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EDITORIAL

As We See It

The ordinary citizen with the good of his country at heart is often at a loss to know which to condemn the more heartily, the small minded politician who would gain by making things appear what they are not, or the more serious minded public servant who persists in providing grist for the designing politician's mill. It sometimes almost appears as if the priceless gift of understanding the needs of the people is as nothing compared with the ability to be eternally on the alert for appearances, and to do a great deal of shamming in order to foil those seekers after public favor whose stock in trade is sham and palaver.

These observations are, of course, provoked by the Washington scene where of late obvious attempts to find "issues" for 1956 have absorbed so much time which should have been devoted to the real interests of the people—and where it has daily become more evident that serious minded men engaged in honest endeavor to serve the people of this country have again and again revealed the most astonishing lack of understanding of the political dangers of appearances. The so-called McCarthy investigations, which at times the Democrats were only too glad to assist, uncovered almost incredible insensitivity to what could and might well be made of what in other fields would be termed hopelessly bad public relations.

Now the so-called Dixon-Yates case is affording a list of similar *faux pas*. To date the critics have found no wrong doing—indeed nothing at all that seems to us to be of much real importance. In fact, none of the incidents which the politicians

Continued on page 18

Guaranteed Annual Wage Symposium Concluded

Last of commentaries received in response to the "Chronicle's" invitation for expressions of opinion on the Guaranteed Annual Wage philosophy given in this issue. Symposium seen helpful in clarifying doctrine's implications to labor, management and nation's economy.

The balance of the contributions to the Symposium conducted by the "Chronicle" on the Guaranteed Annual Wage doctrine appear below. The response to our requests for comments, made simultaneously with the publication in the May 26 issue of Frank Rising's article "Guaranteed Annual Wage: Blue Sky and Brass Tacks," was noteworthy as exemplified in the fact that we have been obliged to limit the number carried in each issue beginning with that of June 2. The Symposium, in our view, has contributed importantly to a better understanding of the long-term, as well as the short-term implications of GAW and its variants to industry, labor and the national economy.—EDITOR.

KENNETH A. SPENCER
President, Spencer Chemical Co.

My comments may not be timely, but I think it is a serious error to assume that the "die has been cast" on the Guaranteed Annual Wage issue. It is only beginning and shall, in my judgment, be a paramount subject for many years to come.


Kenneth A. Spencer

Reading through some of the very interesting comments printed previously in this symposium, I was struck by a certain confusion of semantics from which only a few people—notably Mr. G. M. Loeb—escaped. This confusion is natural, but we will all be better off if we can dispel it.

Mr. Reuther claimed a victory for the principle of the "Guaranteed Annual Wage" in the Ford and General Motors negotiations, but even a cursory examination of these settlements discloses that this is not the case. These settlements provide supplementary unemployment compensation for

Continued on page 30

The Future Petroleum Industry and Atomic Power

By L. F. McCOLLUM*
President, Continental Oil Company, Houston, Texas

Stressing the immensity of the petroleum industry, Mr. McCollum discusses its prospects during the next five to ten years. Finds industry will grow, though there will be changing patterns in the demand for various petroleum products. Foresees heavy demands for new capital in the industry, and attacks government price control of natural gas. Concludes, despite prospect of new energy sources, there will be "more and more oil in our future."

The month of July marks the 10th anniversary of the first atomic bomb. The immediate reaction to the bomb was universal fear. Then men began to hope that this Frankenstein monster could be converted into an obedient servant. Quite naturally, the initial task considered for this servant was the production of useful power. This led the man in the street—on Main Street as well as Wall Street—to wonder how long it would be necessary to continue finding and developing new petroleum reserves to meet the nation's fuel requirements. Pointed questions have been raised as to the future of the oil industry—and the merit of its securities as investments.


L. F. McCollum

Now I cannot pretend to see too clearly into the future. It appears to me, however, that it will be a long, long time before atomic power supplants petroleum power. Certainly it will not occur within my lifetime. Today the oil industry is one of the most important in the United States. Only agriculture and the combined facilities of all public utilities exceed petroleum in total assets. The value of crude oil and gas produced in 1954 was over

Continued on page 26

*An address by Mr. McCollum at the Annual Meeting of the California Investment Bankers Association, Santa Barbara, Cal.

SECURITIES NOW IN REGISTRATION — Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 36.

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 regarded, as an offer to sell the securities discussed.)

MORTON A. CAYNE

Partner: Gottron, Russell & Co., Inc., Cleveland, Ohio

Chesapeake Industries, Inc.

My interest in securities at this time tends to favor those situations having speculative promise. Hardly a day goes by but what countless circulars, cards, "red herrings" cross my desk, each of which tells a story of unlimited possibilities and what purports to be a golden opportunity for capital appreciation. Few have a history or record worthy of consideration. For some time I have been attracted to a company who has proven itself in the past few years and whose future holds untold value. Five years ago, Chesapeake Industries, Inc., was virtually "busted." New management came in, times changed and today Chesapeake is on the threshold of a new era in holding company success.

Morton A. Cayne

Management has proven its ability to guide the destiny of this company from the brink of business disaster to a place as a successful enterprise and the patient stockholder could reap a handsome reward.

Today Chesapeake Industries, Inc. owns the following subsidiaries:

Colonial Trust Company in New York City, having four local branches specializing in commercial banking with special emphasis on its foreign departments. With more than 300 foreign correspondents, Colonial Trust conducts an extensive and profitable growing international banking business.

Pathe Laboratories, Inc., of New York and Hollywood processes film for the motion picture and television industry and is a most successful operation.

The V. D. Anderson Company of Cleveland, Ohio, is the world's largest manufacturer of oil extraction machinery. Recent years have brought diversification of products which has resulted in increased sales and profits.

Virginia Metal Products Corp. of Orange, Va., is the second largest manufacturer of steel partitions, door frames, etc., and the world's largest builder of library bookstacks.

Television Center, Inc., owns and operates an 11-story building in New York City. A portion of the space is occupied by Pathe Laboratories, the balance having TV studios and recording rooms are leased to NBC, RKO-Pathe, Universal News and others.

Allen D. Cardwell Electronics Productions Corp. of Plainville, Conn., enjoys Government contracts for radar units and other security items. For civilian use, printed electrical circuits, facsimile communications equipment and condensers are leading items produced.

National Transitads, Inc., of New York is the nation's largest transportation advertising firm.

Chesapeake Printing Corp. of New York City handles all types of commercial, legal and display printing.

Stanley Greetings, Inc., of Dayton, Ohio, designs, manufactures and distributes modern, colored greeting cards.

Portsmouth Gas Company of Portsmouth, Ohio, is a well operated public utility serving a community of an estimated 50,000 population and is located in a fast growing area.

As of Jan. 1, 1955, it was estimated that Chesapeake Industries had a tax loss carry forward of approximately $4,000,000 that will be good through 1956. Consolidated net profits, after several large charge-offs, at year-end 1954 amounted to $1,001,486 but this did not include income from the Colonial Trust Co., Stanley Greetings, Inc., or the Portsmouth Gas Company (the latter acquired in July, 1955).

There is outstanding approximately 44,700 shares of a $10 par value $4 preferred stock and approximately 24,840 shares of $10 par value $5 preferred stock. Following the aforementioned small preferred issues there is approximately 3,000,000 shares of common outstanding.

It is expected that application will be made in the very near future to list the common shares of Chesapeake Industries, Inc., on the New York Stock Exchange.

In my opinion the common stock of Chesapeake Industries, Inc., presents an extraordinary speculative opportunity. The dynamic management has dedicated itself to attain outstanding success and profits for its shareholders, and a public appraisal of the stock at a later date could be most profitable.

ROY S. HEAVNER

Partner, Templeton, Dobbrow & Vance, Investment Counselors, Philadelphia, Pa.

Life Insurance Investors, Inc.

A newcomer (began operations Feb. 3, 1955) to the investment fund group is Life Insurance Investors, Inc., traded over-the-counter.

Roy S. Heavner

This fund is a diversified, management type, open-end investment fund. It redeems its shares at net asset value on demand; but unlike many other funds, does not offer shares continuously to the public. Investors can buy shares "over-the-counter" where an active market is maintained. Its policy is to invest solely in the stocks of life insurance companies or companies having an interest in the life business; but investments are not necessarily limited to the larger life companies, and undervalued stocks of the smaller companies will be considered.

Invested Assets

About 56% of the net assets of the fund are currently invested in life stocks; the balance is held in short-term government issues. It is anticipated that the fund will be fully invested in six or eight months.

The legal limit (5% of net assets) is held in each of the following stocks:

Connecticut General Life Insurance Company.

Lincoln National Life Insurance Company.

Travelers Insurance Company.

Aetna Life Insurance Company

National Life & Accident Insurance Company.

Transamerica Corporation (owner of Occidental Life Insurance Company stock).

Sixteen other issues are owned with less than 5% of net assets in any one stock.

Management

Management is of unusually high quality; three of the five directors are operating executives of well known insurance companies Charles Becker is President of the Franklin Life Insurance Company; George Wells is President of Northwestern National Life Insurance Company; and M. D Lincoln, President of the National Casualty Company and the Nationwide Insurance Group. A fourth director, Raymond T Smith, Vice-President of Alfred M. Best Company, Inc., insurance publishers (Best's Insurance Reports), is President of Life Insurance Investors, Inc.; J. C. Bradford, Director and Treasurer, is a partner of J. C. Bradford & Company, an investment banking firm, and has been intimately associated with the life insurance industry both from an operating and investment point of view for many years.

The fund also has in investment advisory and management contract with Templeton, Dobbrow & Vance, Inc., New York investment counselors.

United States Trust Company of New York is Custodian for cash and securities; and provides certain clerical and bookkeeping services.

Dividends

As yet, no dividend policy has been formulated; but because life insurance stocks normally are on a low-yield basis, it is anticipated that income from dividends received by the fund will be relatively small. The primary objective of the fund is capital gain; and in those years which net profits are realized as the result of investment "switches," these profits will be distributed as capital gains dividends to shareholders enhancing overall return.

The fund has qualified as a regulated investment company so that at least 90% of its net taxable income must be paid out This policy relieves the company of payment of Federal Income Taxes.

Interesting Situation

Life Insurance Investors, Inc. is an interesting situation because it offers to small investors able management in a highly technical and heretofore restricted area of investment. Participation investment-wise has been limited partly because of the highly technical nature of the subject; but also because of limited availability of life shares. In the first place, of all the life insurance placed in the United States in any one year, only 35% is sold by stock companies. Secondly, the number of shares outstanding in these companies is relatively small. The resulting high priced shares, even when representing good investment values, have not always at-

Continued on page 6

This Week's Forum Participants and Their Selections

The Fulbright Fallacy

Fulbright Bill giving Commission jurisdiction of over-the-counter market, SEC inspired. No demand nor need for this proposed legislation as it would not be in the public interest. Commission up to its old trick of seeking enlargement of its powers. Congressional obligation and duty to defeat this Bill is crystal clear. Opposition of diverse groups noted.

In brief, the Fulbright Bill (S. 2054) would subject companies the securities of which are traded over-the-counter, and which have at least $5,000,000 in assets and at least 500 security holders, to the registration, supplemental reports, proxy rules, and insider trading requirements of the Securities Exchange Act of 1934 as amended.

To better understand what is happening, and the motivating forces behind the pros and cons, a bit of history is called for.

As far back as 1941 the SEC was said to be sympathetic to a movement then under way to revise the Securities Exchange Act of 1934 the effect of which would have been to qualify the wholesale admission of securities to listed or unlisted trading privileges on Exchanges. It was then suggested that companies with total assets of $3,000,000 or more, and having 300 or more stockholders, should be granted unlisted trading privileges. This was beguilingly called the "Equalization Plan."

In 1946, in its "Report to Congress," the SEC officially espoused the "principles" which constituted the foundation of the Frear Bill (S. 2408), the forerunner of the Fulbright Bill. This it did under the deceptive title "A Proposal to Safeguard Investors in Unregistered Securities." It is significant that the Frear Bill used that criterion of the Equalization Plan which made it applicable to companies with assets of $3,000,000, having at least 300 stockholders.

Before summarizing some of the reasons for our unalterable opposition to the Fulbright Bill, and some of the motives influencing some of its proponents, we want it known that we were among the first to flay editorially the venal practices of the nineteen twenties in the securities field.

Deception of any kind whether by brokers, dealers, underwriters or by the agencies that regulate them, has always been the dragon we have sought to slay, as our archives will abundantly prove.

For decades the auction or exchange market, and the over-the-counter market have progressed a pace and have served our economy well. The over-the-counter market is the product of well established custom and usage whilst the exchanges are governed by rules fixed by their controlling bodies.

The investor, knowing the characteristics of both markets, has his choice, and can find in either, securities to meet his portfolio requirements, be these what they may. He should never be dragooned into a selection, but make his free choice.

In our view the passage of the Fulbright Bill would be calamitous. It would hurt the investor and small business by compelling substantial expenditures for compliance. Required reporting would place small business at the mercy of big business. It would dangerously and unnecessarily enlarge the powers of the SEC. It would injure our economy by favoring the auction as against the over-the-counter market, by destroying certain privileges and im-

Continued on page 14

INDEX

Articles and News Page

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Hazel Bishop, Confirmed Leader in Lipsticks

By IRA U. COBLEIGH

Enterprise Economist

Touching upon the colorful products and quite amazing sales growth of Hazel Bishop, Inc.

The Shakespearean expression "to paint the lily" applies with peculiar aptness to the cosmetic arts. In fact these alluring artifices dedicated primarily (but not exclusively) to the personal adornment of the female of the species far antedate the Bard of Avon. Six thousand years ago the Egyptians had perfumes and ointments, and eyebrow shadow. Later on the Greeks, in addition to giving us busts by Praxitiles, and temples to Athena, devised charcoal cosmetic pencils, and face powders of lead derivatives that, in certain instances, made the quest for beauty a literally sickening one. The pagan Romans really went gaga about gorgeousness and rich Roman dames often had oriental slaves whose sole business was to cook up facials and fragrances, balms and bath oils for milady.

Ira U. Cobleigh

Centuries later came the French with their perfection of perfumes, and finally in the more austere 19th Century cosmetics, except for talcum powder enjoyed but slight vogue. Came the 20th Century, improved incomes, glamor advertising and the whole cosmos went cosmetic. Today in the U. S., in all phases from Toni to Tintair, from henna to hormones, cosmetics constitute a billion dollar a year gross business.

After this compact (you'll pardon the expression) historical summary of the advance of synthetic attractiveness, we really ought to present a panorama of all the various current cosmetic producers. But alas, time and the traditional length of this column prevent; so we're just going to cover a single company, Hazel Bishop, Inc., selected because it has grown faster, in a shorter time, than any other cosmetic company we can think of; and its products have become rapidly and broadly visible both on the screens of our televisions, and the fashionably fascinating faces of our *femmes*.

It all started just a little over five years ago, in November, 1949 with a new type long lasting (to go with "permanent" waves?), smear-proof lipstick called Hazel Bishop. And Hazel Bishop owes its meteoric rise, and wide acceptance, most importantly to dynamic advertising in general, and the personal talents of Raymond Spector (Board Chairman of Hazel Bishop), and the advertising agency bearing his name, in particular. The advertising and sales program devised to promote Hazel Bishop was not hit-or-miss, or haphazardly arrived at. It was a bold frontal attack geared to the newest advertising medium—television.

Before Hazel Bishop came on the scene, lines of cosmetics had, of course, been widely advertised, but no single item had been given spot-light ad treatment; and daring network television shows to sell one cosmetic product — lipstick—were an innovation in anybody's book. But the Hazel Bishop campaign paid off, and handsomely. Over a dozen TV shows plugging Hazel Bishop have hit the coaxials since January, 1951, including the "Show of the Month," the "Martha Raye Show," the "Dunninger Show," and the one you probably know best—"This Is Your Life" with Ralph Edwards. This last one began in October, 1952 and made the Hazel Bishop lipstick a labial leader with women of all ages and stages, walks and talks of life. Ralph Edwards has been signed through 1955 with Procter and Gamble, now sponsoring the show on alternate weeks. In this way the cost to Hazel Bishop is halved, while the effectiveness of program continuity is retained.

Lest it be thought that this TV technique has been over-stressed, just take a look at the Hazel Bishop sales figures. For the fiscal year ended October, 1950, sales were $700,000. In 1951 this figure jumped to $2,800,000; in 1952, $4,550,000; in 1953, $9,900,000 and for 1954, $12,000,000. This 17-fold sales jump in five short years carried Hazel Bishop to a position of leadership in lipstick (Hazel Bishop) and rouge ("Complexion Glow"). In January, 1949 there were some 50 lipsticks on the market, with the then leading brand doing 8% of the total business. By the end of 1954 Hazel Bishop was reported doing 25% of the entire lipstick business, and believed to be doing 50% of the dollar volume in the sale of rouge. Quite a saga of success.

Hazel Bishop now distributes through over 140,000 outlets; the standard ones such as department, drug stores and beauty shops, plus variety chains, drug wholesalers, and supermarkets as well.

In 1954 Hazel took two major forward steps in policy. Until August, of that year, the entire line of products had been manufactured by others, to company specifications. It was decided, however, that the broad future of Hazel Bishop was in manufacturing its own line. Thus a new plant, leased at Paramus, N. J. (47,000 square feet), began production a year ago; and there are two other new company plants, one in Los Angeles, Cal., and one in Toronto, Canada.

The second major policy step was public financing. On Oct. 21, 1954, there were offered 250,000 shares of Hazel Bishop, Inc. common for subscription (150,000 of it, new financing), at $8 per share to provide, in part, funds for the Canadian factory; to finance inventory and accounts receivable, and to develop foreign business. On Dec. 6, 1954, Hazel Bishop common was listed on the American Stock Exchange, and now is owned by more than 2,500 shareholders. Total capitalization is 1,088,000 shares of common preceded by 84,420 shares of $10 par 6% preferred (convertible into three shares of common).

Where so much money was needed for expansion and growth, it took a little while for earning power to assert itself. 1952 was an even break, 1953 showed 53c a share, and 1954, 90c, making possible dividend payments so far this year of 37½c.

That about brings us up to date and poses two questions: (1) Will the sales and net continue their rapid expansion? (2) How good a stock is Hazel Bishop going to be? The answers to these depend on the continued effectiveness of present advertising policies, and the results of major development in two directions—new products and foreign sales. The new products, Hazel Bishop "Compact Make-up" and Hazel Bishop "Liquid Make-up," launched this year, are moving well and are projecting total sales into new high ground.

The possibilities of the foreign market appear intriguing. Until June, 1954, Hazel Bishop products were distributed in Canada by a licensee. At that time this arrangement was terminated, and direct distribution by a subsidiary, Hazel Bishop of Canada, Ltd., substituted. In the very first month, the new subsidiary sold half as much as the licensee had sold in the entire preceding year. Other owned subsidiaries are exporting to Cuba, Panama, Puerto Rico, Venezuela and other South American countries. Also there are expanding foreign outlets in Mexico through an agent handling, as well, products of Lever Bros. and General Foods; and in South Africa. When you consider that big outfits like Gillette, and Colgate-Palmolive-Peet glean around 50% of their profits from foreign markets, there is good reason to expect excellent long range earnings from Hazel Bishop's overseas sales.

Of course this cosmetic business is competitive; and the Hazel Bishop lipstick, which sells at $1.10, shares some 50% of total lipstick sales with such aggressive merchants as Revlon and Avon Products (door-to-door). But the same advertising and selling formulas, and the same on-the-ball management team that has created the present merchandising velocity of Hazel Bishop, plus the economies of manufacturing in company plants, suggest that Hazel Bishop can develop long lasting earning power, as well as long lasting lipsticks. Expanding incomes at home, and the desire abroad, to use the same cosmetics that make American women so *chic*, charming and modish, augur well for color cosmetics, and for Hazel Bishop. Even though the world is divided into two camps there are always golden opportunities to make-up! Perhaps a "mutual understanding" compact could be the next offering of Hazel Bishop. It should sell like pan cakes!

With Morfeld, Moss

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — Helen C. Moynihan is now conected with Morfeld, Moss & Hartnett, 721 Olive Street, members of the Midwest Stock Exchange. Miss Moynihan was formerly with Arthur F. Bownes & Co.

The State of Trade and Industry

Steel Production
Electric Output
Carloadings
Retail Trade
Commodity Price Index
Food Price Index
Auto Production
Business Failures

Stepped-up production schedules in some industries offset mild cuts in other lines resulting in over-all industrial production for the country-at-large, being maintained in the period ended on Wednesday of last week at a high level and noticeably above that of a year ago.

Since a large number of the workers at factories closed for vacation periods were not eligible for vacation pay, initial claims for unemployment insurance rose moderately the past week. About 3% of those covered by State unemployment insurance programs were receiving benefit payments.

Seasonal increases in state unemployment insurance claims were reported for the second consecutive week by the United States Department of Labor.

Idle workers' first claims for unemployment compensation rose 55,400 to 282,600 during the week ended July 9, the department's Bureau of Unemployment Security said. The previous week, first claims rose 37,000. Some 35 states reported increases in new claims, reflecting layoffs due to plant shutdowns for vacation periods. A year ago, first claims totaled 344,100.

In the week ended July 2, the total of workers drawing jobless pay dropped by 29,500 to 1,059,800. This compared with 1,770,100 a year earlier, the department said.

Industrial production in June held at the record level of 138% of the 1947-49 average, the Federal Reserve Board stated. This equalled the pace set in April and May this year and in March, 1953. It topped June, 1954, by 14 points. New highs were reached last month in the output of paper, chemical, oil and rubber products. But activities in the steel and auto industries were curtailed moderately by temporary work stoppages during contract negotiations, it declared.

Three of the major problems now confronting steel producers are maintenance, scrap and order backlogs, states "The Iron Age," national metalworking weekly, this week.

