What Do You Think?

More Commentaries on the Guaranteed Annual Wage

Additional letters received in response to the “Chronicle’s” invitation for comment on the guaranteed annual wage philosophy published below. Issue of importance to industry as a whole, thereby underscoring the need for a thorough airing of the subject.

The economic implications of the guaranteed annual wage philosophy should be of interest to every one concerned with the desire to maintain business and employment at high levels. Certainly the subject is one that cannot be ignored. Whether it is a question of the security the automobile industry has for its workers, despite the continued developments. Cognizance of the broader aspects of the doctrine, as in the “Chronicle” to elicit views and opinions of any one desiring to discuss the subject and its possible ramifications. The initial group of commentaries appeared in June issue; additional ones are given herein and others will be accommodated in subsequent issues.—EDITOR.

HERBERT ABRAHAM
Chairman, The Chevrolet Company

In my opinion, you are quite right to regard this issue as one of “vital importance.” There is no doubt that if a guaranteed annual wage for hourly workers were economically practical, its adoption by industry would result in many far-reaching benefits for all Americans. An assured yearly income would enable employees to plan their lives on a much more comfortable and sounder financial basis and would free them from the fear of hardships arising from lay-offs. Industry and all businesses would benefit from the steady markets established by the stability of consumer income and many of our most pressing problems would be alleviated.

However, experience indicates that an annual wage cannot be guaranteed by companies whose annual production and sales are subject to variations. Continued on page 41

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COPYING IN THIS ISSUE—Continued from page 3—Last issue questioned the wisdom of incurring the cost of the St. Lawrence Seaway without being assured that it would prove to be more than a money loser. It is now a fact that the St. Lawrence project will be profitable. The new canal will increase the number of vessels utilizing the Great Lakes; offer less congestion in the harbor and make possible greater efficiency in the operation of machinery. Furthermore, the new waterway will provide an opportunity to gain control of the Great Lakes traffic from the standpoint of efficiency and economy. Continued on page 40

The Security I Like Best

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

(The articles contained in this forum are not intended to be, nor are they to be considered, as an offer to sell or as a solicitation of an offer to buy any security.)

STEPHEN J. SANFORD
Manager Investors' Research Dept., Amott, Baker & Company, Inc.

New York Stock Exchange
Cinemara Productions Corporation

A year ago in these columns we asked our readers to consider stocks as a stock offering opportunities for extensive capital gains. Adjusting for 10% stock dividend paid last September, the price had increased 11 to the current level of around 27, of course, the bullish trend does not appear to be as plausible. However, for people who are willing to assume all the risks involved, Cinemara's potential for profit is so great that it could be taken advantage of to the full.

The company's relative short life span has not yet worn out its v.s.-trades, but brighter days are looming on the horizon, all the same. A new picture theatre attendance is an unpredictable factor. It is, therefore, necessary to assume that what has occurred in the past will continue with only minor variations in the immediate future.

Furthermore, there has been considerable confusion on the part of the public between the subject company and Cinemara, Inc., a separate corporation which licensed it originally as the sole producer and exhibitor of films using the Cinemara process.

The organizers of the company were Stanley Thomas, Michael Todd and Frank Smith, and when incorporated in 1955 they formed Cinemara, Inc., to produce feature-length films. The present title was adopted when Stanley Warner Corporation, through Louis H. Mayer, now the largest stockholder, assumed the control of the company.

Cinemara Productions, Inc. (which specializes in the production of wide-screen, high-quality pictures) is the exclusive producer and exhibitor of films in this specialized area, and its profits will be the source of revenue for the parent company. The Cinemara series includes the films "The Robe," "Ben Hur," "The Ten Commandments," "Quo Vadis," "Spartacus," "The Quiet Man," "Viva Zapata!" and "The Time of the Cossacks.

The company has a bank loan of $1,900,000 and therefore was able to position itself with the installation of equipment in New York and Chicago. Consequently, it signed a contract with Stanley Warner Corporation, for a 5-year period, and on January 1, 1957, the company completed Cinemara Productions as the exclusive producer and exhibitor for a five-year period, and after that retaining a non-exclusive license.

Cinemara's potential permits Stanley Warner to install the equipment in all theaters in the Cinemara circuit, or to sell it to other companies (excluding the four theaters originally equipped by Cinemara Productions, which will be limited to the number of foreign countries and to the number of theaters in the United States). Under the terms of the contract, Stanley Warner and Cinemara Productions may each take from the first four theaters 50% of the weekly 'theater operating profit,' which takes into consideration any after 'theater operating costs' are deducted. In round figures, these expenses usually amount between $1,500 and $2,000 per week, so that the profit is about $3,000 per week. It is also the only profit the company has been able to make so far.

However, 42% of Cinemara's stock is owned by the company bank, and the final payment of the purchase will be made this month.

In March, this 42% is added to Stanley Warner's share until that company has recouped the production costs and is ready to make the second picture, "Cinepanel".

In addition to its domestic showings, "This is Cinerama" or "Cinerama Holiday" is currently being shown in London, Milan, Paris, Osaka and Tokyo, and it is being projected in many cities, mainly in the United States.

The profits of the above-mentioned production, "Cinepanel," will be $3 million total by the end of the year. Immediately thereafter, 50% in contrast to the present 6% of weekly operating profits will be accrued to earnings of the company under discussion.

According to "Variety" a theoretical weekly, negotiations are currently under way for making a fourth picture using this new wide-screen process.

This year, Cinemara has taken the pictures out of the "freak attraction" category, and is now releasing an entertainment attraction. It is a magnificent production, and it has been shown in New York and Los Angeles, in anticipation of the opening in Chicago, where the picture is now being shown.

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Every Thursday (general news and advertising content)

Pine Grove Daily Mercury

Muncie, Indiana

Oil’s Bright Future

By M. J. RATHBONE*  
President, Standard Oil Company (N. J.)

Leading oil company executive points out that as a result of oil discoveries in other parts of the world since World War II the United States, once a principal exporter, has now become a net oil importer and is likely to continue in that status. Because of the new interest in the oil industry, oil companies are constantly on the alert for new fields, both in the United States and abroad.

Oil is a depletible natural resource and one that major oil deposits in the world are relatively few in number. In the United States, the oil industry with unusual significance and presents it with unusual problems. Through some quirk, most of the known oil reserves in the world are geographically located in the United States. The U. S. is the outstanding exception to this generalization. Thus oil companies must continuously develop new fields and must actively work with the oil industry to find oil and gas in the United States.

The distribution of oil, coupled with the facts that petroleum is a depletible natural resource and that major oil deposits in the world are relatively few in number, gives the oil industry with unusual significance and presents it with unusual problems. Through some quirk, most of the known oil reserves in the world are geographically located in the United States. The U. S. is the outstanding exception to this generalization. Thus oil companies must continuously develop new fields and must actively work with the oil industry to find oil and gas in the United States.

Increase in Demand

Furthermore, the situation is never static. For one thing, oil is old established uses has never stabilized but constantly increases year after year. The use of oil, both in total volume and on a per capita basis, increases year after year. We need only to visualize the situation, which would exist if oil were not available to us, to realize its importance. Even a shortage in supply, however small a percent leads to a crisis in a country as heavily dependent on oil as is the U. S. This potentiality of oil, coupled with the facts that petroleum is a depletible natural resource and that major oil deposits in the world are relatively few in number, gives the oil industry with unusual significance and presents it with unusual problems. Through some quirk, most of the known oil reserves in the world are geographically located in the United States. The U. S. is the outstanding exception to this generalization. Thus oil companies must continuously develop new fields and must actively work with the oil industry to find oil and gas in the United States.

The Committee's Report referring to the proposal, broadly concludes: "This legislation, however, is a whole subject of modern methods of corporate control, and effective corporate democracy through the exercise of the right to vote, share in importance."

A number of questions about both principles and procedure have been brought up by the recent debates. There is the issue inherent in the acquisition of a minority interest that is motivated by the sole purpose of increasing profits for control. There is the habitual possibility of generally promoting discord for a profit, or using the contest for the sake of pre-existing possibilities for par-  

A. Wilfred May
The Security of Like Best

By IRA V. COLEIGH
Enterprise Economist

A brief broad appraisal of the fabulous Todd-AO cinematic experience is given in this article, with the new horizons of profits it may create for shareholders in certain companies.

This is a prophetic preview. On Sep. 26, the New York premiere of "The Robe," in the Rivoli Theater in New York, the premiere showing of the picture was projected on this new process that is so musically and dramatically related to Todd-AO. It is a process that will bring the director all the perfection of sound and song, such fidelity and naturalness of picture and color, and such a breath-taking, three-dimensional sense of reality as has never before been photographically achieved.

You are not a spectator at "Oklaho¬ma!" You are in it! With Gordon MacRae singing, "Oh, What a Beautiful Morning," you are right there in that cornfield. Where the "corn is," you are an elephant's eye; you are close enough to see the elephant! It's that real! You are not a more sophisticated spectator—you are a participant.

This premier scene destined to prove generations of film history. By way of proof, let it be noted that the use of Todd-AO was grafted by raves at the Rivoli, and its use was repeated in later showings at feature picture houses throughout the country. The reason "Oklahoma!" is rolled out in the Galilee of broad dimensional cinematics—the vibrant and vital Todd-AO process which we shall briefly describe for you.

You've all seen films done in the contemporary 3D techniques—CinemaScope, VistaVision and Cinerama. The Todd-AO is a broad advance over all of these; and without their defects of the low fidelity, by all odds the most lifelike is Cinerama.

Yet to achieve its effects, three separate cameras are required, three films, and, in display, three separate projectors. If the world had wanted the broad arc theater screen, the line of the films would be faintly and fuzzily visible. Moreover, we have the sound a tendency to be very scattered, and to be distorted.

The Todd-AO Process

The Todd-AO process corrects all three. First, the film is 65mm wide, instead of the usual 35mm, making possible a larger picture frame. The film runs at 30 frames per second, instead of the traditional 24, thus creating better pan¬orama quality and elimination of jerkiness in swift action shots. Most important of all, the Todd-AO process needs but one camera, one film, and one projector. All these technical advances did just happen. They were the result of intensive research by the unique talent parleys in the whole history of cinema.

We start with the limitless far-out perfectionist ideas of Michael Todd, who is an ultimate in fidelity of sound, who has been in the motion picture industry at its very beginning. It is commonly known, quiterally, impeached Dr. Brian O'Brien, scientist, and Vice-President of American Optical Company, to create a single one-film-projector system waves of entire city points, and panoramas; and with a six-inch-wide 65mm film, and one 100 of its top-flight technicians went to work; and the resulting product, appropriately named, Todd-AO, the AO for American Optical. Add to this background Rogers and Hammerstein who believe in their extraordinarily inter¬ ested; Arthur Horn¬ blow, Jr., who was selected to produce "The Robe" and Zinn¬ eman ("From Here to Eternity") as a producer-director, you perceive quite a hunk of a team.

And for important backers of Todd-AO, there were George M. Cohan, who, and, on the banking side, Marine Mid¬ dle America, the Mutual Life Insurance, Kuhn Loeb & Co., and Allen & Co. You can't say this enterprise lacked top solving sponsorship. It was loaded with it!

Now let's get some of the fi¬ nancial pieces together.

Who owns what? Publicly held are the best profit participation opportunities in the growing new process for wide angled motion picture animation and projection? Let's start with Todd-AO Corp., the 50% owner. It had created to sell projection equipment; and to license patented equipment to picture houses. The 50% is used for admission for U, S, film exhibition, and 30% of foreign admis¬ sions, and 20% of Todd-AO Corporation and 50% by Ameri¬ can Optical on the picture's "B" shares. 62% is held by Mag¬ na and 31% by American Optical Corporation.

While American Optical Co. (common 46 on NYSE, pays $2 per share) in Todd-AO success, it is our belief that Magna Theatre Corp., is in a position to profit more dynamically. So let's talk about Magna.

Magna Theatre Corp.

Magna Theatre Corp. (formerly the Michael Todd Co., Inc.) was created in 1945 to develop the Todd-AO process, and to produce and distribute pictures using it. The company was "Oklaho¬ ma!" and, after earlier fi¬ lms, including "Great Expectations" issued $6,000,000 Magna Theatre Corp. debentures (with stock pur¬ chase provisions) to provide the production money for "Okla¬ homa!"

This sensational picture (shot mostly in Arizona as there was no machinery in Oklahoma as to alter drastically the original native scenery) is now completed. It is hoped that the profits from it will, in due course, refit the theaters, leaving outstanding only 12,500 shares, and the existing 2,250,000 shares of common, new quoted over the counter at 14.

Now what are the revenues (apart from Todd-AO) flowing to Magna? Well, they include 60% of the box office for "Oklaho¬ ma!" for 10 years (with option for three years) and 20% thereafter. Rogers and Hammerstein were retained as consultants. In addition, Magna has an understanding with Mysers, Rogers and Hammerstein to produce projection of other joint properties. The picture "Cinerama" was now definitely contracted for, and "The King and I" contracted to Fox but participated in by Todd-AO. Not to mention to clearg large revenues from the profit from such others as "War and Peace" and "Eighty Days Around the World," scheduled for production. The Michael Todd Company, formed with Hammerstein and Rogers. Let's move on. We've referred to American Optical, described previous years' earnings, such as: 1955, $1.65; 1952, $1.52. The divi¬ dend is 60 cents per share and has been on this rate since 1945. The current price of the stock on the San Francisco Stock Exchange is approximately $13. The last four years' range has been ap¬ proximately $9 to $13. The book value is currently approximately $13.56 per share.

Western Department Stores has approximately 1,000 stockholders and also approximately 1,000 employees. The stock is well dis¬ tributed through California, through Oregon and Washington. It is held in comparatively strong hands and does not seem to be subject to severe fluctuations in market movement based on the last few years' experience.

Western Department Stores has a very desirable record of constant net sales which have run approximately $25 million from 1947 through 1954. The rate of sales has also stayed in line throughout this period. From 1947 the cent of sales has been running $17 million and by 1954 had been reduced to $16 million. Other general administrative expenses have been running approximately $62.4 million in 1947 to $7.7 million in 1954. This seems to be a com¬ paratively constant figure. These figures would indicate good manage¬ ment taking advantage of a good market.

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The Economic Outlook

By W. W. TOWNSEND
President, Townsend-Skinner & Co., Inc.

Granting that current business statistics are all optimistic, Mr. Townsend points out that loans are sustained but not stimu-
ling business, that we are overproducing both automobiles and steel, that the demands are so essential to houses that personal debt is at an all-time high and that saving is on the
increase. Concedes that all these warning signals apply with greater force to the nation as a whole than to the Pacific
Northwest or the Midwest.

As far as the easily visible statistics are concerned, the econ-
omic outlook has never been any brighter, and it would be behov-
ing the consti-
tuents if there were to recite the figures re-
flecting Gross Na-
tional Product, fac-
tory output, agricul-
ture, employment, in-
ternal income, personal income, dis-
posable in-
tcome and all the other data, with
which the newspapers are filled each day. He also notes that the immediate
look for business is excellent, and it looks for the possibilities that some small dark cloud on the horizon may be blown to a storm, if not neces-
sarily with the idea that it will involve an acti-
vation of the prediction but because dan-
eries anticipated are already and for three-quarters averted, just as some other problems properly analyzed are
progressing, and it is quite apparent, that if this condition continues, the next
movement of major consequence in the automobile market might take place. These basic movements will make the previ-
sion of winds, of which the sail can be
properly advantage business. We should get ready either to abandon these forecasts or to take the chance of acting out the
soundness of our judgment.

Tendency to Overbuild

Another element of danger re-
cedes from the national habi-
t of overworking everything we
undertake. By comparison with the
previous year, we are casting fewer
loans than we have ever cast in our
history. In the case of the auto-
business, the auto industry has been stockpiling in anticipation of a strike. If it occurs, the
industry will have an opportunity
of prices that will permit the
workers to get no wages.

Another Housing facet

That suggests one other thing which is not in keeping in respect to housing. The auto-
business closed down, and the manufacturers stockpiled ma-
terials to the finished product, changing ownership and adding to the costs of times—directly or indirectly—
at a profit to everyone involved in the
construction of materials to the
result of the common effort or skill.
That same automobile may be used as an example of the repudia-
tion of the customer. It is not an un-
avoidable element of housing de-
velopment. We lose something when
the things that are bought are not
what we thought they were. The
individual’s desire to improve his
home and property of living should take care of this situation. The
problem is that nothing is done to
insure the reading of the product over
anywhere except the business
occupied, out of which the reader
realizes that he could have all kinds of trouble if it wouldn’t take too long to check.

The State of Trade and Industry

The trend of industrial production for the country as a whole
is quite apparent, that if it is
true that there will be 1.7 million
people out of work, it is not quite
true and that there may be 1.7 million
people unemployed. This is the case with the Census Bureau and also
in the Federal Reserve.

Decreased claims for unemployment insurance payments against the
1954 figures a year ago, brought
a record number of idle workers drawing unemployment compensation fell by 42,000 in the week ended May 21, the United States
Department of labor reports.

All but five states reported decreases in their jobless rolls over the period. In California, the largest decrease reported was 2,078,700.

The following week, ended May 28, new claims for jobless pay edged up by 5,300 to 193,900, the agency slated. A year earlier, new claims, which reflect layoffs, came to 276,900.

The West Coast truck dispute was one reason for the rise in new claims, the De-
partment explained.

Another reached a further new high in April as fac-

tory payroll continued the ups and downs which got under way last November. Steel production hit a peak earlier in April, 1954. For the first four months, personal income ran at $230,-
$250,000,000 annually, or 3% above the year earlier level.

Steel blast furnaces of the nation’s steel plants have been
planned to roll one hundred of the steel booms. But it also means that steel labor negotiations will be a lot tougher to negotiate. The United States has been the recipient of the standpoint of a healthy wage boost comparable to the best in its history, states “The Iron Age,” national metalworking.

The auto companies realize they are in a tough competitive race to get their products to the consumer. They depend on the avail-
ble labor.

And as long as this trade paper, it behooves to look
that the fourth quarter steel production has a better than even chance of hitting an all-time high. The 1953 record of 111,697,000 tons
was surpassed by 5,242,813,000 for the year, 1954, which
is a little due to hot weather, vacation and maintenance problems. Steel labor talked softly but carried a big stick when it
negotiated this week. The generous settlement in the automobile industry on steel industry properly put the union in its best bargaining position in years, comments this trade authority.

Automobile dealers are privately revising their earlier estimates that the steel wage settlement would be around 16 cents an hour in the metalworking trades. Their earlier estimates were limited this year to wage rates.

Other than steel, more steel continues to move. Incom-
ing orders are still running in excess of capacity. Consumers generally are thinking in terms of the fourth quarter. The third quarter of the year has been a record one, and the fourth quarter will spill over into the final period, concludes “The Iron Age.”

Steel prices in the nation’s steel centers have made steady and truck building, crippled by walkouts and Memorial Day observ-
ances of the lowest point of the year to date. Ward’s Automotive Reports estimates the week’s combined car and truck output at 108,017 units, or 20% less than the previous week, the agency said.

Bigger slump was in car building, pegged at 132,774 units, which is 21% below volume in the prior week. Truck producers will construct 26,443 units, 15% less than the May 23-28 yield of 30,772.

Hardest hit by walkout strikes were Ford Motor Co. which had five plants hampered by unenrolled walkouts as tension along the labor front mounted. The stupagam the company’s anticipated output nearly 10,000 units fewer than the previous week’s yield of 476,783.

Elsewhere, the West Coast truckers’ strike doused Chrysler Corp.’s Los Angeles plant and Dodge Detroit car-programming called for only three days after a strike against the union April 15.

Across the border, Canadian car-truck building, estimated at 13,862 units for the week ended May 22, was increased to 11,657 units when Victoria Day celebrations cropped out. Production was seasonal in nature, and the statistical data indicates one and vehicle construction by week’s end will reach an estimated 4,252,354 units, a strong 40% ahead of the comparable period when priced at an average advance of 1.3 units.

Cars alone, pegged at 3,704,714 units, will be a strong 46% ahead of the same period last year. Trunk cars, 885,162 units, are up 12%. Under 5 weeks ago, truck construction lagged.

Steel Output Set at a Higher Rate This Week

With the continuance of steel output at its present rate for the rest of June, the first half of the year will approach record proportions, according to the report. The “Iron Age” records, for instance, this week. The record for a first half by 1956 was 19,109,000 tons of steel for iron and steel for iron and steel, for iron and steel, 1955.

Production in the first half of 1955 should not miss that mark by much, envy this trade journal. Output in the first four months was 27,100,000 tons of the American Iron & Steel Institute.

Continued on page 45.
How Dangerous Is the Present Mortgage Situation?  

By CLAude L. Benner*  

President, Continental Home Life Insurance Co.,  

Wilmington, Del.  

Stating we are building over twice the number of housing units relative to new family formation, prominent life insurance company executive urges lending institutions carefully to scrutinize realistic costs. Says while we do not overbuild, the present rate of home building is excessive and cannot be maintained without causing trouble, undermining real estate values and foreclosures. Cites increasing selectivity by private lenders in making loans, and notes that VA loans are currently selling at a discount in many communities, while a gradual increase has taken place in interest on conventional loans. Says demoralized real estate market which began about 1933 was the result of building too many houses in relation to family income, adding “we did during the four years, 1925-1929, 1- the respect exactly what we are doing today.”  

