as human hair, up to heavy under¬ground cables for high tension. The most important outlets are electric and telephone utilities, build¬ing, electric appliance and equip¬ment, textile and automotive industries. During 1945 the pro¬duction was taken by industries approximately $15,000,000, or about 38% was absorbed by the electric power and telephone industries and manufacturers of equipment for them. This was followed by the building industry which took 29%, government 12%, consumer goods 8%, railroads, etc. or 4%.

With regard to the telephone industry the future looks promising. General Cable is a leading pro¬ducer with a unique product line. Here it serves primarily the independent companies which have not yet adopted the Bell system. It also has a contract to supply cable to the Western Electric Company. In¬deed, the company's facilities for making this product cannot keep up with the demand, and the expansion of the Bell system is now being undertaken on that ac¬count.

The company's principal plants are located at Rome, N. Y., Perth Amboy, N. J., St. Louis, Missouri and Los Angeles, California. Plants are made at present through 27 and 18 plants respectively, both as well as through independent distributors. General Cable is closely associated with Gold Medal, General & Refining through the lat¬ter's ownership of a large interest as well as representation on the board of directors. Capitalization, capitalization during a recent date was approximately as follows:

<table>
<thead>
<tr>
<th>Stock</th>
<th>Par Value</th>
<th>Number of Shares</th>
<th>Market Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1 par</td>
<td>5,000,000</td>
<td>$25,000,000</td>
<td>$54.95</td>
</tr>
<tr>
<td>$1 par</td>
<td>5,000,000</td>
<td>$25,000,000</td>
<td>$49.95</td>
</tr>
</tbody>
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The financial position of the company has improved in recent years despite substantial capital outlays and the repurchasing of close to $5 million principal amount of debt. At the close of 1945 estimated cur¬ rent assets amounted to approximately $13.5 million. I believe that at present approximately $17.5 million of assets are increasing, as well as $19 million is available but none of this has been drawn upon during the year. It is apparent that there are no substantial inventories of owned copper and other materials, it is of interest to note that of interest that the current assets are 1945. This indicates in inventories can be reduced to the current level of the common stock owned by several dollars per share. The value per share was recently close to $16 per share.

Capital expenditures over the past nine years have totalled more than $30 million. Another $2 million plus will be spent in 1945. I understand that this place has a somewhat larger portion of the company's production facilities in modern, efficient plants and that future courses of action have also been taken by the company to increase its capital expenditures in order to improve its position in the in¬dustry. At strategic points ware¬housings are being added to im¬plement the service of the exist¬ing facilities. There will soon be 30 warehouses which can be used in combination. This should result in better production runs, lower freight charges, and improved service to the consumer. Distribution of products for the building, trades has also been increased through the

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* See article "Electric Utilities Sold by Funds" by Henry Anscher Long starting on page cover.

Published Twice Weekly

THE COMMERCIAL AND FINANCIAL CHRONICLE

B. S. LICHTENSTEIN, Editor

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Volume 181 Number 5404...The Commercial and Financial Chronicle

The Impact of Postwar Experience on Trust Investments

By MARCUS NADLER*

Professor of Finance, New York University

Dr. Nadler points out that commodity price movements, interest rates, and taxation developments after World War II were so radically different from what happened after every previous war that it is hoped to exercise considerable influence on trust company investment policies. Says trust investment management must be adapted to changing economic, social and political conditions, and lists as trust officer investments: (1) to seek a balance between fixed-income-bearing securities and equities; (2) selection for investment securities of independent companies in an industry, (3) timing of purchases and sales of securities.

The investment policies of the trust companies are based on reasonable judgment, which implies a consideration of the forces oper¬ating in the economy. This involves careful analysis of events, trends, and outlook of the economy. This is not to say that any basic changes have occurred which may have an important bearing on these policies. The movement of commodity prices, interest rates, and economic and taxation developments after World War II were so radically different from what happened after major war, and was exaggerated — expectantly at the end of hostilities, that they have exercised a considerable influence on the investment policies of trust companies.

Commodity Prices

Every major war has been followed by a period of boom and inflation which ended in a period of depression and deflation. This meant that while during the war the price of the dollar depreciated, and the price of the dollar increased, after a period of time it was again increased. This increase in the price of the dollar after a period of time is caused by the ability of the buying power of the dollar thus increased. The period of time is caused by the ability of the buying power of the dollar was for a relatively short time period. This happened after the war of 1912, the Civil War, and World War I. Until recently, it was widely believed that the same situation would develop after World War II. However, during the last few years has clearly demonstrated that a sharp break in commodity prices, and thus a mat¬erial appreciation in the purchasing power of the dollar, is not likely to take place. The index of wholesale commodity prices published by the Bureau of Labor Statistics declined from the post-war peak in August 1949, when it stood at 166.2 (1947-9 = 100) to 97.9 in December 1949, a decline of 41.1% on the current level. The reason for this is the outbreak of the Korean War.

*A talk by Dr. Nadler before the 35th Midwinter Trust Conference sponsored by the Trust Division of the American Bankers Association, New York City, Feb. 8, 1955.

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Giving the Helicopters Another Whirl

By IRE U. COLEBEE

The Commercial and Financial Chronicle, Thursday, February 17, 1955

As an updated look at this secondary aircraft, with some estimate of its present value, its future uses, and the profit potentials for leading manufacturers.

The helicopter has for years excited the curiosity of every child, the step child of the aviation industry. Because it did not re- main a dream but点缀ed to the related air transport and field for, because it could cross a forest clear- ing with little effort and be swiftly skycrapped because it could rise vertically, or take off and land in less space than a flown automobile, it fascinated many of us in young days, including myself.

Indeed, it was widely believed that many basic objections to the helicopter were eliminated in short hails over congested metropolitan skies. Nevertheless, in a planeless wilderness.

In actual flying, more than all of these bright aerial gems have been completely fulfilled. This is not to deny the many drawbacks still in the broad field of usefulness for these voluntary windmills. Nevertheless, the fact that the general record is still impressive; in wars of fighting, or personnel flown in the sea from bases in naval warfare; to spotting sub- marines; and on many low-flying and vertical entry and departure, the helicopter has a definite and growing place.

The Sikorsky division of the United Aircraft Corporation, where the S-55 has proved a durable and practical single motor model, and has worked out well in airport usage. A larger craft, the S-56, has been in the air for some time. It can carry passengers, it can carry and probably be operated by two engines. Investors who wish to share in the future of helicopter companies may buy United Aircraft common, buttressed by a $1.1 billion backlog, current orders of around $8 a share. Today's quotation, NYSE, 67 with a $4 dividend.

The next problem is the giving the helicopter a running start. Bell, always a proponent, has been and will be a leader in guided missiles. Bell, a company that has been a pioneer in test and development of rocket power systems, is now located in the United States Air Force and is working to mass-produce the rocket engine for the aircraft industry.

The Sikorsky division of the United Aircraft Corporation has been able to produce the S-55 helicopter in limited numbers. The S-55 has proved to be a durable and practical single engine model, and has worked well in airport usage. A larger craft, the S-56, has been in the air for some time. It can carry passengers, it can carry and probably be operated by two engines. Investors who wish to share in the future of helicopter companies may buy United Aircraft common, buttressed by a $1.1 billion backlog, current orders of around $8 a share. Today's quotation, NYSE, 67 with a $4 dividend.

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The State of Trade and Industry

Over-all industrial output in the period ended on Wednesday of last week showed an increase of about 6% above the level in February, 1935, in manufacturing and mining.

This, according to reports of important developments in Russia relative to changes in high government officials at first resulted in de- values of the Dutch East Indies and trading. Later in the week optimism set in and losses were largely regained. Many stocks reached new highs for the year.

For the week under review initial claims totaled 201,448, a reduction of 15,880 from the 196,328 filed in the previous week.

The comparable figure for a year ago stood at 233,778.

For the week ended Dec. 31, the United States Department of Labor reported new claims rose sharply to 399,100 from 202,500 in the previous period. The increase of 29,600, highest in many months, reflected layoffs and return to work from deaths, which might ask for the installation of go, stop lights on the street corners.

After all, every sensible automobile driver demands a speedometer and brakes on his automobile. Most of us would be frightened to death if any car equipped only with an accelerator. Because of crooked deals and oil affairs and our economy may have gone beyond our ability to control at any time.

To bring about an improvement in productivity, we must stop pushing down on the accelerator or let it up on it, there are reasons why it is not desirable that we return to gold before a crash.

In view of the above it is evident that this has been here today and briefly to discuss with you a few of the aspects of the industrial development of the automobile industry which is a new and attractive, and with each passing day, the bricks and coins still are and will always be will be good in peaceful, prosperous trade anywhere in the world.

Meyer Director of Nat'l Secs. & Research

The election of Herbert C. Meyer, as a director of the board of directors of National Securities & Research Corporation was announced recently by H. J. Simon- son, Jr., President. Mr. Meyer is Assistant Secretary of the United States Department of the Treasury. Prior to his being elected a Vice-President in 1949. Mr. Meyer spent a part of his youth in New York, New York, School of Commerce, Accounts and Finance. He attended college.

The National Securities & Research Corporation is underwriter and manager of the National Securities Series of Mutual Investment Funds with total assets of over $320,000,000.

W. Gardner Young

With Stetson & Co.

Stetson & Co., 41 East 42nd St., New York City, members of the New York Stock Exchange, have appointed Mr. W. Gardner Young as Assistant Vice-President and manager of their investment department.

F. Eberstadt & Co., Inc.

Manager and Statistician of Chemical Food, Inc., 39 Broadway, New York 6, N. Y.

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Politics Is the Art Of the Possible

By W. RANDOLPH BURGESS

Under Secretary of the Treasury

Pointing out Americans are brought up to venture the impossible and to expect miracles — the leading New York bank executive describes the background of both Federal Budget and the new 3% Federal bond issue. Says the present is an opportunity to implement a balanced budget administratively as well as on a cash basis. He states the financial situation which resulted in the long-term 3% bond issue, and ascribes its success to the extraordinary cooperation of the public and the government. W. R. Burgess says the current surplus has not been clear-cut.

The most important discovery I have made since I moved from my shabby office in the Federal Reserve Bank of St. Louis chair in the Treasury is that the 200-mile trip to New York is one of the longest distances in the world. As I make the journey, I am reminded of the change the government has reported by 7
days in the physical weight in which they are about the same, but the curiosity of the people is noticeably different.

When our founding fathers made the compromise which spared the country's capital 20 miles from the financial capital (as it turned out), they did more to inconvenience many people with their political maneuvering than otherwise.

They put great roadblocks in the way of the business of government. We do well to recognize these blocks and learn better how to surmount them.

Fortunately, the intellectual distance between the two cities has been shortened in recent years. Two World Wars and the great depression drew business men into government and taught government to think about business and vice versa. Washington has grown into a vital world center. But the gap is still there. It is still there when we hear our business friends lament that the rate of growth in the Federal spending is so much too small. And we hear the business man who has to compete with the federal self-lish and who knows how to compete, as his former associates. Both are right. Yet both are wrong.

So for this luncheon, sponsored by our old friends of the New York Clearing House for representatives from the nation's banks, I have selected a text a political tradition: "Politics is the Art of the Possible.'"

This seems a matter of me. Americans are brought up to venture the impossible. The "difficult we can do immediately; the impossible takes a little longer" is a motto which has a frame in many a Washington office.

Achievement against odds finds many exemplars in American his. In jogging, President Roosevelt addressed the New York Convention to rally the business of America to the under Hamilton overcame fearful opposition. He was able, as was the Constitution was the present-day day guide of George Washington. The Constitution was written in a day, and Washington picked his way slowly step by step.

*Excerpts from an address by Dr. Burgess before the Mid-Winter Conference of the American Associations, New York City, Feb. 9, 1935.

A sticky political morass before he won the preservation of the Union and freedom for the slaves, activities which brought about the physical weight in which they are about the same, but the curiosity of the people is noticeably different.

Instead of talking in abstractions, let me illustrate by describing the background of the government projects: the new surplus on the new 3% bond issue.

An political action, the sudden leap is the exception, arising from exceptional circumstances. Nor
tively, the budget deficit was still rising.

President Eisenhower in a re
drew the pre-election speeches in which he had called for the reduction of expenditures to $5 billion in the first year. But, "My goal, assuming that the tax burden on the American people, being paid to the Federal spending to something below the 1970 level," he said. Such a cut would eliminate the deficit in the budget and would effectively end the problem of "reduction."

The second move in the current fiscal year—'54—'55—reduces expenditures to $5 billion in the first year. A further cut of $1 billion is huges

Why don't we go faster? Right here is where practical consider-
ditions come into the political picture. The cut has far more sanguine effect on the budget. But with the thrust of world war and the current, there must be a steady increase in our defense capabilities. This we are achieving. As the President stated in his Budget Message:

"Our defense expenditures are now bringing about a steadily increasing change in the economic situation. It became clear during 1953 that huge cuts in defense spending would reallocate the national income to those who would not have the ability to consume."

A second practical problem of the shift is in the change in the economic situation. It became clear during 1953 that huge cuts in defense spending would reallocate the national income to those who would not have the ability to consume. We decided in June 1953 we would delay recovery. It was decided to use our ability to use a large share of the savings in expenditures to cut taxes. Also, the burden on the national income in its productive effort was less than the actual burden on the national income in its productive use. A balanced budget was thus delayed, though an initial increase in the national income brought into balance in 1953-54.

A still further practical implication was that the national welfare re-
ned the government sympathetic cooperation as a means of helping to maintain hope and confidence. This country is emotionally committed to participation in any foreign assignment in which it could be expected to contribute to the welfare of mankind. It is committed to the preservation of the United States as a strong practical reason which prevented going further and faster towards our long-term 3% bond issue.

The great accomplishment in which we have been seeking so long is the huge reduction in spending, the achievement of balance on a cash basis. "Meeting the practical requirements of the situation and other action, the transition from war to peace will be cold and from huge to reduced spending was carried through without any
nt remotely approached econ

The Budget in Practice

When this Administration came to power, we faced Executive Office deficit of $5.5 billion. Executive Office was determined to absorb some of the deficit of the year, thus the surplus in the budget deficit was still rising.

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drew the pre-election speeches in which he had called for the reduction of expenditures to $5 billion in the first year. But, "My goal, assuming that the tax burden on the American people, being paid to the Federal spending to something below the 1970 level," he said. Such a cut would eliminate the deficit in the budget and would effectively end the problem of "reduction."

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ned the government sympathetic cooperation as a
ebriated with paper money," that "the good feeling was of a drugged just after his draught." We shrug our shoulders at White's statement that "it is to be noted as a simple historical fact, corresponding to a physiological fact, that, as draughts of paper money came faster the successive periods of good feeling grew shorter." We refuse to see any parallel in this country to the statement that "France had now gone beyond her thoughtfulness statements and had taken refuge in unavowable optimism, giving any explanation of the new difficulties [arising from depreciation in the purchasing power of the currency] rather than the right one." It may be doubted that we recognize any lack of discernment in the proposal of a Senate Committee to investigate the rise in prices in the stock market while the government cultivates easy money policies. We are not impressed when it is pointed out in White's little book that journalists then, as now, "caught it up [that is, irredeemable paper money] and displayed its beauties," or when we are reminded by him that the French people were being warned of her severe experiences with such currency under John Law, 70 years earlier, contended that they were "now a constitutional government, controlled by an enlightened, patriotic people" who knew how to profit from earlier experiences and could now manage and enjoy the benefits of this best of money operations—best because it "repose on the will of the people." A result of that experiment by that "enlightened, patriotic people" was the coming of the famous "men on horseback"—the dictator, Napoleon.

Nor are we impressed today when we are reminded of the pronounced business expansion which followed promptly after resumption of redemption in this country on Jan. 2, 1919, or of the fact that the longest business depression in our history—that of October, 1973 to March, 1979—came during the period when we were employing irredeemable Greenbacks and after their use for a dozen years. We seem to take it for granted today that with an irredeemable currency we have provided ourselves with a strong protection against another similar severe business recession and depression.

In short, we are not impressed with the experiences of mankind with the drug of irredeemable currency. We are confirmed addicts; we have relatively little interest in what the experienced doctors, of the non-socialist variety, have to say; we are on our way, as optimistic, and as determined to enjoy the blessing of our new discovery as were the French people 165 years ago.

The fact that we have not experienced what is generally recognized as a major catastrophe confirms our belief that we have at last learned to manage our economy. The fact that much of our so-called prosperity rests upon production for destruction, waste, give-away programs, and a huge volume of debt is in high degree ignored. The fact that we lost 27% of the purchasing power of our dollar between 1939 and March, 1951, or 54% of it between 1939 and now, is not regarded with any great amount of seriousness. The fact that the losses of savers investing in United States savings bonds, time deposits in all banks in the United States, and life insurance policies—this group alone—amounted to $120,000,000 for the period 1945-1951, is either not understood or ignored. This loss for those six years is equal to 65 times the loss of $1,500,000 in bank deposits, because of bank failures, for the 13-year period, 1912-1925. Col. E. C. Harwood, Director of the American Institute for Economic Research, recently computed the losses for a similar group of savers for the period, December, 1920—December, 1922, at approximately $1130 billion. That is 84 times the losses of depositors in banks which failed during the years 1921-1923.

Our Treasury officials assure our people that it proposes to keep the price level fixed for an indefinite period of time and that a stable price level means a sound currency. Our people seem unaware of the fact that that is the same promise that was made to our people in 1933 by President-Roosevelt, just as they seem unaware of the fact that the continuation and virtue of a stable index of prices were widely-accepted official doctrine in the 1920s before the crash of 1929.

We minimize the dangers of our huge volume of debt. We are in the business of being what the late Andrew D. White called a "desperate optimist." Our general attitude is that past experiments of mankind have no valuable lessons for us; that elemental principles of economics are more important to us, that it is the function of government to shield us from the hardships of the world.

Continued on page 44

New Issue

$10,000,000

Baltimore County, Maryland

5%, 2 1/2%, 2.60%, 2.70%, 1 1/4% and 1/10% Bonds

Dated March 1, 1955. Due each March 1, 1958-95, inclusive. Principal and semi-annual interest (March 1 and September 1) payable in Baltimore, Maryland. Coupon Bonds in denomination of $1,000, registrable as to principal only.

Interest Exempt from Federal Income Taxes under Existing Statutes and Decisions

These Bonds, for Metropolitan District purposes, are issued upon the faith and credit of the County Commissioners of Baltimore County and said faith and credit shall be its good faith and credit and the faith and credit of the state of Maryland for all purposes, and for the benefit of the same; for the payment of which the County is authorized to levy, if necessary, ad valorem taxes upon all taxable property within the entire corporate limits of the County without limitation as to rate or amount.

AMOUNTS, MATURITIES, COUPONS AND YIELDS OR PRICE

Due $263,000 each March 1, 1958-95, inclusive $269,000 March 1, 1955

<table>
<thead>
<tr>
<th>Due</th>
<th>Coupons</th>
<th>Prices to Yield</th>
<th>Due</th>
<th>Coupons</th>
<th>Prices to Yield</th>
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<td>5%</td>
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<td>1975</td>
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<td>1967</td>
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<td>1976</td>
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<td>1968</td>
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<td>1977-79</td>
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<td>5%</td>
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<td>5%</td>
<td>1.75%</td>
<td>1970</td>
<td>5%</td>
<td>2.25</td>
<td>1980-81</td>
<td>2 1/2%</td>
<td>2.55</td>
<td>1962</td>
<td>5%</td>
<td>1.80%</td>
</tr>
<tr>
<td>1962</td>
<td>5%</td>
<td>1.90%</td>
<td>1971</td>
<td>5%</td>
<td>2.35</td>
<td>1982</td>
<td>2 1/2%</td>
<td>2.60</td>
<td>1963</td>
<td>5%</td>
<td>2.05%</td>
</tr>
<tr>
<td>1963</td>
<td>5%</td>
<td>2.10%</td>
<td>1972</td>
<td>5%</td>
<td>2.50</td>
<td>1983</td>
<td>2.60%</td>
<td>100 (price)</td>
<td>1964</td>
<td>5%</td>
<td>2.20%</td>
</tr>
<tr>
<td>1964</td>
<td>5%</td>
<td>2.25%</td>
<td>1973</td>
<td>5%</td>
<td>2.60</td>
<td>1984-85</td>
<td>2.70%</td>
<td>2.65</td>
<td>1965</td>
<td>5%</td>
<td>2.30%</td>
</tr>
<tr>
<td>1965</td>
<td>5%</td>
<td>2.35%</td>
<td>1974</td>
<td>2 1/4%</td>
<td>2.35</td>
<td>1986-89</td>
<td>2.70%</td>
<td>100 (price)</td>
<td></td>
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</table>

(Accrued interest to be added)

$1,584,000 1/4% and 1/10% Bonds due 1990-95, inclusive, are not being reoffered.

The above Bonds are offered subject to prior sale before or after appearance of this advertisement, for delivery when, as and if issued and received by us, and subject to the approval of legality by Mr. Richard W. Case of Messrs. Clark, Smith & Prendergast, Attorneys, Baltimore, Maryland.

The National City Bank of New York
Halsey, Stuart & Co. Inc.
Kidder, Peabody & Co.
Mercantile-Safe Deposit Bank and Trust Company

The Northern Trust Company
Chemical Corn Exchange Bank
Continental Illinois National Bank

Blair & Co. Incorporated
Equitable Securities Corporation
Baker, Watts & Co.
W. E. Hutton & Co.
Francis L. du Pont & Co.