The mills have been fighting a rearguard action with all three for months, but the short steel strike seemed to bring things to a head. Now they've got to do something about them.

It's not an entirely unhappy situation, says this trade weekly, since these problems are the outgrowth of exceptionally good business—so good that the mills can just about write their own ticket from an order standpoint over balance of the year.

Producers have been looking over their shoulders at the maintenance bugaboo for some time. They knew it eventually would catch up with them, but they deferred it as long as they could. Now, maintenance is a factor in delaying their comeback to the pre-strike production level, since reports from producing centers indicate that required maintenance is holding down both steel and iron production, this trade authority declares.

The scrap market is getting out of hand with prices not only rising, but literally going up by leaps and bounds. Behind the upsurge are these factors: earlier depressed prices that tended to dry up sources of dealer scrap, less hot iron due to blast furnace maintenance and steel fabricator plant vacation shutdowns which reduce the flow of industrial scrap, reports this trade journal.

Order backlogs have been piling up since early in second quarter, and now extended to 60 days and more on the tighter products. The mills have tried to cope with this situation through an informal quota system to avoid hardship to their customers. This has helped considerably, but the day of reckoning has arrived.

In the automotive industry the record-level output by Ford Division and General Motors Corp. boosted United States car and truck building by 26% last week to a six-week peak that was only 9% below the all-time high posted at the end of April.

"Ward's Automotive Reports," in counting 196,411 completions the past week against 155,707 in the preceding week, said operations were the highest since 198,282 units left the lines during May 22-28. The 216,629 all-time high record was set in the period April 24-30.

The past week's program consisted of 168,056 cars and 28,355 trucks compared with 134,092 and 21,615 in the previous period.

The weekly publication said that the Ford Division has scheduled 10 of its assembly plants for work this Saturday, General Motors Corp. matching this record drive by a return to its all-time high volume of 91,940 car completions recorded in the closing week of April.

Meantime heat interruptions plagued Chrysler Corp. operations and Dodge programmed its third consecutive three-day work week. Remaining car makers, their dealer inventories heavy, held assemblies to 44% below their 11,905-unit 1955 high established during the week of March 20-26.

Encouraged by a 14% increase in industrywide dealer new truck sales during June over May, several volume truck makers continue to program substantial production. However, other volume manufacturers are revising their June operations downward, indicating that the stimulus of the new 1955 model styling has worn off of truck sales.

Elsewhere on the production front, output of Studebaker cars was halted last Thursday by a work stoppage stemming from a dispute over seniority, and Ford car assembly was curtailed by a transfer of its Edgewater plant facilities to a new factory in nearby Mahwah, New Jersey.

Dipping 4% in June business failures declined to 914. Although this downturn followed the usual seasonal pattern, casualties were also below the year-ago level. Failures were 5% fewer than in 1954 when they were at a postwar high for the month. While total failures in the first half of 1955 amounted to 5,626, some 3% less than in the similar period of 1954, they were 31% more numerous than in 1953.

The mortality rate for each 10,000 concerns listed in the Dun & Bradstreet Reference Book, as reflected in Dun's Failure Index, declined to 41 in June from 42 in the previous month and 43 a

Continued on page 34

Observations . . .

By A. WILFRED MAY

INVESTOR BOON OR BURDEN?

It seems vitally important to this market observer to examine realistically one of the factors most commonly cited to emphasize the good values available; namely, the earnings which have been "ploughed back" into the business, via capital expenditures. Thus, it may be strikingly shown that within the preceding few years alone a sum approaching as much as the current market price has been thus added to the company's worth — *to the obvious benefit to the shareholder.*

A. Wilfred May

But this pinpoints two areas of fallacy in investment (rather than accounting) concepts. First, skepticism is justified as to whether, or at least to what extent, capital expenditures do actually make an addition to the equity share's value. Second, it is tied up with the worry whether much of such expenditure may not in fact affirmatively constitute a burdensome necessity. This stems from the really *defensive* nature of much spending that is set up as a capital asset. Too often, it seems to us as an investor (not an accountant), the capital improvement is a profitless expenditure made merely to keep even — another step on a progress treadmill.

Department stores constitute an important group seeming to us to have incurred the necessity of making substantial expenditures for capital assets, not for proportionately increased profits, but as an outlay merely to keep from losing ground to competitors within the industry or to selling media outside the industry. In the first category would be the large expenditures for air-conditioning; in the second (and overlapping to the first), the building of community branch stores.

Earnings Deterioration

The chemical industry also exemplifies an area where huge outlays are necessary to maintain position, as a *defensive* process. Despite the growth factor so outstanding in this industry, and the constant increase in sales, most of the leading chemical companies have been unable to re-attain earnings-per-share which they registered back in 1951. The ploughing-back hardly maintains the *status quo.*

This defensive-expenditure exigency also obtains in that blue-blood "growth industry," oil. Take the contrast between trading expansion and capital investment on the one hand and net earnings on the other, of the representative world-wide organization the Royal Dutch-Shell group. During the past four years £800 million was spent on capital purposes, for exploration and production and refineries and capital plants; total sales have increased by 30%; capital and retained earnings by almost 50%. But net income has risen by only 10%, with the rate of net earnings to capital employed in a decline from 18% to 14%.

"In the light of information available at present it appears probable that the future levels of capital expenditures will, if anything, be even higher than in the recent past," the company predicts in its annual report for 1954. Predicting that the rise of world energy over the next 25 years will double, with an increasing proportion to be contributed by the oil industry, it continues: "The capital expenditure necessary in every phase of the oil industry per barrel of products has risen considerably in recent years. This trend is attributable to the ever-increasing cost of finding new oil reserves; to rising costs of capital goods, such as ships; to the public's demand for higher quality products, which entails increasing use of expensive refinery plant, such as catalytic cracking and reforming units; and to the demand for a higher standard of service, which frequently requires provision of extra equipment."

"[sic] In this sense, therefor, much of the capital expenditure is to be regarded as defensive and consequently does not offer prospects of any great increase in income. Such expenditure is to be treated rather as a cost of maintaining the business than as new investment on which added return can be expected."

Commenting on the report, the Economist of London offered this interpretation ("Shell's Modest Pearl," May 14, 1955); "It does not mean a desperate hanging-on to shareholders' funds for self-preservation, but it does raise some question about the nature of true profit in the world of business. . . . One of the classical investment precepts used to be that a company could be entrusted with funds to plough back if its earnings were growing at a higher rate compared with the growth of its resources."

Impact on Investment Policy

This unsatisfactory defensive expenditure situation has both broad and specific implications for today's investor. Sound policy tied to long-term holding is based on the value premise that earnings not disbursed as dividends will be reinvested by the company with an advantageous return to the shareholders. It has been customarily assumed that the return on the reinvested earnings will continue to be as high as on the capital previously existing, and that hence the earning power for the common stock will increase in proportion to the compound interest curve. But if the reinvested earnings show a lesser rate of return, or (as in the chemical industry above cited) the profits don't increase at all in spite of the plough-back, sound investment expectations surely become drastically sabotaged!

The Stock Market: A Reappraisal

By BRADBURY K. THURLOW
Partner, Osborne & Thurlow, New York City

Mr. Thurlow surveys the recent history of stock market movements, and notes changes in the market leadership of various groups of securities. Points out, with the exception of new "growth" industries, each major group of securities has had a different period of advancement. Discusses present position of the stock market in relation to the general economy, and concludes, if present conditions persist, the rising stock market trend should continue, with reactionary periods following spot news developments.

The 1954 recession turned out to be more a matter of psychology than economics and by the time business showed tangible signs of recovering from its temporary setback, stock prices were already well on their way to new highs.

B. K. Thurlow

Now the rise has lasted almost two years, uninterrupted by any decline more serious than the "Fulbright Reaction" of last winter. Business sentiment is optimistic to a degree hardly seen since the end of World War II. Theories regarding the government's ability to control business depressions which would have been thought almost ridiculous as little as two years ago are now beginning to gain popular acceptance. Clearly, in my opinion, the time has come for a reappraisal of the stock market: its recent history, its present position vis-a-vis the general economy and its future prospects.

I.
Recent History

For investors as well as stockbrokers 1954 was one of the most profitable years in a generation. Now that it is over, it would be tedious to point out the variety of ways in which large profits could have been (or were) made during the period. More interesting is the consideration of some of the phenomena which have distinguished the past year's market from other periods of rising prices and which consequently may have an important bearing on the future.

(1) In its broadest sense the recovery of confidence which has characterized the bull market from 1953 to date has been political. From a realistic point of view there has been, of course, no expectation of a return to old fashioned *laissez-faire* capitalism and the truly neutral observer could point out convincingly that both political parties are in close agreement in endorsing a system which is frankly socialistic—at least by standards of a generation ago. It is said, however, that the market has risen under a Republican Administration because that Administration is more favorably disposed toward business than the Democrats would have been. The political climate in financial circles has certainly been more optimistic in the past two years than at any time since 1930.

(2) Perhaps as a by-product of the political climate, but more probably as an expression of faith following "the government's successful interference in the 1954 business recession" there has also been a noticeable recovery of optimism over the economic future. For the first time since 1946 the man in the street has apparently come to believe that the economy is dynamic and that business activity is more likely to increase than decrease over the next few years—as a result of vigorous growth within the economy itself rather than through the agency of government or military spending.

(3) There has been a continuing preference on the part of investors for the leading stocks in stable industries over some of the more speculative but inherently more dynamic issues. To the extent that this condition has continued to prevail, it would appear to indicate the initial or recovery phase of the speculative behavior cycle rather than the final stage in which increased risk is actively sought in the hope of increased profit. The true implications of this phenomenon, however, are obscured because of the enormous volume of new institutional funds which have been channeled into common stock. To date these funds have bought exclusively the "blue chips," precisely those companies which have not had to resort to equity financing during the last 20 years and whose stockholders are on the whole unwilling to sell their shares because of the large capital gains taxes they would have to pay on their profits.

(4) Despite the fact that by April 1955 the Dow-Jones Industrial Averages stood at 425, or double the highest level reached in the 1946 bull market, the average price of all common stocks (according to a study recently published by Group Securities) had risen only 36.5%, and 38.2% of the issues were actually selling below their 1946 highs. Moreover, the average level of stocks in this latter category was 33% lower than in 1946.

(5) The entire rise from 1953 to date has accurred without the stimulus of inflation.

(6) A few technical observations:

(a) In over 21 months during which the Dow-Jones Industrials have advanced over 70% there has not been a single reaction as great as 10%.

(b) Volume, which generally makes its peak along with prices in a speculative market, has fallen some 40% from the peak levels of last December while the Dow-Jones Industrials have advanced over 10%.

(c) Short interest as related to daily volume, odd-lot purchases as related to odd-lot sales, and customers' debit balances have consistently indicated that the public was not speculating heavily in the market (although the first indices have turned less favorable in recent months).

Considering all these factors together, the rise which began in September, 1953, might appear to represent the first phase or leg of a bull market which began in 1953 rather than the third phase of a market which began in 1949. On the other hand, when one studies the price behavior of the various industrial groups over the entire period which began in 1952, it would appear that there have been since that time three periods of broad general advance separated by two periods of broad general decline. The advancing phases have been notable in that only about half the issues have participated during each rise. Similarly, the declining phases have been marked by certain groups which showed remarkable resistance. Here is a brief summary of the period:

(1) *Advance: 1942-46,* led by consumer and service industries and low-priced and speculative stocks.

(2) *Decline: 1946-49,* resisted by oils, utilities, defensive stocks.

(3) *Advance: 1949-52,* led by oils, chemicals, electronics, textiles.

(4) *Decline: 1952-53,* resisted by "blue chips" and defensive stocks.

(5) *Advance: 1953 to date,* led by "blue chips" and defensive stocks and more recently motors, railroads, and steels.

Obviously the foregoing picture is vastly oversimplified, but it does show that with the exception of the more or less new "growth" industries, each major group which has been a leader during an advancing phase has usually been dormant during the next advancing phase, and vice versa. Today the only major major groups which have failed to assume market leadership in any advancing phase since 1942 are the coppers, steels and railroad equipments. Even now the first two of these groups are showing strong signs of emergence. Should they show dynamic

Continued on page 21

Charting Our Financial Course For Rest of 1955

By FRANK M. CRYAN
Partner, McLaughlin, Cryan & Co.
Members, New York Stock Exchange

Stressing need of taking soundings in charting a financial course for remainder of year, Mr. Cryan reviews recent financial data, indicating what he calls "a spending spree." Says big question is, "How long will it last?" Holds end of spree is not yet in sight, and the long as well as the short term prospects are favorable.

Every good "Skipper" takes occasional soundings to see if his ship has sufficient draught to keep it from going on the shoals.


Frank M. Cryan

The second half of 1955 is but a few weeks old, and like the good sea captain, we must chart our financial course for the balance of the year.

The past usually serves as a guide towards the future. With this thought uppermost in our minds, let us take a casual look at the first six months of 1955, during which we have seen our peacetime economy smash all records with the Federal Reserve index hitting a new high of 138 and personal income almost $300 billion per annum.

During the past six months almost every economic barometer set new highs in this tidal wave of prosperity. The confidence of the people has reached an all-time economic high, under the progressive administration of President Eisenhower. The Gross National Product (a statistical term) in July has climbed to an annual rate of $375 billion, compared with the same period of last year, of $371 billion. The second quarter of 1955 corporation capital outlays were running at a rate of close to $30 billion and according to the Department of Commerce survey, corporation capital expenditures are expected to continue.

People are spending record sums for television, appliances, automobiles, new homes, etc. The latest figures available place consumers' credit at almost $32 billion, which is a new record.

In the first quarter of this year, corporation earnings ran at an annual rate of about $40 billion, or 16% above the same period in 1954. Another arrow in the archery bag of this great upsurge is the Government's budget and tax policies, and while the Federal Reserve has various methods of "applying the brakes"—nevertheless, there are many factors over which they have no control, such as the current round of wage increases, and the possible change of temperature in the cold war. This has already manifested itself in the stock market, and continues to share the economic spotlight through the first half of 1955. During this period, volume on the New York Stock Exchange was the heaviest since 1930.

Almost all lines share in the spending spree; automobiles, construction, steel, railroads, machine tools, textiles, etc.

End of Spiral Not Yet in Sight

Now the big question is "how long can it last?" I am of the opinion that the end of this spiral is not yet within sight. While it is true that we may have some temporary setbacks, such as backing and filling, yet the outlook for the second half of this year, is in my opinion, more optimistic than ever. Moreover, the long-term outlook is equally favorable in view of the prospective growth trend of our economy as may be seen in the following projections:

The Next 20 Years

	Now	1965	1975
Population (millions)	162	187	212
Employment (millions)	62.3	72.2	84.4
Unemployment (millions)	3.2	2.9	3.8
Individual income (after taxes) (billions of $)	$253	$298	$357
Total U. S. output (billions of $)	$356	$465	$586

As for the latter part of the present year a substantial increase in bank borrowings can be anticipated for the following reasons:

(a) Business must start borrowing to build up inventories for the Fall and Christmas trade;

(b) Farmers and processors must boost their balances in the second half of the year to finance crop movements;

(c) Spending for new plants and equipment will continue to increase.

On top of all this must be piled the need of our Treasury Department for approximately $10 billion in cash between now and Christmas. In addition, the Government will have to sell about $20 billion worth of new paper to replace issues maturing this year. The extraordinary tasks of the U. S. Treasury, added to the impending private demand for credit will, no doubt, put a rather severe levy on the Nation's supply of loanable money. Experts estimate the Federal Reserve must build up commercial bank reserves by some $2 billion in the second half of this year, thus providing a basis for potential increase in money supply of $10 billion to $12 billion.

Strong Upward Trend Forecast

As a result of these projections, I am forecasting for the second half of this year a very strong upward trend, particularly in the accompanying list of high yield securities that have not, as yet, had the same market attention as the "blue chips"—

The future of America seems to be assured by the insurmountable faith of our people—a faith strong enough to provide more for individuals to move forward — to grow—to improve our knowhow for an abundance of everything to supply our wants.

We now have almost eight million Americans participating in corporate profits through the buying of shares in the stock market, with a half million additional new investors coming in each year.

People buy stocks for safety of principal, income and yield. I believe the list of stocks enumerated above embody all of the characteristics which the investor looks for in "little" blue chips.

Issue	Recent Price	Dividend	% Yield
Allis Chalmers	$73¼	$4.00	5.5
American Tobacco	71¼	4.40	6.1
American Chain	40¼	2.50	6.3
Atlantic Refining	38¼	2.00	5.3
Bridgeport Brass	41½	2.50	6.0
Burlington Ind.	18⅝	.60	3.5
City Stores	21¾	1.40	6.4
C & O RR	51⅞	3.00	5.6
Cream of Wheat	31⅛	1.85	5.9
Dresser Industries	43⅛	2.50	5.7
Deere & Co.	37	1.75	4.7
Electric Storage Battery	31½	2.00	6.3
Fruehauf Trailer	44	2.00	4.5
Flintkote	41½	2.50	5.9
Greyhound	16	1.00	6.3
Gair, Robt.	31½	1.50	4.7
Green, H. L.	32⅛	2.00	6.2
Kennecott Copper	117	6.00	5.1
Liggett Myers	65¾	4.00	6.1
Louisville & Nash RR	84	5.00	5.9
Mesta Machines	47¾	3.00	6.2
McCrory Stores	15¼	1.05	6.5
National Distillers	23	1.00	4.3
N. Y. Chi. & St. L. Rway	53	3.00	5.6
Norfolk & Western	57½	3.50	6.1
Phelps Dodge	53⅝	3.00	5.5
Philip Morris	40⅝	3.00	7.3
Pullman Inc.	66	3.00	4.6
Reading Co.	35½	2.00	5.6
Republic Steel	46¾	2.50	5.3
Scovill Mfg.	39½	2.00	5.1
Standard Brand	39¾	2.00	5.4
Timken Roller Bearing	57	3.00	5.3
20th Century Fox	29⅞	1.60	5.3
U. S. Plywood	39	1.80	4.6
U. S. Playing Cards	73½	4.00	5.5
United Fruit	59	3.00	5.0
Virginian Rway.	43½	2.50	5.7
Western Union Tel.	24⅝	1.00	4.0
F. W. Woolworth	49⅞	2.50	5.0

Continued from page 2

The Security I Like Best

tracted small investors and opportunities to enhance capital at capital gain tax rates have been missed.

Life Insurance Growth Prospects

The United States remains a fertile field for life insurance sales. Most everyone is conscious of the need for life insurance, because of aggressive selling plus the educational influence of social security. A high level of purchasing power makes the acquisition of life policies possible for many families that could not afford them 20 years ago. Given a continued stable or increasing income level, life insurance sales will increase regularly over the years. Ten-year prospects appear bright indeed.

Investors are always looking for growth — the life insurance field may provide one answer—Life Insurance Investors, Inc. supplies an opportunity.

What's Ahead?

By JACOB BLEIBTREU
Governor of New York Stock Exchange
Senior Partner, Abraham & Co.
Members, New York Stock Exchange

After commenting on the professional apprehension concerning the level of the stock market, Mr. Bleibtreu holds there are still a good many stocks which are not overpriced. Says he can still see continued activity on a broad front in the securities market on the upside. Cautions, however, that key to success in investment is to be selective and stay sufficiently close to shore so no storm can capsize your ship.

In my almost 50 years in Wall Street I have never experienced such apparent unanimity of opinion among most professionals as at this time. Practically all of us are apprehensive concerning the condition of the market and are doubtful of its ability to maintain the present pace as well as the present level of prices. To use the vernacular, "The Street is scared stiff." Experience has shown me that such unanimity of opinion cannot be relied upon and is frequently wrong.


Jacob Bleibtreu

The reasons for this fear complex are not difficult to find. All we have to do is to take a glance at the charts of the Dow-Jones and other averages. They all show a steady, sharp upward climb starting in 1953, and accentuated since May of this year. Only at rare intervals, such as in mid-July 1955, has hesitancy appeared. That these charts can be quite misleading, due to their make-up, is a well known fact, because even on days when more stocks declined than advanced, the curves on the charts went up. Nevertheless, the pattern that is shown in the daily picture is disturbing by its one-sidedness.

If we look a little behind what seems so apparent on the surface, we will find that we have had a very selective market and that the days when "The Market" went up or down as a whole are largely a thing of the past.

My own theory that there are still a good many stocks which are not overpriced is based on the following considerations:

(1) We are in a kind of inflation in this country which to my knowledge the world has never seen before. More money is constantly needed to handle the country's business; wages are being increased, but basic commodities do not reflect this inflation because their production and consumption are in fair balance. Hence, the lesser buying power of the dollar is being expressed almost solely in wages, the price of manufactured goods (which cost more to make) and the price of stocks whose supply has not kept pace with the increase in money in the hands of the public.

(2) Investors and speculators alike, despite their momentary fears and concerns, seem to consciously or unconsciously visualize a protracted period of peace. In my opinion, peace is bullish because it is constructive; war is bearish because it is destructive. Peace should permit the Western World to raise the unbelievably low standard of living of most peoples—amounting in the aggregate to hundreds of millions of men, women and children. If we can contribute to this elevating of standards, our factories and farms could be busy for years to come, and even if we have to finance this expansion of activities with credits, parts of which we may ultimately lose, we still would create a great measure of prosperity for ourselves and others.

(3) Certain stocks, in general the so-called blue chips, have gone so high and yield so little that their prices reflect more of a scarcity value than anything else. I, therefore, believe I can see that within a short time, we may have, what for lack of a better word, I might call "stagnation" in these stocks. I think we witness this situation already reflected in a few stocks which suffer sharp gyrations up or down on minor news, hardly affecting their intrinsic value, proving a lack of public participation on a broad basis. When a stock like Dupont can move 15 or more points in a day it highlights to me a serious lack of public trading interest.