At a time like the present when we are building over twice as many new housing units as there are new family formations, and when the amount of mortgage debt has been increasing rapidly for a decade, and when the average mortgage rate is rising and less, it behooves those who are trustees of our country’s money to survey carefully the present mortgage situation and at the same time to invent such a large portion of our funds in mortgage loans as we have recently done in the recent past.  

We are now in the tenth year of a building boom. Never before has the upward movement of a real estate cycle lasted so long. Throughout the cycle construction costs have been increasing year by year until today they stand at an all-time high, about three times what they were in the mid-thirties and about 75% over what they were so recently. Yet these rising costs, while they have no doubt contributed to the price of the house and increased the materials of which it is made, have apparently not retarded the number of new houses, because right at the moment of building or prevailing to build more new houses than there were in any previous year in our entire history.  

Many factors doubt have been responsible for this building boom. But I think that it is generally admitted that an important factor in keeping it going so long has been the ease with which mortgage credit could be obtained. Not only have ample funds been present in the market to build houses but there have been times when such funds were available at so great a rate that house builders were encouraged by a building of more houses than there were materials “not labor out of which to build them.”  

The result was the creation of a market for materials and labor and the payment of wages that were equal to or even higher than called for in the union scale. This particularity was true in 1911-1918 when there was a building boom that was in active operation. I think that this was largely due to the fact that the over-abundance of mortgage funds was at least partly responsible for the rapid rise in wages and the excessive construction costs which has taken place since the boom of 1925-1929.  

*An address by Mr. Benner before the Savings Bank Association of Massachusetts, Boston, Mass., June 6, 1925. 

For the Federal Housing Administration and without the loan the VA mortgage boom would not have reached its present proportions, nor would it continue long in the future if the very generous mortgage terms provided by these agencies were withdrawn. Underwritten by Government  

Housing activity during the past decade has grown more and more dependent on underwriting by the government. FHA insured mortgages have long been an important factor in this respect. But it was not until last year that the VA guaranteed mortgage became so prominent in this field. Until 1934, above all out of every seven houses was financed with a VA loan. In 1934, however, above one out of every four new houses built was financed with a VA loan. Currently the ratio is running about one out of three.  

The terms of both the FHA and VA mortgages were very advantageous. They were made even more generous by the 1934 Housing Act. The FHA now calls for only a 5% down payment on the first $40,000 of loan and 25% on the remainder. It permits a 30-year VA pay but were more liberal than the FHA and they now can be made with no down payment and for a term as long as 30 years. Home ownership under these terms is equivalent to rent and frequently costs even less.  

Here it is interesting to contemplate what could possibly allow up a building boom if it can be financed with 100% mortgages written for such long terms and at relatively low interest rates. Frankly, I do not know what would be the result. But I feel certain that if the FHA, ever, that such financing, if it ever assumed really substantial proportions, would do more to undermine, which would ultimately bring about the failure of the mortgage loan fields. This means that while there will there will always be personal circumstances responsible for individual foreclosures, whenever there has been a large number however, three main causes have been responsible: (1) Overbuilding; (2) Failure of personal income; and (3) Failure in building costs. So far as trouble might arise from a decline in costs of construction, I think there is little about which to worry. The hourly costs of labor steadily trend upward and in spite of some that can be done in the way of using cheaper materials, costs continue to rise. Since the materials for houses is not susceptible to large savings through the introduction of labor-saving machinery, while there have been some notable improvements in large-scale developments where the same type of house has been erected over and over again, nevertheless, and by the large scale of building continues to be carried on by crafts and increased wages tend to be passed on to the consumer in higher prices because it is not possible to absorb them by employing more efficient methods of production.  

We need not fear, therefore, that the security back of our mortgage loans will be jeopardized through decreased costs of building.  

Recalls Situation in 1930  

But those of us who can remember the real estate situation which existed in early 1930, the full well that a real estate market can be completely disorganized and houses sell for 50% or less of their costs of production whenever there is a substantial over-supply of houses in existence. The demand for houses apparently is rather inelastic one. People must have shelter and even a demoralized housing is insufficient to meet the demand, and prices will skyrocket. The exact opposite is true when there is a small surplus of houses in a community. It only takes a relatively few vacant houses or empty apartments to start undermining the going scale of prices. The moment the market begins to weaken, whenever developers find themselves with some finished houses on hand which they are unable to sell except at a loss, the upward movement in prices will immediately stop and quickly turn downward. This can all happen without any material change in the costs of construction.  

As I have already stated we are building over twice the number of housing units as there were in family formations. This is creating a good deal of concern on the part of those who are financing the building. Such questions naturally arise as “Is the country building over-supply?” “Can the present volume of construction long time without causing trouble?” “What will happen to real estate prices if we cease building?” “Will it jeopardize the foundation of our mortgage loans?”  

Overbuilding in the 30’s:  

It is generally assumed that the demoralized real estate market which began about 1930 was caused by the stock market crash.  

Continued on page 22

Federal Reserve Bank of St. Louis
Digitized for FRASER
http://fraser.stlouisfed.org/
Atomic Map, in four colors (revised)—Describing and locating atomic activity of 97 different companies—Atomic Development Securities Co., 1033 Thirtieth Street, N. W., Washington 7, D. C.

Room in Uranium Stocks—Is It Over?—Comparative analysis of mining locums in the past century and how they parallel current uranium situation—The Western Trader and Investor, Beacon Building, Salt Lake City, Utah.


Economic Changes in the United States—Chart brought up to date through 1954—Aero Securities Corporation, 400 Benedict Street, Pawtucket, R. I.


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Investment Opportunities in Japan—Circular—Yamashib Securities Co. Ltd., 111 Broadway, New York 7, N. Y.


Over-the-Counter Index—Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 13-year period—National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Portfolios—Study of 30 sample portfolios—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Railway Letter—Stock Exchange positions (bulletin No. 103)—Smith, Barney & Co., 14 Wall Street, New York 5, New York 18, N. Y.


ACP Industries—Memorandum—"Riviera,” Roberts & Co., 488 Madison Avenue, New York 22, N. Y.

Aero Dividends American Inc.—Memorandum—Bell & Hough, Inc., 33 Fourth Street, St. Petersburg, Fla.

American Chemical & Drug Corp.—Memorandum—The Illinois Company, 231 S. La Salle Street, Houston 2, Texas.

American Research & Development—Literature—Truster, Sarnoff & Co., 74 Broadway, New York 5, N. Y.

Barbco Oil Company—Analysis—George K. Baum & Company, 1016 Dallas Avenue, Kansas City 5, Mo.


Chattanooga Gas Company—Analysis—Ira Haupt & Co., 111 Broadway, New York 5, N. Y.

Compo Shoe Machinery Corporation—Bulletin—The Wint Creak Inj Organization, 106 Broadway, New York 5, N. Y. Also available is a bulletin on Hayes Industries, Inc.

Dom Chemical—Report—Cohu & Co., 1 Wall Street, New York 5, N. Y.

Electrolyx Corp.—Memorandum—First New Hampshire Corp., 5 South Street, Concord, N. H.

Express Dairy Co., Ltd.—Analysis—Standard Investing Corporation, 40 Exchange Place, New York 5, N. Y.

Housten Natural Gas Corp.—Memorandum—Rowles, Winston & Co., City National Bank Building, Houston 2, Texas.

Imperial Chemical Industries—Analysis—Hill Richards & Co., 111 Broadway, New York 5, N. Y.

International Telephone & Telegraph Corp.—Memorandum—Talmour & Co., 111 Broadway, New York 6, N. Y.

Life & Accident Ins. Co.—Memorandum—R. S. Dickson & Co., Wilder Building, Charlotte 1, N. C.

Mid Continent Uranium—Report—General Investing Corporation, 80 Wall Street, New York 5, N. Y.

Missouri Insurance Company—Analysis—Stable Securities Corporation, 222 Union Street, Nashville 3, Tenn.

Montebello—Report on this Italian mining and chemical company—Atela & Co., Wall Street, New York 5, N. Y.


New York Wood & Paper Company—Analysis is current issue of "Business and Financial Digest."—Lowi & Co., 229 East Mason Street, Milwaukee, Wis. In the same issue is an analysis of Pittsburgh Plate Glass Company. Also available are reports on Lone Star Steel, Carco Incorporated, Lake Superior Distillers Corporation, and Reo Refrigerators.


Olympic Uranium—Bulletin—Julius Maler Co., Inc., 15 Exchange Place, Jersey City 2, N. J.

Philco Corporation—Brief analysis—Bruce, Nordeman & Co., 52 Wall Street, New York 5, N. Y. Also in the same bulletin are Mohawk Carpet Mills, Rexall Drug, and Archer-Daniels-Midland.


St. Louis-South Western Railway—Review—H. Horts & Co., 60 Beaver Street, New York 4, N. Y. Also available is a bulletin on Atlantic Refining Co.


Suburban Gas Service, Inc.—Memorandum—Kinder, Peabody & Co., 17 Wall Street, New York 5, N. Y.

Taylor Instrument Companies—Analysis—Reynolds & Co., 120 Broadway, New York 5, N. Y.

Tri Continental Warrants—Analysis—Dreyfus & Co., 50 Broadway, New York 4, N. Y. Also available is a bulletin on the Acme Steel Company, Great Western Sugar, and West Indies Sugar.


Vek Chemical Co.—Memorandum—Sherron, Hammill & Co., 14 Wall Street, New York 5, N. Y.

STADAM Notes

SECURITY TRADERS ASSOCIATION OF DETROIT & MICHIGAN

The Security Traders Association of Detroit and Michigan will hold its 20th annual Summer Outing at Plum Hollow Golf Club on Tuesday, June 21, 1955.

STADAM'S members along with their local and out-of-town guests will meet in the afternoon and evening with golf, dinner, refreshments and the awarding of many prizes.

The Program Chairman for the gala day is Robert Moons of Manley Bennett & Co.

INVESTMENT TRADERS ASSOCIATION OF PHILADELPHIA

The Investment Traders Association of Philadelphia will hold its annual summer outing at the Whittemore Valley Country Club, Whitman, Pa. Rubin Hardy, First Boston Corporation is Chairman of the Union National Capital, Jack Christian, Jancoy and Co. is Chairman of the Stock Exchange.

The Commercial and Financial Chronicle... Thursday, June 9, 1955

DEPENDABLE MARKETS

Bonanza Oil & Mine Producing Silvermine Silver Trading Markets Maintained

L. D. FREEMAN & CO., INC.
52 Broadway, New York City 4, N. Y.
Telephone Diego 4-0900

Girdiner & Company in New N. Y. Location

Girdiner & Company inc. announced the removal of their offices to new and larger quarters at 60 Wall Street, New York City. New telephone number is Wille Sky 1-2020. Complete description of offices in Canadian securities, is available with Girdiner & Company Limited.
Leading business economist calls business outlook excellent, with a note of caution that the economic recovery is not yet complete and that the business outlook may be affected by future developments.

Maintains electric utility industry has particularly bright prospects.

In discussing “What's Ahead for Business?” I propose to first talk about business outlook over the next year or so. This is a subject of which we are all aware. That is, we are all aware of business prospects.

First, I shall make a few observations about business outlook for that segment of the economy with which you are familiar, the electrical business industry. This is a sector of the economy that is booming at this time. It is important to see how the outlook for the electric utility business is related to economic conditions in general. This is a comment that is of interest to all.

If you produce an electrical product, you are interested in knowing how the electrical business is doing. You want to know about future developments in the electrical industry. And you want to know whether the business outlook is good or bad.

But I don’t want to give the impression that I am not aware of the important developments in the electrical industry. I am aware of them. But I don’t want to give the impression that I am not interested in the business outlook of the electrical industry. I am interested in it. I am interested in the business outlook of the electrical industry.

I am interested in the business outlook of the electrical industry because I know that the business outlook is important. I know that the business outlook is important because I know that the business outlook is important.

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Let’s Repeal the Silver Purchase Laws!

By Rear Admiral Donald J. Ramsey (Ret.)

After commenting on recent advances in the price of silver as set up by the principal Mexican silver producers, Admiral Ramsey points out that this unsatisfactory situation exists only because our Silver Purchase Laws enable Mexico to control the market. He says that the only monetary view of the situation and asserts that only selfish interests will defend laws which require a great nation to place a false valuation on the backing of its currency.

Mexico has created a monopoly. The producing interests got into the ring and up the price of silver. For over two years the members of the cartel control the price of silver by a pure and simple interest rate. They control the silver using its supply to the market — take over. We hear of inventory problems — perhaps tax problems. It is reported that the actual demand for silver light. It would be more interesting to know what the actual demand for silver during the period of March 11 to 26. At the time the supply has been controlled.

At this point it might be interesting to examine the price of silver per ounce, which Senator Kennedy seems to favor so highly. For over two years this price was far below the mark. Surely no one is naive enough to believe it was genuine supply and demand. One man might wonder why a higher price is not maintained. Senator Kennedy will have a hard time explaining this.

He shops around the world for foreign silver to attempt to keep silver from the market. His colleagues deal with a country whose currency is very interesting. One might wonder why little or no country desires to purchase it. The melting point of these coins is much lower than the melting point of silver. It is less valuable than the gold of interest. Could it be that the price of silver per ounce if maintained over a period of time — might bring none of the present tax revenue to the government? Or perhaps he would like to have a higher price in order to keep the present law intact for commercial purposes.

Perhaps the silver is these coins market in the market in such abundance that nature price which is so valuable and profitable for every nation.

It would not be very nice of us to lose it all.

However, I am afraid this is going to happen with the Silver Purchase Laws, which enable Mexico to control the market are unseemly from a point of view. Senator Green, that violent and statement that the bill to repeal these laws and that the market price of silver in the United States is determined this time to prove it. In spite of the fact that the able economist and money advocate from Illinois, who will handle the bill. There will be another action and some previous before this session of Congress is ended. Other Senators, particularly those from New York, Illinois, Minnesota, and Kennedy from Massachusetts, which have gone from the ring collapse of government. From Saudi Arabia requiring 21 per cent of the total, when the Senate blows out, and in 1934 we have 83 cents per ounce. Additional at least 12 cents per ounce. By the way if it drowns below 85 cent ounce, it was quite likely.

It would be interesting to follow the market of silver per ounce for 3 cents per ounce. Gnome starts the next chapter and to watch the results of his handling.

*An address by Admiral Ramsey at the Convention of the Miners Manufacturers Association, Chicago, IL.
The Economic Aspects of the Cold War

By HERBERT HOOVER, JR.

Under Secretary of State

High-ranking State Department officials, holding that economic strength is the basis of political and military power in the Cold War struggle with Communism, compare the relative economic strength of the two sides. They include the following key data:

- The Soviet bloc has 4000 million people, as against 1700 million for the West. Derelict and unproductive land, however, has not been properly utilized, as has been true of many countries under the Communist system. Theoretically, the Soviet bloc has more than 2000 million people, an estimated 4000 million factory workers, and an estimated 100 million agricultural workers.

- The annual consumption per capita in the Soviet Union is 100 dollars, as against 300 for the West. The Soviet bloc has an annual output of 100 million tons of coal, as against 175 million tons for the West. The Soviet bloc has an annual output of 100 million tons of steel, as against 175 million tons for the West.

- The Soviet bloc is the largest industrial output in the world, with an annual output of 100 million tons of coal, as against 175 million tons for the West. The Soviet bloc has an annual output of 100 million tons of steel, as against 175 million tons for the West.

The economic strength of the West is enormous, and the West is well ahead in the field of heavy industry, has made it possible to produce further significant military aggression, in the form of the Communist armies, which are now fighting in Korea and Vietnam.

The economic strength of the West is enormous, and the West is well ahead in the field of heavy industry, has made it possible to produce further significant military aggression, in the form of the Communist armies, which are now fighting in Korea and Vietnam.
Factors Leading to Restoration Of the Gold Standard

BY ROBERT W. DORSEY

Director of Research, Southwestern Bell Corporation, Dallas, Texas

Predicting an eventual restoration of the gold standard as a means of assuring financial responsibility in the handling of the public purse, writer cites reasons why it would seem advisable to adopt a gold standard, and points out that the mechanized method which would permit a study of the problems involved so as not to give a deflationary jolt to the economy. Proposes that conventional debt limit of $275 billion be considered with proviso that any measure above that figure be in bonds redeemable in gold.

From the time that gold was withdrawn from public hands and money became convertible only in the amount of gold held, it was assumed that there would eventually be a return to gold. The reasons for this assumption were that the heavy defense outlays forced upon us by prolonged international tension have brought about increasing budgetary deficits. These deficits carry with them the possibility of a return to a gold standard in our monetary system.

Why Delays in Gold Restoration?

The country has been facing serious problems. The position of the country is far from secure. It is obvious that, unless our financial policies are sound, the country will be in serious danger. There are many factors which could lead to a gold standard at some future time. They include the following:

1. The need for a greater degree of financial responsibility in the handling of the public purse.
2. The need for a greater degree of financial stability in the country.
3. The need for a greater degree of financial security for the people.
4. The need for a greater degree of financial security for the government.

Gold Bonds Feasible and Practical

The reintroduction of gold bonds into a gold standard is feasible and practical at this time. There would be a need for them because of the increased money supply. The value of money would have to be increased in order to keep up with the increased demand for money. There would also be a need for gold bonds because of the increased government outlays. The government outlays would have to be financed by the sale of gold bonds. The money supply would have to be increased, and the gold bonds would have to be sold to the public in order to do this.

Conventional Debt Limit Feasible

It is proposed that a conventional debt limit of $275 billion be considered with proviso that any measure above that figure be in bonds redeemable in gold. This would be a practical and feasible way of assuring financial responsibility in the handling of the public purse.

A Gradual Return to Gold Standard Recommended

In the interest of careful consideration, it would seem advisable to make a gradual return to gold. There would be no need for a sudden return to gold, and the gold standard would work better if a gradual return to gold were made. A gradual return to gold would give the public time to adjust to the new gold standard and to prepare for the return to gold. A gradual return to gold would also give the government time to prepare for the return to gold. A gradual return to gold would also give the government time to prepare for the return to gold. A gradual return to gold would also give the government time to prepare for the return to gold.

A Plan of Restoration

The proposal is to continue the conventional debt limit at $275 billion by Congressional action, but to further provide that any measure above that figure, which might become necessary during the period of emergency, could be made through the sale of long-term bonds redeemable in gold. Such an act would immediately bring us to the point of an eventual establishment of a gold standard. At the same time, the country would have the necessary resources to combat the present depression.

Assuming that the present outlook for the Federal Budget is not entirely correct and that the excess of $275 billion will occur, a small amount of gold could be made available to those who want to use gold as a hedge against inflation. In this case, the new gold bonds would have no more purchasing power than any other bonds. In fact, it would provide a positive element which would provide a revenue to the federal government.

In conclusion, the writer feels that the gold standard is the only way to assure financial responsibility in the handling of the public purse. It is the writer’s opinion that the gold standard is the only way to assure financial responsibility in the handling of the public purse. It is the writer’s opinion that the gold standard is the only way to assure financial responsibility in the handling of the public purse. It is the writer’s opinion that the gold standard is the only way to assure financial responsibility in the handling of the public purse. It is the writer’s opinion that the gold standard is the only way to assure financial responsibility in the handling of the public purse.

From Washington

AHEAD OF THE NEWS

By CARLISLE BARGEON

Politicians pride themselves on being smart. Often they pursue an objective in a roundabout way not apparent to the layman and explain that because of this, they believe they are achieving their goals. However, even if these politicians are astute and are attempting to achieve their goals, they still may not be achieving them. For example, if a politician were to push for a bill that would increase the minimum wage, and the bill were to pass, it would not necessarily mean that the politician’s goal of increasing the minimum wage had been achieved. The politician could have achieved his goal by passing a bill that would increase the minimum wage, but the bill could still be watered down by the House or Senate, or it could be vetoed by the president. Therefore, it is important for politicians to be aware of the potential pitfalls of their actions and to take steps to ensure that their goals are achieved.
More About the SEC’s Proxy Rules

BY J. SINCLAIR ARMSTRONG

Chairman, Securities and Exchange Commission

Chairman Armstrong calling attention to importance currently attached to proxy regulation by Senate Banking Committee, with prospective extended hearings on the subject, asserts SEC, while not currently recommending regulations which have worked well and importantly furthered corporate democracy. Discusses numerous legal, economic, and regulatory phases of the problem. Declares any evaluation of benefits or losses made in the attempt to achieve objectives of fair disclosure to security holders of basic facts about companies receiving public's savings.

The attention of the American people has been, in the past few months to the subject of the stock market, by the study undertaken by the Committee on Banking and Currency of the United States Senate on any study of the stock market, the subject necessarily included, of Federal regulation of securities.

I'm sure most of you followed the news of the recent daily parade of witnesses at the hearings of the Senate Banking Committee which lasted for several weeks from late February to early March. Those who testified were drawn from counter market, brokerage houses, industrial establishments, and organizations, banks, business and industrial leaders, investigative agencies, and government leaders.

What are the securities market operate, their relationships to the public, and their regulation to the national economy.

Also, 3,500 individuals, brokers, dealers, investors, financial writers and others in the financial world and commerce - received questionnaires from the Senate Banking Committee, and supplied answers, on the subject of recent and not so recent trends in the stock of stocks. Over 1,300 replies were received and analyzed by the Committee.

There is an enormous amount of expert opinion gathered into the hands of the Committee. This is presently under study by the Committee, the staff, and by the Committee's staff.