Roosevelt & Cross Incorporated
Laidlaw & Co.
Andrews & Wells, Inc.
King, Quirk & Co.
Robert Winthrop & Co.
William Blair & Company

F. W. Craigie & Co.
Scott, Horner & Mason, Inc.
Folger, Nolan-W. R. Hibbs & Co. Inc.

February 17, 1955.
**Insured Versus Conventional Mortgages—A Look Into the Future**

By GORDON W. MCKINLEY

Chief Economist, Prudential Insurance Company of America

Dr. McKinley discusses the history of government insured mortgages and the factors that have led to the large portion of government insured or guaranteed loans, compared to conventional loans. In looking into the future, he discusses the factors that influence the volume of government insured or guaranteed mortgages, and what conclusions can be drawn regarding their future. Urges no further liberalization of FHA-VA loans, and warns against too lenient mortgage practices.

I have, for a number of years, attempted to forecast the over-all change in the housing market in the United States, and the over-all volume of mortgage loans. Since I cannot claim that I have been astoundingly successful in these attempts, it is with some misgivings that I present the even more difficult problem of forecasting the relative size of future volume of government insured and guaranteed mortgages as compared to conventional mortgages. My common interest in this problem is that the knowledge of the best informed people in the home-building and mortgage field appears to be as much in the dark as I am concerning the future. The forecasts which sometimes do appear are, I must confess, quite at other times send it shivering up my spine.

I should like to divide my remarks into four parts:

1. What has been the historical place of the government insured or guaranteed mortgage in the over-all mortgage picture in this country?

2. What are the factors which have in the past affected the relative proportion of government insured or guaranteed mortgages to that of conventional mortgages?

3. Is it likely to be a situation in the future with respect to the factors which influence the relative size of government insured and guaranteed mortgages?

4. What conclusions can be drawn regarding the probable future of the government insured or guaranteed mortgage?

The FHA Program

Following the initiation of the FHA program in 1935, government insured mortgages accounted for a very small part of total new residential mortgages. By the late summer of 1940, new nonfarm dwelling units were being financed with FHA loans. During World War II, this ratio rose from two-thirds, reaching 73% in 1943.

The VA program was started in 1944 and was even later to come. In 1945 and 1946, government insured and guaranteed mortgages fell to about two-thirds of the combined FHA and VA program accounts. For the first time, all loans on new residential construction financed by FHA or VA loans rose to one-half of all such loans. Since 1947, the proportion of total new residential construction accounted for by FHA and VA loans has fluctuated between one-third and one-half. The percentage that FHA and VA loans accounted for in 1954 are in, they will probably be very close to one-half of all new new residential construction during the past year has been financed with government insured or guaranteed mortgages.

The figures I have been citing are the basis of the number of dwelling units financed. A very similar picture is given when we compare FHA-VA loans with conventional mortgages. Once again, we find the rise in government insured mortgages was not due to any change in the conventional basis. On the other hand, the figures reached during World War II and the peak years that followed were not only due, or even near the level in the years immediately afterward. The fact that the rise in 1947 to a level which has been maintained fairly consistently since then has been related to the financial problems introduced in the market by veterans who received their loans, not to the lender willing to lend on more favorable terms. It should be noted, however, that in an FHA loan the borrower pays the insurance premium in addition to the interest on the loan, so that the cost of the loan to the borrower is higher than the contract rate. In addition, the true rate to the borrower may be raised above the contract rate in the event of FHA charges. Even though the true rate to the borrower may be the same as under a conventional loan, the borrower is seldom aware of this, and is normally influenced by the lower contract rate of an FHA loan if he is able to secure one.

(2) Government insurance or guarantee has made many lenders more willing to extend mortgage financing and to reduce down payments. Since a liberalization in these terms is obviously attractive to borrowers, this factor has also influenced borrowers to prefer FHA or VA loans.

(3) Although there are therefore potent reasons why borrowers seek government insured or guaranteed mortgages, there are other factors which account for the large volume of FHA and VA loans.

With this brief history in mind, what factors can be considered to have affected the relative proportion of FHA-VA, FHA, and conventional mortgages? In singling out the factors influencing FHA-VA loans, the past three years are of particular importance. Among these factors are the following:

(a) As at VA’s are conventional, the market is obviously limited by the availability of home buyers. Veterans are an important factor, and the factors which have influenced the lenders.

(b) Veterans Influencing Volume of Insured and Guaranteed Loans

From the standpoint of the government alone, the history of the volume of government insured or guaranteed loans have been the following:

<table>
<thead>
<tr>
<th>Year</th>
<th>FHA-VA as % of Total</th>
<th>FHA as % of Total</th>
<th>VA as % of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1935</td>
<td>16</td>
<td>6%</td>
<td>10%</td>
</tr>
<tr>
<td>1936</td>
<td>15</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>1937</td>
<td>16</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>1938</td>
<td>20</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>1939</td>
<td>35</td>
<td>23%</td>
<td>12%</td>
</tr>
<tr>
<td>1940</td>
<td>35</td>
<td>24%</td>
<td>11%</td>
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<tr>
<td>1941</td>
<td>36</td>
<td>26%</td>
<td>10%</td>
</tr>
<tr>
<td>1942</td>
<td>36</td>
<td>26%</td>
<td>10%</td>
</tr>
<tr>
<td>1943</td>
<td>36</td>
<td>26%</td>
<td>10%</td>
</tr>
<tr>
<td>1944</td>
<td>38</td>
<td>26%</td>
<td>12%</td>
</tr>
<tr>
<td>1945</td>
<td>39</td>
<td>33%</td>
<td>26%</td>
</tr>
<tr>
<td>1946</td>
<td>28</td>
<td>16%</td>
<td>12%</td>
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<tr>
<td>1947</td>
<td>33</td>
<td>12%</td>
<td>21%</td>
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<tr>
<td>1948</td>
<td>31</td>
<td>11%</td>
<td>20%</td>
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<td>1949</td>
<td>31</td>
<td>15%</td>
<td>16%</td>
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<tr>
<td>1950</td>
<td>26</td>
<td>12%</td>
<td>14%</td>
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<td>26</td>
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<td>1953</td>
<td>26</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td>1954</td>
<td>26</td>
<td>13%</td>
<td>13%</td>
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The important factors are: The proportion of new housing financed with FHA-VA mortgages which have been under FHA control is likely to be somewhat smaller than in the past. The importance of each factor is discussed later in this paper.

(c) Finally, builders are discouraged from applying for FHA-VA loans.

The Reduced Risk of FHA and VA Loans

There is one aspect of FHA or VA loans which is very attractive to a lender. This is, of course, the reduced risk that the FHA or VA guarantees. Since the net out-of-pocket cost of operating a FHA or VA loan with the insurance or guarantee is very small, the FHA or VA loan is therefore attractive to lenders.

The value of the government mortgage insurance or guarantee varies with the type of lender. An institution such as a commercial bank which must maintain its liquidity because of the nature of the bank’s liabilities should place a particularly high value on government mortgage insurance or guarantee. Since government insurance or guarantee is excellent as a marketability of mortgages, they become more liquid from the standpoint of the bank. A further advantage is that in the case of a commercial bank the FHA has reduced the legal limits which relate the over-all amount of conventional loans to the bank’s time deposits or capital funds.

A life insurance company, on the other hand, although it values the safety that the guarantee provides, is not quite as interested in liquidity as is a commercial bank. This does not mean that life insurance companies are definitely free from FHA-VA loans.

Dallas Power and Light Company, it is true, always has its insurance, but it is not quite as interested in liquidity as is a commercial bank. This does not mean that life insurance companies are definitely free from FHA-VA loans.

HALSEY, STUART & CO. DALLAS UNION SECURITIES COMPANY

The Prospective may be obtained in any State in which this announcement is circulated from only such dealers as are authorized to sell these securities in that State.

RODAN, MOSLE & CO. THOMAS & COMPANY

$7,000,000

Dallas Power and Light Company

3½% Sinking Fund Debentures due 1980

Dated February 11, 1955

Due February 11, 1980

Price 102.15% and accrued interest

The Prospectus may be obtained in any State in which this announcement is circulated from only such dealers as are authorized to sell these securities in that State.

HALSEY, STUART & CO. DALLAS UNION SECURITIES COMPANY

RODAN, MOSLE & CO. THOMAS & COMPANY

February 11, 1955.

Source: Data provided by the Federal Reserve Bank of St. Louis, and based on Federal Reserve Economic Data (FRED) database.


Nathan A. Krumholdt, Liaison, Siegel & Co.

SECURITY TRADERS ASSOCIATION OF CONNECTICUT

The Association of Connecticut and the Connecticut Investment Bankers Association will hold a joint meeting at the Waverly Inn, Cheshire, Conn., on Wednesday, March 5. Discussion of mutual problems will follow dinner. Further information may be obtained from E. J. Beckey, Eddy Brothers & Co. of New York.

INVESTMENT TRADERS ASSOCIATION OF PHILADELPHIA

The Investment Traders Association of Philadelphia will hold its 31st annual dinner Feb. 25 at the Benjamin Franklin Hotel. A member-guest luncheon will be held at the Warwick Hotel at noon. Reservations are limited so calls should be placed early by Joseph G. Berger, Woodcock, Hess & Co., Inc. or John F. Klingler, The First Boston Corporation.

INVESTMENT TRADERS ASSOCIATION OF PHILADELPHIA

The 31st Annual Mid-Winter Dinner of the Investment Traders Association of Philadelphia will be held on Friday, Feb. 25, 1955 at the Benjamin Franklin Hotel.

John W. Bunn, Stitely, Nicolau & Co., Inc., President of the National Security Traders Association; will be the guest of honor.

John W. Bunn

NEWS ABOUT BANKS

CONSOLIDATIONS

NEW OFFICERS, ETC.

BANK CAPITALIZATIONS

The Commercial and Financial Chronicle—Thursday, February 17, 1955

The National City Bank of New York on Feby. 14, returned its Park Avenue Branch at the northwest corner of 57th Street. The Park Avenue Branch Building, now known as the new, expanded offices occupy the market level and serve as the new bank, which is a part of the second floor in the new 20-story Davies Building erected on the site of the office building that occupied since 1925. While the bank building will continue to operate the Park Avenue Branch was formally dedicated to an important new theatre known as the South Pacific, being a movie theatre which had been transformed into a bank. Opposite the theatre the Platform is a terraced garden, three feet in diameter, symbolizing National City's world-wide activities. The 37 square feet of land is covered by, and limited by, synthetic turquoise jewels through which lights, concealed in the interior of the glass structures, are reflected. A private elevator serves the bank's lobby and the two escalators and a staircase lead to that lower floor where the safe deposit, personal credit, and special checking and savings departments are located. On the second floor, is a suite consisting of a foyer, private dining room and conference room, paneled in pine.

Frederic R. Pratt has been elected a Trustee of The Williams club of New York, N. Y., according to an announcement made Feb. 16 by Joseph A. Kaiser, President of the bank. Mr. Pratt is Chairman of the Corporate Trust Co., a subsidiary of the Socony-Vacuum Oil Co., Inc.

Ralph B. Fertola, President of The Westchester National Bank in Tuckahoe, N. Y. and a T. Tynor, Jr., President of National Bank of Westminster, at White Plains, N. Y., have announced jointly that The Westchester National Bank has approved a plan to consolidate the two banks on or about March 1, under the charter of National Bank of Westminster.

The merger will be submitted for approval to the stockholders of both banks and to the stockholders of both institutions during March. If approved it is expected that the consolidation will be effected along with the previously announced consolidated version of Westchester National Bank of Tuckahoe and the Perkins & Son Co., of Tuckahoe. The new bank will be located at the center of the trading area in and around Tuckahoe, all the benefits of the resources of a large banking institution being retained while retaining the local atmosphere.

The Westchester National Bank in Tuckahoe, N. Y., and its T. Tynor, Jr., President of National Bank of Westminster, at White Plains, N. Y., on November 25, 1954, the two offices of The First National Bank of Tuckahoe, which was founded in 1824, were merged to National Bank of Westminster.

This consolidation will bring The National Bank of Westminster, which was founded by National Bank of Westminster by the end of March 12, in addition to the merger of the former for the creation of an addition to a national bank, the National Bank of Westminster, on which which approval has already been obtained from the Board of Governors of the Federal Reserve system. On April 1, 1955, National Bank of Westminster and the Bank of the Greenwich Village, New York, White Plains, N. Y., Tuckahoe National Bank and New Rochelle, The New York National Bank, the Bank of Philadelphia, New Rochelle, and other employees will be retained. The consolidated assets of National Bank of Westminster after the consolidation on March 31, 1955, with

Continued on page 47
American and Foreign Industrial Relations

By SUMMER H. SLICHTER
Lamont University Professor of Economics
University of Chicago

Dr. Slichter discusses some aspects of the American system of industrial relations and makes comparisons with corresponding parts of some foreign systems covering the same field.

The year 1934 saw important developments in the field of industrial relations, for the New York arbitration held that it is not responsible to fire workers because he is writing a book about the company, or the lawyer who acts as the owner of the restaurant. The New Jersey Supreme Court held that a bartender, who was fired for drinking beer while on the job, may sue his employer for breach of contract.

Australian tribunal held that a company fired an employee for being drunk on the job. The employee was a member of the Intemational Amalgamated Union of Timber Workers in Waterloo, N.S., who forbade barkeers to eat on duty between 7 a.m. and 7 p.m.

Before an audience such as this it seems appropriate for me to discuss these and other important recent developments in industrial jurisprudence. But I must point out to President knows that I am not competent to talk on labor law, and that I have wisely suggested that I refrain from talking about the numerous labor problems that you are so expert at handling. Something broad and general that might appeal to you, which was his background and that would not too much obscure his local ignorance of arbitration was what he suggested. The broadest topic that I can think of in the labor field is comparisons between the world's foreign relations and the relations of the different countries. Consequently, I am going to discuss a few aspects of the American system of industrial relations and contrast them with corresponding parts of some foreign systems of industrial relations. I hope to make this directly in the words of foreign observers. I shall refer to a United States, because an understanding of the activities of the different countries does not make us aware of the activities of the different countries.

Three characteristics of American industrial relations are:

1. The relatively high development of local unions including the considerable degree of local autonomy.
2. The prevalence of local and company rather than industry-wide bargaining.
3. The considerable degree to which the rights of workers are defined by terms of agreements between unions and employers.

These differences are particularly marked if one compares industrial relations in the United States with industrial relations in other countries. Thus, where the development of local unions is high, and where the number of points of differences, however, also impressed union visitors from the British trade unionists were much more like American unions than like those of the Continent. A team of ten union of- ficials from the United States by the General Council of the British Trade Union Congress in 1948. Of local unions in Great Britain the British team said:

"We were greatly impressed with the practice in many plants of employers engaging union officials or shop stewards on a full-time basis, looking after the air of the union with particular regard to day-to-day production matters inside the plant. Any suggestion that such officials dealing with management lose the confidence of union members is officially denied at the time of the annual elections for union officials, and that their continued stay depends on retaining the trust and confidence of the members."

At another point in its report the British team added the following comments on the same matter:

"Companies obviously find it worthwhile to employ union officials on such basis."

The fact that the British team was a bit confused as to the relationship between shop chairmen and employers should not obscure the important point that the British unions were struck by the vigilance and initiative with which unions in the United States look after the day-to-day interests of the individual worker.

Let us now look briefly at some of the distinctive characteristics of American management that have great significance for industrial relations. Again it is useful to look at American practices through foreign eyes. Of particular usefulness is the productivity report of the British team of industrial主义者 who visited the United States in 1953 under the aegis of the Anglo-American Productivity Council. The members of the British team found American management to be fundamentally different from that in any other country, and that its use of both financial and non-financial incentives is unique.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these Shares. The offer is made only by the Prospectus.

203,000 Shares

The Pittston Company

Common Stock

($1 Per Value)

Price $28 per Share

Copies of the Prospectus may be obtained from the undersigned only in such States where the undersigned may legally offer these Securities in compliance with the laws thereof.

Allen & Company
Reynolds & Company
Incorporated

February 15, 1955
Estimated Supply and Demand For Investment Funds in 1955

BY GERALD L. SPENCER

Partner, Salmon Bros. & Hutsher, New York City

Members of the New York Stock Exchange

Mr. Spencer estimates, barring serious change in the interna
tional political situation, that the supply of long-term
treated investment funds in 1955 will be over $13.8 billion, whereas the de
dmand for such funds will exceed $35 billion, indicating a deficieny of about $11.6 billion.

The forecast for 1955 of the over-all demand from corporate
supply is necessarily based on the assumption that the long-term investment funds is
premised here. While the administration's budget, if enacted, would indi
cate a small cash surplus for that year.

If this projection proves accurate, Treasury cash requirements raised
through public offerings should be measured largely on temporary is
mostly tax anticipation se

The investment problem in
1955 may be described as
its
has been in the past, and in
the United States Treasury is again faced with the problem of whether to raise new money or to

Equity financing is expected to be major element of the supply; therefore, an estimate of the amount of funds raised
this type of financing is noted as part of the

TABLE 1:

<table>
<thead>
<tr>
<th>Category</th>
<th>Estimate</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Long-Term Investment Funds</td>
<td>$35.0 billion</td>
<td>Source: Estimated on the assumption that $13.8 billion will be invested in real estate and $0.2 billion in other long-term real estate investments.</td>
</tr>
<tr>
<td>Life Insurance Companies</td>
<td>$5.4 billion</td>
<td>Source: Estimates of premiums written and dividends paid.</td>
</tr>
<tr>
<td>Mutual Savings Banks</td>
<td>$1.9 billion</td>
<td>Source: Estimates based on past year's figures.</td>
</tr>
<tr>
<td>Savings and Loan Associations</td>
<td>$2.0 billion</td>
<td>Source: Estimates of savings and loans.</td>
</tr>
<tr>
<td>Private Pension Plans</td>
<td>$5.2 billion</td>
<td>Source: Estimates of pension plans.</td>
</tr>
<tr>
<td>State and Local Funds, including Pension Plans</td>
<td>$3.8 billion</td>
<td>Source: Estimates of funds available for investment.</td>
</tr>
<tr>
<td>Real Estate Mortgages and Repayments</td>
<td>$8.7 billion</td>
<td>Source: Estimates of payments made by existing mortgage companies.</td>
</tr>
<tr>
<td>State and Municipal Maturities and Repayments</td>
<td>$2.0 billion</td>
<td>Source: Estimates of maturities and repayments on existing state and municipal bonds.</td>
</tr>
<tr>
<td>Maturities, Refunding and Offsetting Fund Payments of Corporate Long-Term Indebtedness and Preferred Stocks</td>
<td>$12.7 billion</td>
<td>Source: Estimates of maturities, reschedulings, and refundings.</td>
</tr>
<tr>
<td>Supply of Long-Term Funds</td>
<td>$33.6 billion</td>
<td>Source: Total of all categories.</td>
</tr>
</tbody>
</table>

For a complete table and analysis, please refer to the original article.

George L. Spencer

Finance, 1955

Long-Term and Life Mortgages

The funds for this type of financing are needed to meet the demands of an

This does not means, however, that the economic climate, and

Public vs. Private

John M. Coveny

John J. Evans

President, announced the pro

San Francisco

Treasurer

Mr. Evans spent six years with Broomfield, an insurance company, and Industrial Arts, before enter

Henry C. Creutz

Treasurer

Mr. Creutz, new Assistant Comptroller, has been with the Trust Company since 1941, and had been with the Bank

Thomas J. Mathews

Managing Director

Mr. Mathews, President of the Comptroller's Department, has been with the Bank

James E. Ledbetter

Treasurer

Mr. Ledbetter joined the Trust Company in 1950, and has been with the

TABLE 2:

<table>
<thead>
<tr>
<th>Category</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage Securities in Treasury</td>
<td>$1.2 billion</td>
</tr>
<tr>
<td>State and Local Government Bonds</td>
<td>$2.0 billion</td>
</tr>
<tr>
<td>Corporate Securities</td>
<td>$2.0 billion</td>
</tr>
<tr>
<td>Total</td>
<td>$12.7 billion</td>
</tr>
</tbody>
</table>

For a complete table and analysis, please refer to the original article.

C. E. Carver

Carver, Co.

With Joe McAllister Co.

Greenville, S. C.

3 With Investors Realty

(ranked as Special wall in the Financial Chronicle)

LOS ANGELES—California—James C. Flanagan, George F. Rogers, and Alfred B. Ziegler, partners in Investors Realty

Walton & Co. add

(ranked as Special wall in the Financial Chronicle)

SAN FRANCISCO, Calif.—Benjamin J. Walton and John F. Glancy have been added to the staff of Walton & Co., 565 Montgomery Street, members of the New York and San Francisco Stock Exchanges.
Insured Versus Conventional Mortgages—A Look Into the Future

not mean that life companies are not heavy purchasers of FHA and VA bonds. FHA and VA bonds occupy a higher proportion of total life company mortgage holdings than those of any other type of lending institution. But this is not because they cannot or will not guarantee itself to a life company community which is, after all, very conservative in safety and only to a much smaller extent, improved liquidity of the mortgage.

From our analysis thus far it would appear that FHA and VA loan rates are competitive and that FHA and VA loans have been and are likely to be made at lower rates than conventional loans. In view of this fact, it would seem logical to ask whether FHA and VA loans have accounted in the past for a greater proportion of new construction loans than conventional loans.

There is no question that the FHA-VA factor, and the fact that FHA and VA loans have been made at lower rates than conventional loans, has been one of the most important factors affecting the relative volume of FHA-VA loans and conventional loans. FHA's and VA's have been successful in offsetting the higher interest cost to the borrower and to the lender by the lower interest rate to the borrower and the lower risk of default to the lender.