We are all aware of the reluctance of the share owners to sell, largely for tax reasons. By the same token, if the price appears too high and the yield too low, the investor, institutional or private, hesitates to buy. When and if this "stagnation" becomes more apparent, I believe the demand for investment generated by the ample money supply will overflow into the less favored issues where many bargains (compared to the blue chips) are still available, for instance: Allied Mills; American Tobacco; Colorado Fuel & Iron; General Cable; National Theatres; Pepsi-Cola; St. Regis Paper, and Socony Mobil Oil.

In other words, I can still see continued activity on a broad front in our security markets **on the upside,** despite my personal fears and my nervousness, which I share with innumerable of my professional brothers.

These views are based on unorthodox thinking, because I do not consider charts reliable for anything but comparisons. I am also aware that no one can foretell what mob psychology and mass thinking will produce, quite aside from the fact that we also face the risks of material changes in the political picture both at home and abroad.

In our business we are accustomed to being tossed about on a sea of uncertainty, the best we can do is to analyze things objectively as well as we know how, and to have the courage to follow our opinion. Although it is so much of a commonplace that I hate to mention it, let's not forget that the key to final success in investment is the same as it always has been: Be selective, stay sufficiently close to shore that no storm can capsize your ship. Many people have made a great deal of money by trading with borrowed funds but over the years the conservative trader has lived to tell the tale.

Joins Broy Staff

(Special to The Financial Chronicle)

SAN FRANCISCO, Cal.—Victor Herrman has become affiliated with The Broy Company, 110 Sutter Street, members of the San Francisco Mining Exchange.

Nowell Adds to Staff

(Special to The Financial Chronicle)

SAN FRANCISCO, Cal.—Douglas McConnell has become connected with A. R. Nowell & Co., 400 Montgomery Street.

Economic Illiteracy—A Menace to a Sound Dollar

By ORVAL W. ADAMS*
Executive Vice-President,
First National Bank, Salt Lake City

Mid-western banker, in commenting on the vast power given by universal suffrage to a largely illiterate electorate, points out some prevailing economic fallacies, among which is the "disease of inflation." Urges an educational program by custodians of the people's savings, and asserts that the citizenship of this great country, if they only knew, would be willing and anxious to go through a period of painful deflection in order to restore economic sanity. Stresses present need of a sound dollar, and warns stability of the dollar is threatened by gigantic spending for world rehabilitation.

Long before the advent of graduated income taxes, Lord Macaulay warned that our Constitution was "all sail and no anchor." He, of course, was thinking of the vast power given through universal suffrage to an uninformed, and in considerable part, illiterate electorate.

Orval W. Adams

Today we recognize that the "anchor" is to be found only in the aroused self-interest of an educated and informed electorate, cognizant of its own true interest, not to be misled by demagogues acting the part of Santa Claus. Today, as perhaps never before, is that "anchor" needed, for today the electorate is exposed to the risk of falling for the false cries of those surviving New-Fair-Dealers who would misuse the natural effects of a return to normalcy to scare the electorate into a return to the days of deficit spending and inflation, with no thought for tomorrow.

A generation has grown up accustomed to deficit financing, accustomed to abuse of the principle of the graduated income tax, accustomed to believe that a tax upon a corporation is something separate and distinct from a tax upon an individual instead of, as in fact it is, an additional tax upon the individuals operating under corporate form. These three great clubs in the hands of an uninformed electorate can lead to the utter destruction of our economy.

Now, as insurance men, what is our position in the premises—what is our obligation? Surely when we consider the importance of a sound dollar we must recognize that it is not to the clergy, not to the educator to whom the American people must look for sound information on which to base their actions. We must recognize that as insurance men and bankers it is our prime duty to build the "anchor" by bringing the facts to the knowledge of our savers.

I believe it is safe to say that the savers in the United States hold the voting control, and if united and informed as to their true interest, they would build an "anchor" that would save the Ship of State from the rocks of inflation. I believe, too, that it is within our power to build that "anchor."

The Disease of Inflation

Year by year, with the exception of two years, for the past 20 years, our savers have lost part of their substance to the disease of inflation. A fraction of the amount so lost would be adequate to promote an educational program to eliminate the disease.

Although for years the custodians of the people's savings have been meeting in convention, formulating strong resolutions for the preservation of sound money, yet such resolutions have been little else than "sounding brass and tinkling cymbals." We have talked among ourselves when we should have been talking to our savers.

Now is the time to formulate an educational program to carry into action the intent of all those well-meaning and largely forgotten resolutions. Not to do so, in the present favorable political climate, would be to ignore opportunity knocking at the door and quite possibly to pass up a last chance.

Can any of you give any sound reason why the life insurance organizations and bankers associations should not promote such an educational program as would accomplish this great service to our country, to our savers, and to ourselves?

"The time is far spent—there is little remaining"—to provide dollar literacy education to our millions of savers. In less than two years there will be a General Election. The present Administration is attempting to restore sound money, — a stupendous, painful, and politically hazardous process. Many of these millions of savers are not aware of this fact so ably stated by Chairman Martin of the Board of Governors of the Federal Reserve System, that . . .

"Inflation is a sneak-thief — it seems to be putting money into our pockets when, in fact, it is robbing the saver, the pensioner, the retired workman, the aged—those least able to defend themselves. And when deflation sets in, businessmen, bankers, workers, suffer alike, as most of us here know from the early 1930's."

That being true, the economic suffering that will take place during a deflationary period after 20 years of cruel inflation will not be anticipated by those affected.

The painful experience which is necessary and which must take place in order to restore economic sanity, will influence votes. If the economics of the situation were understood by the voters that would not be true. **If they only knew**, the citizenship of this great country would be willing and anxious to go through a period of painful deflation and consequent recession, in order to restore economic sanity, which would be the only way to construct a sound platform for a new beginning, for insurance to save what is left of the already 50% depreciated dollar.

Repeating — "The time is far spent—there is little remaining," and I mean time remaining for education before the next election. The insurance companies and the bankers—the unofficial custodians of the savings accounts of millions—have a tremendous educational task to perform in the transition period from inflation to deflation.

Let Not the "Deficit Termites" Take Over

Let us not fail—for if we do and the Deficit Termites take over in the next election, it may be too late thereafter to save what is left of the most priceless heritage ever bequeathed to a generation. At this very moment there is a race being run with more vital consequences than any other in our time, a race to forestall national destruction.

The prophecy made in 1834 by Daniel Webster has now come to pass:

"I admonish every industrious laborer in this country to be on guard against those who would perpetrate against them a double fraud—a fraud to cheat them out of their earnings by first cheating them out of their understandings. The very man above all others who has the deepest interest in sound currency, and who suffers most by mischievous legislation, is the man who earns his daily bread by his daily toil. A vast majority of us live by industry. The Constitution was made to protect this industry, to give it both encouragement and security; but above all, security."

All sound economists recognize, and our savers should know, that as the national debt approaches the national wealth, the freedom of action of the individual diminishes, the control of government increases, the demands of government increase, and the possibility of rebuilding private enterprise diminishes. Our savers should know that the national debt is approaching our total national wealth, represented in the country's factories, mines, railroads, farms, forests, and homes. It should be made known to our savers that the existing wealth, which is constantly wearing out, cannot pay the debt; that debt can only be paid out of wealth created by future production, by work and sweat in contrast to doles and subsidies.

The Present Importance of a Sound Dollar

Now that we are in the throes of the most devastating cold war period of all time, the American dollar takes on an importance never before approached in recorded history.

You and I know how vital enlisted dollars were in the prosecution of World Wars I and II, how they made possible planes, the tanks, the submarines, the destroyers. Men, machines, materials, and money brought us through that crisis. The Ship of State now more than ever before must be anchored to honest American money, and any world-sta-

Continued on page 24

*An address by Mr. Adams before the Agents of the Beneficial Life Insurance Company, Salt Lake City, Utah.

Dealer-Broker Investment Recommendations & Literature

It is understood that the firms mentioned will be pleased to send interested parties the following literature:

Aetna Life Insurance Co. — Memorandum — John C. Legg & Company, 22 Light Street, Baltimore 3, Md. Also available is a memorandum on **Hanover Fire Insurance Co.**

American Trust Co.—Memorandum—Kidder, Peabody & Co., 17 Wall Street, New York 5, N. Y. Also available is a memorandum on **Delhi Taylor Corp.** and **Eastern Utilities Associates.**

Arizona Bancorporation—Analysis—William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif.

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.

Baltimore Gas and Electric Company—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Briggs & Stratton Corp. — Analysis — Reynolds & Co., 120 Broadway, New York 5, N. Y.

Cambell Soup—Analysis—J. R. Williston & Co., 115 Broadway, New York 6, N. Y.

Canadian Letter—Fortnightly review of the Canadian Securities Market—Newling & Co., 65 West 44th Street, New York 36, N. Y.

Celitex Corp.—Memorandum—McDonnell & Co., 120 Broadway, New York 5, N. Y. Also available is a memorandum on **Kansas City Southern Railway.**

Cities Service Co.—Memorandum—Talmage & Co., 111 Broadway, New York 6, N. Y. Also available is a memorandum on **International Nickel Co. of Canada.**

Great Lakes Oil & Chemical Company—Bulletin—De Witt Conklin Organization, 100 Broadway, New York 5, N. Y.

International Nickel Co. of Canada Ltd.—Analysis—Francis I du Pont & Co., 1 Wall Street, New York 5, N. Y. Also in the current issue of "Gleanings" are analyses of **Canadian Natural Gas Producers, The Kroger Co.**, and a list of 40 stock dividend or split candidates.

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

Iowa Southern Utilities Co.—Analysis—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

F. L. Jacobs Co.—Analysis—McLaughlin, Cryan & Co., 1 Wall Street, New York 5, N. Y.

Kaiser Steel Corp. — Memorandum — Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif.

Katz Drug Company—Review—A. G. Becker & Co., Incorporated, 120 South La Salle Street, Chicago 3, Ill.

Kerr McGee Oil Industries, Inc.—Analysis—Scherck, Richter Company, 320 North Fourth Street, St. Louis 2, Mo.

Loew's Inc.—Memorandum—Hirsch & Co., 25 Broad Street, New York 4, N. Y.

R. H. Macy & Co.—Memorandum—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y.

McGraw Electric Co.—Memorandum—Auchincloss, Parker & Redpath, Land Title Building, Philadelphia 10, Pa. Also available is a memorandum on **Van Raalte Co.**

New York City Bank Stocks—Comparison and analysis of 13 New York City Bank stocks for the second quarter of 1955—Laird, Bissell & Meads, 120 Broadway, New York 5, 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 10 sample portfolios—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Resistoflex Corp. — Memorandum — Arnold Feldman Co., 120 Broadway, New York 5, N. Y.

Scranton Spring Brook Water Service Company—Analysis—First California Company, Inc., 300 Montgomery Street, San Francisco 20, Calif.

Shawano Development Corp. — Report — General Investing Corp., 80 Wall Street, New York 5, N. Y.

Southern Railway Co.—Memorandum—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y.

Southland Life Insurance Co.—Memorandum—Dallas Union Securities Co., Adolphus Tower, Dallas 2, Texas.

Techbuilt Homes, Inc.—Analysis—Aetna Securities Corporation, 111 Broadway, New York 6, N. Y.

Trade Bank & Trust (New York City)—J. R. Williston & Co., 115 Broadway, New York 6, N. Y.

United Engineering & Foundry Co.—Report—Thomson & McKinnon, 11 Wall Street, New York 5, N. Y.

Warner Lambert Pharmaceutical—Bulletin—Bruns, Nordeman & Co., 52 Wall Street, New York 5, N. Y. Also in the same bulletin are data on **Northern Natural Gas** and **Fairbanks Morse.**

Western Union—Bulletin—Joseph Faroll & Co., 29 Broadway, New York 6, N. Y.

Westinghouse Electric Corporation—Analysis—Bache & Co., 36 Wall Street, New York 5, N. Y. Also available is a bulletin on **General Precision Equipment Corp.** and **National Gypsum.**

* * *

Automation — Analysis — Cohu & Co., 1 Wall Street, New York 5, N. Y.

Bonanza Oil & Mine—Report—L. D. Friedman & Co., Inc., 52 Broadway, New York 4, N. Y.

Housing—Analysis—Park, Ryan, Inc., 70 Pine Street, New York 5, N. Y.

Japanese Ship Building Industry—Analysis in "Monthly Stock Digest"—Nomura Securities Co., Ltd., 61 Broadway, New York 6, Y. Y.

Leading Banks and Trust Companies of New York—Comparative figures as of June 30, 1955—New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

New York City Bank Stocks—Comparative figures at June 30, 1955—The First Boston Corporation, 100 Broadway, New York 5, N. Y.

Public Utility Common Stocks—Comparative figures—G. A. Saxton & Co., Inc., 70 Pine Street, New York 5, N. Y.

Riverside Cement Co.—New views—Lerner & Co., 10 Post Office Square, Boston 9, Mass.

Salt Industry—Analysis—Calvin Bullock, Ltd., 1 Wall Street, New York 5, N. Y.

Steel—Analysis with particular reference to **U. S. Steel, Jones & Laughlin Steel**, and **Republic Steel**—Edward A. Purcell & Co., 50 Broadway, New York 4, N. Y.

Uranium Corporation of America—New illustrated brochure—McCoy & Willard, 30 Federal Street, Boston 10, Mass.

NSTA Notes

AD LIBBING

Col. Oliver J. Troster, of Troster, Singer & Co., New York City, receives honorable mention this week for a half page "ad" for his firm in the NSTA Convention Issue. We of the Advertising Committee are indeed pleased to advise our members of such support as we are most anxious to make 1955 outstanding, and from inside rumors to date we are ahead of 1954.

Let's keep rolling. John Bunn, Stifel, Nicolaus & Co., St. Louis, reports that Chairman Deppe (Edward D. Jones & Co.) of St. Louis is signing up commercial "ads." Congratulations, Ralph.

HAROLD B. SMITH, Chairman
National Advertising Committee
Pershing & Company,
120 Broadway, New York 5, N. Y.

Harold B. Smith

Cuba Bonds Offered By Allen & Co. at 98

Allen & Co., New York, is offering today (July 21) $2,500,000 Republic of Cuba 4% veterans, courts and public works bonds, due 1983 (payable in United States dollars) at 98% and accrued interest.

The bonds are presently outstanding and offered on behalf of Romenpower Electra Construction Co. which received the bonds from the Republic of Cuba or one or more of its agencies in payment for construction work, chiefly on highways and streets in or near Havana.

The bonds are general obligations of the Republic of Cuba and, in addition, are secured by the pledge of certain funds, imposts and revenues.

Shelley, Roberts Adds

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — George C. Cramer, Jr., Donald W. Kopf and Gerard J. Stein have become affiliated with Shelley, Roberts & Co., First National Bank Building.

Forrest Ball Opens

(Special to THE FINANCIAL CHRONICLE)

GEORGETOWN, Colo.—Forrest E. Ball has opened offices at 409 Fourth Street to engage in a securities business.

Joins Coombs & Co.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Wendell A. Hutchinson has become connected with Coombs and Company, 602 West Sixth Street. Mr. Hutchinson was previously with Hooker & Fay.

Our Reporter's Report

The new issue bond market is literally dormant at the moment. But that is far from true in the case of equities and the reasons are not difficult to perceive.

The bond market currently is in a state of flux and indecision, with potential borrowers as well as investors and investment bankers and their distributing groups "treading water" pending the creation of a new base level.

Meanwhile with the boiling stock market for a backdrop, corporations are turning in a substantial way toward securing at least a portion of their new capital requirements from the sale of equities.

The scope of this movement, a normal development in what could prove the late stages of a "bull market," is evidenced by the series of current operations which will put to stockholders of four corporations "rights" to subscribe for more than three million shares of additional stock within less than a fortnight.

Consumers Power Co. took bids yesterday for a "standby" on its offering of 373,689 shares of common; Goodyear Tire & Rubber Co., has 913,531 shares of its Junior equity. "Rights" on the former expire Aug. 5 and on the latter Aug. 8.

Western Union holders of record July 22 may subscribe for 1,041,393 shares of additional common, with "rights" expiring Aug. 8.

Watching Treasurys

There is no question that all sectors of the industry are keeping a close eye on the behavior of the Treasury list, especially the long 3s which are viewed as the keystone at the moment.

That issue backed down a day or two ago to sell at 100 1/32 though it has recovered a shade since. It has been easy despite the huge oversubscription on the recent offering. Meanwhile the recent offering of Illinois Bell Telephone bonds remains to be completed.

Dullness in the general utility list in the secondary market reflects the indisposition of traders to take a position one way or the other at the moment. And observers can find little to stimulate buyer interest. But after all it is the dull summer season.

Must Be Puzzling

It seems from current reports that even some of the bigger fry, including underwriters themselves, are a bit befuddled by the current conditions marketwise.

At any rate that is the inference which many people draw from recent events such as the decision of one group to disband rather than submit a bid for a small tax-exempt offering in view of the reluctance of dealers to take on any more bonds.

Again, there are recurrent reports of last minute "drop-outs" among syndicates formed to market a given issue or bid for a piece of business. And sometimes these withdrawals developed at the last minute to the embarrassment of the remainder of the group.

Direct Placements

Meanwhile, the inroads made by direct placements continue to be felt. C. I. T. Financial Corp., announced that it had placed an issue of $50,000,000 of eight-year 3¼% promissory notes with investors through a banking group.

No Sound Grounds for Fulbright Bill To Regulate Unlisted Companies

By RALPH P. COLEMAN, JR.*
Editor, Over-the-Counter Securities Review, Jenkintown, Pa.

Stating the over-the-counter securities industry is already carefully supervised by a self-governing regulative group, Mr. Coleman calls attention to the high caliber of many companies whose securities are dealt in the unlisted market. Says most unlisted stocks are fairly priced, and points out voluntary cooperation is better than compulsion. Holds Fulbright Bill is a penalty on progress.

Contrary to commonly accepted opinion, the Over-the-Counter Market is not a jungle of rank speculative issues palmed off on the public by ruthless and unscrupulous brokers. In reality, the opposite condition is much more the case. An overwhelming percentage of the total market value of all unlisted industrial and public utility issues is represented by companies whose economic usefulness, financial soundness, sales and earnings growth, and business ethics need not take second place to most listed companies. Of equal importance to investors, the over-the-counter securities industry is carefully supervised in its business conduct by a self-governing regulative group — the National Association of Securities Dealers —whose record of successful operations is recognized in all quarters.

Ralph P. Coleman, Jr.

High Caliber of Over-the-Counter Companies

To more dramatically demonstrate the caliber of company which is traded in the Over-the-Counter Market I would like to make this personal approach to members of the committee by pointing out several unlisted firms which play leading roles in the States represented by them. In Senator Fulbright's home State of Arkansas these companies include such utilities as Arkansas-Missouri Power Co.; Mid South Gas Co.; Arkansas Western Gas Co.; and Crossett Co., a major timber and paper manufacturer. In Senator Robertson's Commonwealth of Virginia there are a host of over-the-counter companies: Dan River Mills, the world's largest textile mill; Miller & Rhoads and Thalhimer Brothers department stores in Richmond; the Camp Manufacturing Co. paper mills along the Tidewater; and Planters Nut & Chocolate Co. at Suffolk—to mention only a few.

Delaware, represented by Senator Frear, has such stable companies as Joseph Bancroft & Sons, one of the oldest textile firms in the nation, and Electric Hose & Rubber Co. of Wilmington, the nation's largest producer of garden hose. In Senator Douglas' Illinois, there is a legion of established over-the-counter companies ranging from G. D. Searle & Co., the respected wonder drug maker, to A. E. Staley Mfg. Co., the soybean pioneer, which together provide steady employment for thousands of citizens. Unlisted companies are just as frequent in the home State of Senator Lehman. They include Dun & Bradstreet, the great credit reporting institution; "Time Inc.," the magazine publishers; and Bausch & Lomb Optical Co., a leader in optical products.

*Statement by Mr. Coleman before the Senate Banking and Currency Committee in opposition to Bill S. 2054 (the Fulbright Bill), July 1, 1955.

In Oklahoma, a portion of Senator Monroney's constituents work for such over-the-counter corporations as National Tank Co., a leading manufacturer of oil and gas equipment; Seismograph Service Corp., a pacemaker in oil exploration methods; and Northern Oklahoma Gas Co., a producer and distributor of natural gas. In Oregon, Senator Morse's territory, there are numerous well-known over-the-counter companies in the State's basic timber industry. These include Weyerhaeuser Timber Co., world's largest grower and processor of timber; Jantzen, Inc., the famed swimsuit maker; and the State's three largest utilities — Portland General Electric, Pacific Power & Light and Portland Gas & Coke.

No Political Partiality

Turning to the Republican side of the table we discern no political partiality among unlisted companies. In Senator Capehart's Indiana, there is National Homes Corp., the world's largest producer of prefabricated homes; Eli Lilly & Co., the top drug manufacturer and a leader in Salk polio vaccine development; and such local utilities as Northern Indiana Public Service Co., Indianapolis Water Co., and Indiana Gas & Water Co. In Ohio, Senator Bricker boasts one of the most prolific over-the-counter areas. There is M. A. Hanna Co., the great enterprise formerly headed by Secretary of the Treasury Humphrey; U. S. Shoe Corp., maker of "Red Cross" shoes, the largest selling brand for women; and Hoover Co., the biggest producer of vacuum cleaners. In Senator Ives' New York there are, of course, the same companies as were mentioned in connection with Senator Lehman, plus many others such as Rochester Telephone Corp.; Art Metal Construction Co., the leading maker of office furniture; and Taylor Instrument Cos., a pioneer in automatic controls. The Utah of Senator Bennett is not without its share of unlisted firms: Zion's Co-operative Mercantile Institution, the Salt Lake City department store; Bonneville, Ltd., producing potash on the salt flats; and Mountain Fuel Supply Co., supplying natural gas to Salt Lake City.