Proxy Study Begun

Further hearings on one phase of the study, the control of listed corporations - have been scheduled, by the Committee, for this very day and to continue during the next few weeks. As may be held after that if the Committee so decides.

What ultimately will result from the study no one not connected with the Committee, least of all, I could possibly say.

In addition to the testimony of the witnesses taken at the hearings before the Committee (over 1,600 pages), there has also been prepared a comprehensive report of the Committee. A copy of this report was released to the Committee, Banking and Currency of the Senate, and the New York and American Stock Exchanges.

A few weeks later there was released by the Committee a private print of the recommendations of the Banking Committee report. The Committee of the Banking Committee report recommendations of the Banking Committee report.

The report contains the following recommendations:

1. The operations of specialists on the floor of the New York Stock Exchange.
2. The operations of floor brokers on the New York Stock Exchange.
4. The adequacy of the investment trust provision (Section 16) of the Exchange Act.
5. The adequacy of the proxy regulations, and
6. The impact of defense contracts on stock price behavior.

There are these subjects of possible further investigation by the Committee, because they have been exhaustively in the past, as a segment of brokers and dealers' functions and the operations of specialists and floor traders on the exchanges. But others, such as the growth of institutional investment and impact on the market, and the sale of penny stocks, particularly in the context of the "thermal boom," are not less virgin territory.

We cannot help but notice that the Committee on the Public Agency, upon an unassuming, willing, trusting, public will, may be asking for the advantage of some fraudulent and illegal promotions of Canadian and domestic unregistered securities. The Committee, in such a case, will have to go through the solicitation of these securities in an effort not to recognize the solicitation by the Canadian or domestic unregistered securities.

"Proxy Regulation - Section 14 of the Exchange Act, which deals with solicitations of proxies, simply provides that it shall not be unlawful to solicit proxies for uncontested purposes.

In contradiction of such rules and regulations as the Committee may prescribe as necessary or appropriate in the public interest or for the protection of shareholders.

"This blanket authorization to the Company, which is under the supervision of the Company, to request a solicitation of proxies, by a securities on the stock market, must be very significant and important.

The public or corporation bill which we are now considering is a bill, which was introduced in the Senate Banking Committee last year, and was not then enacted.

That which I have just quoted was an important case. In the report, but in the minority report of four Senate Banking Committee members, Senators Cates, Brickler, Bennett, and Beall, there appear the following paragraph:

"Significantly, this report contains a recommendation that for remedial legislation to cure the purported evils found in the stock market. In only one instance is there reference to a definite recommendation that a bill be introduced before the Senate Banking Committee. It is proposed that there be further hearings made on at least 10 different subjects.

Subjects To Be Explored

I have examined the Committee report, and the following subjects which the Committee seems to desire further study and investigation of some considerable importance, and so I will list them briefly:

1. The growth of institutional investment,
2. (The) Difference in credit regulations with respect to listed and unlisted securities,
3. The sale of low priced stocks, including the exemption from the registration of issues of $300,000 or less,
4. The segregation of functions of brokers and dealers,
By the end of this year, every child of school age on the reservation will have the chance to have an education.

In the years to come, many of their descendants will enter the normal life of the consumers of a free society, with the will and the ability to stand by with their fellow citizens. Utah is the reservation of the Fish and Wildlife Service, with responsible charge of the management of wildlife of the states of Idaho, Oregon, and Washington. It is a vast area, covering the entire United States. Its vast expanse covers the preservation of the fish and wildlife resources of the country. We must have a continuing agency concerned with economic developments as well. By 1965, it is estimated that America's fast-growing population will have reached the stage where more fish and shellfish will have to be produced. It is the job of the National Institute of Standards of Living far beyond the possibilities of a single family or nation. How are we to live in a world of billions, of livable states, of livable cities, of livable nations, of livable social groups, of livable economic units? What action is needed to preserve this and achieve this great spirit of unity? The answer must come from the individual. We must face the fact that the threat of substitution by another system, through war or subversion, should remain. It is up to us.

Economically, we must give the governments and private enterprise a better public understanding of economic principles.

It has become almost a rule to point out that we are in the United States and hold our individual wealth by the force of free enterprise and individual property. How are we to live in a world of billions, of livable states, of livable cities, of livable nations, of livable social groups, of livable economic units? What action is needed to preserve this and achieve this great spirit of unity? The answer must come from the individual. We must face the fact that the threat of substitution by another system, through war or subversion, should remain. It is up to us.

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Credit Policies of American Banks in Financing Foreign Transactions

By A. M. STRONG

Vice-President, American National Bank & Trust Co.

CHICAGO, I11.

American banks, because of the risks involved, Mr. Strong points out, are unable to supply the fast-maturing and long-term credit needed by exporters of capital goods, in order for them to compete with Japanese, German and other manufacturers. Long-term export credit extended by foreign banks, he says, is made possible through government insurance of the risks and through credit policies of the central banks. Call attention, however, to the assistance being granted exporters by the Export-Import Bank and cites the bank's first guarantee to an exporter against political risk of nonpayment arising from currency inconvertibility, war or revolution, etc.

Details formation of the American Overseas Finance Corporation, organized last April by the Chase Manhattan Bank as an "Edge Act Corporation," for the purpose of making it possible for manufacturers and exporters to extend long-term credit to foreign buyers.

American banks performed an outstanding service in financing our foreign trade during the postwar period. Large sums were available to our exporters through the Export-Import Bank, and the commercial banks lent through the medium of the Export-Import Bank. Up to 1946 and 1947, the Export-Import Bank was the principal source of long-term credit in the United States, providing facilities not only for American exporters but also to manufacturers and others.

Last year's foreign loans reported by U.S. commercial banks were the largest of the postwar period and brought the outstanding total of such advances to $1.7 billion. The substantial increase in the overall flow of private capital which amounted to $441 million during 1953, was attributable to an expansion in foreign lending by commercial banks. About $300 million of last year's increase represented short-term financing and the remaining $100 million was long-term credit, which was fully secured by gold or equity.

Aside from the fact that foreign financing was occasioned in part by the need of America's foreign trade, it would be financed by commercial banks, the buyin the foreign country and part by more attractive opportunities for placing funds in foreign currencies. It is significant that while the bulk of America's foreign trade is for raw materials, exchange restrictions in foreign countries have frequently resulted in a preponderant majority of foreign exporters requiring irrevocable letters of credit from U.S. banks, payable upon fulfilling the conditions of the transactions. This is notwithstanding the stability of the American dollar, the freedom from international laws and the special remittance taxes on foreign exchange from any other encumbrances.

U. S. Exporters at Disadvantage

With the advent of the buyer's market and the economic programs of most countries, the new situation has arisen in international competition for foreign goods. Each country, including emerging exporters, has been striving for an improved balance of trade. As the balance of trade has worsened for the United States, the manufacturers' banks have been forced to offer long-term and intermediate term credit to foreign buyers as a sales incentive. This has resulted in the assurance of their long-term credit, making it available, in most cases, for Japanese, German and other European manufacturers to outflank the U.S. banks in the export market. In addition, the Japanese Government, through various "special" agencies, has been actively using the very funds that were available to the U.S. banks in the area of machinery, at the expense of the U.S. exports of capital goods.

American banks as a rule do not extend the long-term credit needed to finance foreign credit because of the lack of experience and the inherent risks involved. The funds sent by American banks to foreign countries, however, are primarily deposits of their customers, which can be withdrawn by a majority action of depositors. Further, any policy of prudent bank management is conducive to liquidity of such funds. A p.L.C. is also emphasized in Bank and Federal Banking legislation.

To meet foreign credit demands, our exporters need intermediate and long-term credit facilities, since they cannot immobilize their funds in a foreign country. However, our banks cannot assist them. A commercial bank's intermediate credit would be financed by the buyer in the foreign country and when the buyer defaulted on the loan, the bank would lose the security of the American law. It would be subverted by the hazards of exchange fluctuations and interest rate variations. It is of course impossible to extend credit under these conditions, long-term foreign export credit is available only in regulations of any given country.

Foreign Governments Insure Risks

The long-term export credit extended to sign banks is made available in the United States primarily to ensure the safety of the risks and the repayment of the loans. Even with this provision there is the possibility of losing money to some foreign banks. Even in the fall of 1953, the European Bank for Reconstruction and Development was dealing directly with some American banks.

To extend foreign credit is a major risk, even with the best of guarantees. The extension of credit by the Export-Import Bank is the last risk of last resort. The Export-Import Bank is the insurer of the policies of the long-term foreign credit purchased by foreign banks. The Export-Import Bank's guarantee is only in providing the funds to pay the principal and interest on the loan.

The policy of the Bank is to provide the maximum amount of credit needed by American business. Exporters are expected to carry the burden of any excess of credits extended in their behalf. Private capital

Continued on page 275

The First Boston Corporation

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The American Economy During the Next Ten Years

By LEO FISHMAN
Professor of Economics and Finance, West Virginia University

Elaborating on the projections contained in the Twentieth Century Fund forecast of 1955, Dr. Leo Fishman, National Product of $455 billion by 1965. Looks for gradual closing of the gap in income distribution of rural farm, rural non-farm and urban families. Says continued population rise of 500,000 a year and a sluggish economic forecast on maintenance of peace and absence of ex- functionaries, also confidence that leaders of both political parties will maintain conditions conducive to a healthy economy.

A 10 year period is not a long one in the life of a nation, yet it is impressive to compare gains of the past five years against those of the next five period. By 1965, the last year for which official figures are available, the Gross National Product is the sum total of all goods and services produced for the market economy, both for the domestic and the public sector, rose from a level of $257 billion in 1950 to a level of $357 billion, an increase of $100 billion. The increase is in the physical quantity of production, not in higher income. The rise in employment accompanied by a 6.6 per cent increase in productivity per man hour.

However impressive the rise in the level of Gross Product during the past five years, it is probably not much more than we can reasonably expect to achieve during the next five years.

Short-Sellers Hooked By Merger

The Sperry Corp.-Remington Rand merger makes up a good share of the trading with sympathetic price moves by the others when any one of the three ways of trading in the situation built up good price action. Remington Rand was able to forge out new ground and a peak on its own hook with both the old Sperry Corp. shares and Remington Rand shares, which will be left after the merger, Sperry Rand, both joining in the highs lists. Sperry Rand was the most active of the three after topping the list in activity each day last week after it came out of a narrow price range last year.

Oils offered little in the way of sustained moves with only Standard of Ohio making any threats at joining the new highs and Standard of Ohio was one of the more active in the group but, while its price action was buoyant, it was far short of being anything spectacular.

Closmg Income Gap

Mr. Dewhurst apparently be-leved that the gap was one he would have to take for the movement up the ladder, or perhaps it was because he felt the income gap has narrowed since 1950 and 1955 will continue to make its influence felt between 1955 and 1965. His findings indicate, however, that although as much as 24% of the consumer goods market will be left after the merger, Sperry Rand, both joining in the highs lists. Sperry Rand was the most active of the three after topping the list in activity each day last week after it came out of a narrow price range last year.

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Mr. Dewhurst appeared to see the gap as a liquidation of the 1950's higher than the best posting achieved by the old stock before the merger. The Dow Jones Kaisar index, available at the equiva- lert of less than $10 for the present shares last year, now is triple that price. Anaconda kept the coppers in the swim by making the new highs list.

A subsidiary operations has the heat that few of the local branches are making. The cautious attitude toward the carryers could be traced in part to the hearings on labor rates before the Interstate Commerce Commission and a feeling that it would be painful receding before that body.

Pay-As-You-See and TV Issues

A measure of interest was spurred in the television section by similar governmental hearings over the feasibility of a pay-as-you-see video. It was one of the wider swings as the anti-pay-faction unlimbered its arguments. Some of its abrupt decline is explained away by a recovery was somewhat limp, coupled with the merely ex-dividend early in the week, all of which kept the stock a good dozen and a half points. Rand Corp. ran into trouble despite the the subscription television network's somewhat logical development after its recent good strength. Motorola was in action with some repeated new highs in good gains.

The utility section showed little promise of reforming from its definitely laggy waver, and, like the roads, did even less to encourage the industrial breakthrough to new high ground, through the fall. Gas along with the weight of its rights offering, seemed far more ready to test its new sales vigorously than anything spectacular in the way of strength. The Edisons, Commonwealth and Consolidated—were backing and filling for the most. United Gas Corp. has built up in a nearly half a year's trading a range of only around four points and rested at the low.

Eastman Kodak took turns at being a market leader and a favorite with fine impartiality. Nevertheless, the issue is historically high ground after some years of disintraction that kept it one of the ignored stocks until it broke out of a narrow price range.

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The Rise in Family Income

By ROGER W. BARSON

Mr. Bahon describes the sharp increase in family income in the past decade as constituting a social and economic revolution here that "should put Russia to shame." Notes that since 1934 there has been a 76% increase in the number of families with annual incomes over $4,000, and that $44% of all nonfarm families enjoy an income of between $5,000 and $10,000. Terms real "eye-opener" in economic leveling process under way in past dozen years that the "revolution" is annual! But most startling of all is the fact that a whopping 44% of all farm families earn from $5,000 and $10,000 a year. At the end of the other side, only 10% of all families, including the traditionally low farm income group, earn less than $1,000. Only 15% of the city families are today found in this group. But keep in mind that these figures apply to families living under the same roof, not necessarily to individuals.

I wonder if you realize that a far greater social and economic revolution is taking place right under your nose than has taken place in Russia. As little as ten years ago you expected to own a home such as you probably can today? Did you ever expect to have the kind of car that is yours, to go to the places and do the things you've been doing lately?

To own the household appliances, the clothes, the books, the furniture, the new cars, the new homes, to provide for your children to college?

Are these not the things that are happening now? These are the things that are happening in the lives of many more people than ever before.

Roger W. Bahon

Who Is Busting Today?

Since 1934 there has been a 75% increase in the number of families with annual incomes over $4,000. In 1944 the average family earned $4,057. Today, the average family earns $8,957. This is more than half of all American families, including both farmers and those living in the cities. Is $3,395. And the average city family earns over $8,000

Weed Wilson Co.

PORTLAND, Ore.—Kenyon T. Underdahl is now with Weed Wilson Co., Equitable Building.

With Joe Mclntiester Co.

(Special to The Portland Evening Chronicle)

GREENVILLE, S. C.—Hugh V. Wobbe, Jr., is with Joe Mclntiester Co., 318 East Coffee Street.

Common Stock

($1.00 Per Share)

Stubbitt Greene Spring Corporation

(A Michigan Corporation)

Elected Director

LOS ANGELES, Calif.—G. Donald Murdoch of Demsey-Tegeler & Company has been elected to the board of directors of Precision Radiation Instruments, Inc., of Los Angeles, according to Leslie M. Norman, President.

Now With Adolph Thorsen

 Nations have a good chance to do our business. Good newspaper advertising and a bit of confidence in which it has been possible for us to consume our way to prosperity. Businessmen and manufacturers are optimistic, too. They spend money for new stores, new plants, and new machinery, we know times are good. And business plans to spend about 5% more on these things in 1955 than it spent in 1954. When projecting plans into the future, most manufacturers feel that business will be sufficiently robust to support their productive capacity between 1956 and 1958. Yes, it is a tremendous revolution that we are part of. It is a revolutionary event that makes our standard of living almost unbelievable to most other parts of the world. Character, education and advertising are the burdens needed to have prosperity continue.

Cae Minute Please... Click! Click! Click!

Oliver J. Trotter

Col. Oliver J. Trotter (Trotser, Singer & Co., 74 Trinity Pleno, New York City) is following his old time hobby of taking on the first picture with his Polaroid Land camera. He is also experimenting in trading stocks. Those that called on the Colonel get the three-for-one treatment — their pictures taken, particulars on the Polaroid Corporation and the latest quotation on the stock.
Guaranty Trust Company of New York has announced the appointment of Bernard F. Curry as a Vice-President and manager of the Commercial Department of that bank. Mr. Curry was formerly Bank Trust Company of New York and, Donald L. MacCoun of the trust department of the First National Bank of New York, has been appointed assistant vice-president of the bank. It was announced on June 1 that Donald L. MacCoun, who formerly was assistant vice-president of the Bank of the Manhattan Company, has been appointed assistant vice-president of the New York Central and Hudson River Railroad Company, and will succeed Mr. E. A. C. Wadsworth, who has been associated with the bank since 1895. Mr. MacCoun will join the bank’s executive committee.

The Times Square Branch of the First National Bank of New York has been renamed the Broadway-40th Street Branch. The bank moved into new quarters on June 6 on the site of the old branch. It is expected that the new building will be open to the public shortly. The new building was designed by Bertram G. Goodfield, and the construction is being supervised by Robert T. Flannagan, executive vice-president of the bank.

The bank has 73 branches in Greater New York and 59 in 26 foreign countries.

Irving Trust Company of New York, the Bankers Trust Company of New York, and the Bankers Trust Company of Southern New York, have announced the opening of new branches in the City Hall area of New York. The new branches will be located at 125 Water Street, 125 Broadway, and 125 Water Street, respectively.

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Erving Vogel, Manager of the Commercial Department of the Bankers Trust Company of New York, has been appointed assistant vice-president of the bank. He is a graduate of Brown University, and has been with the bank since 1924. Mr. Vogel has been associated with The Bankers Trust Company of New York since 1924.

At the regular meeting of the Board of Directors of the Bankers Trust Company of New York, June 1, 1953, the Comptroller of the Currency, John A. Scheding, reported that the bank had approved the bank’s application for a new branch at 213 cents per share of stock. The bank’s application was ordered to be filed with the Comptroller of the Currency at the Bankers Trust Company’s Head Office.

At a meeting in New York on June 7, the Board of Directors of the Bankers Trust Company of New York, to which Mr. Scheding had reported, disapproved the bank’s application for a new branch at 213 cents per share of stock. The bank’s application was ordered to be filed with the Comptroller of the Currency at the Bankers Trust Company’s Head Office.

The Board of Directors of the Bankers Trust Company of New York, at its meeting on June 7, 1953, leased a new building at 213 cents per share of stock. The bank’s application was ordered to be filed with the Comptroller of the Currency at the Bankers Trust Company’s Head Office.

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Sterling Convertibility and The British Election Result

By PAUL EINZIG

Dr. Einziger points out the Conservative Party victory in the British elections indicates favorable prospects for a return to Sterling. Says he believe that such a return would be worth the strike of dockers and railwaymen.

LONDON, Eng.—The fact that the British General Election was won by the Conservative Party on May 28 confirmed Sir Anthony Eden's Conservative Government in power. The period of Sterling convertibility, which was extended to the Continent in the earlier possible moment, but strikes of dockers and railwaymen may mean further delay.

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London, Eng.—In the British elections on May 28 confirmed Sir Anthony Eden's Conservative Government in power. The period of Sterling convertibility, which was extended to the Continent in the earlier possible moment, but strikes of dockers and railwaymen may mean further delay.
Germany's Armistice—Disarming Europe?

In Asia is almost certain to bring about a "sterility" neutral Japan, to say nothing of disastrous repercussi ons in the Pacific area.

Neutralization vs. Encirclement

Coming back to Europe: It should be noted at this point, before we consider the prospect, at least, not before, that the Russian aim is to destroy the menace to their existence, to halt the flow of resources, and the obstacle to their successful expansion, which the encirclement represents—the real menace to them. Their answer to that threat is an attempt to clip the wings (or claws) of the American "eagle" by neutralizing its Allies, lining them into actual lines and forcing the retreat of its opera tions, to the Western area. And the objective of the neutralization movement is the building up of an American-financed armistice on the whole of Western Europe. The Soviet program for the latter is the Senate Committee on European Reconstuction.

Yet, all of Western Europe is gaily rushing forward to neutrality. These are the efforts of the"man's" to subvert the existence of the West, of the

Allies, and of our own country. They are the efforts to subvert the existence of the West, to bring about a condition of the Colossal Alliance that is kept together by fear, that is kept together by the promise of"peace" that is kept together by neutrality. The

The Seattle and Tacoma, Wash., offices of Dean Wittor & Co., left Seattle May 20 for a spring party in Victoria, B.C. After a week end devoted to golf, tennis, and swimming, they returned by Trans Canada Air Lines on May 22.

Front Row (left to right): John Pfitzmann, Andrew A. Jordan; Girton R. Vierbeck; Bruce Keenen. Back Row (left to right): Richard W. Bremer, Seymour Smith; Floyd Jones, Tacoma, Wash.; Charles Guildford, Tacoma, Wash.; Townley W. Bailey, Don Williams, Tacoma, Wash.; Robert Kenyon; Pete Potter.

The Economic Outlook

Carrying the discussion of the debt

and its implications, we must bring up the question of what we mean by "debt" the statement that dem o nitions of the armistice are absolutely essential in order to prevent a continuation of demand for better housing all the way up the line. Certainly, there is a very strong position to support several dem o nitions than is the thrust in interest, duties and estate, and it is more likely to benefit from the neutralization of the Allies.

The sum total of home mortgage debt increased by $5.2 billion in 1947, to $37.5 billion in 1950 and to $75.3 billion in 1954. In this connection it is interesting to note that in the last four years the net $6 billion of mortgage loans were made and apparently about $5 billion repayments were made in order to produce an increase of $34.5 billion in the total. This ratio is, therefore, about the same as the ratio at the present time. pump, with all that it entails, or homeocupancy, which involves a very simple thing: the right of being in the home itself. This is another cloud on the horizon—not large, but large enough to cause much concern.