Throughout most of the postwar period into the late 1940's, money has been very strong. Although there has also been a large supply of FHA and VA mortgage funds, there was a relatively small demand for them. FHA and VA have been and continue to be held by the life insurance companies, banks, and savings banks as an investment in the long run. FHA and VA loans, and since this maximum loan has not been reached, the open market price of FHA-VA loans has been and continues to be an attractive investment for the institutional investor.

Since borrowers usually prefer FHA or VA loans because of the lower interest rate and lower insurance premiums, since builders realize that FHA and VA loans are backed by the federal government, and since rate ceilings force the mortgage rates on FHA and VA loans below the market rates, the mortgage market, with FHA and VA channels into conventional channels.

The Effect of Changing Credit Policies

The effect of rate control ceilings on the FHA-VA loan market is particularly apparent as the general credit situation in the country has improved. FHA-VA loans, like other loans, are subject to rate ceilings which affect the demand for the FHA-VA loan. If rate ceilings are lowered, the demand for FHA-VA loans increases, and if rate ceilings are increased, the demand for FHA-VA loans decreases. FHA and VA rates have been lowered many times in the past, and there is no reason to suppose that they will not be lowered again in the future.

It is important to remember that if rate ceilings are lowered, the demand for FHA-VA loans increases, and if rate ceilings are increased, the demand for FHA-VA loans decreases. FHA and VA rates have been lowered many times in the past, and there is no reason to suppose that they will not be lowered again in the future.

Direct placement of the above Notes has been negated by the underlined at 100

Direct placement of the above Notes has been negated by the underlined at 100

Salomon Bros. & Hutzel
Canada's Program of Atomic Energy Use

By W. J. BENNETT
President, Atomic Energy of Canada, Ltd.

Mr. Bennett describes Canada's resources of uranium and the program under way for the peaceful use of atomic energy. Scientists are splitting and recombining uranium under conditions of atomic energy so that they might be able to carry the utilization of atomic energy on the way to realization, as we are over the main hurdle. Aims to create atomic powered electricity at five to seven mills per kilowatt-hour, but notes there are problems still to be solved. Discusses probable demand for Canada's power and concludes private enterprise in Canada should be allowed the maximum freedom in the application of atomic energy, as in the U.S.

Canada's atomic energy program has passed through two stages and is now entering a third. The first, or wartime, stage began in 1942 with Canada's decision to join with the United Kingdom and the United States in the development of the atomic bomb. Our contribution was of two kinds. First, we supplied the raw materials for the bomb. Second, we undertook to develop a method of producing plutonium, one of the fissionable materials which is needed for atomic bombs. This resulted in the design and construction of the NIX reactor at Chalk River. This reactor provides facilities for experimentation and testing which are not found elsewhere. Because of this, it is being used extensively by the United States and the United Kingdom.

The second stage of the raw materials began in 1947, following the failure of the United Nations to reach agreement on the control of atomic weapons. Our government decided to continue its wartime partnership with the United States.

I mention this because Bennett below the Toronto Board of Trade, Toronto, Jan. 25, 1955.

Uranium and Its Commercial Future

By FLOYD R. ODLUM* President, Atlas Corporation

Prominent investment company executive, whose concern recently acquired a large uranium mine, describes the use of uranium fission as a competitive source of fuel. Holds the full implications of the atomic energy program and a uranium power plant to be built in the future, is tremendous and will have a beneficial effect on our economy. Concluded by 1960, there will be uranium fuel central station power plants in U. S., and by 1980, perhaps 1,000 tons of uranium will be fueled by uranium. Forcuses on excess reserves of uranium. I am not going to deal at all with uranium in connection with the atomic bomb, but rather with other various and increasing military uses. We have, I think, now one of the most important fantastic things in the history of mankind, the development of nuclear energy, which has already been demonstrated to us as a great tool of war, and there is no doubt that the phenomenon is going to be a tremendous factor in the future. I will only discuss other than military uses of uranium.

First let me discuss uranium with respect to its heat producing qualities. The fissioning of uranium produces heat. Fuel for production of heat, when we come to this, is vast and increasing quantities, most of this will be used for the purpose of the human body. This will give the customer more heat per dollar of cost than such customers can get from the pound of natural uranium. In other words, the amount of energy convertible into heat from a pound of natural uranium will be so converted. Today we must realistically deal with the production of electricity generated by nuclear power. In 1953, constituting about 1/10 of 1% of the total cost of coal, We used about 150,000 tons of isoacte in 1953, multiply the heat of the 235 by two to three times. In other words, the heat we are going to get from a pound of natural uranium is as much as we can get from about 5,000 tons of coal, the oil, and the like.

As soon as arrangements are made for milling, I expect we will start to produce uranium, I expect that the Splendor at the rate of not less than 600 tons per day. From this output, we can be expected, faced by present methods, the heat to be used in an average thermal power plant in New York City for one year. This amount of daily production would only amount to a few refrigerator ice cube chillers per day, it is the same fueling job that it would take about 4,600 railroad cars to do with coal or an 18 inch pipe line to do with oil or a 36 inch pipe line to do with natural gas. No effects of breeding are taken into account in this statement and so multiplication by two or more by use of plutonium.

The fuel impact of uranium on the large central power-generating stations to be built in the future is therefore tremendous, involving as it does elimination of transportation facilities, any change in the secondary fuel, or coal, and the like.

The four corner states of Colorado, Arizona, New Mexico and Utah produced 1,200,000 tons of uranium in 1952, Mexico have about 1,200,000 tons of uranium in place, worth in the ground about $100,000 per barrel. This has not been a fair day's work to date as a result of the engineering of a power reactor. We are now able to define the engineering problems that are to be solved. This I regard as the most serious problem.

*From an address by Mr. Odlum before the National Mining and Metallurgical Conference, Denver, Colo., Feb. 9, 1955.
Automobile financing...AND A WAY OF LIFE

An era of unprecedented high living standards has developed during the last half century with the automobile as its symbol, mass production as its provider and installment financing as its moving force. Our American consumer credit system has converted the automobile and countless other products from glamorous luxuries into universally owned necessities. Associates has done its share. Thousands of automobile dealers the nation over use Associates services to expand their sales. Thousands of buyers utilize Associates time sales financing to pay for their cars from income rather than savings.

In 1954, Associates helped nearly a half-million families to car ownership—many of them families who never would have possessed an automobile without the aid of consumer credit. The sales made possible by this type of financing in turn make possible mass production. And mass production is the way to maintain high living standards. So long as people can buy automobiles, prosperity will continue. Associates helped keep the nation prosperous during 1954 with a billion dollar volume of automotive and related financing.

Condensed consolidated balance sheets

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Dec. 31, 1954</th>
<th>Dec. 31, 1953</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Marketable Securities</td>
<td>$75,412,455</td>
<td>$66,694,776</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail motor vehicle installation receivables</td>
<td>$460,027,358</td>
<td>$434,574,458</td>
</tr>
<tr>
<td>Wholesale motor vehicle short term loans</td>
<td>36,290,322</td>
<td>44,010,537</td>
</tr>
<tr>
<td>Direct and personal installment loans</td>
<td>38,299,138</td>
<td>38,227,746</td>
</tr>
<tr>
<td>Commercial and other receivables</td>
<td>27,297,874</td>
<td>35,043,194</td>
</tr>
<tr>
<td></td>
<td>$563,904,692</td>
<td>$532,455,954</td>
</tr>
<tr>
<td>Less: Unearned discounts</td>
<td>34,493,013</td>
<td>32,462,543</td>
</tr>
<tr>
<td>Reserve for losses</td>
<td>13,604,172</td>
<td>11,690,538</td>
</tr>
<tr>
<td>Total receivables, net</td>
<td>$515,806,707</td>
<td>$508,083,034</td>
</tr>
<tr>
<td>Other Assets</td>
<td>8,832,220</td>
<td>6,668,544</td>
</tr>
<tr>
<td></td>
<td>$600,038,928</td>
<td>$581,146,575</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>Dec. 31, 1954</th>
<th>Dec. 31, 1953</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes Payable, short term</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term Notes due within one year</td>
<td>$262,374,200</td>
<td>$235,392,300</td>
</tr>
<tr>
<td>Common stock dividends payable Jan. 3, 1955</td>
<td>36,270,000</td>
<td>11,700,000</td>
</tr>
<tr>
<td>Accounts Payable, Accruals and Reserves</td>
<td>35,330,000</td>
<td>33,192,000</td>
</tr>
<tr>
<td>Unearned Insurance Premiums</td>
<td>25,699,566</td>
<td>25,970,185</td>
</tr>
<tr>
<td>Long-Term Notes</td>
<td>107,735,000</td>
<td>109,455,000</td>
</tr>
<tr>
<td>Subordinated Long-Term Notes</td>
<td>41,500,000</td>
<td>35,000,000</td>
</tr>
<tr>
<td>Preferred Stock</td>
<td>12,500,000</td>
<td>9,700,000</td>
</tr>
<tr>
<td>Common Stock</td>
<td>31,254,720</td>
<td>31,254,720</td>
</tr>
<tr>
<td>Surplus</td>
<td>47,434,770</td>
<td>38,165,301</td>
</tr>
<tr>
<td></td>
<td>$600,038,928</td>
<td>$581,146,575</td>
</tr>
</tbody>
</table>

Condensed consolidated income statements

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Dec. 31, 1954</th>
<th>Dec. 31, 1953</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount, interest, premiums and other income</td>
<td>$49,199,200</td>
<td>$49,014,968</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>63,719,419</td>
<td>62,360,906</td>
</tr>
<tr>
<td>Net income before Federal income tax</td>
<td>$30,479,700</td>
<td>$38,654,062</td>
</tr>
<tr>
<td>Provision for Federal income tax</td>
<td>14,380,000</td>
<td>15,150,000</td>
</tr>
<tr>
<td>Net income</td>
<td>$15,099,700</td>
<td>$13,504,062</td>
</tr>
<tr>
<td>Consolidated net earnings per share of common stock after payment of preferred dividends</td>
<td>$4.85</td>
<td>$4.19</td>
</tr>
</tbody>
</table>

Associates Investment Company
Associates Discount Corporation
Emmco Insurance Company
SOUTH BEND, INDIANA

COPIES OF THE 1954 ANNUAL REPORT ARE AVAILABLE ON REQUEST
American and British Instalment Financing

By PAUL EINZIG

Dr. Eining discusses the inflationary effects of instalment selling and buying. Every body is vaguely aware of the inflationary character of the trend, but few people have taken the trouble to analyze the position. In this connection on both sides of the Atlantic about the inflationary effects of increasing instalment selling and buying. Everybody is vaguely aware of the inflationary character of the trend, but few people have taken the trouble to analyze the position. In this connection on both sides of the Atlantic about the inflationary effects of increasing instalment selling and buying.

LONDON, Eng. — There has been a great deal of discussion on both sides of the Atlantic about the inflationary effects of increasing instalment selling and buying. Everybody is vaguely aware of the inflationary character of the trend, but few people have taken the trouble to analyze the position. In this connection on both sides of the Atlantic about the inflationary effects of increasing instalment selling and buying.

For the record, the list had Genera Electric, which announced it had perfected a process for man-made diamonds, a dream of chemists through the centuries. The process, while still expensive, promised power to compete with the traditional stones once production costs are shaved. It brought upheavals in De Beers Consolidated Mines, the diamond monopoly, in London’s market and in domestic counter markets, for the fairly expensive but thoroughly respectable gains for General Electric.

Unruly Atomic Submarine

General Dynamics not only was a feature on its atomic submarine but work on their submarine was pretty close to being definitely unruly. The issue, which had been a points last week, extended to the matter of dollying sessions this week before the reaction set in on hints that official attention would be attracted to the excessive gains. In one session alone the stock ran ahead from 121 3/4 to 125 3/4, since the gong had lost all of it except the meager fraction.

Chance Vought was another of the defense issues that sprinted with the help of a full share of tips to which even those best acquainted with the company and its prospects were somewhat aghast, particularly since its daily gains ran as much as 10% in value.

The strong interest in the atomic energy field was Babcock & Wilcox on hopes of participating in Con Edison’s new atomic power plant at Long Island. It added 10% in value last week and added a bit more than that amount in the 15 minutes of trading sessions this week.

Beith Iron Works was another of the defense issues that sprinted with the help of a full share of tips to which even those best acquainted with the company and its prospects were somewhat aghast, particularly since its daily gains ran as much as 10% in value.

The market had varied to respond to this week’s defense issues to submarines, atoms to destroyers and electrons to cement. Despite the general list did little, waiting for the rail to rise to a new quarter-century high and the industry to achieve its strongest strength in the industries.

The stock market had varied to respond to this week’s defense issues to submarines, atoms to destroyers and electrons to cement. Despite the general list did little, waiting for the rail to rise to a new quarter-century high and the industry to achieve its strongest strength in the industries.

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Unruly Atomic Submarine

General Dynamics not only was a feature on its atomic submarine but work on their submarine was pretty close to being definitely unruly. The issue, which had been a points last week, extended to the matter of dollying sessions this week before the reaction set in on hints that official attention would be attracted to the excessive gains. In one session alone the stock ran ahead from 121 3/4 to 125 3/4, since the gong had lost all of it except the meager fraction.

Chance Vought was another of the defense issues that sprinted with the help of a full share of tips to which even those best acquainted with the company and its prospects were somewhat aghast, particularly since its daily gains ran as much as 10% in value.

The strong interest in the atomic energy field was Babcock & Wilcox on hopes of participating in Con Edison’s new atomic power plant at Long Island. It added 10% in value last week and added a bit more than that amount in the 15 minutes of trading sessions this week.

Beith Iron Works was another of the defense issues that sprinted with the help of a full share of tips to which even those best acquainted with the company and its prospects were somewhat aghast, particularly since its daily gains ran as much as 10% in value.

The market had varied to respond to this week’s defense issues to submarines, atoms to destroyers and electrons to cement. Despite the general list did little, waiting for the rail to rise to a new quarter-century high and the industry to achieve its strongest strength in the industries.

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New horizons, nation-wide, through John Hancock payments

averaging more than $1,000,000 every working day

For thousands of American families and individuals, life moves more smoothly and securely as a result of benefits received through John Hancock payments. Nation-wide, an average of more than one million dollars in benefits flows out from John Hancock every working day.

And John Hancock's rugged, growing assets—over four billion dollars soundly invested to guarantee full-filment of its pledges to over nine million policy owners—are helping to build homes, industries, railroads, highways, public utility services, hospitals and schools all through the land.

Life insurance—more available now than ever through John Hancock's great new program of lower costs—is good for the individual, and it's good, too, for these United States.

STATEMENT OF FINANCIAL CONDITION, DECEMBER 31, 1954

ASSETS

Bonds: $2,768,675,117

United States of America
Treasury bonds $352,077,138
Treasury bills 67,833,001
Domination of Canada 6,402,538
State and other civil division 146,265,918
Railroad 246,660,672
Public utility 1,108,713,809
Industrial and Miscellaneous 841,120,041

Stocks: 267,967,639

Preferred or Guaranteed 75,212,161
Common 192,755,278

Mortgage loans on real estate: 854,221,292

Residential and Business 693,856,453
Farm 146,364,839

Real estate: 73,948,574

Home office, Housing and other properties acquired for investment 73,695,455
Foreclosed properties 25,319

Loans and liens on Company's policies: 112,355,100

Cash in banks and offices 51,866,524
Premiums due and deferred 59,089,517
Interest and rents due and accrued 34,816,002
Other assets: 10,000,024

Total Assets: 4,223,743,607

OBLIGATIONS

Statutory policy reserves $3,252,775,366

The amount determined in accordance with legal requirements which will, with future premiums and interest, assure payment of all future policy benefits.

Policy owners' and beneficiaries' funds: 287,417,149

Proceeds from death claims, matured endowments and other payments, including dividends left with the Company at interest.

Dividends payable to policy owners in 1955 60,430,924

Policy benefits in process of payment 30,822,218

Including claims in process of settlement and an additional sum for claims not yet reported.

Other policy obligations 83,594,387

Premiums paid in advance due date $16,094,581 and reserve for ultimate changes in policy valuation standards $45,500,000.

Mandatory security valuation reserve 90,128,557

As required by the National Association of Insurance Commissioners.

Accrued taxes payable in 1955 16,017,000

Other obligations, including accrued expenses 31,594,444

Total Obligations: 3,853,740,235

SURPLUS TO POLICY OWNERS

Contingency reserve for Group Insurance 12,110,000

Contingency reserve for fluctuation in security values 62,100,000

General surplus 506,192,352

Total Surplus 380,503,352

Total Obligations and Surplus $4,223,743,607

All matters are subject to conformity with the laws of the several States and as prescribed by the National Association of Insurance Commissioners. Securities earned at $700,072 in the above statement are deposited for purposes required by law.

John Hancock
MUTUAL LIFE INSURANCE COMPANY
BOSTON, MASSACHUSETTS

A COPY OF THE COMPLETE ANNUAL REPORT WILL BE SENT ON REQUEST

DIRECITORS

Charles L. Ayling
Guy W. Cox
Carl P. Donsett
Albert M. Creighton
Joseph E. O'Connell

Paul F. Clark
William M. Rand
Edward Daze
Daniel L. Marsh

Byron K. Elliott
John M. Hancock
Ralph Lowell
Thomas D. Cabot

Merrill Griswold
Samuel Pinanos
Philip H. Theopold
E. Taylor Chevning

Edward B. Hanify
George F. Doriot
Lloyd D. Bruce
Lee P. Stack
Earl F. Stevenson

Two With Calif. Investors

(Story In The Financial Chronicle)

Harry E. Jack and Bernard Kahn have become affiliated with California Investors, 3024 Wilshire Boulevard.

With Samuel Franklin

(Story In The Financial Chronicle)

LOS ANGELES, Calif. — Herman Jacobson is now with Samuel B. Franklin & Company, 615 West Seventh Street.

Oils Lag

The oil price was far from an encouraging one unless some of the strength in Northern Pacific occasionally is attributed to its oil lands rather than to its carrier business. Sun Oil was able to push ahead for a change and Houston Oil was a bit conspicuous on wider losses at times. The standard issues, however, presented a pattern of backing and filling at its most charitable interpretation. Sunray and Mid-Continent Petroleum continued to back away quietly from the peaks each reached on the optimism prior to arrangements for a merger of the two.

Despite the high level of business generally there are still a few companies around not entirely in the clear and one market reflection of this was a rather unusual block of 10,000 shares of Westinghouse Air Brake which appeared when directors found it feasible to shove the dividend. The stock, far from joining the casualty ranks in a rush, mostly indicated only that the recent runup in it had been stalled. The issue had been one of nearly a hundred and a half that post new highs daily up until the dour announcement.

Some of the highly "tipped" issues of this week had their characteristic sharp one-day runups, followed by an equally sharp retreat, including such diverse shares as those of Bright & Stratten, Rheem, Foster-Wheeler, and Cell-O. Even General Dynamics did not escape in its category since it was given plenty of attention in the tip sheets both locally and above the border.

From a technical standpoint the indications were mostly neutral, while the rally average dawdled around its previous high posted on the first trading session of this year. Largely due to the play in Consolidated Edison on its plans for atomic energy, the utility average was able to expand its breakthrough into new high postings for a couple of dozen years, making it the bright spot in the averages.

Majority opinion still is extremely cautious, not at all sure that an intermediate correction isn't lurking nearby. The fact that industrials have come within half a dozen points of the 420-23 level, which was the immediate objective of the upswing, has increased the caution around. Apart from the near, round figures involved, the reasons for selecting this zone as a target aren't too clear but the belief in it has been built up. And the market in recent years has paid far more attention to psychology and policies than to business conditions.
American and Foreign Industrial Relations

degree rather than differences in kind, but the differences in degree are so great as to amount to differences in kind.

The British specialist team on industrial relations in America is particularly impressed by the interest of American top management in the field of industrial relations. The team stressed the fact that American enterprises do not perform as 'labor markets' but that they were engaged in a more or less calculated pursuit of a market for manufacturers. The British management team which impressed the American top management which impressed the British team were the relatively high degree of unionization and the aggressive cost-consciousness of American industrial relations 'at all levels' which the British team described as 'something more' than in the United Kingdom, and 'an emphasis of cost-consciousness and the use of cost analyses in advance of any strategy to elaborate any plan'.

In the words of the British team, "the risks American enterprises are taking to be calculated and based on complete cost formulations, and before any project is started. Whereas American accountants, who are accustomed to take as a matter of course that the expectations of the plan are settled, checks the expenditure against the fixed limits over'.

The British team was of the opinion that the decentralization of projects in the United States subcontracts makes it possible for American enterprises to take the initiative in industrial relations.

The most important thing about American management, particularly in the United States, is that a concern of top management is to avoid becoming overwhelmed by routine in detail, and their success in retaining the flexibility of their industrial relations system is an effect of the interest of American management and their concern in the early days of managing the environment and the question of the effect on the interest of British top management which gave rise to the view that unions are not as important in the United States as in the United Kingdom. They are more important in the United States than in the United Kingdom.

The consequence of the United States' labor conditions in the United States, they are more likely to yield and that this practice takes the pressure on management to improve technology. Experience has shown in the steel industry and in the coal industry that the unions have had to adapt themselves to the industry, but in the United States this is not the case. It is not the case in the United States, but there are possibilities in the main difference between British and American management, "the need to manage the labor relations in the United States in a manner which is not possible in the United Kingdom."

For foreign observers there is no particular difference between the systems of American and European industrial relations, one's common sense tells one that there must be effects. Hence, one is justified in asking what consequences one might reasonably expect to follow from the systems of industrial relations. It is particularly illuminating to note that the system of industrial relations in Europe has a different effect on the labor market than it has on the American labor market. In this, the British team on industrial relations has observed that the United States is characterized by the existence of a union, which is organized and has a large number of members. This union is the sole bargaining agent for the workers. The British unions, on the other hand, are not as strong and have a smaller membership. The British trade unions of the impact of American industrial relations upon prices has been a matter of dispute between the British and the American management team.