I think it would not be inaccurate to say that Senator Bush's very prosperous State of Connecticut is the most completely "over-the-counter" State in the Union. Virtually all of the State's utilities, with one exception, are traded in the unlisted market. So are such reputable concerns as Stanley Works, the "Tool Box of the World"; Associated Spring Corp., the foremost maker of precision springs; and Arrow-Hart & Hegeman Electric Co., a major producer of electric controls. In Maryland, Senator Beall's constituents include men and women who work for many unlisted companies: Emerson Drug Co., the producer of "Bromo-Seltzer"; Noxzema Chemical Co., maker of suntan lotions; and McCormick & Co., the renowned tea and spice house. Maine, the home State of Senator Payne, includes such unlisted stalwarts as Central Maine Power Co., Bangor Hydro-Electric Co., Bates Manufacturing Co., Saco-Lowell Shops and Maine Central Railroad.

"Home-Grown and Home-Owned"

The above paragraphs serve to indicate in small measure how the typical over-the-counter corporation is tightly and beneficially woven into the fabric of American economic life. There are literally thousands of additional companies throughout the country which fall into the same category. For the most part, they are "home-grown and home-owned" companies, solid and substantial industrial neighbors and not the clever creations of a syndicate of metropolitan financiers.

I am certain that one of the prime purposes that Senator Fulbright had in mind when he introduced Bill S. 2054 was that the legislation should protect the private investor. It is axiomatic that investors may get "hurt" in the securities market when prices rise rapidly to a point where the stock is selling far above the accepted normal price-earnings ratio of 10 to 1. This 10 to 1 ratio, used by security analysts for many years, simply means that when a stock sells at $10 it should earn about $1 a share a year to be considered a "fairly valued" stock. When the price of the stock reaches a ratio of, say, 20 to 1 or 25 to 1, most analysis will agree that it is entering a speculative range of possible overvaluation, a range that is full of potential danger for the average investor. Likewise, stocks that have a price earnings ratio of less than 10 to 1 are generally considered to be conservatively priced and in this sense offer a far greater measure of protection to the investor.

Most Unlisted Stocks Fairly Priced

How, then, do over-the-counter securities stack up against this price - earnings yardstick? Are most of them selling at abnormally high price-earnings ratios? If so, then it is possible to classify the behavior of the unlisted market as speculative and as being in a dangerous state in which the investor can "get hurt." On the other hand, if most over-the-counter securities are selling at modest price-earnings ratios it logically follows that the unlisted market is NOT a market shot through with speculation and definitely NOT in need of immediate remedial legislation. For a random sample of the price-earnings pattern of the over-the-counter market I have analyzed approximately the first 50 industrial and public utility over-the-counter stocks in the "Fitch Stock Record" and analyzed them from a price-earnings ratio. The ratio pattern of these 50 securities shows that 20 of them are selling BELOW the 10 to 1 price-earnings ratio; 21 of them are selling between a ratio of 10 to 1 and 15 to 1 and only nine are selling above the ratio of 15 to 1. In the present bull market this price performance is eminently conservative and a source of assurance that the great bulk of over-the-counter securities are still extremely fairly priced by accepted standards. Particularly is this true when it is noted that many of the so-called "blue chip" securities are selling at far higher price-earnings ratios—General Electric at 22 times earnings, duPont at almost 30 times earnings, Dow Chemical at almost 40 times earnings, and RCA at almost 20 times earnings.

A well-known index of the fiscal stability of a corporation is its ability to pay dividends through good times and bad. Many over-the-counter companies have had this reassuring ability for a great span of years. Over 175 unlisted industrial and public utility companies have paid dividends each year on their common stocks for the past 25 years or longer—some for as long as 100 years!

The above paragraphs portray the typical, established over-the-counter corporation as a home-grown, home-owned company, playing an important, if not overwhelming, role in the national economy. Further, the prices of most unlisted stocks, while they have obviously risen during the current bull market, have not risen excessively and in reality compare quite favorably on a price-earnings ratio with many of the "blue chip" market leaders listed on the exchanges. So far, so good! Most careful commentators on the over-the-counter market agree that unlisted companies constituting the bulk of market valuation are fiscally sound enterprises producing useful products or services, boasting satisfactory dividend records and selling at generally fair prices according to accepted yardsticks.

Progressive Stockholder Relations

But how do these companies treat their stockholders? Do they provide them with current information about the financial condition of the company and with the information necessary to enable them to vote intelligently upon matters which are mentioned in proxy solicitations? Great concern was expressed in the introduction to Bill S. 2054 that investors in unlisted companies do not get the "protection" that investors in listed companies get in regard to basic financial information. While theoretically, it is conceivable that an over-the-counter company could take a nineteenth century "public be damned" attitude and refuse to send its stockholders reports of its activities such a theoretical position as expressed in the introduction to Bill S. 2054 does not square with current facts. As Editor of "Over-the-Counter Securities Review," I believe I have a fairly wide knowledge of the extent to which over-the-counter companies provide fiscal data to their stockholders through the medium of annual reports and allied material. I can state with complete candor that I do not know of a SINGLE unlisted corporation, of the type that Bill S. 2504 would regulate, that does

Continued on page 28

An Industrialist Surveys the U. S. and Canada Scene

By EUGENE HOLMAN*
Chairman, Board of Directors,
Standard Oil Company (New Jersey

Prominent oil company executive stresses importance of mutual understanding of U. S. and Canada, and gives data regarding economic progress and prospects of these neighboring countries. Says Canadian economy is healthy and expanding, and reveals progress of oil industry in both U. S. and Canada. Notes Canada's increasing industrialization and lauds common ideals of U. S. and Canada as a bright future prospect

Today more than ever before it is important for neighbors to know one another. Mutual understanding is needed not just because it makes living easier but because it is necessary if we are to continue living in peace. The strength of the Free World is founded on understanding and our hopes for peace depend on how well peoples in one country appreciate the circumstances and views of those in other lands.

Eugene E. Holman

Such appreciation does not come easily. And it is often most difficult for those people who live closest together. They run the hazard of assuming that because they are similar in many ways, they are similar in all.

But similarities can be informative as well as deceptive. Few proverbs have more truth in them than the old English one that says "Every man's neighbor is his looking glass." In that respect, I think, Canadians may find much interest in knowing how the people of the United States are living today. You will also find interesting, I hope, what they think of their prospects for the future.

The United States economy has recently passed through what our Secretary of the Treasury rightly predicted would be only a "rolling adjustment." We are now in a very healthy and expanding condition. Consumers are showing a willingness to buy which reflects their optimism about the general business outlook and their own personal incomes. On the industrial front, the year 1955 is expected to show the following:

Steel production: 114,000,000 tons; up 2% from the record year 1953.

Residential construction: an expenditure of $16.2 billion; up 29% from the 1950 record.

Automobiles and trucks: 7,520,000 new units; up about 14% from 1954 and slightly under the record year of 1950.

Sound, if less spectacular, increases are anticipated almost "across the board." So while an economy as diverse and complex as ours in the United States may show "soft spots" in a few lines, I think it safe to say that only unforeseen developments of major proportions can keep the year from setting a new high for national prosperity.

No Direct Inflationary Policies

This reversal of trend, I am glad to say, has taken place without our government resorting to direct inflationary policies. In fact expenditures by the U. S. Government during the first quarter of 1955 were 17% below a year ago and 27% below 1953. During the same period, all government expenditures were almost 10% below the level of a year ago, and 14% below the 1953 highs. Further, this change of trend has been accomplished by no major change in price levels. The purchasing power of the U. S. dollar has been maintained. The values of the people's savings, life insurance policies, pensions and the like, have not been depleted. I submit that these are most salutary results.

It might be too much to expect that the United States economy will continue to expand at the present rate indefinitely. That economy, however, now has an over-all flexibility which experts claim gives it a new and stronger character. It has built into it today certain automatic safeguards against too great expansion or too quick contraction. Among these are social security and unemployment insurance. In addition to these automatic safeguards, other optional ones also exist. Among these are fiscal and monetaary policies, which may be varied according to the economy's needs.

Canadian Economy Is Healthy And Expanding

I am glad to see that the Canadian economy is also very healthy and expanding. It is not for me to pose as an expert on your affairs but I was most encouraged to read the following items in a recent study of the Canadian economy:

"The expannsion of economic activity in Canada has been resumed.

"Fixed investment, which fell some 6% in 1954, is expected to be a major expansionary factor this year.

"The substantial inventory liquidation which occurred in 1954 was apparently completed by the fourth quarter, when a small accumulation took place, and some further increase is expected.

"Consumer outlays, which, with a 3% increase, were the major factor sustaining output in 1954, are expected to rise further this year."

Condition of the Oil Industry

The over-all economic strength of the United States is illustrated by the condition of the oil industry. That is an industry with which I am most familiar and which is perhaps an example close to the hearts of you here. The demand for oil products in the United States should average 5 to 6% over last year. This is another new all-time high. Crude stocks are a bit on the high side but product inventories are adjusting themselves nicely to seasonal demand. Refinery runs are generally satisfactory. The long-term prospects for the industry are stimulating indeed. We expect, for example, that by 1975—that is, 20 years from now—U. S. consumers will be using 60% more oil than they use now.

In the rest of the Free World the prospects for the oil industry seem equally bright. Demand has been up 12% each year since World War II. Crude oil reserves, refinery capacity, transportation and marketing facilities continue to soar. The potential for increased use of oil is in the same category. I believe that by 1975 the Free World probably will be using double the amount of oil products that it does today.

Canada has shared in this substantial postwar development with your demand last year of 559,000 barrels a day more than double what it was only eight years ago. You have rapidly built up your crude oil reserves to cover 2 billion barrels. You have constructed tremendous pipeline facilities and new and modern refining capapacity.

These achievements in Canada, of course, could not be expected to take place without big adjustments in your way of life. Here especially you have learned a good deal about the problems that are brought about by basic changes in a community's economic structure. Telescoped into a few short years, an economy largely based on the farm has adapted itself to a second economy—one based on the recovery of oil from the earth.

There is, however, another area of adaptation which often comes with less speed and ease. It is the adjusting of our hearts and minds to what is new. To do this successfully, I think, calls for a gradual process of evolution so that the new conditions are accepted without losing the old values upon which good society is built. Recently some evidence has come to hand which so aptly demonstrates this process that I should like to bring it to your attention. It will, I believe, also tell you something about the viewpoint of people in the United States and give you a broader basis for understanding them.

My company — Standard Oil Company (New Jersey)—is naturally interested in the state of opinion among the public it serves. From time to time studies are undertaken for us in the United States in an attempt to find out what it is public opinion is. Such a study was recently completed. We were trying to find out the elements in the American scene that people consider responsible for their high living standards.

Now, you might feel that our people would believe their prosperity to be due primarily to material reasons. It would be only logical to assume they would name abundant natural resources, highly developed industrial plants, research facilities, and the like.

But the exact opposite proved to be the case.

The clear fact arising from the study is that Americans think their general well being is due in large measure to non-material factors. The explanation most frequently given is the democracy and freedom found in the United States. Backing this up is our country's concept of the free enterprise system. Along with that is the right of people to choose the kind of work they want to do, to start their own business and, if you will, to fail.

Another popular reason given in the survey is also revealing. It is the confidence American individuals have in themselves. Time and again the persons interviewed said America was prosperous because of the individual's willingness to work. They mentioned the individual's ability to take on new and difficult jobs. Significantly, only about one-quarter of those interviewed mentioned industry as being a chief factor in the living standard of the United States. Even fewer spoke of America's natural resources.

This general pattern was reflected by all groups in the population—employees and managers, men and women, young and old. In all parts of the country when the question was asked, the response was a healthy reaffirmation of those principles which were present when my country was founded. Perhaps the best summary of this feeling lies in the comment of one young man from a city in the Midwest. When asked how America's present standard of living was achieved, he replied: "By giving people freedom to explore and develop their best abilities and by reassuring them that the government wouldn't take that freedom away."

Now what do these beliefs tell you about Americans? They reveal, I think, a vital fact. In spite of my country's advancing industrialization and rising living standards, Americans have not been dazzled by the glitter of material achievement. As individuals they are meeting the impact of change without losing sight of the ideals of freedom which are fundamental to America's political and economic well being.

Canada's Increasing Industrialization

Canadians are going through the same process of economic evolution. I should imagine that this feeling in my country would be encouraging.

It suggests that the process of increasing industrialization and a substantially expanding economy does not necessarily cloud the vision of the people involved. It proves that nations can indeed become highly developed in the technical sense without losing those priceless ingredients which make them good places for the development of human beings.

To me this feeling of my countrymen also provides the real reason for the prosperity we enjoy. It proves, first, that we are paying more than lip service to the principles of free enterprise. Secondly, it gives assurance that our economy can continue to be a healthy one and support the kind of growth that has taken place in the United States during the last 25 years.

This growth has indeed been tremendous. Population has increased from 122 to 165 million—a gain of 34%. Jobs have climbed from 48 to 65 million. Gross national product expressed in constant 1954 dollars—has gone up in annual value from about $180 billion to $357 billion. To take an example familiar to you, the number of acres worked by each U. S. farmer has risen 100%—from 25 acres per man in 1930 to 50 acres per man in 1955.

A Look at the Future

Yet when we look at the future the growth I have just mentioned seems almost insignificant. Some interesting documentation, prepared by a group of American economists and recently published by the Twentieth Century Fund, bears me out. It indicates that within five years there will be in the United States 177,000,000 consumers and 69,000,000 jobs. Gross national product will be in the neighborhood of $413 billion. Each agricultural worker will harvest 56 acres.

In Canada the story is similar. Certainly your extensive mining industry and the vast development of oil resources in and around this area have been due to competitive private enterprise. This encourages many to search, each in his own way, taking risks and exercising individual judgment. The result is that much is found. Canada's stature as a nation stems from dynamic, democratic principles. These have been responsible for your growth in industry, agriculture and education, as well as your social and cultural progress.

Edmonton, of course, is a living example of these principles. Here, the individual depends on the strength of his own efforts. He cherishes his right to decide and to act as he sees fit. This fine city and in fact this entire area have been built by such action. With the soundness of your people giving added vigor to your country, the future must seem as bright as it does to us.

There is always the danger when speaking of abstractions like "democracy" and "free enterprise" of giving the impression that these things work by themselves without effort on the part of individuals. Nothing could be further from the truth. The people of the United States believe in a system of balances and cooperation between the various major economic interests—industry, agriculture, labor, consumers, and their government. They do not desire any one segment to dominate the life of the nation. They have sought out a "middle way" in the knowledge that it will provide the greatest good for the greatest number.

Though the middle way is the best, it certainly is not the easiest. Nor is it the most spectacular. Constant vigilance is required to check excesses before they get out of hand. People can never afford to forget that the glittering promises of the extreme left or the extreme right may often turn out to be tinsel, especially when the offer is made to take over the individual's burden of responsibility.

To keep on the middle path, to weigh each choice carefully and examine all the possibilities before making and sticking by decisions, demands eternal watchfulness. This difficult, non-dramatic path is only for the strongest and most resolute traveler.

Today I hope I have convinced you of my belief that the economy of the United States is sound. I hope you feel, as I do, that its peoples are still deeply committed to the ideals which have allowed them to grow and prosper. In our experience, I think that Canadians can read truths that also apply to your country in her present promising stage. As for tomorrow, I am deeply convinced that both the future of my country and yours — those two good neighbors—will be even brighter because of our common ideals.

*An address by Mr. Holman before the Canadian Club, Edmonton, Can.

C. I. T. Places Notes Thru Salomon Bros.

C.I.T. Financial Corporation, the nation's largest independent financing institution announced on July 20 that it has sold $50,000,000 of eight-year 3¾% promissory notes due July 15, 1963 to a group of institutional lenders.

The transaction was arranged through Salomon Brothers & Hutzler. The money will be used to refund short-term obligations and to serve current business needs.

Palmer, Pollacchi Adds

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—J. Elliott Finlay is now with Palmer, Pollacchi & Co., 84 State Street.

Joins B. C. Morton Co.

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Albert A. Brown has become connected with B. C. Morton & Co., 131 State St.

With Stone & Webster

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Charles P. Brown, Jr. is with Stone & Webster Securities Corp., 49 Federal Street.

Joins White, Weld

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—John E. Cashman has become associated with White, Weld & Co., 111 Devonshire Street. Mr. Cashman was formerly with duPont, Homsey & Co.

Rejoins D. H. Whittemore

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — William B. Saunders has rejoined D. H. Whittemore & Co., Inc., 201 Devonshire Street. Mr. Saunders has recently been with Lyman W. Phillips & Co.

Atoms for Peace

By LEWIS L. STRAUSS*
Chairman, U. S. Atomic Energy Commission

Admiral Strauss stresses development of atomic energy for peace as well as defense use, with growing release from security restrictions. Commends role of American industry, and predicts its steadily growing participation. Maintains when our atomic armament is no longer needed, its nuclear material can be easily converted to the advantage of industry—furnishing us with light, heat, and transportation.

I feel very strongly that, with the constantly expanding scope of the peaceful applications of atomic energy, and the manner in which the government's monopoly over its development is being withdrawn, atomic energy is becoming more and more the people's business. It offers limitless opportunities and, at the same time, it imposes the most serious obligations upon all of us..

Lewis L. Strauss

A Scientific-Industrial Complex

As you know, the government's atomic energy program is a scientific and industrial complex created over the past 12 years. The adjective which most properly describes it is "enormous." It represents an investment of some $12 to $14 billion, and to operate it, we spend about $2 billion a year of your tax money and mine. That figures out to something like a quarter of a million dollars every hour, around the clock, every day.

In spite of the stake which, as taxpayers, we all have in the enterprise, many people think of it only as a mysterious, super-secret operation carried on behind windowless walls and barbed wire barricades—manufacturing bombs, and with little else to show for its gigantic outpouring of money and effort.

It is true that weapons to defend our freedom, if defense be needed, are our first and paramount concern. That is the primary obligation laid upon us by the law—both the original Atomic Energy Act of 1946 and the new law of 1954. The law unequivocally states that whatever we do must be "subject at all times to the paramount objective of making the maximum contribution to the common defense and security."

Nevertheless our weapons program, of necessity a secret function lest we compromise the advantages we possess, is only part of the story. Our current budget includes the development, manufacture, testing and stockpiling of weapons on the one hand, and the peaceful development and applications of atomic energy on the other.

Out from Secrecy

As we learn more about these peaceful applications we are able to move more and more of our activities out from behind the walls of security restrictions. We are publicizing large amounts of information hitherto classified. For instance, during this fiscal year, which is just about to close, the Commission has declassified and brought into the public domain a little over twice as many documents of scientific and technical information as in the preceding year. Our publications of such declassified information also have shown a substantial increase. We are handing over to industry more of the government-developed formulae and processes, and we are encouraging wider development of this new art within the framework of our free enterprise system.

For instance I might cite that, in the near future, the Atomic Energy Commission will be taking action on the proposals recently submitted by groups of American companies to build commercial power reactors, under our Power Demonstration Program.

These proposals, together with a project of the Consolidated Edison Company of this city, aggregate 700,000 kilowatts of electrical energy at a total cost of well over $200 million.

This response to our Power Demonstration Program, which was undertaken only last January under the licensing provisions of the new Atomic Energy Act, has been heartening beyond our expectations. But still more encouraging is the fact that—even though atomic power plants are not a paying proposition at this time, that is to say, they are not yet economically competitive with conventional plants—nevertheless those groups I have mentioned are prepared to put up about 90% of the costs of the program out of their own pockets. Others are asking only for research and development assistance from our laboratories. And companies like Consolidated Edison and Commonwealth Edison of Chicago are prepared to pay the entire cost of atomic power plants—running into many millions of dollars—without any financial help from the Federal Government.

Industry Major Participant

American industry, large and small, is in the picture in an impressive way, and its role will grow and grow.

As industry's role expands, it will need an increasing number of trained reactor technicians. The Commission has anticipated the demand for such skills with the result that for the last nine years it has been training students at schools, operated at its laboratories at Oak Ridge and Argonne. Nearly 500 young American scientists and engineers have already been graduated from these schools, and new classes will begin in September.

At home and abroad—except in the field of weapons—we are cutting down on our government monopoly as rapidly (with safety) as we know how. The pace in this direction will be accelerated—or at least, that is my belief.

We are sharing the technology of the peaceful uses of atomic energy with other nations, to provide them with new tools for basic research, and for use in medicine, agriculture and industry—witness the 22 bilateral agreements we have completed negotiating with other countries; witness, too, the students from 19 foreign nations who are presently with us learning the technology of reactors and other students from 32 countries who have come here to study the production and use of radioactive isotopes. Witness also our offer, as announced by the President two weeks ago, to pay up to half the cost for the construction of research reactors in friendly countries. This sharing of our knowledge of the atomic art is a translation into action — a positive translation — of the President's stirring proposal which he made to the United Nations on Dec. 8, 1953—a proposal which fired the hopes of peoples the world over. Someone has called it "Atoms for Peace," and the name is a natural.

Also, as a result of our initiative there will be convened in Geneva, Switzerland, early in August, a United Nations Conference involving upwards of 60 nations. It's purpose is to exchange scientific and engineering information on the peaceful uses of atomic energy. The United States will make substantial contributions to this important implementation of "Atoms for Peace."

All of us in the Atomic Energy Commission hope and pray for the day when the words "atom energy" will arouse no image of weapons, but only of daily, benign wonders to make man's life healthier, happier and more abundant.

Self-Defense Compelled

However, the uncertain climate of world affairs, and the menaces from those who have destroyed freedom in the expansion of their own ruthless philosophy, compel us in simple self defense to develop, test and stockpile nuclear weapons. We have no other prudent course until adequate safeguards are otherwise assured. Our security and our hopes of avoiding war are measured by our capability to defend ourselves.

But we have long realized that atomic weapons and means of their delivery alone cannot banish the fears of war, nor bring to the people of the free world the bounties of peace so fervently sought.