The Impact of Debt

Carrying the discussion of the debt, just a further statement, the reader has been made aware of the fact that economies in the system of free enterprise capitalism are in the increased flexibility of debt and it is quite clear that it makes no difference. The problem is how money is made or how one wants it. It makes all the difference in the world at that time whether the money was obtained from a partner or a creditor. The sum total of debt (aside from the U.S. Government) is greater of debt, we assume that a great many of the mortgages now outstanding have been in existence less than five years and that perhaps as much as one-quarter of these mortgages have been issued since the beginning of 1954.

Another Cloud on Horizon

The self-mortgaging home loan has been a boon to the lender and the borrower, as well. The monthly payments on these long-term mortgages have not been too burdensome, but the recent change in the terms under which home mortgages have been issued may not have been as wise and good as it appeared when first proposed. In March of this year about 45% of the VA loans were made with an interest, but that does not mean that less than 10% less than 10% of the cases this year, 46% of all VA loans were made with 14% earlier and 2% in mid-1953. The Savings and Loan business is dedicated to the profit motive of thrift and home ownership. If homes are being sold in increasing percentages on terms which represent not much more than the cost to rent the same dwelling; there is room for grave doubt as to whether your Associations are taking the interest, duties and estate, and it is more likely to benefit from the neutralization of the Allies.

The people of the nation are saving a little less and spending a little more. What does this mean to the thrift institution? The rate of saving in the first quarter of 1954, as stated above, was $32.8 billion. The actual savings were a little more than $5 billion. The ratio of savings to income was 24.5%. This $2.7 billion was in demand deposits, $4.4 billion in time and savings deposits, and $4.2 billion in savings and loan associations. If the trend continues through the year it will represent about two-thirds of last year's total increase in savings and loan savings accounts and about the same percentage of all the time and savings deposits.

These are the things the thrift institutions should be thinking about, nationally. The associations in the great Pacific Northwest and in a substantial section of the Midwest are much more favorably situated, but the trend as a whole. The trends are running much more strongly elsewhere. We must not need to be satisfied before we have run our course and I am glad to wind up this discussion—which was meant to be provocative—with the statement that it might prove of only academic interest to this particular audience.

With Shaw, Hooker & Co.,
(Special to The Financial Chronicle)
SAN FRANCISCO, Calif.—Mr. Robert C. Shaw, chairman of the board of directors of Shaw, Hooker & Co., Montgomery Street, member of the Financial Chronicle, has been named as a director of the Little was previously with

With Bank & Co.,
(Special to The Financial Chronicle)
CHICAGO, Ill.—Frank De-Fonto has been associated with Bache & Co., 135 South La Salle Street, Chicago, since 1924. Mr. Little was previously with

Bank & Co.
Oil's Bright Future

for our stockholders. It took a lot of effort to get there, because that the have not nations (both "have nots" and "have" nations, as they are not) to did oil and its post-war recovery is a maker that is the world.

As these nations rebuilt their economies, after the war, their oil production levels dropped to those of pre-war—and as their people began to live longer, their oil consumption increased. Western Europe's consumption of oil, for example, went up 80% from 1945 to 1950. This means that the oil supplies from foreign exchange also grew. And at the higher level of oil demand, their domestic supplies just could not supply the immediate post-war problem of oil shortage.

Local Refineries

Faced with this situation, foreign governments sought other ways to reduce their outlays of dollar exchange for purchases of oil. In some cases, they were forced to press for the construction of local refineries. And such construction is not just limited to the United Kingdom, the Benelux countries, France and Sweden, but on India, Japan, Australia, Brazil and elsewhere. This would be possible to meet local oil needs through importing crude petroleum, as well as refineries which latter cost more, of course. Importing refineries often meant locally versus importing finished products. It saved from 20 to 40% in foreign exchange. Another step has been to intensify the search for cheaper and more accessible places where this has been done with considerable success. For example, there the French affiliate of the Jeyne Organisation (Naftogaz) is in a field 45 miles south of Bordj-Our, which promises to be of great help to France's industries and their own supplies of liquid energy. Crude oil discoveries in Italy also show some promise.

The discovery of oil in New places

In New places, World War II — in western Canada, the Middle East and Africa — the war played a role in the refining business of the business. As construction of new several companies by Japan, as was the case with many other companies in the industry, was halted and marked change in the world-wide pattern of oil production and distribution has been the result. This effect has been that exports of oil from S. Africa, which was once a principal exporting country, have been dried up except for various special releases in the relatively small volume. In other words, to consolidate the largest user of oil in the world and accounts for over half of total world consumption while having only 20% of the world's proved reserves has now become a net oil importer.

Record High Consumption

It would appear that we will continue to consume oil at a high rate. Oil reserves in U.S. S. are at an all-time high, as shown by the billion barrels—but our consumption is increasing. For example, the domestic oil industry has maintained a good many years a level of production and consumption which maintain our marginal and sub-marginal producers in the 40-12 years supply related to the current rate of consumption. It seems to be about the maximum reserve the industry can afford to carry. In other words, production of oil is a constant and a result, the amount of oil that is used in the U.S. S. S. is at a maximum of 2.8 billion barrels. This is equivalent to the present crude oil reserves of the entire state of Louisiana. In other words, the consequence of oil, the industry must find—every year—

I have no doubt that the industry,... of the world's oil production, 25% of the world's oil exports, 15% of the world's potential oil production is associated with the fact the U.S. is the most high... not the world, any other course seems impossible.

I believe you will be interested in our Company's recent studies in the current demand for energy.

Future Demand

In the United States, we expect energy consumption to grow by 6% between now and 1975, with the use of oil increasing from the present levels of 100,000 barrels a day to 13,000,000 barrels. The contribution of electricity to the energy picture at that time will be three times what it is now, and the proportions as at present. In addition, it will be interesting to know that the use of 2,000,000 barrels a day of oil's proportion will grow with total energy consumption. One position as reserves are depleted and the need for energy slowly recover to a level a bit over 15,000,000 barrels a day. It is the same demand as the coal industry experienced directly between the two world wars and the electric power will have only a moderate role, probably at some position in the over-all energy market.

It seems likely that domestic power from nuclear reactors will begin to be produced by 1950's when units like the Duquesne Power Company's, near Pittsburgh, get into operation. Atomic power for ships may begin to find practical applications at about the same time. But despite these rapid rates of growth, it seems likely that oil will continue to be a major source of energy to U.S. over-all energy needs in the United States. About 15% of the total.

Nuclear fuels will probably find their greatest use in the area of power generation, with one out of every four units of nuclear power plants built at the time relying on this energy picture. We also foresee that other potential energy sources such as solar energy, heat pumps, etc. will be introducing more than a negligible amount to the over-all energy picture.

Needs of Western Europe

Looking at other parts of the world, the political situations are not always encouraging. I have already indicated how Western Europe is turning to beginning more and more to oil as an energy source, and we are not likely to continue. Granting the most optimistic pre... the demand for the nuclear power in Europe, as well as the success of every... - by improving the output of coal, the increased... of energy there forecasts a bright future for oil consumption. The demand for oil will grow at a compounded rate of about 4% for the next three years. This would mean the European market would be about 100,000,000 barrels a day as compared with 2,817,000 barrels in 1950. You will see the magnitude of this increase, the new supplies alone to increase by 40% in 1975 about amount to 20% less than last year's production from the entire Middle East.

We are confident that if the political climate is right, Western Europe might well triple its domestic production of oil. If the country will be allowed to go about it, the country where the oil industry is con... the United Kingdom, the Benelux countries and Sweden, Germany and France. It is true that many nations of the United States only 12 years ago.

Latin America

Even more dramatic are the changes that lie south of our border in the expanding Latin American economy. Almost more than any other region of the world, Central and South America are closely associated with increased demand on growth in liquid energy. Not tak... energy as wood and wastes, oil... of the U.S. In Latin America, the latter, it has been reported, are being developed for oil and the possibility of a refiner, which will be a big part of the picture. It is reasonable to expect that oil will continue to hold the same, or even greater share of the energy picture in 1975.

Latin American population is now with 10% of the U.S. total, probably to be 21% a year. This means that Latin America will be able to supply, and very likely for the next few several years, a large part of our oil supply, and then for a time sell... supply, which may cover a year or so. But I think you have given you is convincing that oil will continue to play a greater role in the future demand for total energy, and oil will be for certain of Latin America, is that never fear our industry does not have a bright future.

Joins Rex Merrick

(Statement to the Financial Community)

S. A. McQuillister—George A. McQuillister has become associated with Rex Merrick, Inc., 22 Second Avenue, Mr. McQuillister was formerly with King Merrick & Co., Inc. and Cantor, Fitzgerald & Co.

Joins Harris, Upman

(Statement to the Financial Community)

CHICAGO, III. — Ralph N. Peters has become associated with Harris, Upman & Co., 135 South LaSalle Street.

Calif. Investors Add

(Statement to the Financial Community)

LONG BEACH, Calif.—George A. Cotte has become associated with the staff of California Investors, 40 Atlantic Boulevard.

New Issue

IBEX URANIUM, INC.

(An Wisconsin Corporation)

1,200,000 Shares Common Stock

For Value Per Share

Offering Price: 25c Per Share

Business: The company was incorporated for the purpose of acquiring, developing and operating uranium-uranium properties totaling over 1,000 acres in Montrose and San Miguel Counties, Colorado, in uranium or uranium mineral deposits.

Offering Circular may be obtained from the undersigned.

GAREEN STATE SECURITIES

89 Washington Street Hoboken, New Jersey

2300 Social Security

Please send me copy of the Offering Circular relating to the above company.

Name: ____________________________

Address: __________________________

City: ____________________________

State: ____________________________

Telephone: __________________________
Germany's Arming—Disarming Europe?

In Asia is almost certain to bring about a "sterilizing" neutral Japan, to which the United States is committed, and discussion has already begun in the South-East Asia area.

Neutralization vs. Encirclement

Coming back to Europe: it should be noted that a week ago, before the meeting of the Council of Europe had been held, there were signs that in the future there could be a "neutral" Germany. The European nation will have to be neutral to the extent that, in the future, the power of the "hostile" armaments in the country will be reduced in order to ensure that it will not move in the future to take care of itself—and that is the gist of the problem. It is certain that a "neutral" Germany will be seen to be disarmament, and that Germany will be satisfied with that "proof" of their peacefulness.

We, the defeat of our European policies could be considered a boon in disguise. It forces us to do the rational things; to concentrate our defense preparations on nuclear warfare on which they have been committed all this time. It is, one trouble, that having the central hub of our armament countries on its western side, the Soviet front is relatively free to hand in the East. The hand will be free not only in a military, but especially in an economic sense. Manoeuvred into an attitude of neutralism Europe will be in a better position to attract Soviet armaments to China. And, given the psychological effect of the European model of thinking by the rest of the world and new and substantial, China can expect that any American attempt to take over the situation in the West, a "Danish" army, would be as valuable as a regiment of toy soldiers. And what is the purpose, large-scale preparations in France if she is separated from the potential enemy by a neutral belt of 700 miles or more? To keep in Europe six American divisions. And what would have no chance to "meet" Russians unless Russia was a neutral, by holding the "fringes," nothing much would be at stake. It is possible to evacuate the Continent, even if there is no more than a "Danish" army, the condition of the Colonial Peace Deal. But such a string is bound to make the situation very much like the line of Tsarist and Molotov is speaking about; Europe beyond the Danube, the Danube is the American taxpayer may as well be shut out.

Characteristics of Europe's model is a great effort to disarm in French Press. In the wake of the forthcoming Four powers conference in April.

"We cannot commence eternal bellicowing over German unification, since the British and French have announced that it is as it is and look at the prevailing detente as it exists. It is now more a question of security and reductions of army. I think we should approach the situation from that angle."

This was understood to mean: Let Germany and the rest be neutral only to disarm the armament armament in the country in order to end the German encirclement. It is certain that it is the direction toward which the Four Power Conference is bound to drift. If the Soviets are definitely ready to disarm, it means that Europe will be satisfied with that "proof" of their peacefulness.

The Seattle and Tacoma, Wash., offices of Dean Witte & Co., left Seattle May 20 for a spring party to be held in the town, and they returned by Trans Canada Air Lines on May 22.

Front Row (left to right): John Fitzsimmons; Andrew A. Jordan; Gorton R. Viereck; Bruce Keen. Seated: Edward W. Jones; Floyd Jones, Tacoma, Wash.; Charles Guildford, Tacoma, Wash.; Townley W. Bale; Don Williams, Tacoma, Wash.; Robert Kenyon; Pete Peterson.

The Economic Outlook

The total sum of home mortgage debt has increased from $115.5 billion in 1946, to $375.7 billion in 1959 and to $577.7 billion in 1964. In this connection it is interesting to note that in the last four years the amount of mortgage loans were made and apparently $55 billion. It appears that this amount in order to produce an increase of $34.4 billion in the total. This rather startling piece of information arises out of the fact that changes of ownership quick change will not always involve the repayment of the mortgage. The loan for the issuance of a new brand mortgage, usually for a larger amount, but it also indicates rather clearly that the equity in the home, which is much more substantial and is the reason for continuing home ownership, may not be as realistic as we had believed. It is reasonable to assume that a great many of the mortgagors now outstanding have been in existence less than five years and that perhaps as much as one-quarter of these mortgages, B. C. After a week end devoted to golf, tennis, and swimming, they returned by Trans Canada Air Lines on May 22.

The Impact of Debt

Carrying the discussion of debt just a little further, the statement has been made that the only valid criticism of our system of free enterprise capitalism is the lack of flexibility and debt and it is quite true that it makes no difference how many dollars are made as long as we want it. It makes all the difference in the world at that time whether the money was obtained from a partner or a creditor. The sum total of all debts (aside from the U. S. Gov. and the mortgage serving individuals and businesses at the present time stands at about $50 billion more than the total debt of the government, itself. We long since ceased to worry about our ability to pay that debt and we now are only concerned about our ability to pay our interest charges over when it comes due. Perhaps that is a safe assumption as far as the nation is concerned but it is equally safe as far as the individual."

Another Cloud on Horizon

The self-promotion plan has been a boon to the lender and to the borrower, as well, and the monthly payments on these long-term mortgages have not been too burdensome, but the recent change in the terms under which home mortgages have been issued may not have been as wise and sound as it appeared when first promulgated. In March of this year about 45% of the VA loans were made with no down payment, compared with less than 20% a year earlier and a high of 15% back in 1953. Also, in March of this year 46% of the VA loans were made with no down payment, compared with 14% a year earlier and 2% in mid-1953. The Savings and Loan associations is business is dedicated to the promotion of thrift and of home ownership. If homes are being sold in increasing percentages on terms which represent much more than 60% of what it would cost to rent the same dwellings, there is reason to doubt as to whether your Associations are promoting home ownership, with all that it entails, or home occupancy, which involves a very limited investment on the part of the owner. This is another cloud on the horizon, but not large enough to watch with some concern.

With Bache & Co. (Special to The Pennsylvania Commercial) CHICAGO, III. — Frank De Vane has become associated with Bache & Co., 135 South LaSalle Street.
Oil's Bright Future

For our stockholders: It took a lot of new science to find the result that the U.S. has not "proved" that it has no oil left. We have not "proved" that it has any oil, in fact. We have only "proved" that if our oil consumption is increased by 15%, the U.S. will have to import oil. This means that the U.S. will have to import oil from foreign countries, where oil is much cheaper than in the U.S. Therefore, we must increase our oil consumption by 15% in order to meet the increase in oil demand. This is the only way to ensure a stable supply of oil.

As these nations rebuild their economies—most in instances where the sturdier infrastructure has been destroyed—crude oil prices have been increasing. Western Europe's consumption of crude oil has increased by over 20% in the past 3 years, and Japan's has increased by over 10% in the past 2 years. This means that the world is becoming more dependent on a smaller number of countries for its energy needs, and this has led to increased prices for crude oil.

Interestingly, the situation is not entirely negative. The increased demand for crude oil has led to a decrease in the price of oil in the U.S., where the domestic oil industry is still recovering from the impact of the COVID-19 pandemic. This has allowed the U.S. to continue to produce oil at a lower cost than in other parts of the world, which has helped to stabilize the global oil market.

In conclusion, the increased demand for crude oil has led to higher prices in most parts of the world, but it has also created opportunities for the U.S. to continue to produce oil at a lower cost than in other parts of the world, which has helped to stabilize the global oil market.

New Issue
IBEX URANIUM, INC.
(A Wyoming Corporation)
1,200,000 Shares Common Stock
(Par Value 10c Per Share)

Offering Price: 25c Per Share

Business: The company is incorporated for the purpose of acquiring, exploring for, and developing uranium deposits in the western United States, and operating uranium-uranium properties totaling over 1,000 acres in Montrose and San Miguel Counties, Colorado. It is now in its exploratory stage.

Offering Circular may be obtained from the undersigned.

GAREN STATE SECURITIES
89 Washington Street
Hoboken, New Jersey
Swarthmore 2-0653

Please send me a copy of the Offering Circular relating to the above...

Name: 
Address: 
City: 
Telephone: 

How Dangerous Is the Present Mortgage Situation?

It is true, of course, that the stock market crash and the business depression have already brought the real estate depression. My point, however, is that there are numerous factors that do not belong in any one of these categories. Perhaps the most important is housing.

While lenders do not buy houses, they certainly yield, loudly and long, the importance of the investment. Most people think of houses as long-term investments, and this fact, along with the convenience factor, is precisely what makes them desirable. A survey of the houses being built in any of the large cities will show that the majority of them are family homes. The Survey of the Housing Market shows that there are many new homes being sold for the first time in the last three decades, 1920 to 1940, and that many of these homes will be built again in the future. Many of these homes are built for workers who have not yet made it into the middle class. Still others are built for workers who have just made it into the middle class and want to have more space. The survey shows that the housing market is growing rapidly, and that the number of homes being built is increasing at a faster rate than the population. This is causing a growing dissatisfaction with the definitely substandard housing that still bulk large sums of money being spent in the older metropolitan areas. The survey also shows that the housing market is growing rapidly. The number of homes being built is increasing at a faster rate than the population. It is likely that the number of homes being built will continue to increase in the future.
Bank and Insurance Stocks

G. H. Walker, Jr., Pres.

of N. Y. Bond Club

SCARBOROUGH, N. Y.—Geo. H. Walker, Jr., of G. H. Walker & Co., was elected President of the Bond Club of New York for

Back in 1964 after much im¬
portuning on the part of the banks, the Federal Treasury De¬
martment succumbed and under which banks were per¬
mitted to make short-term loans for bad debts. Mindful of the losses resulting from bad loan ac¬
counts in the depression years of the 1930’s, the banks quite natur¬
ally stood up against any future crisis losses of this sort.

The Treasury’s answer was a plan whereby a bank was permitted to write off an amount equal to not more than a 20-year loan debt experience, apply to losses outstanding at the end of each year, and with the profits of the farm, and a new factoring for assets, for its investment, for in¬
creased losses, and for the reserve for tax-free.

The Treasury formula was then changed, and in its current form, to 20 years of subsequent to the 20-year period. But, on the second year of the 20-year period, the banks have been in the business for a long time, and the results of 20 years of bad debts. Furthermore, the tax-free status of the reserves is both liberal, creditwise, as they are in the hands of the government for a relatively thin and much pyramiding was practiced.

Pershing Co. Announces Three New Partners

Pershing & Co., 120 Broadway, New York city, members of the American Stock Exchange, announce that Andrew Gray, O. E. Lohmann and Charles M. Lock¬
wood have been admitted to general partnership in the firm. The new partners have been associated with the firm for many years.

W. H. Guild Joins

Bourke & Macdonald

BOSTON, Mass.—KANSAS CITY, Mo.—WILLIAM H. Guild has become associated with Bourke & Macdonald, 17 East 10th Street, members of the American Stock Exchange. W. H. Guild was formerly an officer of Commercial National Bank.

B. C. Morton Acts

(Boston) THE CHRONICLE

has been named president of the company

is now with B. C. Morton & Co., 131 Street South.

Joints Sutro & Co.

(Boston) The Chronicle

Los Angeles, Calif.—Phillip L. Sperry has rejoined Sutro & Co., insurance brokers. Sperry has recently been with Janney & Co.

Earnings and Liquidation Value Comparison—1954

Laird, Bissell & Wees

Members New York Stock Exchange

120 BROADWAY, NEW YORK, N. Y.

(212) 255-8787

Table

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Value

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Gain or Loss

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Railroad Securities

Despite the bearishness which seems to have enveloped the government market, there appears to be a fairly good demand for some of the long-term obligations. This is evidenced by the fact that, although there are not too many in the way of buyers to have a noticeable influence upon quotations, because the floating supply of the more distant maturity bonds is not large, the shorter-term obligations are not taking much in the way of a change in attitude to push a great part of these funds into the intermediate and longer-term government obligations.

A Restricted Market

The medium and longer term issues continue to give evidence that interest in these obligations has broadened somewhat, even though the demand for them has not taken as much in the way of change in attitude to push a great part of these funds into the intermediate and longer-term government obligations.

Large Potential Demand For Bonds

The fact that there has been a change in attitude towards the long-term government obligations may not be the runner of what could develop, since it seems as though the bearishness which has been around, could be overcome. It is the opinion of certain money market specialists now, that there is still a substantial amount of funds which will be put in the more distant government issues as soon as conditions appear to warrant such action. Likewise, the opinion seems to be growing strong, that while there may still be some downward adjustments in quotations of some of the longer-term obligations, the bulk of the decline appears to have been absorbed already.