The British management team observed that the interest of American unions in production is weak but that the interest of British unions is strong. In the United Kingdom, the British union team, 'most American businessmen consider that they can rely on management to protect their interests in spite of their engineering deparments and activities, less concerned is this the case in the United Kingdom. In the United Kingdom, the British union team, 'most American businessmen consider that they can rely on management to protect their interests in spite of their engineering deparments and activities, less concerned is this the case in the United Kingdom. The British team observed that the lack of formal arrangements for production and for the protection of the employees in the United Kingdom, in spite of the matter of fact. The British unions noted that the lack of formal arrangements for production and for the protection of the employees in the United Kingdom and that this does not fit with the attitude, even if it is not cooperative. The job of managing is left to management.

The British trade unions have the benefit of their members from the comment, the absence of joint consultative machinery does not mean that union-management relations are more or less likely to yield in the United Kingdom, and that this practice takes the pressure on management to improve technology. Experience has shown in the steel industry and in the coal industry that the unions have had to adapt themselves to the industry, but in the United States this is not the case. It is not the case in the United States, but there are possibilities in the main difference between British and American management, "the need to manage the labor relations in the United States in a manner which is not possible in the United Kingdom."

If unions count on gaining benefits for their members from the success of the company, one can expect them to be aggressive in the United States. The British industrial engineering team was convinced that the American unions are more aggressive than the British unions. The team observed that the British managers working in the United States encountered a much more difficult task in the United States than in the United Kingdom. The British team observed that the American unions, having no rules and regulations, have a broader field in the United States than in the United Kingdom.

Foreign observers have not been particular in noting the effects of the American business unions. The British team observed that the American business unions have no rules and regulations, have a broader field in the United States than in the United Kingdom.

Since the United States is based upon the weight of labor, it is particularly important to note that the American business unions have no rules and regulations, have a broader field in the United States than in the United Kingdom. The British team observed that the American business unions have no rules and regulations, have a broader field in the United States than in the United Kingdom.

A local negotiation of wage and conditions adds to the interest of the employees in the company. A wage negotiation is closely related to the company's interests. Wage negotiations have been better in the United States than in the United Kingdom. The British team observed that the American unions, having no rules and regulations, have a broader field in the United States than in the United Kingdom.

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Whatever may be the reasons, the trend of industrial conflict in the United States is considered to be generally more severe in Britain or Sweden. Of the various available measures, the rate of strike days lost is a suitable one for estimating the intensity of industrial conflict, I think that by far the most important single cause of the working days lost is a multiple of union membership. This measure allows a comparison to be made among unorganized workers for whom the conflict cannot properly be a matter of concern. It is a fairly satisfactory indication of the pressure of the workers to strike and of the success of collective bargaining in preventing strikes.

Irwin's interesting comparison of strikes in the United States, Britain and Sweden shows that these nations have found that the tone per member is well, perhaps on the contrary, in the United States, Sweden, and the member countries are frequently not concerned at all. The methods of bargaining that the United States have great advantages over these methods. No one would pretend that these methods are perfect, or even if they were, there are bound to be conflicts of interest that cannot be resolved by agreement. But workers involved in a conflict between a company and a union, and that this would probably not work anywhere else, but it gives the American worker a kind of protection that is not available to the worker anywhere else. It is clear that there are major differences in national policies under greater pressure than the workers in the United States or Sweden. It will give the American workers a greater opportunity to wise up the extent to which they seem willing to pay a big price for this protection, and the fact that we have been favorably disposed to the protection of the workers in Sweden or Britain, or in a sense of being grateful that we have had our country's experience, I am sure, is an indication of the worthlessness of this protection.

Joins Slayton Co. (Special to The Financial Chronicle)

ST. LOUIS, Mo.—Carl E. Brooks is with Slayton & Company, Inc., 308 Olive Street.

B. C. Christoperjohn (Special to The Financial Chronicle)

LINCOKIN, Neb.—Robert H. Crowe has been affiliated with B. C. Christopher & Co. of Kansas City.

The Security I Like Best

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in making public on Feb. 14 the combined financial statements of Merrill Lynch, Pierce, Fenner & Beane, nationwide investment bankers, to invest their funds in new securities, technics and mechanists to create more wealth for every one.

Gains for Our Nation

"The results of America's dynamism are beginning to show in the world of commodities," says Mr. Merrill Lynch, Pierce, Fenner & Beane, point out in an annual report. "The nation's economic progress is being accompanied by a marked effort to create a "favorable climate" for business and investors.

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Charles E. Merrill

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We Still Need More and Better Economic Statistics!

By WALTER E. HODADLEY, JR.

Though admitting there has been great improvement in and a considerable expansion of the Federal Reserve Board, Mr. Hodadley says business needs for economic statistics are mounting, and business properly looks to government for statistical information essential to sound public policies.

One of the most significant developments in the field of economic statistics has been the increased use of economic statistics in connection with the Federal Reserve Board’s business surveys. The Board’s financial and public decision-making in recent years are being guided by economic statistics. Moreover, at the present time a new and significant interest in economic statistics is being reflected in the governmental economic data to guide future business planning, which has been transformed into a sophisticated and highly sophisticated industry. This interest in economic statistics is evidenced by the current interest in economic data that has been developed by the Federal Reserve Board for the Federal government and its agencies. The Federal Reserve Board is the principal source of economic information for the government and its agencies, and it is the principal source of economic information for the private sector.

The Federal Reserve Board is the principal source of economic information for the government and its agencies, and it is the principal source of economic information for the private sector. The Federal Reserve Board is the principal source of economic information for the government and its agencies, and it is the principal source of economic information for the private sector.

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Problem of Liability and

One topic which is the subject of a great deal of discussion currently is the problem of liability and insurance. We do not consider this an insurmountable problem in any case. Our system is a large one and accordingly we can assume that the risks associated with it, more or less, the reactor we are concerned with, are typical of the risks from the safety standpoint. The major question that must be faced is whether and how the insurance industry will know a great deal more about the hazards involved and will work out some solutions to the problems. It may well be, however, that some kind of governmental excess liability program will be necessary in the case of nuclear power and will encourage development of more advanced types of reactors. We do not believe that the proper approach was to consider this matter as a matter of a "carbon copy" of a system controlled by the Federal government to that extent. We believe the proper approach to this problem will be to encourage development of a market-based system which will not be subject to the same restrictions and which will not be subject to the government's interference with respect to the operation of the nuclear power reactor.

The second fundamental principle was that we would finance the reactor with a loan and a reactor of about $400,000 to 2,000,000, but we would not seek government assistance in any way to make the plant operational. Our thinking was that we should encourage the Commission to establish a fund that would support our own activities of the future to the extent that it would advise us further. The fund would be established on the basis of the plant's existing operations and we would not receive additional funds from the government. Our plans in line with our present basic objectives were to have at least a possibility of problems in the near future.

We have not considered that the operating question regarding the availability of conventional fuels as a material for a reactor. It is our belief that the fuels used in the past have been made from materials of the government's own and have been made from sufficient amount of such material for the operation of the number of reactors that are likely to be constructed. We assume further that the fuel will remain a material for special nuclear material, the processing of which will be a production to the government, and that they will be relatively safe.

We have no illusions that the reactor is a material for a reactor, but the first word in reactor operation is the other hand we think it will go in the direction of advancement to the development of the reactor.

We want to go on with the job, but in order to have a possible want to do it in the same manner as we do now. To carry on our business.

To Be NYSE Members
Zock, Sheldrake & Co., 20 Ex-
changes, similar to that of mem-
mbers of the American Stock Exchange, will become members of the New York Stock Exchange. This was announced by Joseph A. Zock, who will hold the firm's Exchange membership.

Carlisle & Jacquelin Admit
Carlisle & Jacquelin, 123 Broad-
way, New York, will become a mem-
ber of the New York Stock Exchange, following an investigation by George F. Muller to partnership.

Topliff Kaufman Partner
Carlo T. Lewin on March 1 will become a partner in Kaufman, Savoy Plaza Hotel, New York City, members of the New York Stock Exchange.

With T. R. Peirsol
(Provisional Financial Consultant)

BEVERLY HILLS, Calif.—Ed-
wards D. Peirsol has been admitted to the staff of T. R. Peirsol & Co., 408 North Bedford Drive.

Pacific Gas & Electric Company
Pacific Gas & Electric is the second largest electrical and gas utility as measured by its revenues of $38 million in 1954. This repres-
sents an increase of 22% over the previous year. After showing only modest gains in the first three quarters, there was an up-
ward trend in sales in the last quarter, a trend which continued in 1955. Share earnings on the common stock in 1954 were $2.88 compared with $2.70 for 1953. Earnings, based on shares outstanding at the end of the fourth quarter, increased by 6.5%-
ner than the 1954 average seasonal weather was warmer than normal, depiteing the continued high prices for coal and natural gas in revenues. In the current winter season the weather in San Francisco and Los Angeles was colder than the 1953-54 season.

The company's earnings as a percentage of capitalization increased from 53c to 55c in the third quarter of 1953 and the company's dividends approximated $1.50 a share, a dividend price per share of $72.

Earnings for the first quarter of 1955 were $2.7 million, or $2.75 per share, not including preferred dividends. Net earnings were $3.8 million, or $3.85 per share, compared with $2.75 and $2.7 million, respectively, for the first quarter of 1954. The total of $3.8 million included an extraordinary charge of $1.05 per share for the three and one-half months or $900,000,

As earnings per share were $3.85, and dividends were $2.75, the price-earnings ratio was 1.3 to 1. Earnings per share for the three months were $2.75, and dividends were $2.75, a price-earnings ratio of 1.3 to 1.

Pacific Gas & Electric Company Pacific Gas & Electric Company is the second largest electrical and gas utility as measured by its revenues of $38 million in 1954. This represents an increase of 22% over the previous year. After showing only modest gains in the first three quarters, there was an upward trend in sales in the last quarter, a trend which continued in 1955. Share earnings on the common stock in 1954 were $2.88 compared with $2.70 for 1953. Earnings, based on shares outstanding at the end of the fourth quarter, increased by 6.5% over the 1954 average seasonal weather was warmer than normal, depiteing the continued high prices for coal and natural gas in revenues. In the current winter season the weather in San Francisco and Los Angeles was colder than the 1953-54 season.

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Railroad Securities

Transportation Ratios: 1954 vs. 1953

It is safe to say that in the broad industry that when volume goes down transportation ratios go. This ratio represents the actual cost of hand, line and moving freight and passengers, and if the passenger revenue is down 10% or more, and the freight revenue is down 10% or more, it is generally not feasible, or indeed possible, to curtail service sufficiently to make up for the drop in the revenue. Any contract which appears to be concerned with the growth or expansion of the service is generally not feasible, or indeed possible, to curtail service sufficiently to make up for the drop in the revenue.

While figures for all Class I roads are not yet available, it seems likely that gross revenues for the year were off about 13% from 1953. In the last year, this decline would be in the order of 15%, but curiously enough, the efficiency of the entire industry (as measured by the effectiveness of the entire passenger and freight service) has been increasing. The figures show that the average percentage of the total operating cost that is made up of labor and materials has been increasing from 32% in 1949 to 35% in 1953.

The ratios for the three major classes of traffic are as follows: passenger traffic, 1954 was 37.6; freight traffic, 1954 was 40.9; and mail traffic, 1954 was 48.8. For the last year, all three figures are higher than they were in 1949, but still lower than they were in 1953. The highest ratios were for the northern and southern regions, with the lowest ratios for the western region.

Our Reporter on Governments

By JOHN T. CHIFFENDELL, JR.

The government securities market is still in the process of assimilating the changes which came out of the recent operation to terminate the Treasury bill auctions, that is the 1% and 2% issues, seem to have been fairly well digested in terms of the results of a not too significant floating supply in each issue. On the other hand, the suspension of the 3% and 4% issue during the past year, seems to have given more time before they are well enough settled in permanent homes, to be classified as well-digested.

New 2s Highly Rated

The 3% bond due Feb. 15, 1953 is a good issue for the institutional investor and in time will be well digested by these buyers. It is a long-term, floating-rate obligation, and would be the highest of the five issues which can be given to a Federal obligation. There will never be any question about the payment of interest and principal. The coupon rate of 1995 will make this tenable for the investors because of the very satisfactory rate of return for such an issue.

The Treasury announcement that $1,917,000,000 of the 3% bond due Feb. 15, 1953 is in exchange for the call 2s was considered a favorable development exchange for such an issue. There is no question but that extension in the maturity of the government debt is a desirable thing, provided the issue is not issued for such a development. On the other hand, there are times when it is desirable to have a floating-rate issue because of the very certain tasks which must be carried out by the monetary authorities.

Reserve Still Applying Pressure

The present aims of the powers that be, it seems, are to limit the growth in the money and credit which have been going into the stock market and mortgage market. The Federal Reserve Banks have been putting some pressure on the money markets through the sale of issues of the Treasury. This pressure will no doubt be continued in the future when the money market has had time enough to digest the new securities which came out of the recent refunding. Margin requirements have been raised and it appears as though there might be additional inducements in margins by the Federal Reserve Board because stock prices continue to move ahead at a rather rapid rate.

Funds Taken from Mortgage Market

Following the sale of funds from the mortgage market, came the announcement by the Treasury that a 3% bond due in 1954 would be issued in exchange for the call 2s. This showed that the monetary authorities were not going to be content with the limits they had set on the funds which were going into the mortgage market. The $1,917,000,000 of funds from the Treasury issue may have been sold in as much as 4.25% of the 2s did beyond any doubt take some money from the mortgage market. The extent of this limitation on mortgage money by the rate of interest is a point of discussion and, but, nevertheless, the funds that went into the longer end of the market should still be going to the market specialists to be mainly mortgage money.

It is evident that the monetary authorities are going to carry on the program which they are now embarked upon in a manner more delicate and less blunderous fashion than was the case in 1952-53.

It is indicated that the powers that be do not want to throw stones, or even to throw darts of balance. The Treasury has tall some of the excesses which have come into the stock market and mortgage market. Evidently, it is hoped that enough pressure here and there will bring about the desired results without repeating the 1953 performance.

Spear & Leeds Admit

Spear & Leeds, 111 Broadway, New York City, New York, and members of the New York Stock Exchange, states March 1 will admit Herbert W. Spear & Leeds, Inc., to membership of the Exchange, the securities business.

Join's Boren Staff

Join's Boren, 200 S. Michigan, Chicago, Staff of Keller & Keller, Inc., 33 State St.

With Renyx, Field

P. E. Sperry Forms Co.

Spear & Leeds, 111 Broadway, New York City, members of the New York Stock Exchange, states March 1 will admit C. V. Join's Boren, Inc., staff of Keller & Keller, Inc., 33 State Street.

Edward A. Pierce

Circus Committee

Edward Allen Pierce, partner of Merrill Lynch, Pierce, Fenner & Smith, has accepted the chairman-ship of the Stock Exchange Committee for the 1955 premier of "The Greatest Show on Earth". Mr. Pierce will be joined by Edward A. Pierce, Richard C. Patterson, Jr., former United States Ambassador, who is General Chairman of the committee.

Mr. Pierce's committee will cooperate by selling blocks of tickets for the event which it is hoped will be expanded as the "Stock Exchange Section."

"The Greatest Show on Earth," Mr. Pierce said, "will constitute one of the world's largest raising events of the 1955 arthritis campaign."

Mr. Pierce is pleased to produce a star-studded 'Dream Circus' which will be incorporated into the regular circus. This is the only time this production will be present and the circus is likely to be a wonderful night for everyone who attends."

Two With Calif. Investors

(Taken Special From Chronicle) The Los Angeles Times and the San Francisco Chronicle have announced that T. S. & A. B. Harford of Los Angeles, and T. G. & A. Harford of San Francisco, have been in correspondence with the Metropolitan Museum of Art in New York City, and have been interested in the purchase of art works from the museum. The museum has been interested in the purchase of art works from the museum.

U.S. TREASURY STATE, MUNICIPAL and PUBLIC REVENUE SECURITIES

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A Tragic Story and Its Lessons

By ROGER W. BABSON

Mr. Babson tells the story of a tragedy arising out of situation in which an attorney was permitted to draw wills, wherein he made himself both principal and executer, and every very important questions relating to the making out of wills, and the signing of documents.

I am back here again for the tragedy occurring during my absence, although you read of it in a daily newspaper.

This story involved a well-known and wealthy elderly person, living for some years in the community. (1) Two very respectable and intelligent tellers to do friends.

Two WILLS

As the said lawyer; and (4) a "trigger" man, allegedly employed to murder several of the lawyer's friends.

For the tragedy. The lawyer had apparently drawn up WILLS for his friends, in which large sums of money would have the WILLS retyped, and then apparently had them Wheeler's for writing, for entailment, or for singing. Fatal mistake, for any one of them these intelligent people for not again reading the WILLS before the WILLS and WILLS, and for not initialing each page. Nor did they take their WILLS with them to a place of deposit, so that they could not read once again. This would have entailed such confusion, and this would have been nothing as a comparison to the trouble which followed.

Importance of Executors

The lawyer, or someone, allegedly slipped into the WILLS a clause that would have him a large sum of money. This clause would have been directly against the parties finally signed; or, being so, the WILLS would not have been written and signed.

However, each WILL has been read again, finally signed, and those people should have taken place.

Hence, to make an attorney execute a will, a common practice with banks where Trust Departments are not easily available.

A Murderer Is Now Needed

As the WILLS had all been fixed to leave the attorney large sums of money, it might be necessary, for he would need to get his money. Both the WILLS had been good health. Hence, if the lawyer were in a hurry for his money, a murderer would be needed to complete the story. I now depend upon you to make the travels at the trial just now.

The County Prosecutor claims the attorney and one of the attorneys was not present at the time of the murder. This contractor who has been found guilty (although he has shown his innocence) is alleged to have sold the property of the" trigger man", to do the killing. This negro suddenly turned State's evidence.

Federal Reserve Bank of St. Louis

Bank and Insurance Stocks

By ARTHUR B. WALLACE

This Week—Insurance Stocks

Continental Insurance Company of New York, a member of the large America Fore Fire of insurance companies, began an attack upon the control of Fidelity & Casualty Company and Niagra Fire; and it combined with Fidelity Phenix Fire Insurance Company which had been founded in 1910 as a consolidation of two companies. The company's stock is now trading close to 50, and they make up the fleet, each of the two parent units owning a one-half interest in the affiliates. There are at present outstanding 4,250,000 shares of this stock, of which 2,000,000 shares of Fidelity Phenix; and because of this ownership ar- rangement, both of these two top companies bear a fairly constant relationship to each other.

Continental is licensed to do business in all states, Canada, Africa, and other countries. It is organized and operated as a holding corporation. The second largest and one of the largest of the holding corporations. The holding corporation is a corporation that owns or controls the stock of another corporation.

In the investment portion of the business, the company holds, among other categories, large amounts of common stocks of industrials, utilities, rails and banks, generally of very high quality. The net increase in the market value of its stocks and in 1954 was about $73 million, equal to about $29.20 per share of stock outstanding.

ANNUAL STATEMENT

Dec. 31, 1954

Assets   $1,645,200,000

Liabilities   $1,608,150,000

Reported on 1937 balance sheet.

W.*.

In this statement the bond and stock valuations were on a basis approved by the National Association of Insurance Commissioners. Actual market values would have increased figure of $784,444, and the policyholders' surplus by a like amount.

Net premium writings of the Company increased in the past ten years, from $25,000,000 to $75,000,000. The net income was about 16% in the same period. And there are other: more recent growth figures as follows:

In the ten years ended with 1953 the combined loss and expense ratio was 93.5%, resulting in an underwriting profit of about 6.99% of the surplus. In the ten years ended with 1959 the average of 1.2% for twenty-nine leading fire companies in the same period. The ten years through 1954 brought Continental's average underwriting profit margin down to 5.9%, partly because of the severe hurricane losses suffered by all writers of extended coverage on the east coast.

If we go back twenty years to test the management's long-term progress, its investment of the twenty-year period being selected to subject management to all manner of economic swings, depression, war, inflation and the rest) we find that the gain in the Use of assets, including realized profits and losses, was about $79,669,000, or about $71 per share. At about the present time, the outstanding shares of the company, the area is priced at only 1.4 times this per share gain.

The increase in the equity of the stock in the ten years since the beginning of the twenty-year period (1933-1953) was $75 per share, or about 140%. Cash dividends in the decade, the resulting gain to the stockholder of $101.39 per share. What is $75 per share at the start of the period, and about 2.7 times the price at that date. 1953. The period of profitability ended about 175% in this time. Investment income increased 144%.

The ten-year average expense ratio of 31.8% is low among the companies, and is an indication of the high callables of the management. It is here in the expense ratio that underwriting profit margins are favorably or unfavorably influenced.

The stock's terminal year 35 is regularly reviewed. Its investment grade is investors. It is this in the expense ratio that underwriting profit margins are favorably or unfavorably influenced.

The company's dividend record has been uninterrupted since organization 1902 years ago. It is at present at $0.07 an annual payment of dividends quarterly. The stock is listed on the New York Stock Exchange.

Joins Stern Brothers

NEW YORK—Allen Gwynn Shields, Co.-Op

Gwynn Shields Co. Opens

Gwynn Shields Co. Is engaging in a business of offices from offices in offices. Gwynn is president and William B. Shields, Secretary-Treasurer and Vice-President.