Therefore, "Atoms for Peace" has shown itself to be both a symbol of hope to free but apprehensive peoples, and a vigorous answer to hostile efforts to picture us as a nation whose nuclear energies are devoted entirely to producing weapons for an "Imperialist" war.

Only recently I returned from a trip through part of Western Europe where I witnessed the degree to which "Atoms for Peace" has stimulated the hopes and dreams of men. The positive steps we have taken to share the peaceful uses of the atom have had a profound impact on the hearts of peoples with whom I talked, in high places and low.

You know what those steps have been.

Last November 15th we allocated 100 kilograms of valuable fissionable materials for research reactors in friendly countries. We also agreed to provide some of those countries with heavy water, a material used in certain types of atomic reactors. We have brought their students to this country to learn how to use the peaceful atom. And, as I have mentioned, we are helping those countries to build and operate reactors.

A further step has just been taken with the purpose of expanding this program and I am glad to be able to announce it, here.

The President's Directive

The President has just authorized the Atomic Energy Commission to increase this country's allocation of enriched uranium for use in research reactors in friendly countries from 100 kilograms to double that amount—200 kilograms.

Thus, more of our friends will be able to share in this important project, following the negotiation and approval of bilateral agreements of cooperation in accordance with the new Atomic Energy Act.

Perhaps I should again state that the fissionable materials which we are thus prepared to make available as fuel for research reactors will *not* be of weapons grade, but *will* be in a form particularly adapted to this specific peaceful application.

Such affirmative acts as these already have had a tangible effect on the public confidence in various countries.

There has also been an improvement in the economic condition of the people of Western Europe — an improvement so marked and discernible that no recourse to statistics is needed to substantiate the proposition that prosperity is associated with peace and not with war.

Apart from the economic assistance which under both Administrations since the war we have been in the fortunate position to render, our defense potential has provided the free countries of Western Europe with a barricade against aggression. It has furnished them with a sense of security and a breathing space in which to rebuild their economies. They have made good use of this period.

This, however, is at best an armed peace.

We have been striving and, I feel sure, will continue to strive for an agreement with proper and effective provisions that will make for *real* peace in this nuclear age.

When that day comes it will be a simple matter to "strip the atom of its military casing and convert it to the arts of peace."

Our weapons stockpile represents an investment of billions, but this value lies not alone in these contrivances as devices of destruction. They have another and happier potential.

Conventional weapons — shells, guns, battleships and planes—become obsolete with time and are salvageable only for their scrap value, a small fraction of their cost.

But when the day comes that our atomic armament is no longer required to deter aggression, the nuclear material which it contains can be easily converted into energy sources to provide very great amounts of power to turn the wheels of industry, furnish us with light, heat, transportation and the many other conveniences and blessings of peace.

We who work in the Atomic Energy Commission work with the vision of that day before us.

*A talk by Admiral Strauss before the Overseas Press Club of America, Inc., New York City, June 24, 1955.

With Fewel & Co.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Archie W. Linde has joined the staff of Fewel & Co., 453 South Spring Street, members of the Los Angeles Stock Exchange. He was previously with First California Company.

Morgan Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Fadil Mehmed has been added to the staff of Morgan & Co., 634 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Mehmed was previously with J. Logan & Co.

Ethical Standards: Doctors And Financial Advisors

By CURTIS V. ter KUILE*

Author traces the development of the practice of medicine and finance from ancient times and finds that physicans and financial advisors along the lines of ethical standards have certain things in common. Points out both medical practitioners and investment advisors carry on their professions for purpose of income, and this can affect their ethical conduct. Draws from this a moral lesson that suggests a course of conduct in the investment business.

The practice of medicine and also of finance has been carried on since the dawn of civilization and both professions not only have certain things in common, one with the other, but also should both be conducted along lines of high ethical standards.

Curtis V. ter Kuile

Even in the ancient Greek times, as pictured by Homer, we find in medicine a distinct and organized profession which apparently had long enjoyed the respect of public opinion. The medical art as it is now practiced, the character of the physician as we now understand it, both date for us from Hippocrates, creator of the celebrated "Oath of Hippocrates," a creed followed by physicians and surgeons even to this day. His teachings have served as a model for all succeeding ages, so that with all our enormous advances in knowledge, the true method of clinical medicine may be said to be the method of Hippocrates.

All down through the ages, while people were entrusting their health to doctors, they were also trusting their fortunes to persons who either held their money in safekeeping for them, advised them on investments of the type currently in favor, or handled financial transactions for them. At this point it should also be emphasized that the conservation of people's wealth, their protection against loss of funds, the giving of sound advice as to what is for their best interests in financial transactions, all of these things are truly of great importance, not necessarily to be compared with life or death, but certainly next in consequence. Good health surely comes first, but the need for financial stability comes a close second.

In ancient times men invested usually in a whole project or took a substantial portion of one. These projects consisted chiefly of organizing and financing shipping and caravan ventures and they closely resembled certain capital gains speculations of today. No current income was expected; if the expedition returned safely with a load of frankincense, spices or gold, then the profit usually was enormous. If it never returned, there was a total loss, just as if a dry hole had resulted from a wildcat oil drilling scheme. One such ancient speculation which failed was recently revealed with the discovery, near Marseille, France, of the wreck of a vessel, owned by a wealthy Roman merchant shipowner, which sailed from the Greek island of Delos in about the year 230 B.C. It was carrying a cargo of 10,000 amphora containing a total of approximately 65,000 gallons of Aegean wine, which was highly prized and brought stiff prices in Gaul, since at that time the ancestors of the French had practically no viticulture. Its sinking must have been a staggering loss. On the other hand, the expeditions of Cortez and Christopher Columbus to our new world presumably were highly profitable ones for the backers. There were, of course, the usual real estate promotions, rentals, arenas, even as today. Bond and stock certificates, as we now use them, were unknown. However, it should be borne in mind that in ancient times there were still financial agents who originated investment and speculative projects and brought them to the attention of wealthy customers.

In the 13th Century the word "Financia" was employed to denote the funding of indefinite liabilities of serfs to their lords. In the course of time the word "Finance" became nearly synonymous with the product of taxation and the finances of a country. The finance of antiquity derived a revenue from customs; in the case of Athens this took the form of an *ad valorem* duty of 2%. Xenophon, in the oldest work on finance, outlines means by which the Athenian home revenue might be conveniently increased, including the imposition of a personal property tax. The collection of taxes in ancient Rome was entrusted to contractors (investment bankers) who purchased by auction the right of levying the tax.

Long before the foundation of the Bank of England in 1693 private bankers were fulfilling many of the functions of commercial banking. In about 1676 banking was undertaken by goldsmiths in London, a business which had been going on in Holland possibly for at least 200 years. The goldsmiths received deposits and paid interest up to the date of withdrawal. Incidentally, the Bank of Hamburg, which was established in 1619, was formed as a model of the Bank of Amsterdam, as a purely deposit bank. In 1710 the South Sea Company was formed in England and shares offered publicly to provide funds to take over the national debt, in return for which service the company was to have exclusive right to conduct trade between England and the South Seas. This bold project resulted in the collapse of what was termed "The South Sea Bubble," a crash comparable to the fall of the Insull empire here in 1932.

The above short resume of the history of medicine and finance is designed to show that all during the scope of civilization there have been men who looked after the health and the wealth of other persons. The greater majority of these were honorable, conscientious, and carefully attentive to codes of ethics.

When a man who has been engaged in the investment business is obliged to lie on his back in a hospital for days on end he has ample opportunity to give thought to various subjects which ordinarily would escape consideration in the hustle and confusion of every day life. The writer, who happened to be in that predicament recently, could not help but muse over the marked similarity between his business and that of physicians and surgeons.

To begin with, it may be granted that while the practice of medicine is a profession, it is also a source of income, and consequently medical advisors are sometimes tempted to be influenced by a clear profit motive just as frequently happens to a financial advisor. Sometimes, if it is a question as to whether the doctor should or should not recommend an operation, the vision of a new fur coat for his wife may loom up before him just as it does before a financial advisor asked to recommend an investment and who is long a block of securities on which he could make a substantial profit.

In the hospital one saw many types of doctors more or less under one roof where their activities could be observed. There were many high grade men among them, men of sound education and training, of high character and ability, whose every action commanded respect. True to their tradition they would not consider for a moment any action not to the sole benefit of the patient. Also among the doctors present there were several that appeared less informed, not quite so experienced, perhaps even a little careless in their dress and professional conduct. Finally there seemed to be one or two whom any wide-awake businessman could have noticed. It seemed as if these were of the type to steer clear of. One cannot describe just why; perhaps there was a hint of incompetence, possibly a touch of avarice, maybe a tendency toward showmanship.

In the financial world it is just the same. We have a great many high grade, well trained, competent men in the investment business; men who are reliable and do not misrepresent, who live clean lives, who respect the customers' wishes and attend carefully to his needs. They would not unload on a customer some investment not suitable to his requirements. Then we have, unfortunately, a larger group in our business that do not quite come under the above category. These men are only mildly informed on investment subjects, they are not particularly ethical in their recommendations, certain rules and usages are complied with only through necessity, even their personal habits may be slightly lax. Last of all, and for once also the least, come the very few real "Get rich Quick Wallingfords," the Wolves of Wall Street. These men are in a class by themselves. They practically never are connected with reputable investment concerns, they frequently have an office lay-out which any experienced businessman could spot, they operate on long profits, not necessarily in worthless securities, but always with high pressure, misrepresentation, rampant speculation.

The moral lesson attempted here is to suggest a course of conduct, right and proper, dealing with the establishment of principles of right and wrong in the conduct of the investment business. The public should be urged to have confidence in properly recommended and selected investment experts, just as would be the case with a physician. The results of following the advice of a good financial advisor should be as favorable on an actuarial basis as in following the advice of a high grade doctor. It is important to pick out an experienced financial man and there are many such men available. Then when one has selected a good one, the thing to do is to work with him, cooperate with him, do not jump from one to another, consider all suggestions carefully, study the data submitted, do not follow blindly, use good judgment yourself, but in the long run rely on his advice.

*The writer is a graduate mechanical engineer, Cornell University. He has been engaged in engineering and the investment business for many years and is a member of the Cornell Engineering Society and the New York Society of Security Analysts.

From Washington Ahead of the News

By CARLISLE BARGERON

In the controversy about the Dixon-Yates contract you have a fundamental difference between the Republicans and the Democrats. The former are cautious, non-talkative, unbrilliant, as the expression goes. They aren't likely to strike one's imagination with crusades or fiery slogans. They don't make headlines. But like bankers or trustees of your estate you can usually count on them dealing with you with integrity and honesty. The only chance they ever have of getting votes is when things are going good and when they are in power as the situation now seems to be, or when their opposition becomes disgustingly rotten. They have never had any political "it"; the country has to be surfeit with contentment for them to stay long in power.

Carlisle Bargeron

When the Eisenhower Administration came into office it was committed to stop the growth of the TVA, not kill it off. Here was one of the most New Dealish of New Deal measures. The late Senator George W. Norris, touted as a great "liberal" but one of the worst political hypocrites in this country, used to say, regarding TVA, "tie it to navigation and flood control." This, of course, was the only constitutional way in which TVA could be created. Navigation and flood control by which the taxpayers of the country generally paid to develop a certain section of the U. S., were always a relatively insignificant part of the great power development.

But in recent years, the TVA has far outgrown its original premise, that it was created to make use of the surplus power developed from the navigation and flood control purposes of the project. It has long since run out of hydroelectric power and has been building steam plants which, of course, have no relation to the surplus of water power from flood control and navigation.

Mr. Eisenhower came into office definitely committed to stop this racket. How was he to do it? Call into consultation TVA enthusiasts or Public Power lobbyists? College professors, largely leftist, on whom Mr. Roosevelt used to rely, could not be depended upon. He was up against it, and the TVA supporters bragged about the fact that two members of the TVA Commission were New Dealers, Public Power men, and they could outvote the Chairman whom Mr. Eisenhower had an opportunity to appoint.

It is a commentary on something that the Washington publicity representative of the TVA, a man who has been fighting Eisenhower tooth and nail, is a New Dealer who continues to hold his job by virtue of the fact that New Dealers are still in control of TVA.

Mr. Eisenhower, determined to do something to stop the expansion of TVA, instead of calling in men unsympathetic to the proposition, called in men who were sympathetic to it, men in the private power industry. Naturally they were the men who could tell him how to do what he wanted to do.

But in the eyes of the Democrats, more vocal and far better propagandists than the Republicans, this was a scandal reeking of Teapot Dome. A distinct difference is that nobody in the Dixon-Yates controversy has been accused of taking a bribe. What is apparent is that when the Democrats first started yelping about the matter in their demagogic way, the Administration sought to hide some details from them, not that they constituted scandal but that they gave a lot of demagogues more ammunition.

As the situation now stands, the Democrats still have something about which they can talk until they are blue in the face, and probably will. But the TVA doesn't expand. That is what the Administration set itself against and that is its accomplishment. Memphis can build its own power plant if it so desires. The present Administration has no objection to any little hamlet in the country building its own power plant or developing the little stream which may be at its doors. The Federal Government, under the Eisenhower program, isn't going to do it.

So you have heard a lot and you will continue to hear a lot about how the present Administration has called in "selfish" businessmen to advise it and help it carry out its program. It's a darned cinch it is not calling in leaders of the CIO or of the Americans for Democratic Action. The fact is that it has so many of these birds now lodged around in the lower but important posts that it has an awful time carrying out its policies. They are political saboteurs and they are legion. Try to fire one of them and a terrible cry goes up from the Eastern press about how "career" civil servants are being mistreated. The New Deal having been in power for 20 years naturally the so-called civil servants, all of them, consider they are career employees.

Joins Bache & Co.

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Richard M. Burk is now with Bache & Co., National City East Sixth Building.

With Wilson, Johnson

(Special to THE FINANCIAL CHRONICLE)

RENO, Nev.—Gerald A. Barnett is with Wilson, Johnson & Higgins, 137 West Second Street.

Connecticut Brevities

Stockholders of **Travelers Insurance Company** at a special meeting on July 15 approved a 25 for 1 split of the common stock. The presently outstanding 400,000 shares of $100 par stock will be split 20 for 1 into 8,000,000 shares of $5 par stock and a 25% stock dividend will be paid, raising the outstanding capitalization to 10,000,000 shares. The stock dividend will result in the transfer of $10 million from surplus to capital. At the time of the announcement of the plan, the Company indicated that the directors would give consideration to payment of a 20-cent quarterly rate on the new tsock, equivalent to a regular annual rate of $20 on the $100 par stock. The regular dividend rate has been $14 with an extra of $5 a share.

The United States Time Corporation, leading manufacturer of watches has announced plans for entering the electric timer field on a large scale. A new division has been formed to mass produce both electric clocks and electric timers.

American Dyeing Corporation has started construction on a new addition to its Rockville plant. The company is a contract dyer, printer and finisher for the textile industries, particularly synthetic fibers and blends of natural and synthetic fibers. The new plant will contain about 110,000 square feet of floor space and result in the addition of about 200 new employees. The company's research operations will be transferred from Massachusetts to the new plant upon its completion.

R. Wallace & Sons Manufacturing Company of Wallingford, one of the nation's oldest silverware producers, has recently purchased Watson Company, Attleboro, Massachusetts. The new subsidiary will continue production of sterling silver flatware and hollow ware at its present locattion.

Danbury Industrial Park, a privately owned industrial district in Danbury, has started construction of its first plant, a small building on a two-acre site. The building will be occupied by Topstone Rubber Company, a producer of rubber toys and novelties.

Hartford National Bank & Trust Company, which in May acquired **Uncas-Merchants National Bank**, Norwich, through purchase of stock, now proposes to acquire two Middletown banks, **Central National Bank & Trust Company** for $1,250,000 or $50 a share, and **Middletown National Bank** for $875,000 or $17.50 a share. Directors of the two Middletown banks have approved the sales which will take place about Nov. 1, subject to approval of their stockholders and the Comptroller of Currency.

Stockholders of **Bridgeport Hydraulic Company** have subscribed for a high percentage of the 55,000 shares which they offered on a one for eight basis at $28 a share. The remaining shares were taken up by the underwriters. Net proceeds of about $1,475,000 will be used to repay bank loans of about $1,400,000 with balance being available for the Company's expansion program.

Stockholders of record June 15 of **New Haven Water Company** have been offered rights to buy new common stock on the basis of two shares for each seven shares held at $51 a share. Rights expired on July 15. The proceeds of about $2,000,000 will be used to partially finance the diversion of the Hammonassett River into Lake Gaillard by means of a dam, reservoir and diversion tunnel. This project will cost a total of about $6,000,000.

C. G. Schaefer With Mitchum Jones Firm

SAN FRANCISCO, California—Charles G. Schaefer has become associated with Mitchum, Jones & Templeton, 405 Montgomery St., as account analysts in charge of the research department for Northern California. Mr. Schaefer was formerly manager of the sales department of the local office of William R. Staats & Co.

Burt, Hamilton Co. New Firm Name

DALLAS, Texas — The firm name of C. N. Burt & Company, Kirby Building, has been changed to Burt, Hamilton & Co., Inc.

Clark Hinderleider With McCourtney-Breckenridge

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Clark D. Hinderleider has become associated with McCourtney-Breckenridge & Co., Boatmen's Bank Building, members of the Midwest Stock Exchange. Mr. Hinderleider for many years has been with the St. Louis Union Trust Co. In the past he was manager of the investment department for G. H. Walker & Co.

Forms Mutual Fund Secs.

ATLANTA, Ga. — Robert I. Martin has formed Mutual Funds Securities Company with offices at 229 Old Ivy Road, N. E. to conduct a securities business. Mr. Martin was previously with Johnson, Lane, Space & Co.

Charles B. Baucom With A. G. Edwards & Sons

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — Charles B. Baucom has become associated with A. G. Edwards & Sons, 409 North Eighth Street, members of the New York and Midwest Stock Exchanges. He has recently been with G. H. Walker & Co.

With Baker, Simonds

(Special to THE FINANCIAL CHRONICLE)

DETROIT, Mich. — Virgil A. Stock is now with Baker, Simonds & Co., Buhl Building, members of the Detroit Stock Exchange.

Goodbody Adds

(Special to THE FINANCIAL CHRONICLE)

DETROIT, Mich.—Dean Dancey is with Goodbody & Co., Penobscott Building.

Automatic Factories

By ROGER W. BABSON

Mr. Babson, in commenting on the recent rapid industrial changes, poses the question, "Are we going too fast?" Sees in automation a possible increase in employment, but a different kind of employment and a higher standard of living. Holds, as automatic production spreads, it is certain a lot of workers will have to move to other jobs.

Not very long ago I heard a man in the automobile business say: "In my lifetime there have been bigger changes in industry than took place in all of the years before that." Here in America, especially, our way of life has changed more within the memory of many of us than in all the generations before us.

Roger W. Babson

This fast change scares a lot of thinking people. Some feel that they would have had fewer problems to face if they had been born a hundred years ago and they are probably right. Others say they would not want to be around a hundred years from now because "things are changing too fast."

Some of the union leaders—men you might expect would move fast themselves — also apparently are frightened. They admit that the high wages are developing a new threat to labor which may throw huge numbers out of work. This threat is *Automation*, and they say it may not only throw men out of their jobs, but there just may not be any jobs! Of course, I don't believe this. Rather, history shows, "the more machinery, the more jobs" —but very different jobs.

What Is Automation?

Automation is a word that is being used a great deal nowadays. It means using electronic machines in place of men. Walter Reuther and others see this as a real danger to full employment. They seem to think that some day a manufacturer will need only to put his finger on a few buttons and push! If this were true, or close to it, then we all ought to be afraid because our way of life depends on most of us having jobs and working at them. If, however, the future is anything like the past, Automation could increase employment and raise the standard of living. There have been all kinds of developments in office machines in the last ten years, yet the number of office workers has risen from 5,100,000 to 8,100,000 during this same period.

Even new telephone exchanges, oil refineries, and electric generating plants, for example, now look like a preview of the automatic world of tomorrow. A visitor to a big generating plant sees some gigantic pipes, an array of dials, and only one man who seems to be in charge. There is even less to look at in a modern automatic telephone exchange. If you have a chance, look at one of the new "electronic brains" which can do as much computation in, say, four minutes as a large force of men with pencil and paper could do in months. About all you will see will be a row of machines looking like so many juke boxes and flashing lights, and one or two well-dressed young women pushing buttons.

What Happens to the Workers?

As the change-over to automatic production spreads, it is certain that a lot of workers will have to move to other jobs. But there are more people employed now than there were ten years ago, with very much more machinery. It has been said by experts that, without automation, we soon would not have had enough workers to do our jobs, to introduce new products, and to achieve our present prosperity.

Even in industries and offices where the work has been made the most automatic, a good deal of human effort is still necessary. Supposedy, a factory could be erected in which every process from raw material to final product could be done done by a few people who would only push buttons. Actually, of course, human brains have to work out the whole scheme, and human hands have to build the machines, set them going, tend, repair, and maintain them, and sometimes stop them!

How to Use Extra Time

I don't believe we are moving too fast. We are materially and spiritually better off in this country than are the backward nations which have never had such machines. No workers anywhere ever had better working conditions or higher pay than Americans are getting today. The machine has brought them prosperity and is bringing them more time and opportunity to "do-it-themselves," in their own homes, with their own families. Perhaps we can all use some of this time and opportunity to cultivate the spiritual values which we have been neglecting while we have been building up our material prosperity.

Col. S. C. Baker, Jr. Joins Garrett-Bromfield

DENVER, Colo.—Garrett-Bromfield & Co., Security Building, members of the Midwest Stock Exchange, has announced the association of Colonel Sidney C. Baker, Jr. with their securities sales department. Upon graduation from University of Nebraska in 1937, Colonel Baker entered the investment business with Halsey Stuart & Co. Inc. in New York. He served in the Infantry during World War II and with the 25th Infantry Division in the Korean action. He recently came to Denver from assignment with Department of the Army General Staff (G3) and assumed his present association.