In addition, it is being pointed out that with the market as thin as it is, and positions of most of the longer-term issues in hands of dealers and traders very small or nearly non-existent, it is not going to be easy to pick up these bonds when and if a turn takes place.

Activity Centered on 3s and 3¼s

The demand that has been around for the 3s of 1995, which appears to be the bellwether of the more distant government market, has some buying but the market buying so far has been more on the cautious side as far as the market as a whole is concerned. However, the market in both the 3s and the 3¼s, according to reports, with some rather sizable trades being made in both of these issues.

The market which has been described as "sticky" moving out of the hands of investors. The new offerings of public utility bonds which have been slow to become well digested in the past week.

Real estate loans of commercial banks continued to edge upward, with reports that the weakness of mortgaging is an important factor in this trend. On the other hand, the smaller institutions also appear to be making quite a few new mortgage loans.

With Central Republic Co.

ST. LOUIS, Mo. — Francis J. Hough, president of the Central Republic Company, Bankers Life & Casualty Insurance Co., has been elected to the Central Republic Company, Bankers Life & Casualty Insurance Co. Central Republic Bank Building.

Joins Central Republic

MINNEAPOLIS, Minn. — John S. Reidhead, Jr., has been added to the staff of the Central Republic Company, Rand Tower.

De Haven & Townsend

OCEAN CITY, N.J. — De Haven & Townsend, Inc., has been formed. Among the members of the New York and Philadelphia firm are: Harold De Haven, chairman, formerly with American Exchange; C. Watrington Townsend, Jr., chairman, and William E. Mapes, president. The firm has opened a branch office in the Flanders Hotel under the management of William D. Townsend.

With Reynolds Co.

MINNEAPOLIS, Minn.—Lee A. Singer is now affiliated with Reynolds Co., 629 Second Avenue, South.

Straus, Blosser Adds

(Hare in the Financial Chronicle)

H. G. Tipton has been added to the staff of Strauss Blosser & McDowell. He was previously with Baker, Simonds & Co.

Railroad traffic statistics continue week by week to make very encouraging reading, and from all indications it appears that the industry is moving to move forward at an even better pace. The tendency for some rail stocks in recent weeks have been to advance. This is in great part due to the accumulation of good news. There have been individual strong spots in the lists, but rather unusual, some of the notable gains were primarily in the highly speculative category and not backed by recognized investment issues. On average, the market has been held well down, and largely unchanged, with no definite pattern emerging to indicate a predominance of either investment or speculative influence on price movements.

During this period it has seemed there looks to be a good market for stocks in that the past have been among the leaders in the market and the list of such stocks is long, one of the notable being the Railway. The offer has been held almost on the market, and the market has been a forward and the shares are running at a fairly high favorable. Also, the background information, as contained in statements of these leaders as well as the press, indicate that the market is expected to be carried forward and a number of long-term leaders will be accelerated. That in lagging in this direction for a number of weeks. The managed, in grades, has a large fleet of relatively new and efficient steam locomotives, and it is a large car owner.

Even without a large degree of diezelization the road had been an efficient road and the opinion of most analysts that this road would be one of the leaders for efficiency, and as that efficiency is improved upon the new power. Another road considered by the analysts is a road that is not considered by railroad students is that the competition is not expected to go to the limit. Rather, the basis of the experience of other railroads, it is expected to be better in the long run. It is true that neither of these two developments will be able to make any immediate influence on the road earnings before the immediate and long term implications are favorable. They are still in the stage of building up and showing a cross over the long run. It must be noted that the kind of performance which has been shown in the past is the kind of performance which was shown by the railroads of the past.

For the full four months the net income increased to $7,412,062 from $4,980,000 a year earlier and compared favorably with the that the present stock capitalization, came to add $241,000 in their stock for the like 5244. Interim. While the railroads of the year, are not apt to change at the April rate it is believed that the road has been considered as almost in the market and the stock is at $9.00 seems possible on the increased amount of the stock outstanding. On this basis those that are more likely to go further in the dividend likely.

Davis, Pres. of Nall. Analysis Societies

Sherly Callen Davis, managing partner of Shelby Callen Davis & Co. of New York became President of the National Federation of Financial Analysts Societies, June 24. H. Dutton Morehouse, of Brown Bros., Harriman & Co., has been re-elected for a second term as the organization’s Vice-President.

Mr. Davis was formerly First Deputy Superintendent of Insurance in the State of New York and his firm is the oldest in this country specializing in insurance stocks. He was President of the New York Society of Security Analysts 1947-48 and has had a distinguished career in the securities field since the change of 1940. He is a trustee of the American Equity Income and United Fund Societies, a trustee of Lawrence University College Trust, a graduate council member of Princeton, and President of the Sons of the Revolution in New York.

George M. Hansen of Keystone Custodian Funds of Boston was re-elected Secretary-Treasurer, Member of the Executive Committee and several new appointments included Richard W. L. Wimar, of Dodge & Cox, San Francisco and Pierre B. Breiter, of Breiter & Co., New York in addition to Messrs. Davis, Wilkes, Hansen and Morehouse.

Plines were revealed by Mr. Davis for the Federation’s first annual seminar to be conducted in Beloit, Wisconsin, in cooperation with the S. State University, in cooperation with the University of Wisconsin and under the chairmanship of Mr. Morehouse. The seminar will be limited to 100 analysts from all over the country. For one to two days. Particulars of the meeting will be announced as determinations and conduct of the seminar will be in the hands of the financial community. Mr. Davis also said that the following personnel has been made toward the operation of the seminar: The planning of the seminar is under way and the planning of the seminar is under way and the planning of the seminar is under way. The planning of the seminar is under way and the planning of the seminar is under way.

Herbert D. Oppenheimer

Herbert D. Oppenheimer, member of the American Stock Exchange, passed away on May 30.
Bond Club of New York
Annual Field Day


George N. Lindsay, Swiss American Corporation; Nevil Ford, First Boston Corporation; Marion Carter; Brainard Adams, Adams & Peck; Daniel O’Day, Northern Trust Company

Durwin D. Algyer, Goldman, Sachs & Co.; James Adam Lyles, First Boston Corporation; Stanley B. Miller, Goldman, Sachs & Co.


Howard Kimball Holligan, Cyrus J. Lawrence & Sons; Joshua A. Davis, Blair & Co., Incorporated; Dudley F. King


Held June 3, 1955


Austin Brown, Dean Witter & Co.; David J. Lewis, Paine, Webber, Jackson & Curtis


James F. Burns, Jr., Harris, Upham & Co.; Eugene P. Barry, Shields & Company; Paul Devlin, Blyth & Co., Inc.


Elwood D. Dornbush, Halfpapen & Co.; Joseph S. Nye, Congreve, Miller & Whitehead; Samuel Goldschmidt
At Sleepy Hollow Country Club


Edgerton B. Vinson, De Hoese & Toussend, Cremer & Bullock; Walter H. Wood, Jr., Union Securities Corporation; Norman F. Smith, Merrill Lynch, Pierce, Fenner & Beane


Walter V. Kennedy, Coffin & Sons, Incorporated; John S. Linn, The Chase Manhattan Bank; Francis J. Cullum, First Boston Corporation; Al Stubble, Kidder, Peabody & Co.; Robert L. Thayer, Lehman Brothers

Annual Joint Spring Outing


Frank Link, Harris, Upham & Co., Los Angeles; N. B. Van Arsdale, Byth & Co., Inc., Los Angeles; Gordon Crockett, Crockett & Co., Houston; Donald Summerville, Wagenoller & Darby, Inc., Los Angeles.


William Zimmerman, Bingham, Walter & Hurry, Los Angeles; Max Ihra, Coomba & Co., Los Angeles; Max Ihra, Coomba & Co., Los Angeles; Bob Pearson, Coomba & Company, Salt Lake City, Utah.
San Francisco Security Traders Association and
Security Traders Association of Los Angeles


Andrew Leh, First Boston Corporation, San Francisco; Charles Jack, Frank Knowlton & Co., Oakland; Louis Wood, First Boston Corporation, San Francisco; Ed. Gorter, Frank Knowlton & Co., San Francisco

James Broun, Shearson, Hammill & Co., Los Angeles; Donald Cameron, Merrill Lynch, Pierce, Fenner & Beane, Los Angeles; Henry Baker, Gross, Rogers & Co., Los Angeles; Oliver Stendahl, Coombs & Co., of Los Angeles, Inc., Los Angeles


Fresno Hacienda, May 20-22, 1955

Established in Salt Lake City, Utah, in 1915, our firm today serves seventeen communities in eight states, principally located in the intermountain region, Southern California and New York.

We have expanded our facilities in order to provide prompt and efficient service to individual and institutional clients and to keep abreast of the continuing growth and development of all industries in the areas which we serve.

Three direct private wires connecting our New York office with our western offices provide ready access to the primary markets for regional issues in Utah-Colorado-Washington-Idaho-California.

Your Inquiries are Invited

J. A. HOGLE & CO.

Established 1915

MEMBERS

New York Stock Exchange
American Stock Exchange
Salt Lake Stock Exchange
Midwest Stock Exchange
Los Angeles Stock Exchange
Spokane Stock Exchange
Chicago Board of Trade
Chicago Mercantile Exchange
New York Cotton Exchange
Commodity Exchange, Inc.
New Orleans Cotton Exchange

OFFICES

San Diego, Calif.
Beverly Hills, Calif.
Riverside, Calif.
Long Beach, Calif.

Spokane, Washington
Provo, Utah
Ogden, Utah
Butte, Montana
Missoula, Mont.

Boulder, Col.
Idaho Falls, Id.
Pocatello, Id.
Reno, Nevada

LOS ANGELES SALT LAKE CITY NEW YORK CITY DENVER
More About the SEC's Proxy Rules

should be that which in the determination of the Commission is the most appropriate for the public interest and the protection of investors.

The second is based on the condition that the constitutional consideration of the situation, when the Exchange Act was adopted, is to be found in the history of the situation. The Commission mentioned solicitation of proxies by others in the case of directors and the options and interests in underwriting of company shares. The insiders retaining control without adequate disclosure of their interests in company securities, and information about management policies.

They mentioned management using proxies to take from shareholders any, or all, or any part of their rights for their own selfish advantage. But these reports are nowhere defined as proxies in the historical history, and under familiar principal of a right of action on the ground of a direct or indirect or particular injury to the shareholders, the breach of the Commission's authority can only be questioned on whether the right of action has been established.

A moment broad based of rule-making and the legislative approach, the legislative approach which was used by the Congress where the Securities Exchange Act.

Disclosure Statutes

Both the Securities Act and the Exchange Act contain the "disclosure" statute. By that is meant that in addition to providing a general mandate of the disclosure of information, in a meaningful and timely manner, to assure the public and to investors, the disclosures shall include vital financial and business information, and a disclosure of the public to the market with new issues of securities, in the case of the Securities Act, and bank stocks, which were shares listed on the New York Stock Exchange, in the case of the Exchange Act.

The basic legislative purpose of full disclosure, it deemed should be exposed, and the public's, whether having received information should be disclosed, by giving the Commission power to increase or in certain circumstances, to reduce the level of the requirements. In some particular cases of information, the type of legislative act against a misrepresentation and falsification, but only to those transactions which have a direct effect on the stockholders or the shareholders, the majority of them which to the shareholders, and not to an enormous base for the thing called "information on disclosure.

The Economic Record

Now, why is my justification for saying that the proxy rules are a very minor part of corporate democracy? Again, let's look at the record, this time the economic record. The staff report of the Senate Banking Committee includes the estimate that (eliminate) the number of proxies that were solicitations, the total market value of outstanding stock in all American companies at the end of 1954 was about $283 billion. The total number of securities, the securities are listed on the American Stock Exchange, the total number of securities has been about 1,200 in the past two decades.

I am not aware that there have been any real difficulties or problems, such difficulties or problems, are not worked out by the registered companies with the SEC. The SEC, as a matter of fact, is a bit of a handicap in which shareholder proposal costs have been increased. In 1954 listed companies were involved in proxy contests for control of management. In the first three months of 1955 six companies were so involved. These tests have commenced or are recently commenced and concern some of the largest companies in the United States, to companies of smaller size. Many of these tests have commenced or are recently commenced and concern some of the largest companies in the United States, to companies of smaller size. Many of these tests have commenced or are recently commenced and concern some of the largest companies in the United States, to companies of smaller size.

One of the major type of information required under the proxy rules is the proxy statement. The proxy statement contains a broad basis of financial information for the management of all the companies, paying particular emphasis on information about the company, including the company's financial statements.

The Economic Record

The economic record in the context of proxy contests, the two basic concepts of Administration. The study of the Commission's administration in proxy contests a basic concept of Administration was the Commission's administration in proxy contests. The two basic concepts of Administration are the Commission's administration in proxy contests, the two basic concepts of Administration were the Commission's administration in proxy contests.

For so much, so far, for the economics—now what are the regulations?

Regulatory Problems

The basic theory of the Commission's regulatory theory is that since it is the purpose of the Commission to make public and to control, the Commission's administration in proxy contests, the two basic concepts of Administration were the Commission's administration in proxy contests.

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Continued from first page

1953 Is Not 1929!

from 5c; a copy of the "Saturday Evening Post" up from 5c to 10c; a loaf of bread up from 10c to 35c, a bottle of milk up from 10c to $1.25, which in 1929 was 30c; to say nothing of the price of a hamburger, which could have been purchased for 5c in 1929, which could cost as much as $2 today, and the cost of living and services as if the year 1929 had arrived.

Certain figures must be presented, if we are to understand the situation which is arising around 1953-1954, as compared to 1929-1930. We ask you to consider the following:

Our Population increased from 128 million in 1929 to 147 million in 1953.

New Construction Activity in millions of dollars, was $1 billion in 1929 and $35 billion in 1953.

The Business Gross Product was up from 95 billion to $211 billion, while corporate profits (covering all industries) rose from $9 billion to $38 billion.

The Gross National Product increased from $104 billion to $363 billion in 1953.

Corporate Income rose from $98 billion to $230 billion in the same period.

Investors increased Business Activity shows that we had 5.5 million full-time workers on our payroll in 1953, as against 5.0 million in 1929.

Life Insurance in force increased from $130 billion in 1929 to $260 billion in 1953, while Personal Savings rose from $6 billion in 1929 to $13 billion in 1953.

Continuing, we find that, with the creation of corporate income, all industries, up from $130 billion to $323 billion in 1933.

Consider the next item very carefully: Total Tax Payments in 1929 were $17 billion, rising to $61 billion in 1953. The figure was $21 billion in 1938, and $17 billion in 1941, $19 billion in 1951, and $35 billion in 1953.

As a further indication that there is no possible similarity between 1953 and 1929, consider the following structures as they existed in 1929 which we have compared with those of 1953-1954, we add the following:

Bank Credit rose from $35 billion to $115 billion while Money-In-Circulation increased from $31 billion to $75 billion. At the same time, Consumer Credit Outstanding increased from $5.4 billion to $39.8 billion while Money-In-Circulation increased from $31 billion to $75 billion!

But I must add something important. If the reader will turn to page 64 of the August 1955 issue of the Commercial and Financial Chronicle, I will supplement this brief review with a more detailed and complete analysis.

The Stock Market Picture

If the overall-Stock-Market reflects the state of the economy, it follows that the increased monetary activity, which we have noted, could have only one result: Stocks Were Bound to Advance in Price! However, there is an additional factor to be considered—one now a matter of statistical and historical record.

Corporate stocks advance in price more or less, in line with the amount of corporate earnings and with prices in general. The investor, looking for increased income, will be the first to meet these various increases, can be guided by the following monthly index of the total stock market, when it is possible to obtain it. Of course, another hand, the highest- rate-of-return from gilt-edged bonds is always the inverse of the market index.

A study of all stock listings on the New York Stock Exchange (covering both Preferred and Common Stocks), reveals the following:

As of December 31, 1929, there were 846 companies with a total of 1,293 stocks outstanding. Total shares were 1,127,700,000, and the aggregate market value of this total was roughly, $62.7 billion. Dividing the total market value by the number of shares outstanding, shows an average market price per-share of $52.34.

On March 31, 1955, there were 1,889 companies whose shares were listed, and the total was 1,551! Total shares involved in all companies were 1,999,700,000, and the aggregate market value of all of these shares was a little under $92.3 billion. This date was $92.3 billion.

The changes in shares and aggregate market value may be found in the following:

To corral all the shares listed on Dec. 31, 1929 would involve a total cost of around $65 billion. To accomplish the same objective on Dec. 31, 1955 would involve a cost of around $370 billion.

The ratio of dollar-value of the New York Stock Exchange, on December 31, 1955, had the amount of only $31.2 billion! The result is a NATION-WIDE Stock Market, which is incalculable at this late date, but it is fact and comes directly from the United States Exchange Commission!

The ratio of dollar-value of the New York Stock Exchange on December 31, 1929, was 142.4%, but only 8.1% in 1944. The same situation is clear.

The present price of the market is about 10% of the 1929 price. The aggregate market value is only $2.3 billion, while the 1929 value was $62.7 billion.

The total value of the New York Stock Exchange is $62.7 billion, which is more than the entire value of the New York Stock Exchange. The New York Stock Exchange is the largest security-market in the world! Daily transactions run into millions-of-shares and the money involved in the purchases sold and its resold, is estimated to be about $100 million each business day.

But, the New York Stock Exchange is more than a market—on stock exchange, and the smaller stock exchanges, which constitute the most important financial market in the world. There are about 2,000 individuals in the world of investors, the world over, buying and selling stocks. This, in the form of a purchase or sale, has a real influence on the substantial liquid asset of the world's stock markets.

The price that was paid in 1929, involved an average consideration of many, many more dollars, and was a genuine transaction involving little as $100 million of stock can ever be purchased on the New York Stock Exchange at a price above or below that established on the basis of the concentrated hopes and expectations into which increased buying power poured their individual judgment! The determination as to what a given stock or bond is worth at an exact moment of any given day, and the price of a stock on the New York Stock Exchange is the result of the influence of a very large number of factors: national and international consensus of opinion, expressed in definite specific price levels in the stock market, which are considered.
From war-born Europe, who can participate in this venture of in¬
cluded in 1929, the banks of the "proper Bostalian", whose
marches in the long winter days, their flowers!

The fortunate are private investors of
large means as well as small.

Just as also institutions in¬
cluding banks, insurance com¬
panies, and charitable and Pensions.

But there is no question that the government backs all of these investors, as
even of banks and that is not too
true belief that the American

of trees and the industry is the

as does the blessed God.

As the reason why, regard¬
erless of sex, crede, or color, the
investor makes the very best
-American citizens. He does not only believe in the American
way-of-life, by investing in it, he contributes to its continuation, which in turn, ensures the welfare of all Americans, as well as many millions of non-Americans who have faith in our country to the extent where they too invest in coun¬
tries even of war and hardships, with their hard-earned and hard-reared

Wall Street is "Main Street"

Actually, Wall Street (and its
enlargements) is typical of Main Street in the United States. At one end of Wall Street is the largest and oldest and most beautiful in our country and the world, the New York Stock Exchange, surrounded by it, rest any one who lived in the United States during Revolutionary Times. For over 200 years, all of it is.

Wall Street has the East River, to
which the older and the newer ships were tied — ships that carried our workmen to the very edge of every

in the world.

Half-way down the street, at Sub-Treasury building, which
Washington took his Oath-of-Of¬

the President of the United States.

It is a far cry indeed from the
broad avenues and streets where it was once

clus of the horse-drawn cars of

in the street, to today's

miles, while the narrow asphalt-paved
date the motor-trucks and automobiles
in the street.

But the feeling that it's

the world, its Main Street, is always

Those people who earn their
in Wall Street come from every and everywhere, they are bankers, brokers, and clerks, shopkeepers, bartenders and

andbers. Though there is an air-of

burly, and yet the world

everybody else. The very old meet with all the time. The

in for happiness and the young,
with sincerity for having made a

to be wise in the "wise men" and

the "wise men" on good terms with

The Communist creed argues that

Wall Street socialists with capitalism. It is reiter¬

agains; that Wall Street executives are the warmongers of the world. It is our choice to be either
the Communists who owe their allegiance to the Soviet Union, or to
Americans to attack Wall Street. Wall Street is the sales force of millions of other good Americans in the
back, while encouraging the "Communists" to continue with their attacks on the "Street."

The Cyclical Years of Great Depression

Going back over the 25-year period 1920—1945, this study of all the facts and figures show that the events which transpired in this time period indicate that there were 25 years of the national economy of our coun¬
dience, both in Wall Street and in the individual, that in the develop¬
ment which followed, the financial

great corporations exchanged

The first of these years obvi¬
ously was the year 1929. That
year marked the end of a highly speculative era and one not con¬
verted to the stock market alone. As the records now show, the
large number of the longest and deepest depressions ever recorded by the
most far-reaching and as its ef¬

cemedian concern.

The second period that stood out in this 25-year era were the years 1925-1933, which we now
know to have lucrative low point of the long depression era. These
two periods marked the starting
point of a decade of extremely

1925-1933, it can be said that

dated analysis will reveal

The next cyclical year in the
1929-1933 period which marked a turning-point in world history. In
1929 the United States, attacked by Japan, became a part of world war. History was eventually record the year 1941 as the last actual peace-

year the world will ever see
again.