Join Stern Brothers

HOLLYWOOD, Calif.—Albert Gwynn Morrow has been a part of the firm of Stern Brothers & Co., 1009 Wilshire Boulevard, who have been associated with the firm of Stern Brothers & Co., 1009 Wilshire Boulevard, Los Angeles, California. Stern Brothers & Co. was organized in 1926.

This company's dividend record has been uninterrupted since organization 102 years ago. It is at present at $0.07 an annual payment of dividends quarterly. The stock is listed on the New York Stock Exchange.

Joins Arthur B. Hagan

Arthur B. Hagan

NASDAQ District No. 10

ELECTS OFFICERS

COLUMBUS, Ohio—District No. 10 of the National Association of Securities Dealers, Inc. held its election on Jan. 20 and 21, 1955.

The following were elected: Chairman, Dale F. Linch, Bartels, Mo. Vice-Chairman, Robert Moore & Company, Inc., Louis ville, Ky. Secretary, Robert Strong, First National Bank of Columbus, Ohio; Charles A. Richards, Field Securities, Inc., Louisville, Ky.; Treasurer, Walter Trinkle, The Kentucky Company, Louisville, Ky.; Executive Secretary, Joe H. Condon, Jack Miller & Co., Cleveland, Ohio.

Tri State Securities

Formed in Chicago

SPECIAL TO THE FINANCIAL CHRONICLE

CICAGGO, Ill.—Tri State Se curities Corporation has been named to manage the South La Salle Street to engage in the securities business. Officers are Joseph C. Condon, Vice-President and Treasurer and Robert J. H. McCormick, President. Joe H. Con don is President and Treasurer of McCormick & Con don, Inc. for many years.

McCormick & Co. Will Admit Three Partners

CHICAGO, Ill.—On March 1, Charles E. Lounell, Gerhard B. Cohen and Arthur B. Hagan will be admitted to partnership in McCormick & Co., 231 South La Salle Street, members of the New York Stock Exchange. All have been associated with the firm for some time.

D. T. Moore Partner

On March 1, Berrey L. Kimmell, member of the New York Stock Exchange, will become a partner in D. T. Moore & Co., 50 Broad Street, New York City, members of the New York Stock Exchange.

Reinholdt Gardner Partner

ST. LOUIS, Mo.—John R. Gardner on March 1 will be admitted to partnership in Reinholdt & Gardner, members of the New York and Midwest stock exchanges.

BDKEAKDOWN OF—

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February 11, 1955

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525 Hospital Trust Bldg., Providence, R. I.
Sharp Increase in Women Executives Forecasts

Mr. Mary G. Roebling, Chairman and President of the Trenton Trust Company, says appreciation of the availability of women has brought about an increase in appointments ranging from township offices to Ambassadors in the arts and sciences.

The gains that will be made by women in the next decade will surpass anything previously known, Mrs. Mary G. Roebling, President of the Board of Directors (N. J.) Trust Company, said at a meeting on Feb. 8, at a forum conducted by the Essex County Women’s American Institute, Banking in Newark, N. J.

Mrs. Roebling, in the course of her address, commented on the discussion of “New Horizons for Women” by Helen B. Fein, Peri, 6th District-Book of the Month Club, New York City. Speaking on commission of patents, Washington, Mrs. Roebling, President of the Board of Directors, National Bank of Chicago, added that the theme of the keynote address, given by Mary Beth Smith, President of First National Bank of Boston, served as Moderator.

In “public service,” Mrs. Roebling, said, “appreciation of the availability of women has brought about an increase in appointments ranging from township offices to Ambassadors, Cabinet posts in the Federal Government, mayoralities, and cabinet appointments of the U. S. Mint, and many others.”

Some of the highlights of the Women’s progress over the centuries of the Christian era, Mrs. Roebling declared, “Women were not even mentioned as a name ready for anything, fully prepared for the advantages of opportunities that will come to them because of society’s fuller appreciation of the multitude of places they can capably fill which were formerly considered as only available for men.”

“Engineers, architects, physiologists, chemists and other scientific experts are as likely as not to have Miss or Mrs. before their given names.”

“In family life,” she continued, “the risk of being called being ‘married’ has been very much reduced.”

“I am going to say that in a normal family, I still believe that the head should be the husband. And, in the family unit. The woman is entitled to her historic place as the arbiter of household expenditures, the source of the education of children, the leadership of their up-bringing and spiritual and physical development, their nurse in time of illness, their emotional leaning-post.”

The Woman’s occasional march up the ladder is a sign of her capabilities and the spirer of her grandchildren finds its counterpart in today’s woman who courageously enters new fields of achievement in business, science, and the professions, with no yield, or swell determined to do her best.”

Municipal Bond Club Annual Outing June 10

The 22nd annual outing of the Municipal Bond Club of New York will be held at the Westchase Golf Club, Rye, N. Y. on Friday, June 10. The golf outing will be followed by a luncheon, held at the Loeb & Co., President of the club, announced over the week-end. H. D. Mears, Jr., of the New York Mills, Inc., has been appointed chairman of the luncheon committee, and the following have been named as Chairs of the various committees to assist him: arrangements, Gilbert White, R. D. White Company; sports, William H. Urell, F. S. Smith & Co.; prizes, A. M. Levitt; refreshments, Mrs. Roberta Roebling,Horizons, for the program, and William P. McCasey,The Blue List, compose a Chairman committee.

One of the highlights of the Municipal Bond Club’s experience of “The Daily Bond Crier,” the numerous journal of activities in the bond market, is the James M. Brandon, Harris Trust & Savings Bank, Chicago, who will be the brightest ever.

Brokers Square Club To Hold Meeting

The Brokers Square Club of Founders Mutual, Depository Corporation, regularly monthly meeting on Fri., Feb. 18, 1955, at 7:30 p.m., at the Masonic Temple, Blvd., Room 70, 7th West 23rd St., New York City. The meeting in good standing, welcomes an interesting and entertaining evening has been planned.

Trust Deed Mart Formed

SANTA BARBARA, Calif. — A new trust deed mart for the securities business from offices at 807 S. Figueroa St., Los Angeles, under the firm name of The Trust Deed Mart of Santa Barbara.

With D. N. Silverman

NEW ORLEANS, La.—Lorraine M. Girard and Royal B. Kraft have purchased the interest in the firm of D. N. Silverman Co., Inc., Shell Building.

With Founders Mutual

DENVER, Colo.—Mrs. Florence K. Lawrie has joined the staff of Founders Mutual Corporation, First National Bank Building.
A MUTUAL INVESTMENT FUND
NATIONAL INCOME SERIES

In the current issue of the Business Cycles journal, the authors have focused on the importance of mutual funds in the current economic landscape. The article highlights the diversification benefits of investing in a mutual fund, particularly for small investors who may lack the resources to engage in active stock picking. Mutual funds allow investors to spread their risk across a variety of securities, which can be particularly beneficial in a volatile market environment. The authors argue that mutual funds are an important source of capital for corporations, providing the necessary funds to support growth and expansion. Overall, the article provides a detailed analysis of the role of mutual funds in the economy, and the potential benefits and risks associated with investing in these vehicles.
**Fund and Massachusetts Investors Trusts**

Insofar as the previous three months, currently were best liked oil, a dozen managements acquired a total of 67,700 shares, seven making initial purchases, the rest reducing the six reprehensive by a 1,000-share block. Ten thousand in addition to 25,240 shares of Southern Midland Cities Service, eighting to 23 to their hold-

Continued on page 37

### DELAWARE Mutual Fund, Inc. Capital Stock

The subscription price is the net asset value per share, without the addition of any sales load or commission.

Prospectus may be obtained from:

de Vegh & Company
One Wall Street, New York 5

### Delaware Distributors, Inc.

300 Broadway, Camden 3, N. J.

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### S U M M A R Y

Changes in Cash Position of 61 Investment Companies

<table>
<thead>
<tr>
<th>Stock Fund</th>
<th>Per Share</th>
<th>Unchanged Total</th>
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<td>Shares</td>
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### Delaware

A mutual investment company which owns and supervises a diversified group of securities.

### de Vegh Mutual Fund, Inc.

Capital Stock

The subscription price is the net asset value per share, without the addition of any sales load or commission.

Prospectuses may be obtained from:

de Vegh & Company
One Wall Street, New York 5

### Sharesholders’ Trust of Boston

A Balanced Mutual Fund

**Blue Ridge Mutual Fund, Inc.**

A Common Stock Fund

**Prospectuses may be obtained from: approved dealers or:**

Harrieman, Ryley & Co.

National Distributor

65 Wall Street, New York 5, N.Y.

**Boston** + **Philadelphia** + **Chicago**
### Electric Utilities Sold by Funds

<table>
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<th>No. of Trusts</th>
<th>Shares</th>
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<td>2(2)</td>
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<td>2(1)</td>
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Other decrease in Atlantic Coast Line totaled 1,600 shares.

### Metals Bought on Balance

- **Total 19 Leonet was the best liked of the non-ferrous metal shares, five management's computing 17,000 shares. A small block of 140 shares was sold. American Smelting, Magma (excluding its stock dividend) and Newmont Mining were each purchased by four trusts. Additions equaled 13,700, 25,099 and 3,200 shares respectively. Two companies, Kaiser and Reynolds, were each bought by three management's. An interesting transaction was the sale by Boston Fund of Aluminum, Ltd. and the purchase of Aluminum Co. of America, Vanadium and Steels were each acquired by a pair of trusts. But another big copper producer, Phelps Dodge, was the least popular issue in the group, three funds eliminating and two more tightening a total of 13,840 shares. International Nickel was also sold on balance by four management's, but opinion was evident on Kennecott. Although purchases were set on over-all balance in the bond group, transactions were fairly well distributed. Swift was the favorite issue, five trusts acquiring 11,120 shares, making an initial commitment. Three investment companies showed an interest in Armont common and two liked Wrigley-United Fruit, a trust favorite over a year ago, was eliminated from portfolios and lightened in another. Sales equaled 8,300 shares, three small offsetting purchases. Two companies, Standard Brands also was sold on balance. Works was eliminated by a self field to itself among fund managers during the period. Eight portfolio additions and one new purchase totaled 51,000 shares, Transactions in each were inconclusive, amounting to one purchase and two sales, although the latter equaled 40,000 shares. One initial commitment and two increases in holdings of Ford of Canada totaled 4,600 shares. Tolkien Rolling Bear was purchased by four funds, while two acquisitions each of Federal Mogul, Kelsey Hayes Wheel, Motor Products and Murray Corp.,

### Some Aircraft Liquidation

Seven management's sold the Chance-Yocho stock that had received Pacific stock from United Aircraft. Profits were taken in losing, two portfolio eliminations and three decreases totaling 27,000 shares. Sperry was sold by four management's and Pan American World Airways was disposed of by two trusts. However, the latter was contrary to the general experience among air carriers during the quarter under review. Unusual interest was shown in American Airlines, a total of 200,600 shares being bought by eight management's, half of these making new commitments. Purchases of Fund managers were: Proct & Gamble represented 120,000 of these shares, Eastern was also well bought, more-than-five investment companies acquiring 23,000 shares; three of these made initial sales. Neither was United Air Lines selected, two portfolio additions and two new liquidations amounting to 37,200 shares.

Less enthusiasm was shown for the natural gas issues than during the previous three months. El Paso was a slight favorite over the other stocks in the group, three trusts adding 13,400 shares, representing 44,200 existing holdings. A couple of new purchases were made by Hugoton Production, International Gas, which had the U.S. Utilities and the latter. Price of the Eastern Pipe Line. Three additions were made to holdings of National Fuel Gas. Sales through the use of rights. Four sales of United Corp. totaled 12,700 shares and two management's sold Southern Production Co. and Western Natural Gas.

In the machinery and industrial equipment group, four management's sold, acquiring four funds acquiring 7,500 shares of the former and 45,500 shares of the latter. In each instance two funds each sold.

### Continued on page 38
of these trusts were making initial commitments. Also liked in this group were Worthington, Chain Belt, Ingersoll Rand and Thos. Shoem. Two trusts each disposed of holdings in Ballard and Link Belt.

Champion Paper and Fibre and Lily Tulip Cap were the best-liked issues in the paper and pulp division, three funds purchasing a total of 6,800 shares of the former and 2,200 shares of Lily Tulip. Crown Zellerbach, Robert Gair and West Virginia Pulp and Paper were each purchased by six managements disposing of 17,767 shares. Partially offsetting these were four comparatively small additions as well as the shares received in the 5% capital distribution. Marathon and Mead were also each sold by a couple of funds.

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EATON & HOWARD STOCK FUND

The Commercial and Financial Chronicle...Thursday, February 17, 1955

Business

Man's Bookshelf


Approaches to Economic Development—Norman B. Buchanan and Howard S. Ellis—The 360 Century Fund, 330 West 42nd Street, New York 36, N. Y. (cloth) $5.


Brookly, 9 DeKalb Avenue, Brooklyn 1, N. Y.—Free.


Profi Sharing in American Business—Edward B. Fillipo—Business Research Corporation, College...
As We See It

Times. Our knowledge of the facts is insufficient for any such judgment even if there were no other difficulty. Neither are we attempting to advise the Administration as to what current program should be adopted. The existing situation is complex and includes certain imponderables.

Our Present Situation

We do not think it amiss, however, to ponder in print the policies which are being advocated and to comment on the nature of our previous deviations from formerly well accepted principles of international custom. First of all, there is a de facto regime in China which, whatever the reason or whether it is the result of the China War, has been recognized as such by the ordinary man can see or surmise, there is little or no likelihood that it will be overthrown in the foreseeable future. If any real change were to occur it is because of actions of Russia which lies along its border for thousands of miles. By steadfastly refusing to acknowledge its existence and its apparently secure position we have acquired (we avoid the word acquiesce) the deep resentment and settled enmity of that regime.

This Chinese government—it is what it is, of course—doubtless determined a good while ago to gobble up Korea. This is really an appendage to the mainland of Korea, and a long and troubled history. By what right Communist China is able to claim it as really Chinese territory we do not know, but in the history of China it has always been vital. After much vacillation we finally decided to halt the advance of Communism (of Peiping or the Kremlin, as you prefer) down this peninsula. We succeeded in doing so for the time being at least—at the price of much treat and many American lives. But to what end? Who doubts that Northern Korea is by now inhabited mostly by Chinese? If so, why not accept this fact and treat them as Chinese. Why do we insist that they prefer to take the remainder of Korea when the time seems ripe?

At the moment it is the so-called “offshore islands” lying along the coast of the Chinese mainland that claim attention. The whole world regards them as Chinese, and the whole world, except the United States, apparently regards the Communist regime in China as the government of Korea. Our recent actions appear to concede this status for these islands, practically speaking, at least if they are not in actual use as stepping stones to an attack upon China itself. But they have been evacuated, so far as they have been evacuated, only in the presence of very real Communist pressure. Unfortunately, our tacit consent to their occupation and control by Peiping may not, therefore, forever prevent the hostility felt by that regime toward the United States.

Then there is the Island of Formosa itself. The whole world, including the United States, agrees that Formosa belongs to China and that China is Formosa—at present at least—and he would be a realist who supposes for one moment that in the foreseeable future the forces on Formosa can land on the mainland and take any substantial part of continental China. It is unthinkable that we should find it to our interest to lend our man-power and treasure to any such venture. Without question we can deny Formosa to the Communist regime in China, but we cannot deny to China what is at present a peaceful “settlement” of this issue can be found which will yield two China—as it is said the British would like to see done—but the outlook certainly is not bright.

To Save Face

Whether either South Korea or Formosa really have the strategic military or economic, or whatever it is particularly Formosa—we should not undertake to say. The question is certainly debatable, and is debated in military circles. We should not try to determine this. But there is one thing we should try to determine, and that is how to settle peacefully this question which is based on the “local” issue of the 14-15 Treaty, and the peace in the island of Korea should be bound up with that question. If these peaceful “settlement” of this issue can be found which will yield two China—as it is said the British would like to see done—but the outlook certainly is not bright.

Politics is the Art of the Possible

"Politics is the Art of the Possible"

Continued from page 6

The 3½% bonds issue was part of the inventory boom. The policies appeared to be effective. The inventory boom began to flatten off. The bulge in inventories was reduced, and the short-term credit facilities were brought under control.

The period of readjustment was inevitable. When it became really evident that the turn had come to solve the problem of fiscal and monetary policy was abruptly changed. The policy then was to curtail the force to the adjustment, to encourage the finance to be left by reduction in government spending and reductions in inventories. Therefore, the Federal Reserve System turned its money policy to one of active ease. Tax reductions were given to the public sector.

On the side of debt management, the important thing was to sell the inventory to the United States, to stimulate the economy in the United States. This meant the need for a good market for new security issues. To avoid competition with other types of issues, the financing in the summer of 1933 was done in short term issues.

These were the practical aspects of the situation. It was not a retreat from a long term objective but was an adjustment to a practical situation.

Gradually, beginning in September, the financial market opened up; and further steps were taken in the preparation of the debt in the 2 to 9 year maturity. This was a step in the right direction. It is desirable to have the availability of funds. On eight occasions during the preparation of the debt was extended, but always within the bank area.

This month, with a stronger business situation, it became clear that there was a definite possibility of being able to refinance the debt without doing damage to recovery. This meant perhaps a move more boldly toward the further relief. It was announced that a 40-year bond was floated successfully.

During this whole period when the market for bonds was not ready, the Treasury pursued a policy of progress toward a broader distribution. This was done by increasing sales of Savings Bonds to individuals. To encourage sales, several changes have been made in the regulations. Of special interest to this sort is the DAR’s arrangements in making the E and H Bonds eligible for RR and A titulism beginning the first of January this year. We believe that this step was a move without violating the principle of mutual credits.

To these illustrations of the unfolding situation, we ask that theoretical and practical short term requirements for the government intervention in supporting the prices as a whole the production. As a matter of practical how could only be done gradually, for both political and practical economic reasons. To have made the change all at once would have proved much of a shock.

It is on just this kind of issue that Washington and New York and Chicago find it hard to understand each other’s language. “Why don’t they stop saucers?” says the businessman. “Of such misunderstanding is bred the lack of agreement and dilution of influence of those who agree on high principle.”

What can be done about it? Agreement between leaders of business and the leaders of politics and all other leaders of the country. Be called, meet each other in the daily affairs of the business of the country, and at golf. We need the best substitute.

My principal suggestion is that business and banking as well as other important elements in our society give further attention to developing their constructive suggestions to government.

In this type of endeavor we are going through a wholesome reformation. The day was, not so long ago, when trade associations presented to the government a series of recommendationsnothing more than a list of what was needed, and the members were asked, “What do you want government in their efforts to get the welfare of the country?” This still happens now and again.

But, fortunately, we have been for 14 years in the market since the Great Depression, and movement away from this futile piece of self-service. A number of business associations are now developing policies that command the respect of the government, of the people, and the public interest.

I want to say special tribute to the groups of bankers, investment bankers, and all other bankers, to the groups of banks, the bankers who, several times a year, come to Washington and spend hours with us in discussion of this. Their counsel is invaluable, and, in the meetings we hold, we are able to serve many gaps in understanding.

The success of the recent financial was due in no small measure to the extraordinary cooperation of bankers, dealers, and associations. On the 31st of December, the turnover of $15 billion in getting the $15 billion of new bonds.

The Federal Advisory Council of the Federal Reserve Board, the Advisory Council of the Department of Commerce, and the Budget Council of the government agencies have been the great help in the successful program of bringing state banking leaders together. We give the opportunity to participate in government at next election.

Your own Association, through the recent series of reports on important questions, such as the Arden House discussions, is supplying the experience of the Washington committees have been very helpful. Their program of bringing state banking leaders together. We give the opportunity to participate in government at next election.

We hope that our friends in banking will understand sympathetically the difficulties we have and the problems. We hope, also, with a spirit of cooperation, to solve these problems, they will steadily work toward the achievement of the great underlying principles, which long term progress depends.

D E L L A R S

E. L. Greene

McGreer, Harris, Upham, & Co.

Mr. McGreer’s return to the airline’s board of directors follows an absence of 17 months due to the pressure of other business. He has just returned to the Mid-Continent Airlines in March, 1940, and continued to serve as a director and member of the executive committee. On January 1, 1951, merger of the two airlines in Kansas City was completed, and Mr. McGreer resigned in September, 1953.

Hirsch Adds Two

Hirsch Co. & Co., 29 Broad Street, New York City, members of the New York Bar Association, announce that C. W. L. Lee has joined the firm’s general practice. Mr. Lee has been affiliated with the firm since 1966.

Seaboard Securities

WASHINGTON, D.C.—Seaboard Securities Co. of Washington, D.C., engages in the securities business from offices in the Treasury Building. Paul L. Budge is a principal of the firm.
The Impact of Postwar Experience on Trust Investments

EQUITIES
The movement of equity prices during the postwar period has been far more significant than in previous years. The equity market has been sensitive to the news of the day, in spite of the fact that business conditions in the United States have remained at a high level. During the period of readjustment in 1935-36, the equity market was particularly susceptible to changes in the political and economic climate. The equity market was apparently influenced by factors other than the basic strength of the economy. In fact, the postwar period has been characterized by a general rise in the interest rates of money, and this has caused the equity market to decline. The trend in the equity market has been downward, and the influence of the equity market on the economy has been relatively small. The equity market has been characterized by a general decline in the interest rates of money, and this has caused the equity market to remain at a relatively low level.

INTEREST RATES
The movement of interest rates after World War II was less pronounced than the movement of interest rates before World War II. The postwar period was characterized by a general rise in the interest rates of money, and this has caused the equity market to decline. The trend in the equity market has been downward, and the influence of the equity market on the economy has been relatively small. The equity market has been characterized by a general decline in the interest rates of money, and this has caused the equity market to remain at a relatively low level.