Col. S. C. Baker, Jr.

THE MARKET... AND YOU

By WALLACE STREETE

Varying opinions over the effects of the Geneva Conference kept the stock market an uncertain affair this week and the early harmony, as expected, kept the aircrafts on the heavy side with some conviction. In fact, it was the prominent group on the list of new lows. Highs hopes of a new peace era turned attention toward companies with large foreign sales and of them were able to forge ahead with some persistence even in the face of selling periods in the market generally.

* * *

Woolworth, widely regarded as an interesting situation because of its well-depreciated British subsidiary, was prominent in maintaining a buoyant tone despite heaviness elsewhere. Some estimates put the market value of the British unit at nearly equal to the valuation placed on the American shares by the market. The stock is one of the minority in the industrial index that hasn't reached any historic price level, and its 5% yield is one of the more liberal among the index stocks, roughly double the return on duPont or Allied Chemical at their recent levels. In many an analyst's book it added up to a situation "behind the market" and starting to show the ability to do a bit better in capturing investor interest.

A Foreign Business Beneficiary

Heinz was a specific case illustrating the bolstering power of foreign business. More than half of the record net profit for the fiscal year reported this week was attributed to the overseas operations. The stock was able to put on some spirited climbs that carried it to an all-time peak.

* * *

DuPont had an irregularity all its own. Rather widespread expectations of a stock split early in the week were disappointed and the stock milled around for a bit before deciding to sag with vehemence. One intra-day loss this week even exceeded the half-dozen-point gyrations of last week. Other chemicals were more often than not on the easy side, with Monsanto posting some of the larger occasional declines despite its prominence in merger talk. Even Olin Mathieson, which is featuring rather prominently in the various stock market studies, failed to show that all the high regard has been at all potent in kindling new interest.

Stability in Farm Equipments

There was one new note in the ability of the long-depressed farm equipment shares to show good stability in trying times and forge ahead quietly when pressure was lacking. Here again it was partly a case of hopes that freer world trade will enable them to snap out of the recent domestic doldrums. International Harvester, while no skyrocket, was sustained well by hopes of expanded foreign operations. Minneapolis-Moline, which disclosed the existence of a group determined to take over and seek out a favorable sale, and Oliver Corp. owed a bit more of their strength to merger rumors.

* * *

A similar timid, but clear-cut, return of popularity was also apparent in the tobaccos which have had a rather protracted stay in the investment doghouse. The change wasn't dramatic in specific cases but was all-encompassing in that the group nudged ahead in the face of general hesitancy and even selling pressure elsewhere. The tobaccos are among the higher-yielding issues with even the once-highly regarded American Tobacco selling recently at a price yielding well above 6%. The logic was that sooner or later a shift will be necessary to higher yields by institutional investors coupled with a well-sold situation that should resist any declines.

Anticipating Earnings Results

With reports for the first six months of the big steel companies due next week, and the general run of profit statements about to reach flood tide, a considerable share of thinking was devoted to guessing specific results. Some of the estimated results varied widely, particularly in view of the lag in the expected upturn in duPont earnings and the sizable trim in Douglas' net. Some of the estimates accepted rather generally include American Potash, \$5.76-\$6 against \$4.34; National Steel \$5.50 vs. \$4.13; International Telephone \$3.75-\$4 against \$2.80; CIT Financial, above \$4 against \$3.85; Pittston \$4-\$4.50 against \$1.64; and Colorado Fuel \$3.75 against \$2.46.

* * *

Railroads continue to lag with a good group of followers being built up both by the higher yields offered in this group and by the expectation that general market improvement is still waiting on a decisive turn by the carriers. Great Northern, which has again raised its quarterly dividend, is usually included in the above-6% group on its estimated payout of \$2.50 for the year which would be amply supported by earnings estimated at exceeding \$5 against last year's \$4.21 result.

Promising Rails

Chesapeake & Ohio is another of the carriers in the 6% bracket which also is well supported by estimated results of as much as \$6.25 this year versus the \$5.01 of last year. In fact, estimates of 1955 rail results generally leave room for fatter payments this year and, in addition, there are even some split candidates including Union Pacific and Rock Island. Marketwise, these high expectations found little expression this week and the rails continued to lag with the industrials, and even independently when modest strength set in among the senior group.

* * *

Some of the mail order and store stocks showed indications of making a good stab at doing better. Spiegel was a particular favorite, including an appearance among the most active issues at a price of above \$16 against a low of \$5-\$6 at which it sold last year and the year before. In fact, its high level this week was far better than anything seen since 1947 but still a good bit below the nearly \$40 posted in the 1946 bull swing. The stock is even above the nearly \$15 price posted in its best dividend payout year recently, that of 1951. The last dividend was paid in 1952 and the eruption of the stock on volume now naturally set up a good deal of speculation over what action is brewing.

A Paper Candidate for Market Play

Both the market play and the many mergers in the paper industry had petered out a bit but the fact that Rhinelander Paper hasn't participated overly in either sphere served to bring it to the attention of market analysts. In fact, Rhinelander has had an unusually placid life ever since it was listed late last year in the face of all that has gone on in paper issues and the market generally. It has built up a range of less than seven points in its listed life and has been about midway in the range most of the time this year. It spent the first half of the year declining slightly while the play in the papers settled elsewhere. It is unusual that the stock hasn't had any sort of speculative spree in years, even in its pre-listing days, especially since it is one of the smaller common capitalizations around, a mere 540,000 shares.

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Continued from page 3

The Fulbright Fallacy

munities enjoyed by companies the securities of which are traded over-the-counter.

These are only some of the many, many injurious effects which would follow upon the heels of the passage of the Fulbright Bill.

But why the Fulbright Bill? Is there any need or public clamor for this legislation? Indeed, no! Analyze the protagonists and the opponents and you have the answer. Chief advocate is the SEC, of which—dealing then with the Frear Bill—we said editorially in 1950:

"Despite repeated SEC affirmations of 'good intentions' desires to aid the investment banking industry and to be responsive to the 'public interest,' we find in our view that the Commission seeks as its primary purpose the extension of its powers, all else notwithstanding. This, the history of its existence makes apparent to anyone who will take the pains to study that history."

Through the medium of some form of artistic semantics in the use of which its mastery has been shown, the SEC is constantly reaching out for more power. By the inapplicable use of such conclusory words and coloring phrases as "equalization," "double standard," "protection of investors" etc. the SEC attempts to decoy the Congress into complying with its plans.

If the Congress had intended to give the SEC complete jurisdiction of over-the-counter securities, it could readily have done so. That is exactly what the Congress did not intend to do. This is clear from the transcript of the Congressional committee hearings incident to the passage of the Securities Acts. As a result the jurisdiction of the SEC with respect to over-the-counter securities was virtually limited to instances of fraud and manipulation.

This limitation the Commission has never worn graciously.

We believe the SEC has regarded this limitation as a shackle, and has ever since been an enemy of the over-the-counter market.

Witness this striking and decisive fact. In a number of instances the SEC, as a condition to giving its approval to a plan of re-organization, has required that the new securities be listed on an exchange.

Sure we inveighed against the abuses of the 1920's. A remedy was needed; but the SEC has been bad medicine.

The Commission, for years, has been trying to circumvent the refusal of Congress to bring the over-the-counter market under its general jurisdiction.

Municipals are specifically excluded from SEC jurisdiction. The market in municipals operates quite satisfactorily.

Taking a lesson from this, the securities of the World Bank were similarly exempted.

Some problems are virtually being ignored by the Commission, e.g., the existence of a large number of securities listed on exchanges which should be delisted because of both the small number of transactions at infrequent intervals and the small volume of sales therein. Such securities have no business in the auction market and the public interest would be served best by their being traded over-the-counter, the market of which is not circumscribed by the capacity of a specialist. Here much wider public interest could be created by broker-dealers throughout the country and thus provide a more satisfactory market.

This is also true of the stock exchange rule which in effect compels members to sell bonds on the exchange. Many an investor can report sad experiences and undue time consumed in attempting at times to sell even a small block of bonds on the exchange. Time after time, after time absolutely no bids can be obtained on the Stock Exchange for many days on even 5 or 10 triple "A" bonds. Here is a definite indication of where the over-the-counter dealers from coast to coast could better serve the investing public. It is a proven metier. Does the SEC do anything to right this? Of course not!

The exchange and the over-the-counter markets should be encouraged each to serve the public in spheres where it can best serve. Partiality and favoritism in behalf of one market as against the other and the creation of animadversion is unpardonable.

There are times when one market is indebted to the other for it should be recalled that in the 30's many a stock exchange house was saved from bankruptcy because it maintained a profitable over-the-counter department.

The Commission exerts an expansive effect upon its own powers, through the medium of rule making. It acts as investigator, prosecutor, judge and jury in cases contested before it, wherein it is also a party. Denominated a governmental agency, costs may not be assessed against it.

We believe the Commission has during its existence done more harm than good; that at great cost to the taxpayers it has injected itself into private differences in which no public interest was involved; that it has tyrannized the securities industry to an extent where opposition is silenced for fear of reprisals.

By choice of its occupants membership in the SEC is of short tenure and is regarded as the early jump-off spot for lucrative positions in private industry; e.g. it is not uncommon for such members to be considered for positions as the heads of stock exchanges. Quite naturally, if during their tenure as Commissioners, they favored the auction market, this would be evaluated in determining their qualifications.

The following colloquy between Senator Lehman and Edward T. McCormick, President of the American Stock Exchange, is revealing.

It deals with the subject of unlisted trading under the Fulbright Bill, and took place on July 1, 1955 before the Subcommittee on Securities of the United States Senate Committee on Banking and Currency.

"**Senator Lehman:** Let me ask you this. Is it your point that the issuer should have nothing to say about whether securities of the company are traded in on an exchange?

Mr. McCormick: I think the issuer should be invited to attend the public hearing at which the SEC decide this matter, yes.

Senator Lehman: But suppose they did not want their securities listed?

Mr. McCormick: I think if the Commission find that it is in the public interest to have an auction market, that should be final."

In view of the Commission's history and background what an inexcusably dangerous power this would be to place in the hands of the SEC, the traditional whittler of the over-the-counter market.

The following is the comment in part of Senator Bush made before this same subcommittee.

"I think the more one gets into this thing, the more questionable appears the necessity for this Bill. And I cannot help but recollect that nearly all the proponents for the Bill are people who have something to gain, better business for themselves. That applies to the stock exchanges, the member firms who have testified here."

It certainly applies as well to the SEC in its never ending campaign for extended powers.

Senator Bush's apt characterization of the proponents of the Bill and their motives makes needless a specific enumeration of its personnel.

The make-up of the opposition, in which we are included, is significant.

Embraced therein are the National Association of Manufacturers, a voluntary membership association of approximately 20,000 subscribing members; the Manufacturers Association of Connecticut Inc. whose representative, Charles A. Schreyer, appeared in its behalf before the Subcommittee against the Bill, and also in behalf of 14 other manufacturers and employer groups throughout the nation.

The Southern States Industrial Council, established in 1933, is comprised of employers representing industries in the 16 Southern States. Speaking for this body, Tyre Taylor, General Counsel said it was "strongly opposed" to the Fulbright Bill.

Also among those against are Investment Dealers of Ohio, Inc.

To us, however, the big and refreshing thrill arises out of the opposition to the Bill by the National Association of Securities Dealers, Inc. Here is heroic courage. To take a position diametrically contra to the SEC by the NASD is daring indeed, when it is borne in mind that the latter's existence is due to the former's approval, that the continued existence of the NASD is by SEC grace, and that decisions of the NASD are subject to SEC review. Such, in effect, are the provisions of the Maloney Act which gave birth to the NASD.

We quote from the statement before the Subcommittee, by Harold E. Wood, of St. Paul, Minn., Chairman of the Board of Governors of the NASD.

"I am here today to express our opposition to the enactment of this Bill. Our opposition arises because Section 1 of the Bill provides broad and unnecessary corporate regulation of unlisted companies and the over-the-counter markets generally.

"The Bill would impose on hundreds of corporations burdensome restrictions and onerous requirements in the preparation of reports for which we find there is no need, either for the protection of stockholders or the public. We know of no demand for this legislation from stockholders, prospective investors, or our own members. We noted little interest for such legislation in the recent hearings on the stock market. Such support as there was came principally from stock exchange representatives who have urged this type of legislation, not only currently but in the past. Their exchanges compete with the over-the-counter markets for trading of securities of the corporations affected, and they are thus hopeful of attaining additional listings of such securities on such exchanges."

The valiant position of NASD will win for it many friends and adherents.

Per contra, the ineptitude of the SEC continues to add support to the view that as one step in Congressional regulation, the Commission should be abolished. The securities field and markets in securities would benefit by such action and our whole economy would be strengthened thereby.

The Fulbright fallacy finds its roots in the mistaken and SEC inspired belief that the proposed Bill is in the public interest. Such legislation would result in dire public injury.

As the mass of purposeful opposition mounts, we believe the Congress is becoming increasingly aware of its duty and obligation to defeat the Fulbright Bill.

Business Man's Bookshelf

British Exports and Exchange Restrictions Abroad—Swiss Bank Corporation, 99 Gresham St., London, E. C. 2, England (paper)

Chambers of Commerce in the United States—List of Chambers of Commerce in all cities of 5,000 population and over—Chamber of Commerce of the State of New York, 65 Liberty Street, New York 5, N. Y. (paper), $1.00.

Economic Development of Syria—Report of a Mission organized by the International Bank for Reconstruction and Development—The Johns Hopkins Press, Homewood, Baltimore 18, Md. (cloth), $7.50.

Investment in Paraguay—Conditions and Outlook for United States Investors—Foreign Operations Administration and Department of Commerce—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

On the Edge of a New Era: Brooklyn Polytechnic Institute—Cleveland Rodgers—Kings County Trust Company, Fulton Street at Court Square, Brooklyn 1, N. Y. (paper).

Paperwork Management—Part II—(Task Force Report)—Commission on Organization of the Executive Branch of the Government — Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 25¢; Report to the Congress on Paperwork Management, Part II, 15¢.

Soviet Bloc Economic Activities in the Free World—Report to Congress under Mutual Defense Assistance Control Act of 1951—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 35¢.

With Mutual Fund Assoc.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Cal.—Richard H. Cruzen is now with Mutual Fund Associates, 444 Montgomery Street.

Financing the Atomic Revolution

By MORRIS M. TOWNSEND*
Vice-President and Director,
Axe Science and Electronics Corporation

Mr. Townsend holds there is a graver problem in obtaining the money to pay for essential public construction than in financing the atomic industry. Estimates the minimum requirement for construction in the next decade at $200 billions and says America is in the midst of a three-fold revolution—financial, industrial and "atomic." Warns inventors regarding "atomic" and "uranium" speculative stocks.

America is in the midst of three great revolutions. They are revolutions without violence or destruction; without bloodshed or death. Yet they are as real and as significant as any shooting revolution the world has known. The changes already wrought are far reaching. How much farther they will go is beyond estimate or conjecture. But this much, at least, is sure. They will affect the lives of every American. They will have a profound influence on the whole world.


Morris M. Townsend

Except when measured against the vastness of time, these revolutions are not new. They have been in motion for years. In the order of their appearance they are:

The financial revolution which began with the enactment of the Securities Act of 1933 and widened its sphere of influence with the passage of the Investment Company Act of 1940.

The industrial revolution which grew out of production step-ups and preparations for supplying the armed forces in World War II.

The scientific—or atomic—revolution which burst into being when man at last split the atom and opened up the frontiers of the wonderful new promised land.

Now we are in the bright dawn of a new day. The architects of the atomic age are changing the shape and substance of the things of the world. The material wonders are only beginning to unfold. But many of the old familiar landmarks are still around us. Many of the time-tested designs for living still remain.

Each of the revolutions I have named is by nature separate and distinct from the others. Each is complete unto itself. Nevertheless, they do not merely co-exist. Time and circumstance have changed their original courses, if not their natures. It was inevitable that their paths should join.

In some respects, they are following the historic pattern. Many of the rich are getting richer. Some who had little have much. The public is benefitting generally. A great many are suffering.

Like so many human endeavors, no revolution can get ahead without adequate financing. And this is why the financial revolution was and is indispensable to the other two. Without it, there could have been none of the industrial and scientific advances that have so filled our cup here in America that it now overruns into all the far parts of the world.

Major Scientific Developments

The major scientific developments have been in the atomic, electronic and chemical fields. Every school child knows the atomic age is here. And the atomic industry—to most of us who have investigated its potentialities—is swiftly assuming a major place in our economy.

In the large family of American industries, it is a favorite child. It was born full grown and nothing has been too good for it since. In the past 12 years the Federal Government has lavished the enormous sum of $12 to $14 billion of your tax money and mine on its pre-natal care. And it is now spending about $2 billion a year for its upbringing.

This figures out to about a quarter of a million dollars every hour of every day or about $4,000 a minute. In addition to this stupendous total, private corporations are also investing heavily in its future and their appropriations are increasing daily.

Compare this, if you will, to the humble beginnings of the telephone industry in the 1880's; the electric power and automotive industries in the 1900's; the radio and television industries in the 1920's. All of these had to earn their own livings. They were privately financed and there was comparatively little research to help in their development.

The transition from word-of-mouth to telephone conversation, from the horse and buggy to the automobile, from the kerosene lamp to the electric light, from the phonograph horn to radio and television—all were accomplished primarily by the creation of new corporations.

In contrast, the development of atomic energy has been directed from the beginning by the Federal Government, assisted by our largest corporations and leading universities. Only a few new corporations have been formed to experiment with it.

Never before has so vast a sum been invested in research in so short a time. Never before has there been so great an opportunity to light up the future for so many people.

And yet, unless we have a fourth and greatest of all revolutions—a revolution in the minds and hearts of the rulers of the world—all our dollars and all our dreams can bring us nothing but darkness and despair. Now as never before we must put God first in our daily lives. We must put our neighbors on a level with ourselves. We must put our own selfish interests last.

The Financial Revolution

As I have said, the financial revolution and our ever-expanding economy are paying the way for the scientific and industrial revolutions. High income and estate taxes have been a major factor in widening the distribution of wealth. As a result, in the years 1953 and 1954 nearly a third of all the spending units in the nation reported incomes of $5,000 or more—and only 5% had incomes of $10,000 or more.

Now, as in the war years, the Federal Government has had to push the sale of Savings Bonds to finance its operations. At the same time our investment companies have assumed a major role in creating new owners of America's industries. There are now more than 150 of these companies with total assets of more than $6 billion and more than one million shareholders. Some of them, such as the Axe Science & Electronics Corporation, were formed specifically for financing atomic, electronic and other new scientific developments.

According to a recent Federal Reserve survey, it required more than $11 billion to finance our large corporations in 1954. More than $3 billion of this amount came from retained earnings, $6 billion from depreciation and other non-fund charges, $1½ billion from the sale of capital stock and the balance from the issuance of new corporate bonds. These are net figures after giving effect to reduction of inventories, payment of long and short term bank loans and other current liabilities.

Up to and including 1953, private industry invested $22½ million in capital equipment relating to the atomic energy field and approximately $9 million in operating expenses. During 1954 these capital expenditures totalled about $13.8 million and operations consumed another $16½ million. In 1955, they will be about as much.

As the Atomic Energy Commission learns more about the peacetime applications of atomic energy, an increasing amount of the knowledge it has acquired by research and experiment is turned over to private industry. As one example, proposals have already been submitted by some of our utility companies for construction of atomic facilities to produce an aggregate of 700,000 kilowats of electricity at a total cost of more than $200 million. Almost daily, we read of one or another corporation expanding into the atomic field. Most of these new operations are financed through retained earnings or new security offerings to the public.

The "Atomic Babies"

To the investing public, the word atomic is magic. A corporation need only announce that it is going into the atomic field to have its stock race up five or 10 points. Yet the odds are that it will lose money at first and may not show any profit from its atomic ventures for five or even 10 years, if at all.

Investment bankers and brokers will tell you that the stocks of these atomic babies are the easiest to dispose of—that all sales resistance evaporates like dew in the sun at the mere mention of the magic word. And the growing flood of speculative dollars has lifted the price levels of some of these stocks to 50 and 60 times the current corporate earnings. This is far and above where they belong. This is an extravagant and dangerous gamble on the future.

Atomic energy is not a sure thing or money in the bank for any company that goes into it. A number of them will undoubtedly profit enormously amid the spreading revolutions in science and industry and finance. A larger number will go out of business when the so-called atomic bubble breaks in the thin air of disillusionment. And sooner or later it is going to break.

Another related and dangerous place for the investor is in the uranium mining market. There are now several hundred of these companies in the United States and Canada. Some have found uranium. Some are looking for it. Some are staking out claims. But only a handful will ever make any money—and I have this on competent authority.

Let's look back to 1920. There were many automobile companies in business then, and that was only 35 years ago. Yet today, only a few have survived and those few are giants. In my opinion, the casualty list of the atomic companies, percentagewise, will be shorter. This is because so many companies engaged in other lines, such as utilities and manufacturing concerns, have added an atomic division. And for a considerable period of time these new divisions will account for only a minor part of the company earnings.

The financing of atomic power plants should not be very difficult, particularly when the cost of building the reactors has been reduced to a practical level. These plants will be among the first wonders of the atomic age, of our great three-in-one revolution.

In the first place, a pound of refined uranium costs approximately $20 to $30 and its heat equivalent in coal is 1,500 tons and costs approximately $9,000. And two atomic submarine engines, as reported recently by Westinghouse, have produced more than five million kilowatt hours of electricity—or enough to light up Manhattan Island for 10 full hours.

This is only a glimmer of the vast potential of the atomic program of the future, which you can be sure will continue to be financed by public and private funds.