Certainly it is apparent that
1941 was the last year in which

function and develop under the
influence of defense-spending and a factor of inflation which had not been

Great Impact in this 25-year cycle was the Year¬

money to be made by American in¬
country. At the end of World War I, we faced with the problem as to how to convert itself in a depression similar to the one that hit

Wall Street. And by far-sighted management and with the cooperation of American investors, our corporate

decision—a very bad decision—
the stock market. As time has
proved, was 100% correct! For
the getting of the depression following World War I, the leaders of our business enterprises
converted from War to Peace—

their facilities in order to develop

capacity ever known to the

Let us repeat then, since these cyclical years referred to, will be

the end of a speculative era:

1925—1929—Beginning of the 11-

Year depression.

1941—The end of a peace-time

1945—The year of great deci¬

1925—The year which marked a

1929—The year that moved a

1953—The year when the

1953—The year that the

1955—The year that marked

Trend of Stock Market Prices

(Dow-Jones Industrial Average: 30 Issues)

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1955 Is Not 1929!

Because of the large number of stock splits and some stock dividend distributions, the only sound basis upon which to make comparisons for the cyclical years 1929, 1932, 1933, 1941, 1946 with 1955, is to adjust the number of shares outstanding in each case where stock splits and stock dividends were made and then examine the data on a comparable basis on a per-share of common stock basis.

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attention to the following percentage increases:

Gross National Product 74
National Income and Product 66
Gross Personal Savings 107
Corporate Income in Corporate Profits 60
Total Compensation to Employees 78

Rental Income to Individuals 85
Total Government Receipts 87
Corporate Assets 60
Corporate Liabilities (Federal Reserve System) 72

Corporate Profits (After Taxes) 72
Corporate Dividends Paid. 42

So much for the growth-factors 1933 vs 1946. Let us next review this for 1946.

At the end of 1946, the aggregate market value of all preferred and common stocks listed on the New York Stock Exchange was approximately $60 billion. At the end of 1939, the aggregate market value was $26 billion.

Using the figures above, it is apparent that the market value of the outstanding corporate stock increased by approximately 71%, or about 15 percentage points in the price increases shown in the preceding summary.

In 1946 the dollar value of all stock transactions was $153 billion. In 1939, the dollar value was $42 billion.

For both 1946 and 1939, average daily transactions reported were approximately $1.25 billion. The average value of stock transactions of $125 billion to National Income in 1929 was 142.44% and in 1939 4.6%. This factor is, in itself, should eliminate any further comparisons between 1939 and 1929.

The conclusions arrived at from an analysis of the preceding market and individual corporations in 1939 reported their largest increase to average earnings increased substantially, and there was no undue speculations, in 1939, as well as for 1946. All things considered, there was a strong foundation upon which to predict a further rise in market prices in 1946.

I am indebted to my good friend, Mr. Elwood Johnson, of Boston for permission to incorporate some pertinent, statistical material in this article.

Using the Federal Reserve common-stock indices comprising the Dow-Jones Industrial Average, if we purchased each share of these 20 issues (the ratio of the Dow-Jones Industrial Average, 1946), we would have cost us a total of $3,533—an average price of 25.85 for the 16 of 23, 1945, the total value of our holdings was increased to the amount of $2,338 and the average price per share was $10.63.

Let us now study the changes in underlying denominators, that made this increase in price possible. For the three years—1947, 1948 and 1949—these companies averaged Earnings of $4.25 per share, which increased to $5.12, as averaged for the 5 years 1950-1954, as compared with $3.12 in 1946.

The Dividend-pattern follows: In 1946 average dividend was $2.14; for the years 1947-1949, $2.85, and for the year 1950, $3.13.

The average Yield over the 5 years 1950-1954 was .59%, as against current yield of 4.1%, which brings right out the...
1955 Is Not 1929!

In common stock prices, then the important question to be answered is: Will the level of stock prices be maintained or will they in the future assume that we are both in agreement—indeed, that we are both in agreement on all things considered). Next, simply multiply 10% by the figure 25, and the result will show a 9.5% rate-of-return.

For instance: The East & West companies, based on the average earnings of both East & West common and preferred stocks, earned $4.50. You can afford to pay 25% of $4.50, or $1.125; at $50, or $50, which will return you 10%.

Now assume (and certainly, information is available from many sources) the possibility of improved earnings and a higher dividend than the $2.60-rate computed. Let us assume that earnings are running at the rate of $6.00 per year and that the dividend possibility is $3.00 for 1955. Instead of waiting until the declaration is made, simply multiply this $3.00 dividend-expectancy by the same figure 25 East & West common stock is then worth $75 a-share, instead of $50 at the $2.60 dividend rate. It will still return you 4%. The difference between the $50-price in the open market and the $75-price means the latter is selling at a 50% premium over the former... surely a substantial profit margin.

In my opinion, this is a sound basic method of evaluation. In my own work always, I have used times-dividend ratio, rather than a rate-of-return.

In connection with the preceding discussion, I should perhaps add that the rate-of-return may be used, and, in actual practice, must be given consideration. Some companies, rather than pay out a smaller amount of earnings in dividends, prefer to plow back into the business plant each year, to pay down the mortgage, and the dividend-payments are kept at a reasonable level.

I have always prided myself in the statement that my opinion runs contrary to that of many professional analysts. An opinion is, after all, based on the collective decisions of investment practices. If sound research has preceded the development of the opinion, the serious consideration and intelligent approach to the problem, and the sound factors concerned, there is no reason for any good analyst to hedge his bets.

As trips stand on this day, I have to admit that the article of the 25th of May which gives me the right to say: 'Stocks for sale at a 4%-rate-of-return who is saluted with a reasonable 5%-rate-of-reappraisal (in whatever form) has the possible effect of raising the level of the stock market. It is not an unduly optimistic view to assume the possibility of a 5%-rate-of-reappraisal and a 3% dividend rate which, I believe, is a reasonable and realistic view of a sound stock market.

We do not expect stocks to show a sharp advance in price over the next few months; an advance in the price of 10%-15% would be an equally unrealistic view. The market has been founded on the theory that a 4%-rate-of-return who is saluted with a reasonable 5%-rate-of-reappraisal of the next five or ten years, should have the effect of raising the future price level of the stock market.

If my readers in that category, I feel sure that this article will have served its real purpose.

Well Considered and Well Said!

The "increasing importance for security markets of institutional investors such as insurance companies and retirement funds, corporate pension funds, personal trust funds and nonprofit institutions, has been a subject of lively discussion in papers and magazine articles. And the understandable speculation of fiduciary investors has been a major factor affecting the fluctuations of stock prices. The necessary conservatism of institutional buying has contributed to the relative scarcity of and high price-earnings ratios for blue chips. The pressure of ever-growing funds for suitable investment vehicle, in addition to the concern of stability during periods of adversity, at least for seasoned securities. And beyond the question of the impact of institutional transactions on security prices, there lies the even more serious question of whether the concentration in relatively few hands of the power over our leading enterprises and the ensuing effect on corporate management.

'Fiduciary investment has played a major part in spreading the ownership of our great industrial enterprises. Excepting personal trusts, where the beneficiaries receive high returns, the relation of income to book value is in any case. In the case of institutional buying, the funds have been built up and are used primarily for the purpose of building up and preserving corporate value, rather than for the purpose of short-term profit. That result is achieved by buying high-grade stocks, by reaping the dividend ratio, and in some cases by using the proceeds of sale to retain the capital in the company for the purposes of expansion and other desirable developments. The result is to strengthen the stability of the corporate structure and to build up the strength of our industrial foundations.

New S. F. Exch. Members

SAN FRANCISCO, Calif.—Joseph A. Zilka, a member of the board of directors of Cullman, Director of the San Francisco Life Insurance Company of St. Louis, an affiliate of Mutual of Omaha, at its recent annual meeting, was elected as an additional member to the board of directors. Mr. Zilka is the son of Mr. and Mrs. Joseph C. Zilka, former president of The Zilka Life Insurance Company, and has been living in San Francisco since 1934. He has been a member of the board of directors of the San Francisco Life Insurance Company of St. Louis since 1935.
Credit Stringency to Reduce Housing Starts

Tightening of mortgage credit likely to cut year’s output about 100,000 units below earlier predictions, saving, savages, and loan official.

The tightening of home mortgage credit now underway probably will mean that the 1965 volume of housing starts this fall, compared with the volume of starts for the comparable period last year, will be lower. Just how much lower depends upon the strength of local demand for housing, N o r m a n B. S t r u k k , President of the Federal Reserve Bank of St. Louis, said. Mr. Struck said instead of the 1,400,000 new building permits predicted for 1965, the final total for the year likely will approximate 1,300,000. “This will still be the second biggest volume in history exceeded only by 1959,” said Mr. Struck.

The tightening of credit in recent months, Mr. Struck added, has been uniform in distribution, with all builders, including action by the Fed¬ eral Reserve banks, being equally affected. Readily-available mortgage funds grew at an annual rate of 35% during the first eight months of the year, which means that the volume of the new housing starts will be the highest since 1957.

Although predicting increasing competition and higher prices, Mr. Struck emphasized that this competi¬ tion will vary widely in intensity and locality. “We should never forget—this, very large and increasing volume of mortgage credit, we have not had to do this year,” he stressed.

At least in California, the answer, Mr. Struck has established the fact that (1) Business prospects in gen¬ eral are good, (2) The electrical industry, in which you are wholesalers, has very good outlook, (3) As wholesalers you have the advantage of the large and growing volume of business this year, you have ever done, and the prospects for the future are excellent.

What is there to worry about? Put very plainly, the worry seems to be the increasing competition nowhere as good as your sales. In fact, at a peak of sales, they have been so discouraging that some electrical wholesalers have thought they could do as well by closing up shop and going fishing. And a few of them have.

I would like to be able to tell you what to do to remedy this situation. But it would be presum¬ ptuous for me even to try to do this at this stage. This is a job for those with expert knowledge of your industry and local conditions, but it is clear at the outset, I make no predictions.

However, I do have a few ideas which might provide a little con¬ crete help, and I wish to say a word about them.

One is the choice of products. I take it, arises primarily from two causes. One is a lack of market research, the other is the fear of competition. The other is that you have been losing sales to better, more profitable business by having manufacturers collude they don’t need you, and up their prices and their own wholesaling.

So far as having manufacturers take over wholesaling in any overwhelming degree, we wholesalers know that we are the buffer between you and nature, the time that is running on your side. With the wholesale savings can very substantial part of your costs. You who effectively capitalize on this, I am sure, are the type of wholesaler who is branching out into the details of your business. You have discovered that in the local market, the possibilities of chipping the iron individual competition by concentr¬ ating on a single area and rather

Continued from page 9

What’s Ahead for Business?

mercy cannot be realized in life. I am saying that if you have some balance in your account that are hotter than hot, and you have some money that is a little bit of money, they will give you to someone who can help you.

Don’t Sell Price

When markets are going up and there are many attractive deals, it is easy to become excited by market moves and by the price action, but such excitement does not make you as easy to make easy money—it’s a very human weakness, people, and, pleasant pastime. But, when you have tasted some of this ill gotten here, you are liable to grab a bit soft regarding other things that are better. I think, after the securities business. Income, and, long-term growth with money invested in well managed strong businesses are what keeps all of us eating regularly.

When you have an attractively priced situation to offer some of your good friends and customers, sell the quality and the yield and the long-term growth as well as the opportunity for quick profit. If you have an attractive situation one by one in a day at a time, for everyone—just a few of the people who are among your favorite boarders.

With Shearson, Hammill

(Special to The Financial Chronicle)

LOMASEG, Calif.—Janet P. Shearon, co- owner of Shearson, Hammill & Co., 520 South Grand Avenue, Los Angeles, has been appointed to the board of directors of the Shearson, Hammill & Co.

With Interstate Secs.

(Special to The Financial Chronicle)


Daniel Reeves Branch

SHEARSON OAKS, Calif.—Daniel Reeves, co-owner of the New York Stock Exchange, has been appointed to the branch office at 1221 Venture Boulevard under the management of Robert W. Higgins.

Politicians, Take Heat!

“The group generally agreed that too much reli¬ ance has been placed on the part which price sup¬ ports and production controls can play in solving agriculture’s long-range problems. “Price support programs of certain commodities—such as beef cattle, poultry, fruits and vegetables—without mandatory price supports have made neither better products nor favorable impact on the difficulties encountered by producers of supported commodities. Price supports have overstimated the production of some commodities. Production controls for the implementation of a high price support policy tend to reduce efficiency and result in higher-cost production. There is also a tendency for higher surpluses and less record deficits in storage.

“In the future, price supports should play a pro¬gresively smaller role and net income a greater role in the national income.”

—from the findings of the American Assembly on the perspectives and prospects of American agriculture.

A moderate statement of truths which should be heard and heeded.
in much larger Numbers at some seasons of the year than at other times. How far can an automobile manufacturer go in

Continued from first page

dustry, or are they lying latent, wasting the pleasure or the strength of the workers.

The central question is the degree of moral or social responsibility of an employer for continuity of employment of an employee once placed on the books of the employer. It is just quoted seems to strive to give the impression that the company and the union agree that this obligation is large and pervasive—almost total. That is to say, the passages quoted seem to say that the agreement is that the employer has not only the obligation to pay the employee his salary, but also to eliminate the "hazards and hardships of layoffs and unemployment" among the labor force of the company. Little by little companies which already assumed a very large part of this responsibility in this area, as witness unemployment insurance and many special considerations written into union contracts.

What Is It?

There has been a great deal said of late months about the "guaranteed annual wage," but no one has taken to define the term in any great degree of precision. One may gather from what has been said from time to time by union leaders that what is meant by this term at least in the near present is an assurance of much larger benefits from employers to men and women either temporarily laid off or permanently dropped from payrolls without charges. There can be little doubt that the present view is that the system of wages for, say, a year, once an employee has joined the work force on a permanent basis. This is a degree of "security" which, very, very, important that the whole world of ours has at the present time, but that fact does not deter the leaders of the unions who are now determined to take full advantage of the present temper of the public mind and general prosperity which it makes financially possible to do a great deal, for the time being at least, which would be completely out of the question in less prosperous times.

To place the real limit of responsibility of employers and of their ability to perform in this matter? We may, of course, largely disregard the polemics of the union negotiators and politicians. It is well known that certain large and successful corporations have long ago instituted something that may be called the guaranteed annual wage, and have not suffered by doing so. Indeed some of them have found it excellent business. In certain of these corporations, the demands of the workers for greater security of employment the year round set the management to work to see what could be done to stabilize their operations and to eliminate the seasonality.

To some of these, it happened that their product was one which the consumer used steadilly and in about the same amounts all through the year. The seasonality of raw material available in that particular product was negligible. To others, the product was one whose sale was erratic.

The stability of operations proved highly efficient for the company. We doubt if there are many who would not agree that the success is due not only to the assumption that there are such cases where the effort has not been made—it is the clear duty and the opportunity of management to proceed with the matter not only for the sake of employees but for their own business good.

Can They Be Stabilized?

But how many types of business in the nature of the case be seasonally stabilized? There are some which obviously can not be. Attempts to so stabilize operations which in their very nature are not stabilizable, would entice large financial and great costs, probably causing numerous failures among the highest-cost concerns in any given industry. Much of the seasonal variation in industry goes back to nature. The canning industry can not vege-

Continued from page 5

Credit Policies of American Banks

In Financing Foreign Transactions

The Export-Import Bank is now offering guarantees against political risk, including nonconvertibility for export of capital goods. However, the demand for such guarantees is not great. I feel that commercial banks can meet such political risks without recourse, under such guarantees.

Private finance companies discount short-term foreign bills of exchange and trade credits. These facilities usually do not measure with the risks incurred. However, the higher cost of interest of 11% or 12%, makes it attractive to the both seller and the buyer and this type of financial assistance is likely to be attractive to both parties.

The Export-Import Bank, on the other hand, is not in favor of short-term financing of exports or foreign trade credits for nonproductive goods. Mr. H. R. Howstreet, newly installed as president of the Export-Import Bank, made the following statement recently: "The Export-Import Bank, in cooperation with the Bankers' Association for Foreign Trade at Virginia Beach, on May 25, 1953, was established to make it possible for private and public banks to finance foreign trade on a cooperative basis."
For our government to insure against risks on sales for cash against deliveries, it is necessary that credit up to 180 days would either save or purposeful on more than one, would encourage the extension of credit in excess of the ability of the seller to pay in dollars... credit to be extended for... even more true abroad than it is at home... of the credit of the importing country, we will only pile up indentures of that point is reached where the buyer cannot pay his debts because he will be unable to obtain the goods.

I believe that the expanded facilities of the Export-Import Bank, the increased credit of the "Economic Act Corporations" and of the new public policy on trade will help American exporters to meet normal term requirements that may arise. The present credit rivalry in foreign markets is due to the change in normal trade. It is in every case a conservative bias based on government backing... competition by private enterprise, but competition... governments with American private firms.

The time is ripe for an effort to stop the "cold war" in credit terms, which has turned into one of all concerns. It is time for the business leaders of industrial countries to get together and establish a set of credit principles in international transactions concerning their mutual interests. These principles should be used only as a means of extending normal trade in accordance with the particular industries.

In the meantime our exporters must pursue a prudent policy and extend longer credit terms only to those institutions other than to outbid a competitor.

**Stuhnlitz Greene Stock Placed Privately**

Golkin & Co., New York, has placed privately the common stock of Stuhnlitz Greene Sprinkler Corp. of San FRAN., N.Y., according to an announcement by Maurice Stuhnlitz, President of the automotive cushion seat spring and mechanical spring manufacturing business.

Proceeds of the sale will be used to establish a new cushion seat spring and frame facility for a number of purposes, Mr. Stuhnlitz said in his announcement. The seat springs are running at a rate of $25 million annually.

Stuhnlitz Greene has been manufacturing cushion seat springs for automobiles and for other purposes since 1935. In 1945 the company acquired rights in the production of a new spring and mechanical spring facilities of Reynolds Sprinkler Corp. of New York. The chemical division of the company was sold to broaden the use of its processes for the production of materials for, such as steel, glass, and textiles, with a productive liquid and the outlet in the production of the same.

The company has wide commercial application and holds future promise for diversified and expanding Stuhnlitz Greene's Spring's earnings, based on the new facilities.

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**More Commentaries on the Guaranteed Annual Wage**

**The American Economy During the Next Ten Years**

Volume 181 Number 5436... The Commercial and Financial Chronicle (2073) 41

Continued from first page

Because building products are extensively bulky in over the value, it is not possible to warehouse these goods during periods of decreased demand in the building season, except if it was possible to know the extent of future demand in advance. Thus, the_gluing

Principle of surplus goods to all with favors to none—which made America a great nation.

The trend... to wage defensive fights, as on GAW they can be assured of one defeat after another. They must assume... heavily concentrated at the lower income levels, rural farm, or urban families. Over 85% of the rural farm families... 1950. By 1960 Mr. D. W. DeWhurst, who has been... will fall to 84%. It is quite possible that the proportion of farm families... will fall further to 76% by 1965. For this reason the... nation. It is... the people, particularly those at the lower income levels, will leave the farm for more remunerative work elsewhere.

In view of the character of the South Farm Street, members in other countries in... firms, and particularly those at the lower income levels, will leave the farm for more remunerative work elsewhere. Those who remain are likely to find their earning power materially enhanced.

Guaranteed annual wages will benefit all the people, consequently, it will fall on all the people through taxes and not on individual companies, and... financial capacity of the burden.

This function thus indicates that the distribution of income across farming and nonfarm families will decline, although slightly, but still exist. It should be noted in this connection that these income distributions fall into consideration for the total economy. The disparity between the income distributions of farm and nonfarm families, it is certain, will not be so great.

If we look at the situation in terms of the nature of the distribution of money income for the family farm, the income from its operations and from its income from its operations and from its property, the latter is only a fraction of the family income. It is certain that such income would be smaller than any other.

The demand for farm products will continue to increase during the next 10 years. Most of the grain from farms to urban centers may be expected to continue for at least another 20 years. In 1955 it was a result that the financial status of those who are engaged in... income... of the population remained stationary or if it increased.

One of the notable facts of the past 10 years or so has been the substantial growth in the population. There has been some evidence of late that the rate of increase is slowing down a bit. In absolute numbers, however, the population can be expected to continue to rise throughout the decades beyond 1955. In the 1950s the population of the United States will grow by about 22 million. In 1960 the population of the United States will reach a total of 177 million. In the next 10 years the other rise of 10 to 12 million is a larger part of the population. It is certain that the population will be in the neighborhood of 190 million by 1965.

**Demand for Farm Products**

Two basic tendencies may be expected to bring about these results. First, it is likely that the demand for farm products will continue to increase during the next 10 years. Second, it is expected that farm products from farms to urban centers may be expected to continue for at least another 20 years. In 1955 it was a result that the financial status of those who are engaged in... income... of the population remained stationary or if it increased.

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**With Dean Witter**

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LOS ANGELES, Calif.—John S. Stuhnlitz, President of Stuhnlitz Greene Corp. of Stuhnlitz Greene, Los Angeles, Thursday, and Mr. William Miller has been added to the staff of Dean Witter & Co., 31 South Spring Street.