The Experience of 1935 and 1934
Developments in the money and capital markets in 1935-34 offer a number of illustrations of the interplay of government policies with business activity. Government pressures to reduce the yield on money, to control the yield on government securities, and to prevent the rise of interest rates of money have been reflected in the movements of the money and capital markets. The Federal Reserve has been particularly active in maintaining the yield on money at a relatively low level, and the yield on government securities has been kept at a relatively high level. The movements of the money and capital markets have been influenced by the Federal Reserve's policies, and the Federal Reserve has been successful in maintaining the yield on money at a relatively low level. The yield on government securities has been kept at a relatively high level, and the yield on corporate securities has been kept at a relatively low level.

The Outlook for Money Rates
With the pegging of government securities and the foreign-currency (and to some extent domestic-currency) controls, the yield on money and bond prices will be influenced by the policies of the Federal Reserve and the monetary authorities. The Federal Reserve will have to be careful in its monetary policy, and the Federal Reserve will have to be mindful of the needs of the economy. The Federal Reserve will have to be careful in its monetary policy, and the Federal Reserve will have to be mindful of the needs of the economy. The Federal Reserve will have to be careful in its monetary policy, and the Federal Reserve will have to be mindful of the needs of the economy.
Wholesale Food Price Index Breaks Sharply in Past Week

The "Dun & Bradstreet" wholesale food price index fell quite sharply last week to stand at 87.61 on Feb. 8, as against 86.03 the previous week. The index is based on prices existing on the first day of each week of this year when it was 86.75. It compares with 279.09 on the first week of 1954, or a gain of 22%.

The past week's dip reflected sharp declines in coffee and cocoa, as well as lower prices for flour, wheat, corn, rice, oats, bulgar, rice, and rye. In addition, there were lower prices for hogs. Prices of cottonseed and cottonseed meal showed strong advances in the week included hams, cottonseed oil, eggs, potatoes, radishes, broccoli and leafy, dark-green vegetables, and some lamb Chop prices.

The index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use and its quiet function is to be a barometer of the wholesale price of food materials.

Wholesale Commodity Price Index Reeled Slightly
The Past Week as Far Eastern Tension Diminished

The general commodity price level trended lower the past week following the Fiction in the Far Eastern crisis. The daily wholesale commodity price index, compiled by "Dun & Bradstreet" week ends the week on Jan. 28, finished the week on Feb. 8, down slightly from 280.68 a week earlier, and comparing with 278.65 as year ago.

Leading grain markets were dull with prices mostly lower. Demand for wheat was less active. The main depressing influence in the bread cereal, aside from political developments, was the report of a second crop in southwest Russia which greatly improved the condition of Winter wheat in many of the exporting countries, temporarily depressing export expectations. We were reported with large quantities sold to Greece and Japan. Cash corn was fairly steady and although receipts declined sharply they were ample. Cotton shorts at all positions on Jan. 1, 1955 were reported at 2,770,000,000 bushels, the largest level since the market opened last week.

Sales of the Chicago Board of Trade last week declined sharply to 100,353,000 bushels. This represented a daily average of 14,351,000 bushels a week, and 41,000,000 bushels a year ago.

The world sugar market developed a firmer tone as trading expanded sharply at mid-week.

Coffee was under pressure in late trading and prices worked lower for the week. Sharp break in the market was registered, sharp break in the market, as one of the last week. Warehouse stocks of coffee at 91,323 bags, showed little change for the week, ending at 7,089,000.

Brazil coffee prices dropped about 7 cents a pound during the week. The sharp break followed action over the week-end by Brazilian buyers to refer long standing contracts to the domestic market, and increasing bonus payments to exporters.

Winter wheat futures range most of the week and trended downward toward the close. Bearish factors included profit-taking, hedging selling and smaller influence by fishermen in the early part of the week. Sales of 5,100,000 bushels were registered on the Chiago Board of Trade.

Reported sales of the staple in the 14 markets continued to decline and totalled 194,500 bales, 25,410 bales in the preceeding week.

CCC loan entries in the week ended Jan. 28 were reported at 191,140 bales. The previous week they were reported at 194,400 bales, the latest period were 24,400 bales, leaving onaoutstanding 78,600,800 bales of 1954 cotton, and 4,699,800 bales of 1953 cotton as of Jan. 28.

Trade Volume Registered Slight Declines For Week
And Year Ago Due to Light Shopping and Cold Weather Earlier in the Week

Heavy shoppers last week in part of the country on Wednesday of last week was insufficient to make up for very light traffic in the previous week. Further evidence of the dollar volume of trade was slightly below the level of both the preceding week and the corresponding period a year ago.

The total dollar volume of retail trade in the week was estimated by "Dun & Bradstreet, Inc., to be plus 3% below to 1 above a year ago as regional estimates varied from the comparable year ago levels by the following percentages: East -4 to -8; New England and Midwest, -2 to 06; Northwest, -2 to +2; South -1 to 45; Pacific Coast +2 to +6; and Southwest +4 to +8. Although total apparel sales were considerably lower than in the previous week, the demand for higher-priced Spring merchandise increased. Clearances of Winter clothing continued, and Winter sales were influenced among other things by the national item.

Retailers of men's apparel reported generally decreased trade and very little movement of Spring items during the week.

Most buyers were unwilling to place heavy, long-term orders the past week and, the dollar volume of wholesale trade was much lower than in the previous week. Orders for the coming season were considerably greater than a year ago.

For the first time since a period ended on Wednesday of last week was insufficient to make up for very light traffic in the previous week, the dollar volume of trade was slightly below the level of both the preceding week and the corresponding period a year ago. Further evidence of this was the dollar volume of trade was slightly below the level of both the preceding week and the corresponding period a year ago. The total dollar volume of retail trade in the week was estimated by "Dun & Bradstreet, Inc., to be plus 3% below to 1 above a year ago as regional estimates varied from the comparable year ago levels by the following percentages: East -4 to -8; New England and Midwest, -2 to 06; Northwest, -2 to +2; South -1 to 45; Pacific Coast +2 to +6; and Southwest +4 to +8. Although total apparel sales were considerably lower than in the previous week, the demand for higher-priced Spring merchandise increased. Clearances of Winter clothing continued, and Winter sales were influenced among other things by the national item.

Retailers of men's apparel reported generally decreased trade and very little movement of Spring items during the week.
The Impact of Postwar Experience on Trust Investments

Equities

The movement of equity prices during the postwar period has already differed significantly from previous years. The equity market has not exhibited the sharp declines in prices after major wars which have been characteristic in the past. The equity market was not significantly affected by the outbreak of World War II, as the movement of equity prices only paralleled the general inflation of prices. After the outbreak of war, however, the equity market was still reasonably strong, and the equity market continued to perform well. The equity market is likely to be satisfactory even to individuals who are in a low income bracket.

Economic Trends

The economy of the United States during the early postwar period has been marked by great stability. The entire economy is operating at full capacity, and the private sector is committed to restraint in business activity. The economy is characterized by a high level of employment, a high level of production, and a high level of retail sales. Inflation, however, is present, and the government is committed to a policy of full employment, economic expansion, and price stability.

The Experience of 1953 and 1954

Developments in the money and capital markets in 1953-54 were significantly different from those in 1952. The economy was characterized by a high level of employment, a high level of production, and a high level of retail sales. Inflation, however, was present, and the government was committed to a policy of full employment, economic expansion, and price stability.

Interest Rates

The movement of interest rates is an important indicator of the economic climate. During the 1950s, interest rates rose sharply, particularly during the early part of the decade, and then declined only in slow stages. The reason for this pattern is that interest rates remained at exceedingly low levels in the years following World War II. The demand for the Treasury and the Federal Reserve Reserve occurred and the cost of funds was lowered. After the war, until the middle of 1950, money rates remained high. Even at the peak, the rate remained lower than the previous period.

The Outlook for Money Rates

With the pegging of government debt and the availability of funds (and freely so) and with a large amount of money in circulation, money rates and bond prices will fluctuate perhaps more than in the future. The movement of interest rates, hence of bond prices, will be influenced primarily by demand and supply factors, which will reflect the influence of business conditions and the credit and debt policies of the monetary authorities.

Conclusion

The experience of 1953-54 is of considerable value to the trust officer. It indicates that the policy of active prices has been abandoned and that the policy of the trusts is being replaced by one of flexible neutrality. Should the boom in the equity market continue and if the supply of home mortgages should dwindle, the rate of interest on mortgages should continue to rise. However, if the equity market neutralizes the rate of interest on mortgages, the rate of interest on mortgages may be expected to decline. This in turn means that taxes exempt from income tax may play a major role in the movement of equity prices.

The real problems before the trust officer and his committee are:

(1) To strike a balance between the needs of bearers, holders, and investors.
(2) The selection of the industry and the equity of the investors, which of course are in the interests of the stockholders and of the American economy has become more important.
(3) Timing of purchases and sales of securities.

As regards bonds, this is not as difficult as in the case of equities, because the interest rates are likely to be satisfactory even to individuals who are in a low income bracket. International political developments after World War II also differ in the experience. After every major war, the political situation of the United States was disturbed and inflation was temporarily reduced. After World War II, however, as a result of the agreements with the Allies and with the Communist bloc, the outbreak of the cold war, it was forced to spend billions of dollars to keep order in the world and to strengthen the economies of the European nations. The cost of these operations was enormous and the defense budget would continue in one form or another for a long time. Hence, government expenditure on national defense would continue to play an important role in the economy of the country.

Economic Trends

The economy of the United States during the early postwar period has been marked by great stability. The entire economy is operating at full capacity, and the private sector is committed to restraint in business activity.

In some respects, these changes were anticipated. However, the trust officer was more interested in other matters. When the war ended, the price of consumer goods, which has been high throughout the war, did not fall as expected. The price of consumer goods has been high throughout the war, and the price of consumer goods is likely to be lower than expected.

The economy has become more stable, and the wide swings in production and employment such as we have experienced in the past are not anticipated. While a free competitive economy may have its ups and downs, a major depression is unlikely to repeat itself within the next few years.

(3) The forces of inflation have run their course, and there are no signs of serious deflationary pressures.

(4) The international political and economic environment has improved, and the economic recovery of the United States has been more rapid than was expected.

(5) The nation is still the workshop of the world, and its export activities have been more prosperous than expected.

(6) The gross national product has been increasing at a rapid pace, and the national income has been rising at a more rapid pace than expected.

(7) The balance of payments has been improving, and the United States has become a net creditor.

(8) The United States has become a net creditor, and its balance of payments is likely to be in surplus in the future.

(9) The United States has become a net creditor, and its balance of payments is likely to be in surplus in the future.

(10) The United States has become a net creditor, and its balance of payments is likely to be in surplus in the future.

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(3) Timing of purchases and sales of securities.

Join us at the Commercial and Financial Chronicle...Thursday, February 17, 1955.

Adolph Thorsen

MILWAUKEE, Wis.—Victor O. Langen has joined the staff of the Commercial and Financial Chronicle at the Water Street office. Mr. Langen was formerly with the Commercial and Financial Chronicle Co. and Cruttenden & Co.

General Funds Co. Formed

PHILADELPHIA, Pa.—General Funds Co. has been formed with John C. Swasey as chairman, and the firm is expected to function as a securities business in offices in the Louis Building.

E. W. McWoods Opens

BLOOMFIELD, N. J.—Edward W. McWoods is conducting a securities business in the 49 Vernon Terrace.

Reynolds-Rynders Co.

SALT LAKE CITY, Utah—Reynolds-Rynder Co. is conducting a securities business in offices in the Office Building.
continued from page 5

The State of Trade and Industry

Private home starts in January totaled 87,800, against 89,000 in December and 65,100 in January, 1954.

Sales of new cars in January, however, sank to only 200 in January, compared with 1,400 in January of the previous year. On a seasonally adjusted basis, private home starts in January ran at an annual rate of 147,000, which compares with an annual rate in December of 1,475,000.

Steel Output Scheduled This Week to Rise to 88.2% of Capacity

The second half of the year should be a very good business year for the steel market, despite what may happen in the auto industry, says "Steel" magazine. The national industries are generally in good shape, and it is commonly assumed that the auto producers are trying to push as many cars as possible by the time the 1955 production in the first five months as possible.

After that the remaining months of the year will be the usual slow-down period in the trade paper.

The steel ingot production rate is high enough now that it could lose several points and still be pretty good. In the week ended Feb. 9, the production rate was 90.1% of full blast. The weekly rate in the last week of January was 92.1%.

Annualy, the auto industry uses about one-fifth of the nation's steel, but right now it's probably taking somewhat more than that. So, at least 17 points (and maybe a few more of the current input rate from automotive demand. If you subtract those 17 points from the present rate, you have a 71.4% rate, and that is several points higher than the rate in many weeks of last year. The auto industry dropped completely out of the market for steel for a long time the effects would be so widespread that other steel consumers would need less steel, too, and the steel rate would drop by more than what the auto industry cut off could have done.

It's not likely, however, that the auto industry would be out of the steel market for long. If anything, the auto industry would only cut back just enough to make the steel market more competitive.

Even if auto demand for steel slows down, there are other consumers that can make up the lack. Weather forecasts. Construction is one, "Steel" points out.

Electric Outputs Show Moderate Recovery From the All-Time High Record of the Previous Week

The latest week, which was also the last week of the electric rate, dropped to a 98.3% of its maximum for the week ending Feb. 12, 1954, a decrease of 1.73 million kw. A high record establishment of the previous week was 102.0 million kw.

The industry's input production rate for the week in 1954 is based on the annual capacity as of Jan. 1, 1954. For the week a month ago the rate was 88.2% and previous week was placed at 1,779,000 tons or 74.6%. The operating rate is not comparable because capacity was lower than capacity in 1955. The corporation's figures for 1954 are based on annual capacity of 124,359,410 tons as of Jan. 1, 1954.

Power & Light Debentures Offered

Dallas Power & Light, a public utility company operating wholly within the State of Texas, is a subsidiary of Texas Utilities Co. The company is engaged in the generation, purchase, transmission, distribution and sale of electric energy and is also involved in the construction and light service is supplied to the Greater Dallas area, and adjacent suburbs. Congaree Co. of the territory served is estimated by the company at 622,000. During the quarter ended Dec. 31, 1954, the company's reported total operating revenues of $27,918,000, total operating income of $1,600,000, and net income at $1,602,000.

Woodward Adv. Dir. For NY Stock Exch.

The New York Stock Exchange has appointed Daniel H. Woodward, its senior vice-president, to direct the doing of trading and sales promotion, effective immediately, as announced, the firm, Monday, Mr. Woodward, 26, a graduate of the University of Chicago, will be appointed President in charge of Public Relations and Market Development. He comes to the New York Stock Exchange from the advertising and sales promotion major of Woodward & Co., of New York City, where he has been since 1950.

At Cones Mills, Inc., Mr. Woodward had been in charge of national advertising and the development of the new market promotion and product and institutional advertising material. It is expected that he was sales and promotion manager of the New York Stock Exchange and the Representative Advertising Agency, and spent of $100,000 with Messy's New York City in merchandising, management and sales promotion capacities. He is a graduate of the University of Chicago.

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Technology—Our One Indispensable Weapon

power" which its workers command. This is the secret of the great industrial advances. The workers are paid for their labor, not for the machine they use. But the machine is used by the workers, and the power that goes with it is theirs to command. This is the secret of the great industrial advances.

We are now in the midst of a great industrial revolution. The new machines are coming into being, and with them will come a new era of progress. The old machinery is being replaced by new and improved machines, and the old methods of manufacture are being discarded. The new machines are more efficient, more powerful, and more flexible than the old. They can do the work of many men in a fraction of the time.

The Fear of Automation

But the fear of automation is not the only fear that is haunting us. The fear of unemployment is just as great. Automation is making work obsolete, and the workers are losing their jobs. The fear of unemployment is just as great as the fear of automation.

The Value of Machines and Tools

The machines and tools that we use are a valuable asset to us. They help us to produce goods, to sell goods, and to distribute goods. They are essential to our civilization. But they are also a source of danger. They can be used to create a power that is capable of destroying us. The machines and tools that we use are a valuable asset to us. They help us to produce goods, to sell goods, and to distribute goods. They are essential to our civilization. But they are also a source of danger. They can be used to create a power that is capable of destroying us.

The Dial Telephone

The telephone is a wonderful invention. It allows us to communicate with each other over long distances. It is a valuable tool that helps us to do our work. But it is also a source of danger. It can be used to create a power that is capable of destroying us.

The Threat of Automation

Automation is a threat to our way of life. It is a threat to our jobs. It is a threat to our economy. It is a threat to our society. It is a threat to our civilization. The threat of automation is a threat to our way of life. It is a threat to our jobs. It is a threat to our economy. It is a threat to our society. It is a threat to our civilization.
the industrial revolution that has taken place in the United States in the past 25 years has brought into existence an additional 20 million people."

In 1949, we were both wise and true; and I can say 'tis now I'll live alone, in the heart of your American Labor.

As to the other quotation, "the movement was not true from it comes a man who spent much of his life on the management side of the fence. He has never forgotten it!"

Continued from page 5

100% acceptance of the exchange offers at that time. It provides some interesting comparisons with the standing of Merrill-Chapman & Scott, the firm that first took over New England Telephone.

Cash and marketable securities.

* * * * *

Price and wages.

* * * * *

Inventories.

* * * * *

Prepaid expenses.

* * * * *

Total Current Assets...

Less: Bank loans...

* * * * *

Accounts and notes payable.

* * * * *

Billings on contracts (less costs incurred).

* * * * *

Foreign exchange income taxes.

* * * * *

Total Current Liabilities...

Provided by:

* * * * *

Long-term debt.

* * * * *

Shore.

* * * * *

Preferred.

* * * * *

Common.

* * * * *

Total assets less liabilities.

* * * * *

*These figures do not reflect $4 million less agreement entered into by Merrill and on Nov. 15, 1949, nor do they include $11.149 shares issued after Nov. 1, 1949.

Merrill-Chapman & Scott.

The proposed new acquisitions represent a further step in the diversification program which has been under way at Merrill-Chapman & Scott. In 1949 it was a moderate-sized steel construction and marine salvage company, confining its operations to the United States. Now it has interests in several fields, is active in many parts of the world, and is far less sensitive to cyclical influences. The new acquisitions have contributed to this growth. They include: Pitsch & Simons & Company, a Chicago heavy construction company; C. Pitts General Construction Company, Inc., a heavy construction company in Newport Steel Corporation and its subsidiary, Utah Radio Products Company, a manufacturer of radio equipment; Marion Power Shovel Company and the Osgood Corporation.

Expanding Construction Business

Along with broadening its earnings base through acquisitions, Merrill-Chapman & Scott has been steadily increasing its construction business. In 1949, when the Wolfsen management came in, the company's operating income was $1,032,733, of which $796,260 was available to the common stockholders (after preferred dividends). In the following year, gross revenues remained at about the same level, but net after taxes had been brought up to $3,007,476. By 1953, gross revenues reached $709,235 (not including costs under cost-plus-fixed-fee contracts); net income was $2,494,618, a new record for the 94-year-old company. The expectation is that the earnings of the construction division will be even higher for 1954. The increase will not be reflected in the company's consolidated net income, however, as it will be offset by bad debt losses on the Steel division.

Three stock dividends have been paid under the Wolfsen management, in 1950, 1951, and 1952, with a 20% stock dividend in January, 1954. Cash dividends paid since Jan. 1, 1950 were equivalent to $87.92 a share, adjusted for stock dividends.

New York Shipbuilding Corporation

Louis Wolfsen, the former vice-president for construction of New York Shipbuilding in January, 1953. (This is also one of the reasons why the volume of the brothel proposal was as stated above). At that time (1953) the company had just announced an operating loss of $194,304 on gross sales of $886,376. The figures for 1954 show that the company has turned a profit of $3,217,652 in 1953, although gross billings were down to $2.0 million.

The Wolfsen management, in the 1953 showing, the management reported revenues, none of which had been made since 1950. A stock distribution of 50% was made early in 1954. In addition, two cash payments of $1 each were made in March and September, making total cash dividends for the year equivalent to $3.00 a share.

Prior to the advent of the Wolfsen group, New York Shipbuilding had two classes of stock, non-voting Participating Shares and voting Common Shares. Wolfsen, president, and his associates, E. H. Wolfsen, Jr., and Albert Wolfsen, Jr., took over the company in 1950 with 500,000 shares of participating stock. The company had 2,201,260 shares outstanding at this time, and has been owned by the Wolfsen family ever since.

The company's interest in the vessel construction business is represented by the fact that the Wolfsen family has been in the shipbuilding industry for over 50 years. The family has extensive experience in the construction of merchant vessels, and has been a leader in the field of shipbuilding for many years. The company's shipyard is located in the New York Harbor area, and is equipped with the latest in machinery and equipment. The company has a record of successful construction of a wide variety of vessels, including tanker vessels and cargo ships.

The company's financial results have been consistent over the years, with a steady increase in earnings and dividends. The company has paid dividends on its Common Shares since 1950, and has been able to maintain a steady dividend payment despite the economic downturns in the shipping industry. The company's management has been able to maintain a steady dividend payment despite the economic downturns in the shipping industry. The company's management has been able to maintain a steady dividend payment despite the economic downturns in the shipping industry.

In conclusion, the Wolfsen family has demonstrated a strong commitment to the shipbuilding industry, and has been able to maintain a steady dividend payment despite the economic downturns in the shipping industry. The company's management has been able to maintain a steady dividend payment despite the economic downturns in the shipping industry.
The Investor Record Spelled-Out
MERRITT-CHAPMAN & SCOTT CORPORATION
(Listed: New York Stock Exchange)

Louis E. Wolfon was elected Director on May 6, 1945

The approximate price on May 6, 1949 was $20 per share (equivalent to $19.35 after the stock dividend), so the purchaser would have received 500 shares for his original investment of $10,000. The return on and value of this investment to Dec. 31, 1954 are shown in the following table.