The Grave Problem Before Us

But in the midst of all the spending for our bright new world there is a grave problem before us, the solution of which I believe is even more urgent than the financing of the atomic industry. We must have the money to pay for essential public construction in the next decade. We haven't got it now.

It is estimated that the minimum requirement for this is somewhere between $200 and $225 billion in the 10 years ending 1965. Of this vast total, $100 billion will be required for highways and $32 billion for education. About 950,000 new classrooms must be constructed to keep up with our increasing need. Only 60,000 were constructed last year, indicating a considerable step-up if the 10-year program is to be carried through.

A recent survey by the Atomic Industrial Forum relates this compelling need for new classroom facilities to the atomic energy program. By 1958, the researchers found, the total requirement for scientific and professional personnel of the Atomic Energy Commission and private industry will come to about 20,000. Meanwhile, the number of qualified physicists being turned out by our colleges and universities is appallingly low—something like a dozen a year.

The financing of our educational program is lagging far behind the growth of population. Your own distinguished Congressman, the Honorable Carroll D. Kearns, has diagnosed the ailment and offered a solution for financing the program as its cure. But his colleagues on Capitol Hill have not caught up with him in their thinking and his bills, H. R. 5211 and H. R. 512 are yet to be acted upon.

But unless his or some other method of financing is set in motion at an early date the entire program will fall into the category of too little, too late. Or we will resort to some unorthodox ways of raising the necessary funds which are sure to be inordinately expensive.

I have observed in my business life that where there is a need there is always a way of meeting it, though not always in a manner that might be described as in the public interest. Financial institutions are at all times ready, willing and able to extend a helping hand to industry. In financing the atomic revolution I know we are on a solid basis. I only wish I could say as much for public construction.

*An address by Mr. Townsend at the Gold Plate Dinner, Gannon College, Division of Engineering, Erie, Pa., July 13, 1955.

Securities Salesman's Corner

By JOHN DUTTON

Some Prospecting Ideas

As public interest in investing in securities increases (as it is at this time) the opportunities for building a clientele also improve. Resistance is less for the securities salesman and as a consequence his efforts will meet with greater success than during periods when markets are dull and general public apathy toward stocks and bonds is the prevailing psychological atmosphere.

The trained life insurance agent has learned how to ask for prospects. The basis of this simple procedure is the same as preparing the ground for any other sale you would like to make. Gain attention and friendly interest, suggest tactfully that you would like to know of a few people who might be interested in doing SOMETHING SPECIFIC. Ask for the names of people who are in the higher income brackets and who might be interested in hearing about some sound, tax free bonds. Or, those who might wish to invest in some stocks that could grow in value. Of the names of some people who might want more income on which to live. Don't just ask for the names of some people who might invest in some stocks or bonds. Suggest and you will receive—that's all there is to it.

I had a case recently. This will illustrate it. Several months ago I received a call at my office from a man who was interested in obtaining some information about the leading bank in our city. At the time there was a stock split pending and a change in dividend. I gave him this information and had a friendly chat with him at the same time. I found out that he would like to know about other bank stocks if and when they became available and I noted this fact on the prospect card which I kept in my regular file. Several months later I had a block of an attractive bank stock to offer and I telephoned to him. He did not buy because he had invested his available funds in some real estate.

I continued the conversation in a friendly way for a few minutes and then I said, "Mr. Jackson, I'd like to ask you a question, How long have you lived in this town?" He replied, "Only about 30 years, why do you ask?" I said, "Maybe you can help me. You know I only have lived here a few years, and there are a lot of people who invest in these good bank stocks and in tax-free bonds that I don't know, and possibly you could tell me about a few of these people who might be interested in this stock and with whom I might do some business once in a while." He said, "Why sure, there's Mr. C, he owns about half the county, just a country boy but he's got plenty of money to invest. Then there's Charles So-and-So. If you call on him you'll probably find him out in his garden hoeing around with some old clothes on, but don't let that fool you, he's so loaded that he doesn't know how much he's worth. Show him some of your tax-free bonds." Here were two excellent prospects that I didn't know existed. No call is wasted if you prospect while you sell.

If you are doing business with some of the corporations in your community, if you have participated in some local underwritings, if you call on institutions, banks and insurance companies, don't forget to meet the officers of these companies. The time to work hard at meeting new people is when business is good.

Sees Atomic Power in Competition With Coal And Oil Within Decade

Dr. Lawrence R. Hafstad tells Graduate Students in Banking competition of Atomic Power with other fuels as a source of energy will come sooner in foreign countries.

Electrical power generating installations using atomic fuels will probably become competitive with coal and fueled plants in the United States within the next 10 years, according to Dr. Lawrence R. Hafstad, director of the Atomic Energy Division of The Chase Manhattan Bank, New York City, who was recently named to head research of the General Motors Corporation in Detroit.


Lawrence R. Hafstad

"Atomic energy as a sourse of power will be competitive with other fuels in foreign countries sooner than in coal—and oil-rich America," Dr. Hafstad added.

Dr. Hafstad spoke on June 22 before a general assembly at The Graduate School of Banking conducted by the American Bankers Association at Rutgers University. More than 1,000 bank officers from all sections of the country who are students at the G.S.B. heard the address, which was slide-illustrated to show the economic possibilities of the development of atomic energy.

The speaker had held successively the important posts of director of research at the Applied Physics Laboratory of Johns Hopkins University, executive secretary of the Research and Development Board of the Office of the Secretary of Defense, and was first director of the Reactor Development Division of the Atomic Energy Commission from 1949 to 1954.

During his address, Dr. Hafstad emphasized that the applications of atomic energy in power installations and in other fields including medicine are still in an experimental stage.

"The economic possibilities of atomic research are just emerging," he said. "It appears now that when the developments from research can be applied, for example in medicine, the production of isotopes presents an opportunity for banks to make loans which will be relatively small. As the use of atomic fuel becomes general, then power installations will require much larger loans. These loans will not be made in connection with the production of atomic materials, which will continue under control of governments; but they will be made to the manufacturers of equipment which will use atomic materials or products."

Dr Hafstad stated that at the present time there are 30 reactors in the United States and four large installations are being built for private industry for the production of electrical power. The American government has also authorized the construction of from six to 12 experimental power developments in other countries; and as this field is expanded, the need for bank credit will be enlarged.

"Because construction of reactors and equipment for utilization of atomic power is relatively expensive and they are still in an experimental stage, this equipment may rapidly become obsolete. Loans made to finance atomic installations should have a relatively short amortization period," Dr. Hafstad emphasized.

We Are In A "Truly Fantastic Boom!"

Dr. Arthur A. Smith, Vice-President and Economist of the First National Bank of Dallas, holds, in some respects, current business seems not only incredible, but sensational. Sees growth of consumer credit as major concern in the current economic picture.

According to Dr. Arthur A. Smith, Vice-President and Economist of the First National Bank of Dallas, Texas, American prosperity seems headed for a new high in 1955. An economic boom, "truly fantastic boom," appears to be underway throughout the land.


Dr. Arthur A. Smith

Writing in the monthly "Economic Letter" of the First National Bank of Dallas, Dr. Smith says: "In some respects current business activity seems not only incredible, but sensational. New all-time records have been set and more seem certain to be broken before the end of the year."

Very few forecasters a year ago, he noted, dared predict that the 1955 economy would be a record-breaker, "yet the first half of the year points overwhelmingly in that direction. . . . It is a boom any way you look at it."

Within the past year and a half, Dr. Smith adds, monetary and fiscal authorities in Washington were concerned with how to check what seemed to be a sure recession. But today they are concerned with the opposite situation.

"Once more there is worry over the possibility that the economy may get out of hand in a runaway boom which would culminate in such a top-heavy reversal that the fall could not be controlled." he says.

Some of the major indicators of the boom which he lists are these:

Dollar volume of construction activity is currently more than 14% ahead of last year, with more than $41,000,000,000 likely to be spent this year.

Automobile production for the first six months was the largest on record, 4,270,000 units, and the year's estimated total of 6,700,000 will break the 1950 all-time record.

Key industries such as steel, aluminum, chemicals, rubber, electrical equipment, and farm machinery boast records or near-records and heavy order backlogs.

Production of crude oil during the first five months of this year is 5.5% ahead of the same period last year. The petroleum industry this year will drill more wells than ever before, an estimated 57,000.

Even more significant, the nation's Gross National Product—the output of all goods and services—currently is at its highest peak on record, running close to an annual rate of $380,000,000,000.

But the chief impetus back of the current economic boom, says Dr. Smith, seems to be personal consumer spending.

"Consumers apparently paid little or no attention to the 1953-54 recession," he says. "They kept right on spending as if nothing had happened. They just don't seem to scare as easily as they used to."

Consumer spending in the first quarter of this year was at an annual rate of $242,000,000,00—the highest ever, reports Dr. Smith.

Ample buying power, lower taxes, and relatively easy credit have helped push buying to increasingly high levels for the past several years, he says. Also, most goods have been improved in style and quality, and prices have changed very little for about three years.

But prices almost inevitably will move up again soon, he predicts, "With organized labor winning its demands with relative ease in the current round of contract negotiations."

Of major concern in the economic picture right now, adds Dr. Smith, is the rate of continued growth of credit, especially consumer credit. Consumer credit now stands close to $31,000,000,000 up about $2,000,000,000 from a year ago.

"And it is reasonably accurate to say that the nation's total credit has expanded not less than $21,000,000,000 and probably closer to $25,000,000,000 over the past year."

Credit has been a major influence in business activity since the end of World War II, says the economist, and it could lead to trouble.

"Credit conceivably could become so large that the sheer weight of the commitment might hinder the creation of the very income from which the debt is to be serviced," he says.

Then something would have to stretch "in order to keep the whole structure from breaking," he added. And that something likely would be the dollar, "which has already proved how easily it can inflate."

Merrill, Turben to Be N.Y.S.E. Member

CLEVELAND, Ohio — Merrill, Turben & Co., Inc., Union Commerce Building, members of the Midwest Stock Exchange, on July 28 will become members of the New York Stock Exchange, when Charles B. Merrill will acquire an Exchange membership.

Officers of the firm are Charles B. Merrill, President; Claude F. Turben, Executive Vice-President; Charles F. Kling, Lewis C. Williams and John Hay, Vice-Presidents, and Hazel G. Dike, Secretary-Treasurer.

Hemphill, Noyes & Co. Expands Corp. Dept.

Hemphill, Noyes & Co., 15 Broad Street, New York City, members of the New York Stock Exchange, announces it has recently expanded its corporate finance department through the addition to its staff of Thor W. Kolle, Jr., Hugh G. Petersen, Jr., and Pearce D. Smith.

Mr. Kolle had been with the New York law firm of Appleton, Rice & Perrin. Mr. Petersen was previously with the Hawaiian Pineapple Co. and Mr. Smith was formerly with the American Brake Shoe Co.

With Walston & Co.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—John T. Maxwell has joined the staff of Walston & Co., 265 Montgomery Street, members of the New York and San Francisco Stock Exchanges.

Joins Paul C. Rudolph

(Special to THE FINANCIAL CHRONICLE)

SAN JOSE, Calif.—Harrison C. Gardiner has become connected with Paul C. Rudolph & Company, Bank of America Building.

Congress Group to Study Effects of Automation

Rep. Wright Patman (D. Texas), Chairman of the Subcommittee on Economic Stabilization of the Joint Committee on the Economic Report, announces plans for hearings in October to develop a body of facts dealing with social and economic implications of new automatic and electronic processes.

On July 14, Representative Wright Patman (D., Tex.,) Chairman of the Subcommittee on Economic Stabilization of the Joint Committee on the Economic Report, announced the Subcommittee's plans and procedures for the study of the problems arising out of the trend toward "automation."


Wright Patman

The Subcommittee plans to hold hearings between Oct. 10 and 28 to develop a body of facts dealing with the broad social and economic implications of new automatic and electronic processes. The Committee is especially concerned about the problems which have arisen and which may be expected to arise in the foreseeable future from the standpoint of employment levels, personnel displacement and readjustment, stability of employment, and the effect upon costs and investment. The Committee plans to hear from a number of business and labor leaders in those industries most affected by recent and prospective technological development, particularly those persons who have had specific experience, or have given high policy consideration to the role of new technology.

The Subcommittee has invited the following persons to meet with it in public hearings. During the week of Oct. 10: John Diebold, author of "Automation: The Advent of the Automatic Factory"; A. V. Astin, Director, Bureau of Standards; General Douglas MacArthur, Chairman, Board of Directors, Sperry Rand Corporation; Robert W. Burgess, Director, Bureau of the Census; Howard Coughlin, President, Office Employees International Union, AFL; Henry Ford II, Chairman, Board of Directors, Ford Motor Company; Paul G. Hoffman, Chairman, Board of Directors, Studebaker-Packard Corporation; Don G. Mitchell, President and Chairman, Board of Directors, Sylvania Electric Products Inc.; and James B. Carey, President, IUE-CIO.

During the week of Oct. 17 the Committee has invited Walter Reuther, President, Congress of Industrial Organizations; Frank Pace, Jr., Executive Vice-President, General Dynamics Corporation; Champ Carry, President, The M. W. Kellogg Company, engineers of petroleum and chemical processing installations; and Otto Pragan, Research Director, International Chemical Workers Union, AFL.

During the week of Oct. 21 the Committee has invited D. W. Brosman, Vice-President, Southern Railway Company; W. P. Kennedy, President, Brotherhood of Railroad Trainmen; John I. Snyder, Jr., Chairman, Board of Directors, U. S. Industries, Inc.; George Meany, President, American Federation of Labor; John L. Lewis, President, United Mine Workers of America; Edwin G. Nourse, economic consultant; and Vannevar Bush, President, Carnegie Institution of Washington.

The Subcommittee has already arranged with Secretary James P. Mitchell, U. S. Department of Labor, to obtain the results of Department studies of a series of specific cases and an analysis of the problems which have arisen in offices, metal-working plants, and other installations illustrative of the problems of rapid technological advance.

In addition to Chairman Patman, the Subcommittee consists of: Senators Joseph C. O'Mahoney (Wyo.), and Arthur V. Watkins (Utah), and Representatives Augustine B. Kelley (Pa.), and Jesse P. Wolcott (Mich.).

With L. A. Huey Co.

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Paul M. White is now connected with L. A. Huey Co., Ferguson Building.

Sterling Convertibility Prospects And the World Fund

By PAUL EINZIG

In calling attention to the forthcoming annual meeting of the International Monetary Fund in September, Dr. Einzig says it will provide an opportunity for preparing the ground for sterling convertibility. Says the International Monetary Fund may be willing to grant Britain dollar facilities, but warns amount must be sufficient to relieve the pressure on sterling during a transition period. Foresees conflict between British domestic policies and sterling stability.

LONDON, Eng.—The Annual Meeting of the International Monetary Fund, which is to be held in Istanbul during the second week of September, is likely to be an event of considerable importance from the point of view of progress towards convertibility. It will provide an opportunity for discussions to prepare the ground for the change. Mr. Butler, who, as in every year since 1952, will attend in person, will be able to negotiate the arrangement of extensive credit facilities the granting of which is one of the conditions on which he is prepared to restore the convertibility of sterling. At the same time he may also find an opportunity to ascertain the willingness of the United States to go further in the direction of liberalizing trade by reducing the existing tariff wall.

Dr. Paul Einzig

The outcome of these discussions cannot, of course, be foreseen. There is no doubt about the willingness of the International Monetary Fund to grant to the United Kingdom dollar facilities during the transition period that will follow the return to convertibility. The question is whether the amount of such facilities will be considered in London sufficient for safeguarding sterling against the initial pressure that is bound to arise as soon as it has become convertible. Nobody can have the faintest idea about the probable extent of that pressure. In the circumstances Mr. Butler and his advisers may wish to be on the safe side by ensuring that the dollar facilities would be sufficient to withstand the maximum pressure that is conceivable. In any case, the mere knowledge that dollar facilities of adequate size exist would reassure foreign holders of sterling that many of them would not be anxious to convert their holdings in a haste. It remains to be seen whether the International Monetary Fund will be prepared to satisfy Mr. Butler's requirements.

Nor is it certain by any means whether the United States Administration will be prepared to undertake to go much further than it has already done towards the mitigation of Customs barriers. Possibly the improvement of business conditions in the United States may encourage the Administration to offer further concessions for the sake of assisting in the restoration of convertibility.

On the other hand, it is by no means certain that domestic conditions will be such as to make it possible for Mr. Butler in September to commit himself to a definite date for the restoration of convertibility. Much may happen between now and September, and it is conceivable that by the time the International Monetary Fund meets the credit squeeze in Britain may have produced the desired results. It seems more likely, however, that the results achieved up to mid-September will be too inconclusive to justify a definite decision concerning convertibility. The full effect of the recent dock strike on the balance of payments may not become evident until towards the end of this year. What is perhaps even more important, the repercussions of the sharp increase in the price of coal announced early in July will be still in progress. Already an increase in electricity charges has been announced, and it likely to be followed by increases in transport charges, leading to an all-round increase in the cost of production and the cost of living, which in turn will be followed by a new crop of wages demands.

Admittedly, if sterling is made more flexible simultaneously with the restoration of convertibility, the rise in the British price level would be offset by allowing sterling to depreciate. The prospects of such developments are viewed with growing concern even in quarters which until recently were quite willing to sacrifice the stability of sterling for the sake of its convertibility. Now that the moment of the decision is approaching many people have second thoughts on the subject. They have come to realize that once the rate of $2.80 is abandoned it will be tempting to take the line of least resistance by yielding to pressure at the cost of allowing sterling to decline further and further, rather than trying to defend it with the aid of unpopular policies.

The willingness of the United States Government to endorse and even encourage such a policy which, if carried to its logical conclusion, would put the clock back to the currency depreciation race of the dark 'thirties, is somewhat puzzling. It would mean the abandonment of the Bretton Woods system of stable exchange rates. It is the irony of fate that the United States having virtually forced on Britain the Bretton Woods principles, should now go out of their way to bring about their abandonment. Possibly the reason of this change of attitude lies in the disappearance of fears of a return of the deflationary spiral which inflicted immense hardships on the United States during the 'thirties. Yet an excessive depreciation of sterling might easily cause a repetition of history if it should occur at a moment when the American economy has in any event a deflationary trend.

From the point of view of Britain's domestic economy the abandonment of a stable exchange rate might entail incalculable consequences. Even as things are it is difficult enough to induce the trade unions tao restrain their appetite for wages increases for the sake of safeguarding balance of payments. There will be no holding of them once they realize that any excessive rise in cost of production and in consumer demand could be offset, temporarily at any rate, by allowing sterling to depreciate a little further. It is only the first step that is difficult. Once the idea that sterling must be held at $2.80 at all costs is abandoned, a rate of $2.60 will be considered just as good as a rate of $2.70, and a rate of $2.50 just as good as a rate of $2.60. There can be no doubt that in existing circumstances flexible sterling would produce an utterly demoralizing effect. If the Government listened to reason instead of being under the influence of ideological dogmatism, it would defer convertibility rather than achieve it a such a cost.

Col. Troster Officer Of Yonkers Bank

Oliver J. Troster

Col. Oliver J. Troster, partner in Troster, Singer & Co., 74 Trinity Place, New York City, has been elected a Vice-President of the People's Savings Bank of Yonkers. He will also continue as a trustee of the bank.

Bankers Offer Herold Radio & Electronics Stock at $3 a Share

Offering of 100,000 shares of Herold Radio & Electronics Corp. common stock at a price of $3 per share was made on July 19 by Weill, Blauner & Co., Inc. and Hallowell, Sulzberger & Co.

Net proceeds from the financing will be used by the company as working capital. This additional working capital will enable the company to accelerate its sales program, establish bank credit to meet seasonal periods of greater inventory requirements, eliminate large factoring charges by discounting present factoring arrangements, and to take greater advantage of trade discounts in connection with the purchase of materials.

Herold Radio & Electronics Corp. is engaged in the development and manufacture of table model and portable radios, high-fidelity phonographs and highly advanced electronic equipment for the U. S. Signal Corps, and the U. S. Navy. The company's Development Engineering Division is presently engaged in the research of transistor applications and the further incorporation of automation through the manufacture and development processes of their new products.

For the fiscal year ended Feb. 28, 1955, the company and its subsidiaries had consolidated gross income of $3,634,547 and consolidated net income of $65,252.

Joins Boettcher Staff

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Orville L. Sandberg is now with Boettcher & Company, 828 Seventeenth Street, members of the New York Stock Exchange.

Jack E. Ormsbee Now With Carroll, Kirchner

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Jack E. Ormsbee has become associated with Carroll, Kirchner & Jacquith, Inc., Denver Club Building. Mr. Ormsbee was formerly municipal bond buyer for Peters, Writer & Christensen, Inc.

Sterling A. Meyer has also been added to the firm's staff.

Continued from first page

As We See It

of the opposition and the dyed-in-the-wool advocates of public power are now trying so hard to make something out of would probably have caused a stir at any time had the same thing been done in a slightly different way or had those who were doing them, dealt frankly with the public. But from first to last, apparently, one incident after another was allowed to occur in such a way that they seemed on the surface to support in one degree or another certain innuendos which the attacking politicians were not slow to enunciate.

Still Searching

But, of course, the "opposition" is not resting with these two cases. It is scouring the record—and the gossip—to find other instances where Administration forces have not taken full pains to avoid all appearance of evil. They are, naturally enough for politicians, ardently desirous of being able to build up a situation in which they can go before the people with President Eisenhower's own 1952 cry about cleaning up the mess in Washington. So far as may now be determined, there is no likelihood that they will be able to provide materials to compare with those that the Republican partly used so effectively in 1952. Whether they will succeed in making enough of an impression to be decisive in 1956 remains, of course, for the future to disclose.