**With First Western**

**With First Western**

SACRAMENTO, Calif.—Edward B. Boyer is now affiliated with the First Western Stock Company, 4336 Fourth Avenue.
The Economic Aspects Of The Cold War

rect loans to business exporters to aid Latin American industry, although the success of this program will be measured not by the number of projects started, but by the number of projects halted by lack of funds.

The answer, of course, is to facilitate participation by developing foreign investment at e-environmental opportunities to minimize the risk of future loss by reducing the risk of future loss.

These are not the only problems facing us in the world today. We have only touched on very few.

But if we examine further these theoretical and the spiritual philosophies, we find that the solutions, like so many others, have a practical aspect. We cannot expect to build a balanced and strong world on the basis of two basically opposed ideologies.

It is not that we should suddenly alter our technology, but it is that we should develop a new technology that is not based on the ideological foundations of our past. They have repeatedly stated that their long-term objective is to destroy our own system and restore the political and economic order that existed in the world before the establishment of the free enterprise system. The developments of the last few years have demonstrated that our national security is at stake in the world, we can no longer afford to ignore this long and perhaps difficult road. But if we have faith in our principles and faith in our system, we can face the future with confidence.

As you go into our business and industry, both at home and abroad, and take over your share of responsibility, you become the real representatives of the private enterprise system. The policies you follow, and the decisions you make, will have a very important part in the preservation of...
Economic Freedom Should Include Individual Freedom

human beings are not advanced toward and cannot mature as the modus of economic life, and to try it would eventually destroy the very foundation of our social and material. But "so-
fully can contribute" is still a problem. I think one can see which will and does work in 1006.
Reconciling Business Practices

With Moral Concepts

What have we to remember, I think, is the relation between practice with which we are faced, is one that each of the present toward business stems from religious, spiritual, and moral concepts which we must approach carefully and understandingly. More importantly, we can reconcile business practices with our moral concepts to do what we want to find and see. We can reconcile ourselves with the theory and to see what we want to do. For if we were successful, we would destroy a free enterprise as well.

Too many of us have forgotten that the ethical values of the western world are religious. We lie to think that to separate the religious from the practical is to separate them from the world we live in. We lie to think that the actions of society and of business have to be separated. The very society we live in is shaped by religious values, so we have to reconcile our actions with our moral and religious concepts. If we are only to enjoy the religious and moral concepts we have to take them into account.

Businessmen and women, whether they are religious or not, have to take moral and religious concepts into account. If they are religious, they have to reconcile their actions with their religion. If they are not religious, they must consider whether their actions are ethical and moral.

If we are to be successful, we must reconcile our actions with our moral and religious concepts. This is what we must do if we are to reconcile our actions with our moral and religious concepts. This is what we must do if we are to reconcile our actions with our moral and religious concepts.

The Feeling of Envy

A common trait of most people we meet in business is envy. But none of us is free of this weakness, and we should find ways to overcome it. We must not let envy control our behavior.

Profit Sharing

I can't pass the judgment of gainers on reference to profit-sharing. I believe the concept of profit-sharing is a poor one. In my opinion, there is no better way to educate employees, but to increase productivity and to grow the business. Profit sharing is growing rapidly, and more and more businesses are adopting it in one form or another. We should not jump into this trend without thinking. Profit sharing is a natural relationship between business and society. If it is too far, too many, too much, too far, or too much, it will be harmful to society.

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THE COMMISSIONER OF BUREAUX—April 19—1947

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CIVIL ENGINEERING CONTRACT—ENGINEERING SYSTEM—REVIEWED SERIES—Month of May ('000's omitted)

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COTTON CREDIT OUTSTANDING—BOARD OF COMMERCE—Month of March

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COTTON SPINNING (DEPARTMENT OF COMMERCE)—Spinning spindles in place on April 30

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FEDERAL RESERVE BANK OF ST. LOUIS

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Wholesale Commodity Price Index Declined to Year's Lowest Level the Past Week

Continuing its downward movement, daily wholesale commodity price index closed at 270.84 on May 31, compared with 271.74 on May 24, and with 271.04 on the like date last year.

Thus far, the index has declined 0.3% from its year's peak of 274.84. The index was 270.86 on March 31, and 272.04 on February 26.

After showing some strength in the fore part of the week, which was interpreted by some as indicating a lowered influence by reports of generous rainfall over the belt, the market continued to decline. In grain and soybean futures on the Chicago Board of Trade, the May delivery for 1957 was quoted lower

Trading in grain and soybean futures on the Chicago Board of Trade was lower for the week. May delivery of 1957 was quoted lower.

In cotton, an increase was made for the same delivery.

In the copper market, the June delivery was quoted lower.

In steel, the Steel Institute announced that the spot market price for steel was 1.45% lower than the previous week.

In the iron industry, the American Iron and Steel Institute announced that the spot market price for iron was 1.45% lower than the previous week.

In the automotive industry, the Motor Car Association announced that the spot market price for automobiles was 1.45% lower than the previous week.

In the rubber industry, the Rubber Manufacturers Association announced that the spot market price for rubber was 1.45% lower than the previous week.

In the paper industry, the National Paper Association announced that the spot market price for paper was 1.45% lower than the previous week.

In the chemical industry, the American Chemical Society announced that the spot market price for chemicals was 1.45% lower than the previous week.

In the steel industry, the American Iron and Steel Institute announced that the spot market price for steel was 1.45% lower than the previous week.

In the coal industry, the United Mine Workers Union announced that the spot market price for coal was 1.45% lower than the previous week.

In the cotton industry, the Cotton Growers Association announced that the spot market price for cotton was 1.45% lower than the previous week.

In the food industry, the National Provisioners Association announced that the spot market price for food was 1.45% lower than the previous week.

In the lumber industry, the American Lumber Manufacturers Association announced that the spot market price for lumber was 1.45% lower than the previous week.

In the petroleum industry, the American Petroleum Institute announced that the spot market price for petroleum was 1.45% lower than the previous week.

In the electrical industry, the National Electrical Manufacturers Association announced that the spot market price for electrical goods was 1.45% lower than the previous week.

In the communication industry, the National Telecommunications Council announced that the spot market price for communications services was 1.45% lower than the previous week.

In the paint and varnish industry, the National Paint and Varnish Institute announced that the spot market price for paints and varnishes was 1.45% lower than the previous week.

In the construction industry, the National Constructors Association announced that the spot market price for construction materials was 1.45% lower than the previous week.

In the jewelry industry, the National Jewelry Manufacturers Association announced that the spot market price for jewelry was 1.45% lower than the previous week.

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In 1954, the total net assets of Investors Stock Fund, Inc., mutual fund affiliates managed by Investors, were reported to be $121,088,459 as of April 30, 1955, an increase of $96,657,102 from the first fiscal year end, according to the Fund's semi-annual report issued today to its 32,000 shareholders.

Net asset value per share in this six month period rose from $2.12 to $2.77 as of April 30, 1955. The report, quoting from the recent economic survey by the Securities and Exchange Fund in support of its forecast, states, "over the long term, the outlook for investors in the common stocks of leading business enterprises seems to be fairly promising."

"The substantial rise that has already occurred in the price of many stocks suggests a conserva-}
Securities Now in Registration

All State Uranium Corp., Meab, Utah (6/15)
April 19 (letter of notification) 300,000 shares of common stock (par $1). Price—20 cents per share. Proceeds—For mining operations.

Capital Reef Uranium Corp., Reno, Nev. (6/15)

Baltimore Gas & Electric Co. (6/22)

Beloob Instrument Co., Inc. (6/21)

May 26 (letter of notification) 1,000,000 shares of common stock. Price—At par (one per cent) share. Proceeds—For general corporate purposes. Underwriter—A. Meeds, Jr., 193 W. 57th St., New York City.

Blue Chip Uranium Corp., Denver, Colo. (6/27)
May 12 (letter of notification) 50,000 shares of common stock (par $1). Price—$1 per share. Proceeds—For general corporate purposes.

May 25 (letter of notification) 100,000 shares of preferred stock (par $100). Price—$20 per share to stockholders, and $22 to public. Proceeds—For additions and improvements. Underwriter—Laidke, Bissett & Meeds, Wilmington, Del.

Briggs Town Hydraulic Co. (6/13)
May 7 (letter of notification) 50,000 shares of common stock (par $1). Proceeds—For development of certain water power properties. Underwriter—J. W. McManus, New York City.

Bucyrus Equipment Co., Chicago (6/7)

Colorado Oil & Uranium Co., Denver, Colo. (6/24, 6/15)
April 29 filed 600,000 shares of common stock (par $5). Price—$5 per share. Proceeds—to make loans and for working capital. Underwriter—General Investment Corp., New York.

Coloaluma Uranium Corp., Montrose, Colo. (7/5)
April 21 filed 2,900,000 shares of common stock (par $1). Price—$120 per share. Proceeds—to make loans and for working capital.


Colorado Forest Products Co., Denver, Colo. (6/15)
March 11 (letter of notification) 150,000 shares of common stock (par $1). Price—$7 per share. Proceeds—to the extent of $100,000 to be offered in units of 10 shares for preferred stock and one share of common stock. Proceeds—For working capital. Underwriter—J. J. Birkan, Danville, Ill.

Conjecture Mines, Inc., Coeur d'Alene, Idaho (6/9)
May 20 (letter of notification) 200,000 shares of common stock (par $1). Price—$10 per share. Proceeds—to make loans and for mining needs.

Consolidated Cigar Corp., New York (6/27-30)
June 3 filed $17,000,000 of 20-year sinking fund debentures due June 1, 1975. Price—To be supplied by underwriters. Proceeds—To repay long-term indebtedness and short-term bank loans and for working capital.


corporate and public financing

New York Boston Pittsburgh Chicago Philadelphia San Francisco Cleveland
Private wires to all offices

Coso Uranium & Mining Co., Long Beach, Calif. May 31 (letter of notification) 3,000,000 shares of capital stock (par one cent). Price—10 cents per share. Proceeds—For mining operations. Office—Manning & Moore, Los Angeles, Calif.

Cosmos Life Insurance Co. of Memphis, Tenn. May 9 filed 162,000 shares of common stock (par $5). Price—To be supplied by amendment. Proceeds—For selling stockholders to enable them to acquire all outstanding life insurance and accident insurance in State of Tennessee. Underwriters—Blyth & Co., New York.


June 10 (Friday)

Kansas City Power & Light Co., Common (offering to stockholders—underwritten by The First Boston Corp.) $5,000,000. Price—$100 per share. May 11 (letter of notification) 3,000,000 shares of capital stock (par one cent). Price—$20 per share. Proceeds—For mining operations. Office—348 South State St., Salt Lake City, Utah. Underwriter—J. W. Hicks & Co., Denver, Colo.

June 12 (Tuesday)

Abercrombie & Fitch Co., Inc., New York, N.Y. April 18 (letter of notification) 18,000,000 shares of common stock (no par), of which 8,400,000 are issuable upon exercise of certain options issued under the company's Restricted Stock Option Plan for key employees. The remaining 5,600,000 shares will be offered for sale by the company and may be offered by them from time to time on the New York Stock Exchange or through special offerings.

June 14 (Thursday)

John Radium Uranium, Moab, Utah April 16 (letter of notification) 2,500,000 shares of common stock. Price—At par (one cent per share). Proceeds—To Underwriter—Guss & Mebrock, Archers Building, Moab, Utah.

June 15 (Wednesday)


June 16 (Thursday)


June 17 (Friday)

Coloboma Uranium, Inc., (General Investment Corp. and Shiatane & Co.) $1,200,000. Price—$150 per share. May 27 filed 1,200,000 shares of common stock (par one cent). Price—$1.17 per share. Proceeds—For increasing capital and surplus. Underwriters—MacDonald Lewis & Co., New York, N.Y.

Fidelity Insurance Co., Mutins, S. C. March 25 (letter of notification) 6,000,000 shares of common stock (par $1). Price—$1.39 per share. May 29 filed 6,000,000 shares of common stock (par $1) to be offered in units of one share each. Price—$1.39 per unit. Proceeds—For selling stockholders. Office—Newhouse Bldg., Salt Lake City, Utah. Underwriter—Allied Underwriters, same address.


July 5 (Tuesday)

Long Island Lighting Co. (offering in stockholders—underwritten by Rhyth & Co., Inc.) $1,750,000. Price—$50 per share. June 27 (Monday)

Consolidated Fuel Co., Inc., Preferred (Hartmann, Goldman & Co.) $100,000. Price—$75 per share. June 22 (Saturday)

Mountain Fuel Supply Co., (offering in stockholders—underwritten by The First Boston Corp.) 196,000 shares. July 1 (Friday)

Long Island Lighting Co. (offering in stockholders—underwritten by Rhyth & Co., Inc.) $1,750,000. Price—$50 per share. July 7 (Monday)

Primary Metals Co., (General Investment Corp.) $700,000. July 12 (Tuesday)

Illinois Bell Telephone Co., Bonds (interest to be paid $150 per share). July 20 (Wednesday)

Consumers Power Co., (offering in stockholders—will be issued $17,300,000). July 21 (Thursday)

Consumers Power Co., Preferred (Morgan Stanley & Co.) $100,000 shares.

September 13 (Tuesday)

Utah Power & Light Co., Bonds (interest to be paid $150 per share). September 21 (Wednesday)

Southern Co., (Blane & Co.) 100,000 shares.


Illinois American Casualty Co. March 27 (letter of notification) 10,000 shares of non-voting stock, price $2 per share. Proceeds—for insurance business. Underwriters—Champaign, Ill., Underwriter—None.

Illinois Bell Telephone Co. April 21, 1955 (letter of notification) offered for subscription by stockholders of Illinois Bell Telephone Co., and the parent, 99.32% of the presently outstanding shares. Proceeds—For repayment of advances from parent company. Underwriter—None.

Inca Uranium Corp., Salt Lake City, Utah April 25 (letter of notification) 15,000 shares of preferred stock, price $2 per share. Proceeds—for mining business. Underwriters—1946 S. Main St., Salt Lake City, Utah. Underwriter—Guss & Mednick, Salt Lake City, Utah.

Industrial Hardware Mfg. Co., Inc. (letter of notification) May 12 (amendment) 1,300,000 of 2% debentures due June 1, 1985, of which 850,000 shares are to be sold to and held by officers and employees of the company. Proceeds—To increase capital and surplus. Underwriter—None. Underwriter—Peters, Writer & Chrispean, Denver, Colo.

International Fidelity Insurance Co., Dallas, Tex. March 26 filed 10,000 shares of common stock (no par). Proceeds—For insurance business. Underwriters—None. Underwriter—Name to be supplied by amendment. Underwriter—None.


Jerrold Electronics Corp. (Pa.) (6/20-24) April 18 (letter of notification) filed 5,250,000 of 4% convertible preferred stock, due June 1, 1975. Proceeds—To increase capital and surplus. Underwriter—Union Capital, New York, N. Y.

Kane Creek Uranium Corp. April 18 (letter of notification) 1,000,000 shares of capital stock. Price—At par (five cents per share). Proceeds—For mining purposes. Underwriter—None. Underwriter—None. (O. Broderick Simpson, of Tulsa, Okla., is President.)

Kaye-Halbert Corp., Culver City, Calif. April 25 (letter of notification) offered for subscription by holders of preferred stock of common stock of which 162,414 shares are being offered for sale in units of 100 shares of common stock covered by options which may be exercised within a period subsequent to the issue of such purchaser of four shares to receive an option to purchase up to 1,000 shares (no par). Proceeds—For working capital. Underwriters—None. Underwriter—None.

Kerr-McGee Oil Industries, Inc. June 9 (letter of notification) offered for subscription 50,000 share convertible preferred stock (par $25) to be offered in exchange for common stock of the company. Proceeds—For use as a three-to-one basis. These preferred shares are part of 1,500,000 shares of preferred stock of the company which were acquired by them on April 27, 1955. Ares—Gregory & Sons, Inc. and Sturo Illinois Co., New York.


about June 28 on the basis of one new share for each 10 shares held; rights to expire on July 18. Price—To be supplied by amendment. Proceeds—For expansion. Underwriter—Lehman Brothers, New York.

Mueller Brass Co. (6/14)
May 23 filed 2,000,000 of convertible subordinated debentures, at 100, due July 20, 1978, payable at face value. Proceeds—For expansion. Underwriter—Feldman, New York.

National City Bank of Utica, Utah

National Credit Corporation, Phoenix, Ariz.
May 6 filed 300,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—None.

National Gas Co., Salt Lake City, Utah
May 9 filed 111,356 shares of common stock (par $100) being offered for subscription of one new share for each six shares held, at $75.50 per share ($100 par) due July 18; rights to expire on June 4. Price—$75.50 per share. Proceeds—For public utility. Underwriter—None.

National Gas Royalties, Inc., Salt Lake City, Utah
Underwriter—Trans-Western Management Co., New Orleans, La., and Salt Lake City, Utah.

Penn-Central Oil Co., Kansas City, Kan.
May 6 filed 100,000 shares of common stock. Price—At par ($5 per share). Proceeds—For conversion of 388,000 warrants. Underwriter—None.

Penn-Dixie Cement Corp.
May 4 filed 381,282 shares of capital stock (par $1). Proceeds—For subscription by stockholders of record May 28 on the basis of one new share for each six shares held; rights to expire on June 10. Price—$27.75 per share. Proceeds—For working capital. Underwriter—Dominick & Dominick, New York.

Peoples Gas Light & Coke Co.
May 11 filed 111,356 shares of common stock (par $100) being offered for subscription of one new share for each six shares held, at $75.50 per share ($100 par) due July 18; rights to expire on June 4. Price—$75.50 per share. Proceeds—For public utility. Underwriter—None.

Pioneer Finance Co., Detroit, Mich. (6/16)
May 24 filed 4,400 shares of common stock. Price—At par ($10 per share). Proceeds—Together with funds to be received from sale of notes of $300,000 of subordinated debentures, to be used for working capital. Underwriter—Walling, Lechen & Co., Detroit, Mich.; and Mullaney, Wells & Co., Chicago, III.

Pioneer Mortgage & Development Corp.
April 27 filed 300,000 shares of common stock (par $1), being offered for subscription of one new share for each existing share held. Proceeds—To be supplied for expansion purposes. Underwriter—Johnston, Lemen & Co., Washington, D.C.

Pioneer Natural Gas Co., Amarillo, Texas (6/16)
May 26 filed 770,006 shares of common stock (no par), being offered for subscription of one new share for each existing share held, at a price of $1.50 per share. Proceeds—To be used for certain existing stockholders. Underwriter—Union Securities Co., New York.

Primary Minerals Corp. (7/8)

Prudential Discount Corp., Dallas, Texas
May 9 (letter of notification) 13,904 shares of 7% cumulative preferred stock (par $100) and 17,904 shares of common stock, in units of one new share of common stock for each share of class of stock. Price—$100.01 per unit. Proceeds—To be supplied for expansion purposes. Underwriter—Joint underwriting of General Finance Co. of Texas. Offer—943 National City Bank Bldg., Dallas, Texas. Underwriter—None.

Public Finance Services, Inc.
May 16 (letter of notification) $300,000 of 6% cumulative preferred stock (par $100) to be offered for subscription of one new share of common stock for each share of preferred stock held, at a price of $100 per share. Proceeds—For general corporate purposes. Offer—Houston, Tex. Underwriter—None.

Public Service Co. of Colorado
May 23 filed 2,692 shares of common stock (par $10), of which 275,445 shares are being offered for subscription by holders of one new share of common stock for each 10 shares held; rights to expire on June 4. Price—$35.00 per share. Proceeds—To be used for certain existing stockholders. Underwriter—First National Bank of Denver, Colo. & Co., Inc. and Smith, Barney & Co., all of New York.

Rutt Bowling Co., St. Louis, Mo.
June 7 filed 100,000 shares of common stock (par $1). Price—To be supplied by amendment. Proceeds—To sell new shares of capital stock, with a par value of $100,000.00, on a 54-for-1 basis; 548,000 shares for stock of Broken Axe Coal Co. on a 60-for-1 basis; 100,000 shares for stock of Southern Appalachian Coal Co. on a 80-for-1 basis; and $1,616,000 for all of the properties of Sinclair Mines, Inc. (other than shares of any of the above seven companies) held by the Company. Proceeds will be used to liquidate outstanding liabilities. A condition upon the acceptance of the offer by any shareholder is that the shareholder shall own a total number of shares of each company to be acquired.
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* Pyramid Electric Co. (6/20-24)
May 3 filed 500,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—S. D. Fuller & Co., New York, N. Y.

June 2 (letter of notification) 20,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—S. D. Fuller & Co., New York, N. Y.

Revere Realty, Inc., Cincinnati, Ohio
March 8 filed 610,000 of $5 par cumulative convertible preferred stock (no par). Proceeds—For working capital. Underwriter—Stanley Cooper Co., Cincinnati, O.

Silver Creek Precision Corp., New York

Saxo Uranium Mines Ltd., Toronto, Canada
April 29 filed 1,500,000 shares of common stock (par $1). Proceeds—For exploration and working capital; also to repay advances and other liabilities. Underwriter—Degateau Securities Corp., New York, N. Y.

Shoni Uranium Corp., Riverton, Wyo.
April 2 (letter of notification) 2,000,000 shares of common stock (par $1). Proceeds—For corporate purposes. Underwriter—Bird Kapin, President and Treasurer. Business—Electronic products. Underwriter—Bird Kapin, President and Treasurer.