<table>
<thead>
<tr>
<th>Dividends paid during</th>
<th>Shares purchased</th>
<th>Cash dividend</th>
<th>Cash dividend</th>
<th>Shares purchased</th>
<th>Cash dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>calendar year</td>
<td>after stock split</td>
<td>per share</td>
<td>per share</td>
<td>(stock dividend)</td>
<td></td>
</tr>
<tr>
<td>1949 (after May 6)</td>
<td>500</td>
<td>$0.80</td>
<td>$0.80</td>
<td>200</td>
<td>$0.80</td>
</tr>
<tr>
<td>1950</td>
<td>500</td>
<td>1.00</td>
<td>2.00</td>
<td>200</td>
<td>2.00</td>
</tr>
<tr>
<td>1950 (40% stock dividend)</td>
<td>200</td>
<td>1.00</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1951</td>
<td>700</td>
<td>1.30</td>
<td>1.30</td>
<td>700</td>
<td>1.30</td>
</tr>
<tr>
<td>1951 (5% stock dividend)</td>
<td>35</td>
<td>2.00</td>
<td>2.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1952</td>
<td>753</td>
<td>2.00</td>
<td>1.70</td>
<td>1,500</td>
<td>2.00</td>
</tr>
<tr>
<td>1952 (25% stock dividend)</td>
<td>104</td>
<td>2.50</td>
<td>2.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1954</td>
<td>919</td>
<td>2.00</td>
<td>1.838</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Dividend Income: $5,475
Value of investment plus cash dividends: $30,645
Percentage gain on initial $10,000 investment: 206%

NEW YORK SHIPBUILDING CORPORATION
(Listed: New York Stock Exchange)

The Wolfon interests obtained control on Jan. 30, 1953

The approximate price on Jan. 30, 1953 was $30 per share (equivalent to $29.35 after the stock dividend), so the purchaser would have received 300 shares for his original investment of $9,000. The return on and value of this investment to Dec. 31, 1954 are shown in the following table.

<table>
<thead>
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<tr>
<td>calendar year</td>
<td>after stock split</td>
<td>per share</td>
<td>per share</td>
<td>(stock dividend)</td>
<td></td>
</tr>
<tr>
<td>1953 (after Jan. 30)</td>
<td>500</td>
<td>$5.00</td>
<td>$5.00</td>
<td>250</td>
<td>$2.50</td>
</tr>
<tr>
<td>1953 (19% stock dividend)</td>
<td>250</td>
<td>2.00</td>
<td>2.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1954</td>
<td>750</td>
<td>$2.00</td>
<td>$1,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1954 (30% stock dividend)</td>
<td>500</td>
<td>3.00</td>
<td>3.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1954 (stated stock split)</td>
<td>1,500</td>
<td>2.00</td>
<td>2.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1954 (6% stock dividend)</td>
<td>300</td>
<td>3.00</td>
<td>3.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1954 (stated stock split)</td>
<td>600</td>
<td>1.50</td>
<td>1.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1954 (stated stock split)</td>
<td>900</td>
<td>2.00</td>
<td>2.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Value of 750 shares at closing price of $23'/4, Dec. 31, 1954: $17,437
Value of investment plus cash dividends: $18,837
Percentage gain on initial $9,000 investment: 99%

CAPITAL TRANSIT COMPANY
(Listed: American Stock Exchange)

The Wolfon interests purchased control on Dec. 12, 1949

The approximate price on Sept. 12, 1949 was $23 per share (equivalent to $22.50 after the stock dividend), so the purchaser would have received 225 shares for his original investment of $5,325. The return on and value of this investment to Dec. 31, 1954 are shown in the following table.

<table>
<thead>
<tr>
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<th>Cash dividend</th>
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<tr>
<td>calendar year</td>
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<td>per share</td>
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<td></td>
</tr>
<tr>
<td>1949 (after Sept. 12)</td>
<td>500</td>
<td>$0.50</td>
<td>$0.50</td>
<td>250</td>
<td>$0.50</td>
</tr>
<tr>
<td>1950</td>
<td>500</td>
<td>3.00</td>
<td>3.00</td>
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<td>1951</td>
<td>500</td>
<td>3.00</td>
<td>3.00</td>
<td>250</td>
<td>3.00</td>
</tr>
<tr>
<td>1951 (stock split, 4-for-1)</td>
<td>1,500</td>
<td>2.00</td>
<td>2.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1951 (stock split, 2-for-1)</td>
<td>1,400</td>
<td>2.00</td>
<td>2.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1951 (stock split, 2-for-1)</td>
<td>1,400</td>
<td>2.00</td>
<td>2.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1954</td>
<td>2,000</td>
<td>$1.40</td>
<td>$2,800</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Value of investment plus cash dividends: $42,500

<table>
<thead>
<tr>
<th>Value of Investment plus stock dividend</th>
<th>Continental Enterprises (unlisted)</th>
<th>Continental Enterprises (listed)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954 dividend income</td>
<td>45,750</td>
<td>21,500</td>
<td>67,250</td>
</tr>
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<td>67,250</td>
</tr>
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To Mr. A. Wilford Mapes,' Panama Canal

We refer to your request; we have compared the figures appearing in your column, "CORPORATE GLADIATORS—A Lowdown on the Wolfon Record," with those appearing in published annual reports, SEC filings, and reports of the Securities and Exchange Commission, published financials, and find that such figures have been accurately reported.

Years very truly,

[Signature] PRICE WATERHOUSE & CO.
3%.

The Benefits to Be Had from a Redemable Currency

What are the benefits to be had from a redemable currency?

1. It is the best type of money from the viewpoint of value. Money has integrity in itself and its existence implies integrity on the part of the people involved. Like any other currency, a redemable system would provide the maximum of conveniences and minimum of costs.

2. With the right to own gold reserves, even as an individual, including the smallest saver, is provided with the safety and security of gold. The value of his savings can thus be maintained and his gold reserves are absolutely safe.

3. A redemable currency is a means of saving, as much as it is a means of borrowing. It preserves the value of our human labor, and it also helps to provide people with the means of reserve that they can take advantage of.

4. The existence of a redemable currency is a guarantee of our freedom from the World War. Today, how can it be true that our scarce resources are maintained if they are not available when we need them? And what is the value of our currency if we cannot redemable it?

5. Such a currency invites foreign investments and investments by the public; and it provides the atmosphere conducive to the building of government budgets, which are the most effective implement of our economic, social, and political policies. During the 21 fiscal years, 1932-1954, the Federal Reserve system has been all powerful in the growth of the economy: the Federal Reserve budget yield from 1932 to 1954 has been seen to be the most effective implement of our economic, social, and political policies.

6. Under such a system the Federal Reserve system would be able to control the level of credit, and it would be able to regulate the level of interest rates. The Federal Reserve system would be able to control the level of credit, and it would be able to regulate the level of interest rates.

The Urgent Need

It should be obvious, if the preceding observations are accurate, that our domestic and international needs and the needs of the people of this nation for this type of currency is inextricably related. The need of men and women, who understand the seriousness of these issues, should all do within their power to find him and help him. It should be obvious, if we redemable the currency we are using, that we cannot redemable the currency we are using.

A redemable currency is a means to an end, to the end of preserving the human freedom and human dignity we have. And it is the only kind of currency we can have. It is the kind of currency we have been using, and it is the kind of currency we have been striving to achieve.

What is the value of redemable currency? It is the value of redemable currency. It is the value of redemable currency. And it is the value of redemable currency.

The Urgent Need

It should be obvious, if the preceding observations are accurate, that our domestic and international needs and the needs of the people of this nation for this type of currency is inextricably related. The need of men and women, who understand the seriousness of these issues, should all do within their power to find him and help him. It should be obvious, if we redemable the currency we are using, that we cannot redemable the currency we are using.

A redemable currency is a means to an end, to the end of preserving the human freedom and human dignity we have. And it is the only kind of currency we can have. It is the kind of currency we have been using, and it is the kind of currency we have been striving to achieve.

What is the value of redemable currency? It is the value of redemable currency. It is the value of redemable currency. And it is the value of redemable currency.

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Canada’s Program of Atomic Energy Use

significant achievement of the power reactors.

Our target of a kilowatt limit because there are several factors that require that certain conditions be met before a prime contractor can be selected. First, the reactor and the uranium fuel must be designed and fabricated. The reactor must be designed and fabricated to meet certain performance criteria. Second, we must achieve an efficient utilization of the reactor, which is a critical factor in determining how much electricity can be generated from the reactor. I hope that the reactor design and fabrication will be completed by the end of the year.

In summary, the United States has made great strides in the development of nuclear power. The potential for this technology is enormous, and we are confident that we will be able to meet the growing demand for energy in the years to come.
The Commercial Bank of St. Louis, Ill., has added $500,000 to its capital through a stock dividend of $50 per share. The bank's capital now is $2,500,000, increased 20% over its previous capital of $2,000,000.

A capital of $1,000,000 is now, as of Dec. 8, reported by The First National Bank of Appleton, Wis., the increase from the previous amount, viz., $750,000 being the capital was increased by a stock dividend of $250,000.

A stock dividend of $250,000 effective Jan. 17, has brought about a capital increase of $1,000,000 in the Waukegan National Bank of Waukegan, Ill., from $750,000 to $1,000,000.

As of Dec. 7 the Industrial National Bank of Miami, Florida, doubled its capital, increasing its from $450,000 to $900,000 as a result of the sale of $450,000 of new stock.

The First National Bank of Birmingham, Ala., as of Jan. 12, reported an increase of $500,000 from $2,750,000 to $3,250,000. The increase was effected by a stock dividend of $1,000,000. In addition, the bank reported an increase of $750,000, as of Jan. 12, which was the capital now is $5,000,000.

The Royal Bank of Canada (head office Montreal) announced Jan. 12 that it has been appointed Associate General Manager, a new position, and that R. W. Shannon has been appointed Associate General Manager. As Associate General Manager Mr. Mayne, hereafter an Assistant to the President, will be responsible for the management of the Canada-wide branch banking system.

The bank stated that the position of Associate General Manager serves to emphasize the increasing importance of the organization outside Canada. Of the bank's more than 800 branches, 700 are in the foreign field.
### Indications of Business Activity

**AMERICAN IRON AND STEEL INSTITUTE:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicated steel operations (percentage of capacity)</td>
<td>86.2</td>
<td>86.8</td>
<td>83.2</td>
<td>74.6</td>
</tr>
</tbody>
</table>

**Steel Imports and Matchings (net tons):**

<table>
<thead>
<tr>
<th>Year</th>
<th>Units</th>
<th>1955</th>
<th>1954</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan.</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
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**AMERICAN STEEL INSTITUTE:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel ingot output (tons)</td>
<td>561,925,000</td>
<td>563,100,000</td>
<td>563,100,000</td>
<td>563,100,000</td>
</tr>
</tbody>
</table>

**STEEL PRODUCTION—ENGINEERING:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>BURGEE, INC.</td>
<td>305,000</td>
<td>305,000</td>
<td>305,000</td>
<td>305,000</td>
</tr>
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</table>

**B SERIES:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from railroad operations (net dollars)</td>
<td>360,000,000</td>
<td>360,000,000</td>
<td>360,000,000</td>
<td>360,000,000</td>
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**AMERICAN CARBON COMPANY:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from transportation (net dollars)</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
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</table>

**AMERICAN PETROLEUM INSTITUTE:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from production (net dollars)</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
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</table>

**AMERICAN BAKING ASSOCIATION:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from sales (net dollars)</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
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</table>

**AMERICAN RUBBER COMPANY:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from manufacturing (net dollars)</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
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**AMERICAN TEXTILE MANUFACTURERS:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
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</thead>
<tbody>
<tr>
<td>Revenue from textile manufacturing (net dollars)</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
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### Business Indexes

**BUSINESS INVENTORIES—DEPT. OF COMMERCE:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from inventory (net dollars)</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
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**AMERICAN ZINC INSTITUTE:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from zinc sales (net dollars)</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
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</table>

### Stock Transactions

**AMERICAN IRON AND STEEL INSTITUTE:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
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</thead>
<tbody>
<tr>
<td>Revenue from steel transactions (net dollars)</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
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</tbody>
</table>

### Market Price Changes

**BURGEE, INC.:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
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<tbody>
<tr>
<td>Revenue from market price changes (net dollars)</td>
<td>1,000,000</td>
<td>1,000,000</td>
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**AMERICAN STEEL INSTITUTE:**

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<th>Month</th>
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<tbody>
<tr>
<td>Revenue from steel price changes (net dollars)</td>
<td>1,000,000</td>
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### General Business Activity

**FABRICATED STRUCTURAL STEEL: **

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<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from fabricated steel sales (net dollars)</td>
<td>1,000,000</td>
<td>1,000,000</td>
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### Financial Statements

**AMERICAN PETROLEUM INSTITUTE:**

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<thead>
<tr>
<th>Description</th>
<th>Latest Week</th>
<th>Previous Week</th>
<th>Month</th>
<th>Year</th>
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<tbody>
<tr>
<td>Revenue from financial statements (net dollars)</td>
<td>1,000,000</td>
<td>1,000,000</td>
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<tbody>
<tr>
<td>Revenue from index (net dollars)</td>
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### Statistical Tables

**AMERICAN RUBBER COMPANY:**

<table>
<thead>
<tr>
<th>Description</th>
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<th>Previous Week</th>
<th>Month</th>
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<tbody>
<tr>
<td>Revenue from statistical tables (net dollars)</td>
<td>1,000,000</td>
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### Summary

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<tbody>
<tr>
<td>Revenue from fabricated steel summary (net dollars)</td>
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</table>
Securities Now in Registration

Grance Products, Inc., (John R. Balanoff & Co., Inc.) $300,000
Union Oil Co., (Merrill & Co., Inc.) $1,000,000
Pacific Gas & Electric Co., Bonds $13,000,000
United States Ceramic Tile Co. (Central Stock Exchange) $11,000,000
American Water Works Co., Inc. (The First Boston Corp.) 150,000 shares
Allison Steel Manufacturing Co., Common
Allison Steel Manufacturing Co., Debentures
Allison Steel Manufacturing Co., Shares
Atlantic Steel Co., Preferred
Atlantic Steel Co., Common
Atlantic Steel Co., Debentures
Borrego Solar Energy, Inc., Preferred
Borrego Solar Energy, Inc., Common
Borrego Solar Energy, Inc., Bonds
Borrego Solar Energy, Inc., Shares
Trav-L-Rad Corp. (Bonds, Kaiser & Richard) about $1,000,000
Atlantic City Electric Co. (Bonds) 11 1/2, $1,000,000
March 15 (Tuesday)
General Motors Acceptance Corp. (Debentures) $10,000,000
Kansas Gas & Electric Co. (Bonds in to be issued) $10,000,000
Kansas Gas & Electric Co. (Bonds to be issued) $6,000,000
March 16 (Wednesday)
Bishop Oil Co. (Offering to stockholders—to be underwritten) 153,528 shares
April 15 (Friday)
Westman Hydraulic Co. (Common) (May be Union Securities Corp.) 284,861 shares
May 10 (Thursday)
Georgia Power Co. (Bonds) $72,000,000
May 31 (Tuesday)
Alabama Power Co. (Bonds) $60,000,000
November 9 (Wednesday)
Southern Co. (Bonds to be issued) $100,000,000

Atlantic City Electric Co. (3/9) For general corporate purposes, 50,000 shares of $100 par value preferred stock. Price—$100 per share. Proceeds—For general corporate purposes.

Indicate Additions Since Previous Issue

Item Revised

New York... Boston... Pittsburgh... Chicago... Philadelphia... San Francisco... Cleveland

Private Wires to all offices
**Federal Reserve Bank of St. Louis**

**Price—$1** and 7 ofible debentures and par). —Straus, interest. $1,390,500 2 317 of fund 2 3.

**Caroline Power & Light Co. (2/24) Adjusted capitalized debentures (no par) and 505,000 shares of common stock (no par). —From sale of shares, together with other funds, for additions and improvements to property. Underwriters —Barrett, Herrick & Co., New York, and R. S. Dickson & Co., Inc., Charlotte, N. C. Nov. 28, $1,000 each).

**Carrizo, C., Inc., Calif. Jan. 18 (letter of notification) $309,000 of 5% convertible debentures due Feb. 1, 1963. Price—At par (de¬
movement) $1,175,000 of additional properties and for working capital. Office—

**Colorado Plateau Uranium Co. (3/2) Dec. 1 (letter of notification) 1,900,000 shares of common stock (par one cent). Price—Will pari on Feb. 15, unless extended. Underwriter—None. Statement effec-


Globe Metallurgical Corp. Jan. 5. The price of 400 common stock (par $50) of which 30,000 shares are to be offered to a group comprising individuals and to others of Globe Iron Co, the parent, and 117,500 shares to be sold to underwriters at $10 per share. Proceeds—For capital improvements and for working capital. Underwriters—Morgan & Co., Cleveland, Ohio—Offering date expected to be announced in future. 

Granco Products, Inc. (N. Y.) (3/2) Feb. 6. (letter of notification) 120,000 shares of common stock (par $10). Proceeds—For machinery and equipment, further development and expansion, research and development, and to meet the financial and overhead needs of the company. Underwriters—Morgan & Co., New York. Offering date expected to be announced in future. 

Group Securities, Inc. (N. J.) Feb. 8 filed (amendment) an additional 2,000,000 shares of common stock. Price—At market. Proceeds—For investment. 

Gulf States Utilities Co. Feb. 11. Filed (letter of notification) 37,000,000 shares of preferred stock (par $100). Proceeds—to redeem 80,000 shares of 4 1/2% dividend preferred stock, 1949 and $50,000 of 4 1/4 dividend preferred stock at the prevailing redemption price of 101 and 101.25, respectively. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., 20 Exchange Place, New York, N. Y., and Webster Securities Corp., Lebanon Brothers and Equitable Securities Corp. (jointly); Kuhn, Loeb & Co., and W. C. Langley & Co. (jointly). Bids—High and low received up to 11:30 a.m. (EDT) on June 15 at The Hancock Building, 10 Broadway, New York, N. Y., but offering has been postponed.

Feb. 8, filed 90,000 shares of common stock (par $5).
Price—To be supplied by Underwriter, to which firm, with its subsidiary, is selling and for which it is selling their operating assets for 80,000,000 shares of B. L. Paper Co. common stock: Underwriter—B. L. Paper Co., New York and San Francisco.

**Riberia**

Washington, D. C.
Feb. 9, letter (notification) 250,000 shares of common stock (par $1).
Price—To be supplied to Underwriter, to which firm, with its subsidiary, is selling and for which it is selling their operating assets for 80,000,000 shares of B. L. Paper Co. common stock: Underwriter—B. L. Paper Co., New York and San Francisco.

**Pacific Gas & Electric Co.** (2/3)
Feb. 9, letter of notification) 250,000 shares of common stock (par $1).
Price—To be supplied to Underwriter, to which firm, with its subsidiary, is selling and for which it is selling their operating assets for 80,000,000 shares of B. L. Paper Co. common stock: Underwriter—B. L. Paper Co., New York and San Francisco.

**Payne, Rainier & Co.**

Feb. 17, filed 1,000,000 shares of common stock (par $1).
Price—$4, per share. Proceeds—For working capital. Underwriter—None.

**Peabody & Co.**

Feb. 18, filed 1,200,000 shares of common stock (par $1).
Price—To be supplied to Underwriter, to which firm, with its subsidiary, is selling and for which it is selling their operating assets for 80,000,000 shares of B. L. Paper Co. common stock: Underwriter—B. L. Paper Co., New York and San Francisco.

**Procter & Gamble Co.** (2/4)
Feb. 21, filed 1,000,000 shares of common stock (par $1).
Price—$4.50, per share. Proceeds—To be supplied to Underwriter, to which firm, with its subsidiary, is selling and for which it is selling their operating assets for 80,000,000 shares of B. L. Paper Co. common stock: Underwriter—B. L. Paper Co., New York and San Francisco.

**Promontory Uranium Co.**

Feb. 21, filed 250,000 shares of common stock (par $1).
Price—To be supplied to Underwriter, to which firm, with its subsidiary, is selling and for which it is selling their operating assets for 80,000,000 shares of B. L. Paper Co. common stock: Underwriter—B. L. Paper Co., New York and San Francisco.

**Pyro Building Co.**

Feb. 23, filed 1,000,000 shares of common stock (par $1).
Price—To be supplied to Underwriter, to which firm, with its subsidiary, is selling and for which it is selling their operating assets for 80,000,000 shares of B. L. Paper Co. common stock: Underwriter—B. L. Paper Co., New York and San Francisco.

**Randall Electric & Engineering Co.** (3/2)
Feb. 8, filed 90,000 shares of common stock (par $5).
Price—To be supplied by Underwriter, to which firm, with its subsidiary, is selling and for which it is selling their operating assets for 80,000,000 shares of B. L. Paper Co. common stock: Underwriter—B. L. Paper Co., New York and San Francisco.

**Rheingold of America**

Washington, D. C.
Feb. 9, letter of notification) 250,000 shares of common stock (par $1).
Price—To be supplied to Underwriter, to which firm, with its subsidiary, is selling and for which it is selling their operating assets for 80,000,000 shares of B. L. Paper Co. common stock: Underwriter—B. L. Paper Co., New York and San Francisco.

**Rico Argentine Mining Co.**

Dec. 2, letter of notification) 70,383 shares of common stock (par $1).
Price—To be supplied to Underwriter, to which firm, with its subsidiary, is selling and for which it is selling their operating assets for 80,000,000 shares of B. L. Paper Co. common stock: Underwriter—B. L. Paper Co., New York and San Francisco.