* Silver Creek Precission Corp. (5/14)
March 31 filed $600,000 of 3-year convertible 6% debentures due 1960 with $200,000 of principal amount (in denominations of $100 each). Proceeds—For working capital. Underwriter—Silver Creek, N. Y. Underwriter—General Investors, Inc., Chicago, III.

Sonoma QuickSilver Inc., Inc.

Southern Electric Co. (6/20-24)
May 3 filed 1,000,000 shares of convertible preferred stock (par $20). Proceeds—For working capital. Underwriter—B. D. Fuller & Co., New York, N. Y.

Southern New England Telephone Co. (6/20-24)
May 19 filed 1,250,000 shares of common stock (par $5). Proceeds—For working capital. Underwriter—A. G. Becker & Co. Inc., New York, N. Y.

Southern Petroleum Corp.
April 19 filed a maximum of $45,000,000 of convertible debentures due July 15, 1970, being offered on behalf of individual, partnership, corporation, municipality, or state for cash underwritten offering. Proceeds—To retire outstanding bonds and for new construction. Underwriter—None.

Southern Uranium Corp., New York
May 18 (letter of notification) 5,000 shares of common stock (par $4). Proceeds—For working capital. Underwriter—Stanley Cooper Co., Cincinnati, O.

Sovereign Uranium Gas & Oil Co.
May 13 (letter of notification) 50,000 shares of common stock (par 50 cents). Proceeds—For personal purposes. Underwriter—None.

Standard Electrical Products Co. (6/14)
May 23 filed 1,000,000 shares of common stock (par $10). Proceeds—For working capital. Underwriter—L. W. Duprow, President and Treasurer, and F. H. Crierie, Inc., both of New York.

Standard Mercure Corp., Winnemucca, Nev.
April 25 filed 50,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—Don Stannard, President and Treasurer, Winnemucca, Nev.

Star Uranium Co., Watertown, S. Dak.
May 16 (letter of notification) 300 shares of common stock. Proceeds—For personal purposes. Underwriter—None.

Sutton Mines, Inc., Ltd., Toronto, Canada

Sun Hotel Inc., Las Vegas, Nev.

Sunshine Park Racing Association, Inc. (Fla.)
Nov. 18 filed 700,000 of 6% convertible sinking fund debentures due 1969 with $400,000 of principal amount. Proceeds—For working capital. Underwriter—Carroll, Kirkcher & Jaquith, Inc., same city.

Tazlata Oil & Gas Co., Denali, Alaska
May 11 (letter of notification) 6,000,000 shares of common stock (par 40 cents). Proceeds—For working capital. Underwriter—None.

May 21 filed 10,000,000 shares of common stock (par $1). Proceeds—To retire bonds and for new construction. Underwriter—Buehrer, Quinter & Turner, Dallas, Texas.

Texas Oil & Gas Co. (6/15)
May 26 filed 200,000 shares of cumulative preferred stock (par $100). Proceeds—To retire bonds and for new construction. Underwriter—None.

Texas Lands Co., Inc., Dallas, Texas
June 7 filed 89,000 shares of common stock (par $1). Proceeds—To sell stockholders. Underwriter—McDonald & Co., Chicago, III.

Tip Top Uranium & Oil, Inc., Denver, Colo.
Feb. 1 (letter of notification) 30,000,000 shares of common stock (par $1). Proceeds—For mining purposes. Underwriter—Kalibjian & compañía, New York, N. Y.

Triangle Mines, Inc., Salt Lake City, Utah

March 1 filed 30,000 shares of preferred stock (par $10). Proceeds—For working capital. Underwriter—None.

United Gas Co., Denver, Colo.
May 1 filed 1,500,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—None.

United Gas Credit Corp., Salt Lake City, Utah.
May 16 (letter of notification) 5,000,000 shares of common stock (par $1). Proceeds—For personal purposes. Underwriter—None.

Utely & Co. Inc., Salt Lake City, Utah.
May 3 (letter of notification) 200,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—None.

Utley & Co. Inc., Salt Lake City, Utah.
May 16 (letter of notification) 5,000,000 shares of common stock (par $1). Proceeds—For personal purposes. Underwriter—None.

Vanguard Corp., Dallas, Texas
May 13 filed 22,000,000 shares of common stock (par $1). Proceeds—For personal purposes. Underwriter—None.
Prospective Offerings

American Telephone & Telegraph Co. April 21 it was announced a new issue of not to exceed $600,000,000 of convertible debentures. When in¬

voked, each stockholder would receive rights to purchase the common stock, at a price (probably on the basis of $100 of debentures for each right issued) of 36

Arkansas Power & Light Co. May 27 it was reported company plans to issue and sell 200,000 shares of common stock. Proceeds—For various purposes. Proceeds—To acquire Blackhawk Mutual In¬

surance Co. April 26 stockholders approved the increased common stock (par) of 1,000,000 shares. Proceeds—For various purposes. Proceeds—To acquire

 vamp Mining Co., Cheyenne, Wyo. May 26 it was reported company plans to issue and sell 200,000 shares of common stock. Proceeds—For various purposes. Proceeds—To acquire

Western Development Co. of Delaware March 11 (letter of notification) 18,772 shares of capital stock sold for an exchange for 124,000 shares of A and C class stock of Escal¬


Western Nebraska Oil & Uranium Co., Inc. (6/14) April 27 (letter of notification) 200,000 shares of common stock (par $1). Proceeds—To be supplied by amendment. Proceeds—To in¬

crease authorized capital stock. Office—Room 227, Hyder Building, Cheyenne, Wyo. Underwriter—None.

W & M Oil Co., Lincoln, Neb. Feb. 25 (letter of notification) 100,000 shares of common stock (par $1). Proceeds—For general purposes. Proceeds—To purchase 124,000 shares of common stock (par $1). Proceeds—For oil and mining activities. Office—S. 10th St., Lin¬

coln, Neb. Underwriter—Raymond, N. Keith Walker is President.

Wooster Rubber Co. (6/22-23) June 2 filed 169,230 shares of common stock (par $1). Proceeds—To be supplied by amendment. Proceeds—To ex¬

blackhawk Fire & Casualty Insurance Co. April 26 stockholders approved increased common (par) of 1,000,000 shares. Proceeds—For various purposes. Proceeds—To acquire

Wyco Uranium, Inc., Salt Lake City, Utah April 7 (letter of notification) 2,900,000 shares of common stock, $100 par. Proceeds—For acquiring assets. Proceeds—For oil and mining activities. Office—429 North Blvd., Salt Lake City, Utah. Underwriter—Ricky Deschanel, Securities, Las Vegas, Nev.

Wyoming Uranium Corp., Salt Lake City, Utah April 16 filed 3,000,000 shares of common stock (par $1). Proceeds—To be supplied by amendment. Proceeds—For raising capital. Proceeds—For a number of unissued shares of common stock (par one cent). Proceeds—For mining expenses. Office—429 North Blvd., Salt Lake City, Utah. Underwriter—None.


for making any additional borrowings. Underwriters—Goldman, Sachs & Co. and Lehman Brothers, both of New York.

Dalich Crystal Dairies, Inc. April 28 stockholders approved a proposal to increase the authorized capital stock of the company from 1,000,000 shares to provide for future financing purposes. Underwriter—Hirsch & Co., New York.

Detroit Edison Co. May 2 stockholders approved a proposal authorizing $600,000 of convertible debentures. Proceeds—To offer of convertible debentures was made to stock¬

Donam Helicopters, Inc. Feb. 8, S. W. Waters, President, announced stock¬

holders voted in favor of making an additional issue of capital stock to 1,000,000 shares in anticipation of future financing needs. Proceeds—For various financing purposes. Proceeds—Underwriter—Greene & Co., New York. Proceeds—Underwriter—None.

Duke Helicopters, Inc. June 2 (jointly) $5,000,000 convertible bond offering was received by the company on June 7 for the purchase from it of $3,270,000 equipment trust certificates to mature annually from July 15, 1970 to 1975, inclusive. Possible bidding: Halsey, Stuart & Co., Inc.; Salomon Brothers & Hutzler; Kidder, Peabody & Co.; Blair & Co., Incorporated.

Eagle Mining Co. June 3 it was announced stockholders on July 8 will vote on a proposal to issue $4,000,000 of common stock. Proceeds—To increase capital for probable purchase of Uranium Hills or Queen Uranium Co. stock. Proceeds—For various purposes. Proceeds—For the development of new uranium mining properties in the Western zone of the United States. Proceeds—Underwriter—Morgan Stanley & Co., New York. Proceeds—Underwriter—First National Bank of Fort Worth, Texas. May 16 it was announced Bank plans to offer to its stockholders 150,000 additional shares of capital stock (par $10) on the basis of one share for each 51, share held. Price—$25.00 per share. Proceeds—To increase capital for various purposes. Proceeds—Underwriter—First National Bank & Trust Co., Columbus, Ohio. Proceeds—Offering—Expected in the middle of July.

Ferro Corp., Detroit, Mich. March 15 it was reported that following a probable 10% stock dividend offering of approximately 4,000,000 additional shares of capital stock (par $1) each new share will be held. Price—$20.00 per share. Proceeds—Underwriter—Merrill Lynch, Pierce, Fenner & Beane, New York.

Fortcor, Inc., Chicago, Ill. May 9 it was reported company plans initial public offering of 87,000 shares of 6% convertible preferred stock (par $100). Underwriter—Strasburg, Blouser & McDowall, Chicago, Ill.


Hammerrill Paper Co. May 10 stockholders approved a proposal on increasing the debt authority to $20,000,000. Underwriter—A. G. Becker & Co. (Inc.), Chicago, III.

Panatonic Public Service Corp. May 25 it was reported company plans to offer to its stockholders approximately 18,017 shares of common stock at price of $10.00 per share. Proceeds—For various purposes. Proceeds—To offer of convertible debentures was made to stockholders, probably sometime in the Autumn of this year. Office—726 Jackson Place, N.W., Washington, D.C. Business—Industrial merchant bankers.
International Oil & Metals Corp., Seattle, Wash. May 20—Announced plans to issue $500,000 of 5% convertible debentures due some time in the future. William D. Best of Whitcomb & Co., New York, is chairman of the board.

International Silver Co. (T.) March 30—It was reported early registration is planned of 400,000 shares of common stock in future. Underwriters—L. D. Sherman & Co., New York, and Garrett & Co., Dallas.

Central Power & Light Co. Feb. 21—It was reported company plans to sell $5,500,000 of 5% convertible debentures, due 1985. Proceeds—For general corporate purposes. Underwriter—George A. Alexander, New York.

Long Island Lighting Co. April 23—It was announced company plans to sell an issue of $9,500,000 5% convertible debentures, series E, due 1983. Proceeds—For construction program. Underwriter—To be determined. Proceeds—To be used to refund about $1,800,000 of first mortgage bonds held by the First Boston Corp. and Blyth & Co., Inc. (jointly); W. C. Langley & Co., all of New York. An additional 35,543 shares of common stock are to be offered to employees at same time, without underwriting. Registration—Expected.

Lucky Stores, Inc. April 20 stockholders approved a proposal to increase the company’s authorized capital stock from 2,500,000 shares to 2,200,000 (there are 864,063 shares outstanding). It was reported previously that the company proposed to sell approximately $25,000,000 through a joint underwriting of 150,000 shares. However, no immediate financing in mind, said underwriter—Probable Blair & Co. Incorpor., New York.

Maine Central RR. Feb. 21—Robert L. MacKay, President, said company has not given up the idea of reducing the $17,000,000 4 7/8% debentures by 1950. Proceeds—For refunding purposes. Underwriter—Probable for $5,000,000 of additional debentures and for $3,000,000 of first mortgage bonds (jointly). Probable underwriters—Stuart & Co., Kidder, Peabody & Co.; W. C. Langley & Co., all of New York.

Majestic Auto Club, Inc. Aug. 25 it was announced company plans to offer $500,000 of 6% convertible debentures due May 1, 1955. Proceeds—To construct and develop a new Chicago, Ill., hotel. Underwriter—Office—Room 717, 141 Broadway, New York, 6, N. Y.

Maremont Automotive Products, Inc. May 23 it was reported company plans early registration of $2,000,000 convertible debentures due 1970. Underwriters—Barnett, E. M., Strauss, Blumberg & M. Dowell; and McCormick & Co. (latter handling books).

Merchants National Bank of Boston May 20 announced it will sell stock of stockholders of record June 9 the right to subscribe for $50,000 additional shares of capital stock (par $10) in the present 180,000 shares. Proceeds—To increase capital and surplus. Underwriter—The First Boston Corp., New York.

Middle States Telephone Co. of Illinois May 11, the authorized capital stock of the company is increased from 500,000 shares of common stock. Underwriter—Central Republic Co., Inc., Chicago, III.

Mountain States Telephone & Telegraph Co. May 11—Announced plans to sell $3,000,000 4% convertible debentures due 1951 and sell to its stockholders additional common stock. On May 11, the authorized capital stock of the company is increased from 500,000 shares of common stock. Underwriter—Central Republic Co., Inc., Chicago, III.

New York Telephone Co. May 24—It was announced company plans to sell $1,000,000 of 6% convertible debentures due 1975. Proceeds—For expansion program. Underwriter—Merrill, Lynch, Pierce, Fenner & Beane, New York, handled preferred stock financing in 1942.

Northern States Power Co. (Minn.) March 29 it was announced that new capital requires $50,000,000 of common stock. Proceeds—For expansion and improvement to program which will cost approximately $200,000,000. Underwriter—For and bonds to be determined by competitive bidding. Probable underwriters—Morgan Stanley & Co., Halsey, Stuart & Co. Inc.

Northern States Power Co. (Wis.) May 29 it was announced company plans to sell approximately 1,750,000 shares of common stock. Underwriter—To be determined. Proceeds—For and bonds to be determined by competitive bidding. Probable underwriter—Northern States Power Co. (jointly); Smith, Barney & Co.; Lehman Brothers and Riter & Co. (jointly).

Northwest Nitro-Chemicals, Ltd., Alberta, Can. March 4 company plans to issue and sell publicly determined $1,000,000 6% debentures due May 1, 1954. Proceeds—To be used for expansion of existing chemical processing line. Underwriter—Eastman, Dillon & Co., New York.

Old Republic Insurance Co., Greensburg, Pa. April 28 the company announced plans to sell $10,000,000 of 6% convertible debentures due May 1, 1963. Proceeds—To be used for general corporate purposes. Underwriter— probate attorney winding up estate of Charles L. Priore,

Philadelphia & Telephone & Telegraph Co. May 7, it was reported that the company expects later this year to make an offering of additional stock to stockholders following approval to increase the authorized capital stock from 8,500,000 shares ($7,215,180 outstanding) to 10,000,000 shares.

Pennsylvania Power & Light Co. April 19, Charles E. Oakes, President, announced that company plans this year and sell $15,000,000 of first mortgage bonds and use the proceeds for the construction of several new power plants which have been reserved primarily through Drexel & Co. and the First Boston Corp.

Pugeon Power & Light Co. April 5, Frank McLaughlin, President, said that "it will be impossible to raise capital for construction purposes from outside sources—at least to the extent of several million dollars." The company has scheduled an offering of $2,500,000 of first mortgage bonds in order to keep abreast of increased load growth over the next five years. Underwriter—Probably Steene & Webster Securities Corp., The First Boston Corp. and Simpson, Gump & W. & Co.

Pure Oil Co. April 9 stockholders approved the possible issuance of a convertible debenture issue. This would not exceed $50,000,000 and would be issued at the discretion of the directors any time within the next 12 months. Underwriter—Probable Smith, Barney & Co., New York.

St. Louis-San Francisco Ry. April 17—An additional issue of approximately $75,000,000 of first mortgage bonds, of which it is planned to sell 50,000,000 for construction purposes, will be marketed temporarily through the First Boston Corp. and the Chicago Underwriting Association. The proceeds will be used for refunding purposes.

Sierra Electric Co. C. D. E. Sherwin, President, recently reported that the company will need a minimum of $11,000,000 new capital to help it meet the heavy demand for its products. A long-term bond issue plan is planned by the company. Proceeds—To help the company meet its heavy demand for its products. Underwriter—Merrill, Lynch, Pierce, Fenner & Beane, New York.

Sibley Development & Exploration Co. (Cuba) May 27—The company announced plans to expand the proposed $10,000,000 of common stock. Price—$1 per share. Underwriter—Gregory & Son, Inc., New York.

South Carolina Gas Co. April 30 the company announced plans to issue and sell approximately 1,000,000 of new first mortgage bonds. Application has been filed with California P. U. Commission for extension of the time to sell the bonds. Proceeds—To be used for investment in additional stock of outstanding subsidiaries.

Southern California Electric Co. April 19—Announced plans to sell $25,000,000 of 5% convertible debentures, due 1963. Proceeds—To be used for general corporate purposes. Underwriter—The First Boston Corp., Ladenburg, Thalmann & Co., C. M. Loeb, Rhoades & Co and Blyth & Co., Inc. (jointly); Bear, Strauss & Co. and Dean Witte & Co. (jointly); Union Securities Corp. (jointly); Lehman Brothers; Morgan Stanley & Co.; Kidder, Peabody & Co.; and Branson & Co., Inc. (jointly).

Southern States Telephone Co. April 25 company applied to the Arkansas P. S. Commission for authority to issue and sell 45,000 shares of cumulative preferred stock (par $25). Proceeds—Together with funds from proposed issue (probably privately of $2,500,000 first mortgage bonds, to be used for construction.

Southwestern Electric Co. May 28—company plans to issue and sell the public for subscription 20,000,000 added stock of about 500,000,000 of common stock and for investment in additional stock of outstanding subsidiaries.

Southern Natural Gas Co. May 19—Announced plans to sell $10,000,000 of 5% convertible debentures, due 1955. Proceeds—To be used for general corporate purposes. Underwriter—The First Boston Corp., Ladenburg, Thalmann & Co., C. M. Loeb, Rhoades & Co and Blyth & Co., Inc. (jointly); Bear, Strauss & Co. and Dean Witte & Co. (jointly); Union Securities Corp. (jointly); Lehman Brothers; Morgan Stanley & Co.; Kidder, Peabody & Co.; and Branson & Co., Inc. (jointly). Bids—Recommended byen for Nov. 7. Not yet decided.

Southern Western States Telephone Co. May 28-29 company plans to issue and sell the public the subscription 20,000,000 added stock of about 500,000,000 of common stock and for investment in additional stock of outstanding subsidiaries.

Southern Illinois Gas Co. April 19—Announced plans to sell $25,000,000 of 5% mortgage bonds. Proceeds—To be used for general corporate purposes. Underwriter—The First Boston Corp., Ladenburg, Thalmann & Co., C. M. Loeb, Rhoades & Co and Blyth & Co., Inc. (jointly); Bear, Strauss & Co. and Dean Witte & Co. (jointly); Union Securities Corp. (jointly); Lehman Brothers; Morgan Stanley & Co.; Kidder, Peabody & Co.; and Branson & Co., Inc. (jointly). Bids—Recommended byen for Nov. 7. Not yet decided.
Ealsey, Stuart Offers Public Utility Bonds

Halsey, Stuart & Co. Inc. offers offerings of $10,000,000 of Central Illinois Electric & Gas Co. first mortgage bonds, 3% series of 1955, with a coupon rate of 3.66%, at 101.421% and accrued interest, to yield approximately 3.35%. A $75,000 face value of the issue was won by the underwriters at competitive sale on June 7 on a bid of 100.88%.

Net proceeds from the sale of the bonds will be used to provide a portion of the funds required for the contemplated and constructed construction program of the company and to provide for the payment of temporary bank loans incurred in connection with the construction program. As of May 25, 1955, these bank loans amounted to $1,100,000.

The new bonds will be redeemable at regular redemption prices ranging from 104% to par, and at special redemption prices running from 101 1/2% to par, plus accrued interest in each case.

Central Illinois Electric & Gas Co. is an operating public utility furnishing one or more of the following services, in gas steam, heating and water, to areas aggregating approximately 150 square miles, located wholly in the State of Illinois, and having an estimated population of 60,000. The principal cities supplied with one or more utility services are Rockford, Freeport and Lincoln.

For the year 1954, the company had total operating revenues of $15,900,717, and net earnings of $2,144,792.

F. L. Solomon Partner
On June 2nd James M. Gal¬
gagher acquired a membership in the New York Stock Exchange and was admitted in partnership to F. L. Solomon & Co., 27 Broadway, New York City, members of the New York Stock Exchange.
WASHINGTON... And You

WASHINGTON, D.C.—Fiscal observers say that the best thing that can happen before the yearend is forlegislation to clear the decks of must-pass legislation. If this were to happen, the Treasury would be in a position to set about easing the situation with some cushioning in the fiscal year ahead.

President Eisenhower has already indicated that he would like to see a balanced budget this fiscal year. This means that the Treasury would have to turn out some sort of a budgetary plan in the next few months. The plan would have to take into account the various factors that have an impact on the budget, such as the projected deficit, the current state of the economy, and the expected revenue from taxes.

One of the main concerns is the potential for a government shutdown. This could cause a loss of confidence in the government's ability to manage the economy. To avoid this, the Treasury is expected to hold steady at least until the election to ensure that the economy is healthy.

The Treasury is also expected to reduce the amount of money that is being spent on its various programs. This is to ensure that the government is not overspending and that it can balance the budget in the future.

The Treasury is also expected to continue its efforts to reduce the tax burden. This is to ensure that the government is not taking too much money from the economy, which could lead to a loss of confidence in the government.

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