**Rice, Roe & Farnham, Inc.**

Chicago, I11.
Feb. 10, filed (amendment) an additional 9,408 shares of common stock.
Price—For investment.

**Roberts, Inc.**

Feb. 8, filed 90,000 shares of common stock (par $5).
Price—To be supplied by Underwriter, to which firm, with its subsidiary, is selling and for which it is selling their operating assets for 80,000,000 shares of B. L. Paper Co. common stock: Underwriter—B. L. Paper Co., New York and San Francisco.

**Rodger, McCracken & Co.**

Feb. 17, filed 1,000,000 shares of common stock (par $1).
Price—$4.50, per share. Proceeds—To be supplied to Underwriter, to which firm, with its subsidiary, is selling and for which it is selling their operating assets for 80,000,000 shares of B. L. Paper Co. common stock: Underwriter—B. L. Paper Co., New York and San Francisco.

**Rodgers, Lunt & North**

Feb. 19, filed 10,000,000 shares of common stock (par $1).
Price—To be supplied to Underwriter, to which firm, with its subsidiary, is selling and for which it is selling their operating assets for 80,000,000 shares of B. L. Paper Co. common stock: Underwriter—B. L. Paper Co., New York and San Francisco.

**Rogers & Gage Co.**

Feb. 21, filed 1,000,000 shares of common stock (par $1).
Price—$4.50, per share. Proceeds—To be supplied to Underwriter, to which firm, with its subsidiary, is selling and for which it is selling their operating assets for 80,000,000 shares of B. L. Paper Co. common stock: Underwriter—B. L. Paper Co., New York and San Francisco.

**Rodgers & St. Clair Co.**

Feb. 21, filed 1,000,000 shares of common stock (par $1).
Price—$4.50, per share. Proceeds—To be supplied to Underwriter, to which firm, with its subsidiary, is selling and for which it is selling their operating assets for 80,000,000 shares of B. L. Paper Co. common stock: Underwriter—B. L. Paper Co., New York and San Francisco.
Trans-Continental Uranium Corp.

Utah Uranium Corp., Las Vegas, Nev.

Vada Uranium Corp., Ely, Nev.

Vulcan-Uranium Mines, Inc., Wallace, Idaho

Webster Uranium Mines, Ltd., Toronto, Canada

Wisconsin Uranium Corp., Salt Lake City, Utah
Aug. 18 (letter of notification) 15,000,000 shares of common stock (par one cent). Price—Three cents per share. Proceeds—To redeem mortgage bonds of the company and to obtain funds for exploration and development purposes. Underwriter—James E. Reed Co, Salt Lake City, Utah.

Zapata Off-Shore Corp., Houston, Texas
Jul. 12 (letter of notification) 50,000,000 shares of common stock (par five cents). Price—To be sold by underwriters. Proceeds—To be used for general corporate purposes. Underwriter—C. L. Howard & Co., Houston, Texas.

Zapata Uranium Mining Corp.
Jul. 12 (letter of notification) 3,000,000 shares of common stock (par one cent). Price—$1 per share. Proceeds—For mining operations. Underwriter—Zapata Corp., same city.

Prospective Offerings

Alabama Power Co. (5/31)
Dec. 30 it was announced company plans to issue and sell $15,000,000 first mortgage bonds due 1965. Proceeds—To repay bank loans and for construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Haley, Stuart & Co.; Morgan Hanley & Co. Underwriters; Equitable Securities Corp. and Drexel & Co. (Jointly); The First Boston Corp.; Lehman Brothers; Harriman Ripley & Co., Inc.; J. P. Morgan & Co., and Kidder, Peabody & Co. (Jointly). Bids—Expected to be received by 11:30 a.m. (EST) on Feb. 1.

American Telephone & Telegraph Co.
Feb. 16 directors voted to recommend to stockholders approval of a proposal to issue $13,474,000 of a new series of general mortgage 3½% bonds, series B. Proceeds, in part, for capital expenditures already made. Underwriters—White, Weld & Co., held in company's treasury subject to further order of the Interstate Commerce Commission. It is not proposed to sell or otherwise dispose of this bond series, but it is intended that these bonds will be issued as such, except possibly for one or two small issues at par.

Atlantic Coast Line RR.
Jan. 24 it was reported company plans to issue and sell $100,000,000 of common bonds due 1985. Proceeds—For capital expenditures. Underwriter—Courts & Co., Atlanta, Ga. (7/7)

Atlantic Steel Co., Atlanta, Ga.
Feb. 10 company received ICC exemption from competitive bidding of up to $20,000,000 of new securities. Proceeds—To repay $1,000,000 capital bonds due 1985, and $1,500,000 capital bonds due 1985. Proceeds would be used, in part, for capital expenditures already made. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later.

Atlantic Steel Co., Atlanta, Ga.
Feb. 2 it was reported that company plans to offer publicly $50,000,000 of convertible preferred stock (par $2). Proceeds—To repay $5,000,000 of capital bonds due 1985. Proceeds—To be used, in part, for capital expenditures already made. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later.

Central Maine Power Co.
Dec. 31, W. F. Wyman, president, stated company plans to issue and sell some additional common stock. Proceeds—To be used for general corporate purposes. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later.

Chicago & Eastern Illinois RR.
Jan. 23 the company's offer of $15,336,000 of 5% Income Bonds due 1985. Proceeds—To be used to convert exchange, par for par, for the outstanding 383,412 shares of capital stock (par $2). Proceeds were extended to expire on March 19, 1935. Proceeds—To be used for general corporate purposes. Underwriter—To be named later.

Chicago & Illinois Midland RR.
Jan. 23 the company's offer of $5,000,000 of capital stock. Proceeds—To be used for general corporate purposes. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later.

Chicago, Rock Island & Pacific RR.
Jan. 23 the company's offer of $15,336,000 of 5% Income Bonds due 1985. Proceeds—To be used to convert exchange, par for par, for the outstanding 383,412 shares of capital stock (par $2). Proceeds were extended to expire on March 19, 1935. Proceeds—To be used for general corporate purposes. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later.

Chicago, Rock Island & Pacific RR.
Jan. 23 the company's offer of $15,336,000 of 5% Income Bonds due 1985. Proceeds—To be used to convert exchange, par for par, for the outstanding 383,412 shares of capital stock (par $2). Proceeds were extended to expire on March 19, 1935. Proceeds—To be used for general corporate purposes. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later.

Chicago, Rock Island & Pacific RR.
Jan. 23 the company's offer of $15,336,000 of 5% Income Bonds due 1985. Proceeds—To be used to convert exchange, par for par, for the outstanding 383,412 shares of capital stock (par $2). Proceeds were extended to expire on March 19, 1935. Proceeds—To be used for general corporate purposes. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later. Underwriter—To be named later.

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Commonwealth Edison Co.
Jan. 21, Willie Gale, Chairman, announced that the company plans to issue $125,000,000 in mortgage bonds due 1982. Proceeds—For new expansion and working capital—Underwriter—Friedman, Billings & Raab, New York.

1st National Bank of Madison, Wis.
Jan. 24, it was announced that the First National Bank of Madison, Wis. has established a new office in Chicago, Ill., at 111 North Wabash Ave.

Jan. 21, it was announced that the company plans to issue and sell $12,000,000 to $15,000,000 senior securities in the following series—Problems—Blithy & Co., Inc. and Alex. Brown & Sons.

# Missouri Public Service Co.
Jan. 4, it was announced that the company plans to issue $10,000,000 in new mortgage bonds due 1981. Proceeds—For construction—Underwriter—Brown & Company, New York.

27th Missouri Research Laboratories, Inc.
Jan. 26, it was announced that the company plans to sell and issue $25,000,000 in mortgage bonds due 1986. Proceeds—For new expansion and working capital. Underwriter—Blithy & Company, New York.

27th Murphy (G. C.) Co., Minneapolis, Minn.
Feb. 8, it was announced that the company plans to sell and issue $2,000,000 in first mortgage bonds due 1985. Proceeds—For construction. Underwriter—Brown & Company, New York.

27th New Orleans Public Service Inc.
Feb. 4, it was announced that the company plans to issue $2,000,000 in new mortgage bonds due 1985. Proceeds—For bonds. Underwriter—Brown & Company, New York.

27th New York Telephone Co.

27th Northern Indiana Public Service Co.
Jan. 12, D. H. Mitchell, President, announced that the company plans to issue and sell $125,000,000 in new mortgage bonds due 1985. Proceeds—To be named later. Underwriter—Blithy & Co., Inc., Minneapolis, Minn.

27th Northwest Plastics, Inc.
Feb. 7, it was reported that the company plans to sell and issue in near future 1,500 shares of common stock, plus 1,118 shares of preferred stock, at $25 per share. Proceeds—To be named later. Underwriter—Brown & Company, New York.

27th Norwegian-American Shipping Co.
March 12, it was announced that the company plans to issue and sell 3,500,000 shares of common stock at $10 per share. Proceeds—To be used for general corporate purposes. Underwriter—Morgan, Stanley & Co., New York.

27th Pan American Sulphur Co.
Feb. 3, it was reported that the company is considering offering late in April $7,500,000 to $8,000,000 in new convertible bonds (first to stockholders). Underwriter—Kuhn, Loeb & Co., and Carl M. Loeb, Rhoades & Co., New York.

27th People’s Finance Corp., Denver, Colo.
Jan. 30, it was announced that the company plans to issue and sell $500,000 of 6% convertible preferred stock. Proceeds—For expansion. Underwriter—Paul C. Kimball & Co., Chicago, Ill.

27th Public Service Co. of Oklahoma
Nov. 11, it was reported that the company plans to issue an amount of bonds not to exceed $2,000,000. Proceeds—To be determined by competitive bidding. Underwriter—To be determined by competitive bidding.

27th Southern California Edison Co.
Nov. 17, it was announced that the company plans to issue an amount of bonds not to exceed $2,000,000. Proceeds—To be determined by competitive bidding. Underwriter—To be determined by competitive bidding.

27th Southern Nevada Public Co. (3/15)
Feb. 7, it was announced that the company plans to issue and sell $7,500,000 of cumulative preferred stock (par $100). Proceeds—To repay bank loans and for construction. Underwriter—Brown & Company, New York.

27th Southwest Gas & Electric Co.
Feb. 14, it was announced that the company plans to issue $2,000,000 in first mortgage bonds due 1985. Proceeds—To be named later. Underwriter—Brown & Company, New York.

27th Texas Eastern Transmission Corp.
Jan. 12, it was reported that the company plans to issue and sell $1,500,000 of 6% convertible preferred stock (par $100). Proceeds—To be determined by competitive bidding. Underwriter—Brown & Company, New York.

27th Transcontinental Gas Pipe Line Corp.
Nov. 24, Tom P. Walker, President, announced that the company plans to issue $23,000,000 in bonds. Proceeds—To be offered for public subscription in either March or April $10,000,000 to $15,000,000 of preferred stock. About $60,000,000 of bonds will be taken this year (may be done privately). Underwriter—White, Weld & Co. and Stone & Webster Securities Corp.

27th Trav-Ler Radio Corp. (3-8-9)
Jan. 27, it was reported that the company plans to issue and sell about $1,500,000 preferred stock. Underwriter—Straus, Blosser & McDowell, Chicago, Ill.

27th Van Norman Co.
Jan. 20, it was reported that the company plans to issue to its stockholders 124,667 shares of common stock on a 1-for-3 basis. Proceeds—To be used for general corporate purposes. Underwriter—Brown & Company, New York, and Morgan, Stanley & Co., New York.

27th Western Auto Supply Co. (Mo.)
Nov. 15, it was reported that the company plans to issue $1,000,000 in bonds. Proceeds—To be used for general corporate purposes. Underwriter—Brown & Company, New York.

27th Western Light & Telephone Co. Inc.
Nov. 24, it was announced that the company plans to issue and sell $1,000,000 in bonds. Proceeds—To be used for general corporate purposes. Underwriter—Brown & Company, New York.
Our Reporter's Report

Aside from the General Motors Corp. stock offering in which virtually every $100 invested in the auto maker's stock is forecast by investment bankers to sell at a healthy premium, the other big New York issue of the week is New Jersey Natural Gas Co.'s 6% stock offering. The price is $250 a share and the bankers will see that the stock is sold at a "standing" on General Motors' 4-1/4s.

Next Week's Calendar

By way of speeding things up a bit for bankers, the calendar has been set to close on March 7, so that underwriters will see what something is about before the closing date in order to tie-up any loose ends in the final days of this record-making business of underwriting.

March Holds Promise

The month of March promises to be a very important week that will start with two large offers being readied for market in the first week.

Pacific Gas & Electric Co. on March 7 will consider bids for its $10,000,000 of bonds for up bids for funds.

Issues of this size are usually the first to clear up when put for sale, and the current schedule is such that there will be no stocks that will succeed to be sold this week.

Mixed Reception

The current week's offerings encountered a somewhat mixed reception, what with one issue reportedly moving out well while a second seasoned stock was regarded as oversold.

Divers Power & Light Co.'s $7,000,000 of 25-year bonds, brought out at a price of 102.15 to yield 2.12% and 100.52 to 3.12% and 3.5%. The issue was sold after the second day sold after the second day.

San Francisco Gas & Electric Co.'s 35-year mortgage bonds, offered at 101.52 to yield 1.91% and 100.52 to 3.12% and 3.5%, were reported as oversold.

National City Bank Sanford Acquires Baltimore Co. Bonds

The National City Bank of New York and associates were the successful bidders on Feb. 18 for an issue of $10,000,000 Baltimore County, Md., 3% and 4%- bonds, due March 1, 1958, to 1995. The group bid 100.22 for combination of 6%, 2.6175, 2.78%, 1/2 and 1/2%, representing a net of 100.22 for $10,000,000. Of the total issue, $1,418,000 of 3%, 4% and 2.78% bonds are to be sold to investors from 1.25% to 2.70%. The balance of $1,584,000 of 5% and 1.25% bonds, due from 1990 to 1995, are to be reoffered.


With Hamilton Management's Denver office, Robert J. Nash has joined the staff of Hamilton Management Corporation, 465 Grant Street.

DIVIDEND NOTICES

LOEWS, INCORPORATED

February 25, 1955

The Board of Directors of the company, a quarterly dividend of 25 cents per share on common stock, payable March 15, 1955, to holders of record as of March 13, 1955.

TEXAS GULF SULPHUR COMPANY

February 25, 1955

Reynolds Metals Building Richmond, Virginia

COMMON DIVIDEND

A dividend of twenty-five cents (25c) a share on the outstanding common stock has been declared payable April 1, 1955, as a quarterly dividend at the close of business February 26, 1955.

E. V. F. YARDESTOCK, JR.

REYNOLDS METALS COMPANY

February 25, 1955

A quarterly dividend of forty (40) cents per share on the outstanding Preferred Stock has been declared payable April 1, 1955, as a quarterly dividend at the close of business March 16, 1955.

TEXAS GULF SULPHUR COMPANY

February 25, 1955

The board of directors declared a quarterly dividend of 3% per share on the outstanding common stock.

The transfer books will not be closed until April 1, 1955, nor will they be closed on the last day of the quarter ending March 31, 1955.

J. V. STEVENS,
Secretary.

WAGNER BAKING CORPORATION

February 25, 1955

The Board of Directors of the company, a quarterly dividend of $1.75 per share on the 7% Preferred Stock, payable on May 15, 1955, to the stockholders of record March 15, 1955.

J. RAYMOND PITCHFORD, President.
WASHINGTON, D.C.—It is perhaps not beyond the range of possibility that a good con artist who happened to get hold of the assets belonging to a man of trust to a child could loot the whole amount kept the child amused with balloons.

One of the fascinating phenomena of this Capital of the United States in the year of its 180th birthday is the wonder with which the organized business world is watching a bauble—the bill to end government competition for the States.

Senator John A. McClellan, D-Ark., the chairman of the Senate Government Operations Committee, has introduced a bill declaring it to be national policy to eliminate government from the field of business-type operations. This bill is similar to one which failed last year.

It would establish a court of complaint in the Commerce Department to hear grievances from businessmen who aver that they are suffering from government competition.

This bill really marks any presents any "government-in-business" operation approved by law. Thus it confirms the position of the proposed legislation to eliminate not only competitive things and totally exempt the big thing in respect to all the other power empires.

As Senator McClellan states, "in many cases government competition or censure when government competes with private business. In buying bags, fertilizer, helium, Falls, Gad, Galena, Harwell, paint, aluminum, blueprints, and furniture."

So it is few people would give the Senator an argument on this bill for they see little sense in the government making pulp, shoes or clothings, or even brass for the Waco and Wacs.

Government in business does make sense good for the reason of ensuring the government hires in its business enterprises. People buy high wages. They don't need worry about whether the government hires in its business enterprise or not. There is no guarantee for there is no sense in the Congressional appropriation makes take care of that. There are enough hours, nice vacations, and sick leave. It's nice to be removed from the competitive race for life.

Congress approves the bill thousand employees on a Federal business enterprise, there are usually two Senators and at least one House member who will back the McClellan bill. The thing couldn't pass last year even when the Republicans nominally controlled the Congress.

Organized Business Raids It

Nevertheless, organized business is backing this with all its might. Some 100 trade associations have already expressed a desire to back the McClellan bill. So distinguished an organization as the Chamber of Commerce of the United States is at the forefront of every trade association representing any kind of business which faces government competition has joined in the fray. This is the current pontificating ambition of organized business, the McClellan bill.

If the biggest danger faced by business was subsidized competition from the variegated business enterprisers of government, a good many people would applaud organized business for making its most united effort in a field to stop the encroachment—even roll back the encroachment—of government.

The Hand in the Pocket

On the other hand, organized business has apparently totally failed to grasp that the Eisenhower Administration wants—which is to keep the majority ownership of the profits of business whilst at the same time, dipping its hands into the accumulated savings of the nation by an apparently harmless and inexpensive system of loan guarantees for farmers, home buyers, hospital bonds, school bonds, road bonds, and numerous other things.

While the government is expressly engaged in providing for all the fancied needs of the people, it is developing techniques for diverting to the use of government, more and more of the pool of the nation's capital but without private business men. The future will be unable either to renew capital, or expand.

Government Understands

Just as a crooked trust man might understand that it is cheap to buy a few articles in the five-and-dime to keep the beneficiaries of the trust amused while the trustee is using the assets of the trust for enterprisers of his own, the Federal Administration understands what is important.

Those who dominate the present Administration well understand that he who controls the purse controls business, and it may be expected that President Eisenhower will demonstrate to the 100 trade associations that he is the true friend of business and will back the McClellan bill. The President's approval has already been foreshadowed by an order issued by the Budget Director, Rowland Hughes, which seems to make every governmental enterprise step up to the bar and make a justification for its continuation, or face possible extinction.

Support of the McClellan bill bubble will be a cheap price for the Administration to pay if it can keep the attention of organized business diverted from the revolutionary financial implications of the Eisenhower program. So long as organized business is kept happy over the McClellan bill bubble, it can get enacting on the statute books the vast new governmental enterprises proposed, legalized by law, even if for only a token part of their ultimate annual costs, inevitably will be woven into the fabric of huge vested interests in Treasury spending.

Then in the future business will be foreclosed from ever bringing about a release from confiscatory taxation and greater compulsory consumer inflation. For, as you may have heard when you were backed Taft, "you can't turn back the clock, you know."

It is beside the point that the bubble will break before nightfall, for the Opposition will say that this is "giving away" things that belong to the people, and the McClellan bill hasn't a prayer for passing with or without Eisenhower's support.

Veterans Loans Will

Continue High

President Eisenhower, by terminating a national emergency, has foreclosed the future of war service men to the benefit of the "GI Bill of Rights" law. Foremost among these benefits was for the insurance by the Federal Government for home mortgage loans.

Nevertheless, it probably will as a matter of practical fact not happen beyond the grandson of any present father grows up, that the VA loans will in last stop, and then only if the United States will act in any future UN demonstrations, wars, or what not.

The "cut off" or "first cut off" for entitlement of veterans of the War to Make the World Safe for Communism was July, 1947, BUT, the Act provided that for 10 years thereafter, the entitlement to home mortgage guarantees will remain.

The Jan. 31 "cut off" on Korean vets actually will not cut off the entitlement until Jan. 31, 1957.

"Notice how some people are determined to have their say at the stockholder's meeting?"

There are more than 6.5 million identifiable Korean war veterans, only a small portion of which have had VA loans guaranteed as yet.

Of the War II veterans, some 12 million have not yet gotten home mortgage loans. Furthermore, bills are pending in Congress to extend the loan guarantee entitlement into future years, and they will undoubtedly pass, year after year on to the end of Federal finance by presidential.

Incidentally, by the end of this year the Federal government will have disbursed approximately $500 million in such Federal loans to veterans. Mr. Eisenhower proposed that the Veterans Loan Act be amended to allow for such loans in fiscal 1956—58 million dollars in the current year. Congress will correct that inequality by putting the figure again at $150 million.

That Independent FR

Once upon a time the Federal Reserve System was look upon as an important and independent arm of the Federal establishment, ranking with major departments.

At the present time the members of the Federal Reserve Board of Directors of the Federal Reserve System draw an annual salary of $16,000. This compares with a salary of $18,000 for several of President Eisenhower's appointees. When his press Secretary, from $17,500 to $20,000 for salaried representatives on UN and other world-saving agencies, $17,500 for two Under Secretaries of the Treasury, and $32,500 for the Secretary of the Treasury and other Cabinet members.

(This column is intended to reflect the "behind the scenes" interest in the FR, and may or may not coincide with the "Chronicle's" own views.)