But there is a more general and we think a more serious side to all this. We have here a painful reminder of the difficulties of rendering a real public service and of the penalties which often have to be paid by public minded citizens of real ability. It is a reminder which leaves much troubled the minds of those who would like well to see this country—to say nothing of the world—turned back on the road to long-term advancement in the welfare of the great rank and file. It is the more disconcerting since it points eloquently to a basic weakness of democracy. It to our mind quite effectively demolishes the old notion of *vox populi nox dei* at least as ordinarily expounded by the politicians.

Yet the basic proposition of democracy — that people must be permitted to manage, indeed, will insist upon managing their own affairs — appears unassailable. At least this appears to be true as of today in those countries such as the United States, Britain, France, and the other confirmed democracies of the world. Whether other peoples will always revert to some system or other which sets up a dictator (whether called a Fuehrer, a Duce, or by some other name, is unimportant) is a question which the long-term future alone will answer. For our part we can well understand how our type of democracy appears strange and unworkable to peoples with other and different traditions, but our fate, whether we like it or not, is clearly linked with some form of popular rule.

This leaves it clear enough that government in this country presents two different types of problems. First and foremost, sound and constructive governmental policies must be formulated, and then ways and means must be at hand or devised whereby these policies can be assured of popular support. Real progress, moreover, requires that that support be sustained—not merely induced at one election or for short periods of time through emotional appeals or the popularity of some single individual. The latter task may well be the more difficult of the two, thanks to the presence of clever, but small minded men who are adept at crowd pleasing and making the worse appear the better reason.

Honest Differences

There are, of course, perfectly sincere and rational differences of opinion among the individuals of any country. These differences concern many aspects of public affairs and public policy. Views about basic policy—the form of social organization, of economic principles and many other things—naturally differ from individual to individual. One man's interests may appear to be—and upon occasion really be—in conflict with the interests of society as a whole. It may seem that some public measure while working injury to the people of a country as a whole is still to the advantage of some group of citizens. Yet one sometimes wonders whether these indisputable facts would present anything in the nature of insuperable difficulty were it not for the presence of ambitious political figures intent upon advancing their own interests by taking advantage of such differences as these.

The controversy over public vs. private power which lies behind the arguments about the Dixon-Yates debate is a case in point. There are those, of course, who believe that publicly owned power production, at least in very substantial proportion, is best for the country and for all the people therein. But this issue has been invested with an emotional content which has little or no relation to any reasoned conclusions about it. A power monster has been created by the demagogs — and all decisions within the field must deal with it.

If only we could deal with real issues in a realistic way!

Silver Purchase Legislation Held Unnecessary

William McChesney Martin, Jr., Federal Reserve Board Chairman, tells Subcommittee of Senate Committee on Banking and Currency, since Treasury silver purchases are unnecessary from the standpoint of monetary policy, the Federal Reserve has no interest in their continuance under existing legislation.

On July 13, William McChesney Martin, Jr., Chairman of the Board of Governors of the Federal Reserve System, appeared before a Subcommittee of the Senate Committee on Banking and Currency, and in a brief statement made known that the Federal Reserve Board has no interest in the continuation of the nationalization of domestic silver production under the existing Silver Purchase Act, and that the repeal of the law would not affect the nation's monetary policies.


W. McC. Martin, Jr.

The text of Chairman Martin statement follows:

Existing legislation fixes the price at which silver is purchased by the Treasury, and sets a price below which the Treasury cannot sell silver. The market price of silver has been such, in recent years, that this existing legislation has caused all silver domestically produced to be sold to the Treasury. To this extent, the role played by silver in our monetary system has been increased. S. 1427 proposes to stop this process by repealing those provisions of existing legislation which fix the price at which the Treasury must buy silver.

The Federal Reserve System is, of course, concerned primarily with the effect upon monetary policy of silver purchases under existing legislation. We are not prepared to say that the effect of the silver purchases necessitated by existing legislation has seriously complicated our problems of monetary management in recent years. It is true that these purchases, when monetized, may increase member bank reserves. But as compared with other factors influencing member bank reserves in recent years, their effects on reserves have been relatively small; and these effects can be offset, if necessary, by other operations of the Federal Reserve System. Since these purchases are unnecessary from the standpoint of monetary policy, the Board of Governors has no interest in the continuance of existing legislation with respect to silver purchases.

Bullish Factors in Business Outlook

July issue of "Business Conditions," issued by Federal Reserve Bank of Chicago, lists important sources of strength now present in the business scene.

Promising signs on the nation's business horizon point to continued high-level activity through the second half of 1955, the Federal Reserve Bank of Chicago reports in the July issue of its monthly publication, "Business Conditions." Likely to buoy up the economy in July-December period, the bank says in its monthly review, are important sources of strength now present on the business scene. Among these upward forces are:

(1) Increased business spending for new plant and equipment. According to a recent survey, outlays by late summer will probably run 10% above the first-quarter seasonally adjusted rate.

(2) Low business inventories relative to current sales. In a recent month, stock on hand had climbed only 1% above last year's low, whereas total sales were up 12% in the same comparison. Larger additions to stocks in the months ahead, the bank says, may provide an added stimulus to the over-all business picture.

(3) Increased levels of employment and income. After a slow start, the number of wage and salary workers has climbed 1.2 million from last summer's low. A longer work week, higher pay and the increased number of jobholders pushed midspring wage and salary income to about 5% higher than a year earlier.

The Reserve bank also points out that auto production and home building are likely to hold to higher levels than was anticipated at the beginning of 1955. For one thing both industries have continued to do very well. Auto sales are running at a record pace. In addition, dealer inventories, which had been rising rapidly through mid-spring, have recently tended to level off. Stock on hand amounts to about one month's supply at the current rate of sales.

Housing starts, at 1.3 million annual rate, were only moderately below the first-quarter high in April and May. Although new starts may taper off somewhat further in the months ahead, the bank says, the volume of work already under way virtually assures large-scale spending for some time to come.

During the first half of this year, business throughout the nation has been marked by broad and continuous expansion. Well below previous peaks at year-end, most measures are now pushing into new high ground. Industrial production has gained more than 6% since the end of 1954. Total national output of goods and services is currently close to a $375 billion annual rate, more than 5% above last summer. Retail sales, too, have been running exceptionally strong in recent months.

With Allen Inv. Co.

(Special to The Financial Chronicle)

BOULDER, Colo. — Leslie A. Brand, James S. Hatcher, William Lajoie, John R. MacDonald, John R. Shaw, Irva M. Steffen and Mrs. Kathryn Welch have joined the staff of Allen Investment Company, 1921 Fourteenth Street.

Railroad Securities

Missouri-Kansas-Texas

Followers of the "Katy" Railroad were recently startled by the announcement, late in June, that a group of investment firms consisting of Pennroad Corp., of New York City, State Street Investment Corp. of Boston, Mass., (investment trusts), and Bear, Stearns & Co. of New York (investment bankers) had purchased more than 500,000 shares of "Katy" common stock. The announcement resulted in considerable gossip and conjecture, with interest centering largely around the topic as to the reasons for such a large investment in the junior equity, since there were outstanding total dividend arrears on the road's $7 preferred stock of $151.50 a share as of July 1, 1955, or an aggregate of some $101 million. The block of stock in question represents about 62% of the 808,971 shares of common stock outstanding, and 34% of the total common and preferred shares outstanding.

"Katy" has always been regarded as pretty much of a marginal earner, due in part to the vicissitudes of the weather on grain and cotton production, erratic export markets, plus the problem of light density branch mileage and inroads of competitive transport. In addition, the relatively heavy senior capitalization and charges have prevented the road from reporting any worthwhile net earnings available for the common stock. These include $3.7 million fixed and contingent interest charges on the $95 million of debt outstanding, and annual dividend requirements of $4,669,000 on the 667,004 shares of $7 preferred stock outstanding. The fact that in the last 10 years 1945-54 net earnings available for the common stock averaged but $0.44 per share points up the marginal status of the properties.

In its long and interesting history, the "Katy" has been subject to several organizations. The last major reorganization was completed in 1922, which created the presently outstanding 7% fully cumulative preferred stock, and out of which has grown the existing financial problem which has plagued the management for many years. With elimination of contingent interest arrears on the Adjustment 5s, 1967, in 1952, preferred dividends were resumed in 1953, with payments in that year totaling $5 a share, $6 in 1954 and $3.75 thus far in 1955. Earlier this year, company filed a revised stock recapitalization plan with the ICC, under which each share of $7 preferred stock, plus all dividends arrears, would be exchanged for $140 principal amount of 50-year 5% Income Debentures, plus one share of $60 par value class "A" stock. The common would receive, share for share, a new $10 par value common stock.

At a special meeting of directors on July 14, four Eastern men representing the new group which had acquired control of the road were elected new directors of the company. It was announced that since the new group was unqualifiedly opposed to the pending recapitalization plan, and had the power to reject it, directors voted to withdraw the plan from the Commission and take the necessary steps to dismiss the entire proceedings.

The market's initial reaction to this development was mixed. The preferred stock declined by over 10 points, based on indications the group was opposed to the recapitalization plan. The common stock rose by about three points, but this diverse action was undoubtedly due to covering of short interests, since the short position was in excess of 63,000 shares on June 15. What now lies ahead for "Katy" stockholders provides an interesting topic for conjecture. Wall Street anaylsts are still "shaking their heads" and wondering why such a large investment was made in such a remote equity, with dividend arrears on the $7 preferred totaling $101 million. The promising growth characteristics of the territory and longer range potentialities of the properties provide a reasonable explanation for making the commitment in the junior equity. But the perplexing problem of the huge and continuing dividend arrears on the preferred stock still confronts the management. The possibility of an eventual merger with another railroad system has also been mentioned, but if the new group has this idea in mind, certainly the preferred shareholders would have a lot to say about it. Also, they might well demand full satisfaction of their claim, which they would not have received under the recapitalization plan which has been abandoned.

Special Markets Inc. Formed in New York

Special Markets, Inc. has been formed with offices at 92 Liberty Street, New York City, to deal in mutual funds and investment securities. Officers of the new firm are Philip M. Jenkins, President; John T. Patterson, Jr., Vice-President; Earle W. Fisher, Secretary; and Naudin J. Oswell, Treasurer.


Philip M. Jenkins

Mr. Jenkins has most recently been associated with Bache & Co. Mr. Fisher was formerly with Baruch Brothers & Co. and Mr. Patterson with First Investors Corporation.

Mr. Jenkins becomes the first Negro to head his own brokerage firm in the Wall Street area. Recently elected to the board of directors of the Mutual Investment Company of America, he is believed to be the first Negro to become a director of an investment company.

Covington Janin Adds

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—Leland P. Holm is now with Covington Janin Company, 2721 Pacific Avenue. He was formerly with H. L. Jamieson Co., Inc.

With Burdette Barnes

(Special to The Financial Chronicle)

BOULDER, Colo.—Thomas G. Thompson has joined the staff of Burdette I. Barnes, 2007 Thirteenth Street.

Two With Wayne Jewell

(Special to The Financial Chronicle)

DENVER, Colo.—Bonee B. McVittee and Thomas H. Whitford have become affiliated with Wayne Jewell, 817 Seventeenth Street.

Joins Rogers & Co.

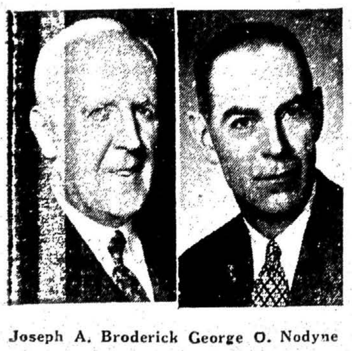
(Special to The Financial Chronicle)

DENVER, Colo.—Jesse L. Nelson has joined the staff of Rogers & Co., Kittredge Building.

NEWS ABOUT BANKS AND BANKERS

CONSOLIDATIONS
NEW BRANCHES
NEW OFFICERS, ETC.
REVISED
CAPITALIZATIONS

The East River Savings Bank of New York City, Joseph A. Broderick, Chairman, and George O. Nodyne, President, will soon



Joseph A. Broderick George O. Nodyne

become a half billion dollar institution. This modern and enterprising bank's deposits were approximately $153,107,913 and resources only $174,947,135 when Mr. Broderick came to the East River Savings. In the last 20 or more years the growth of this progressively but conservatively managed institution, with five offices in strategic locations, has kept step with the city's larger commercial banking institutions as the following brief summary proves:

July 1	Deposits	Resources
1935	$153,107,913.96	$174,947,135.89
1940	181,559,463.12	200,400,516.87
1945	231,117,055.42	246,722,540.52
1950	329,146,604.90	359,702,265.82
1955	442,206,091.42	478,893,189.38

* * *

The Chase Manhattan Bank of New York has received permission to open a branch office in Beyrouth, Lebanon, John J. McCloy, Chairman of the Board of the bank, announced on July 14. Chase Manhattan, Mr. McCloy states, is the first American bank to receive such authorization from the Lebanese Government. Prior approval had been granted by the Board of Governors of the Federal Reserve System at Washington and by the New York State Banking Board. Chase Manhattan expects to open its Beyrouth branch early this fall. The bank has had a representative's office in Beyrouth since 1952.

* * *

The appointment of Ben Feit as a Vice-President of **Manufacturers Trust Company of New York** was announced on July 15 by Horace C. Flanigan, President. Mr. Feit is a graduate of the Graduate School of Banking at Rutgers University, Class of 1954. He attended both New York University and St. John's University Law School prior to joining the bank in 1929. He was appointed an Assistant Secretary in 1939 and an Assistant Vice-President in 1951. Mr. Feit has been at the bank's Fifth Avenue Office, Fifth Avenue and 43rd Street, since 1932.

On July 20 President Flanigan announced that Eugene S. Hooper, a Senior Vice-President of **Manufacturers Trust Company,** has been elected a Director of the Trust Company. Mr. Hooper was appointed a Vice-President in 1937 and a Senior Vice-President in 1951.

* * *

Beginning Monday, July 18, and for the next year or so, the **Bankers' Trust Company of New York,** heretofore located on the third floor of 16 Wall Street, will be on the eighth floor of 41 Broad Street, New York. The trust company's 'phone number and mailing address remain unchanged.

Arthur S. Kleeman, President of the **Colonial Trust Company, of New York City,** has announced that on July 13 the bank's directors voted to add $200,000 to surplus, by a transfer of that amount from the institution's undivided profits.

* * *

THE CORPORATION TRUST COMPANY, NEW YORK

	Jun 30,'55	Dec. 31,'54
Total resources	$3,195,406	$2,572,463
Deposits	625,439	235,157
Cash and due from banks	1,619,993	1,100,447
U. S. Govt. security holdings	431,333	431,352
Undivided profits	373,866	224,317

* * *

Michael H. Conway, a Vice-President of the **Sterling National Bank & Trust Company of New York** died on July 3 at a hospital in West Hampton Beach, Long Island, N. Y. Mr. Conway, who was 77 years of age, had been in the bank's service over 25 years. He resided in Scarsdale, N. Y. for many years.

* * *

The trustees of **Kings County Trust Company of Brooklyn, N. Y.** on July 19 announced the election of John J. Lynch and Hunter L. Delatour to the Board of Trustees. Mr. Lynch, Vice-President of the Trust Company, was formerly Borough Works Commissioner of Brooklyn, which position he resigned in October of 1954 to become associated with the bank. He has been active for many years in civic and religious affairs in Brooklyn. Mr. Delatour is a senior member of the law firm Delatour & Miller of 185 Montague Street, Brooklyn. He is immediate past President of the New York State Bar Association, serving from January 1954 to January 1955. Messrs. Lynch and Delatour join Chester A. Allen, Robert E. Blum, Vincent J. Caristo, Robert A. Drysdale, Jr., Julian D. Fairchild, Kerwin H. Fulton, W. Rutherford James, George C. Johnson, Richard S. Maynard, Michael C. O'Brien, Hollis K. Thayer, William J. Wason, Jr., and Nelson H. Wray as trustees.

* * *

State and Federal banking authorities have granted permission for **The County Trust Company of White Plains, N. Y.** to open its sixth White Plains office, at 98 West Post Road, Andrew Wilson, Chairman of the bank's Board of Directors, announced on July 15. The office is expected to open within two months Mr. Wilson said. Later, it is planned that a permanent building will be constructed on a site in the neighborhood. It will be the third White Plains office opened by The County Trust Company this year.

* * *

Stockholders of **The Peekskill National Bank and Trust Company of Peekskill, N. Y.** and **The County Trust Company of White Plains, N. Y.** approved the proposed merger of the two banks, according to statements received July 15 from James Dempsey, Chairman, and David M. Barry, President, of the Peekskill bank and Andrew Wilson, Chairman, and Joseph E. Hughes, President, of The County Trust Company. The statements indicated that 98.1% of the Peekskill shares voting and 99.5% of The County Trust shares voting favored the plan.

Consolidation under The County Trust Company name and charter is scheduled to take place on July 29, following final approval of the merger by banking authorities. At that time, Mr. Barry will become a County Trust Vice-President and will be in charge of Peekskill operations. On June 30, 1955, The Peekskill National Bank and Trust Company, it is announced, had total assets of $7,528,332 and deposits of $6,861,515, while The County Trust Company showed total assets of $323,370,550 and deposits of $297,453,536 on the same date. When the proposed merger is completed, The County Trust Company will have 35 offices in 22 Westchester communities.

* * *

Colonel Oliver J. Troster has been elected a Vice-President of the **People's Savings Bank of Yonkers, N. Y.** Col. Troster, a resident of Yonkers, will continue as a trustee of the bank and as a general partner in the Wall Street firm of Troster, Singer & Co.

* * *

An addition has been made to the capital stock of the **First National Bank and Trust Company of Ossining, N. Y.,** the capital having thereby become $220,500, increased from $210,000 by a stock dividend of $10,500, effective July 11.

* * *

Howard I. Shamel, President of **The Citizens National Bank of Springville, N. Y.** announced on July 15 that the directors had voted to recommend favorably to the stockholders the exchange of their shares, for shares of **Marine Midland Corporation** stock. The basis of the exchange is 4¼ shares of Marine Midland common stock for each share of Citizens National. The bank has 10,000 shares of $20 par outstanding which means that 42,500 shares of Marine Midland Corporation stock would be involved in the transaction. The proposal will be submitted for aprpoval by stockholders of the bank in the near future and is also subject of the regulatory banking authorities. The Citizens National Bank was established in 1902 and its total assets on June 30, 1955, it is stated, were $5,665,000, with total deposits approximating $5,000,000. If and when the necessary approvals are obtained it is expected that The Citizens National Bank will be merged with, and become an office of **The Marine Trust Company of Western New York,** a Marine Midland Bank. The Marine Trust Company of Western New York was established in 1850 and operates presently 60 banking offices in 24 Western New York communities. Its total resources on June 30, 1955 were reported as $666,753,000 and total deposits in excess of $611,000,000. Included in the tentative plans is the election of Mr. Shamel as a Vice-President of The Marine Trust Company of Western New York. It is also expected that an active Advisory Board for the Springville office will be constituted from the present Board of Directors of the Citizens National Bank.

* * *

The Uncas-Merchants National Bank of Norwich, Conn., with common capital stock of $200,000 was absorbed, effective June 24, by the **Hartford National Bank & Trust Company of Hartford, Conn.**

* * *

Stephen E. McLoughlin, Jr. has rejoined **Tradesmen's Bank and Trust Company of Philadelphia** and has been elected Vice-President. Mr. McLoughlin has been on leave of absence from the bank in order to serve as City of Philadelphia Controller and subsequently as Administrative Vice-President of **Land Title Insurance Company.**

* * *

The Towson National Bank of Towson, Md. has added $50,000 to its capital by the sale of new stock of that amount, the capital having thereby increased from $250,000 to $300,000 effective July 7.

* * *

The Citizens National Bank of Chilicothe, Ohio, has increased its capital from $200,000 to $300,000. Of the increase $25,000 resulted from a stock dividend, the additional yield having been brought about by the sale of $75,000 of new stock. The enlarged capital became effective June 30.

* * *

The stockholders of **The Manufacturers National Bank of Detroit, Mich.,** at a special stockholders meeting July 12, approved plans to reduce the par value of the stock of the bank from $20 to $10 per share. An additional 400,000 shares will be issued, increasing the total outstanding shares to 800,000. Certificates for the additional shares will be mailed to stockholders of record as of the close of business on July 26, 1955. References to the plans incident to the additional stock appeared in these columns June 16, page 2776 and July 7, page 95.

* * *

The Third Northwestern National Bank of Minneapolis, Minn. has increased its capital effective June 23 from $150,000 to $200,000 as a result of a $50,000 stock dividend.

* * *

The Peoples Bank & Trust Company of Cedar Rapids, Iowa announced its admission to membership in the Federal Reserve System, and in its announcement states that the bank is "now in a position to provide our customers with the utmost in service and protection." The bank has capital and surplus of $500,000 each, undivided profits of $224,700 and deposits of $24,217,700. Frank C. Welch is President of the bank.

* * *

Two banks in **Tulsa, Okla.** have recently enlarged their capital. **The First National Bank and Trust Company of Tulsa** has increased its capital, as of June 29, from $4,000,000 to $5,600,000 as a result of the sale of $1,600,000 of new stock. **The Fourth National Bank of Tulsa** reports a capital, effective July 15, of $1,200,000, enlarged from $800,000. The $400,000 increase was brought about by a stock dividend of $200,000 and the issuance and sale of $200,000 of new stock.

In observance of its 25th Anniversary, the **Fourth National Bank of Tulsa, Okla.** on July 15 held an "Open House" from 9 a.m. to 6 p.m.

* * *

An addition of $100,000 has been made to the capital of the **National Bank of Commerce of Pine Bluffs, Ark.,** the sale of new stock to the amount indicated having increased the capital as of June 21 from $400,000 to $500,000.

* * *

The St. Louis County National Bank of Clayton, Mo., which in May increased its capital from $1,000,000 to $1,200,000, as a result of a $200,000 stock dividend, has further enlarged its capital, raising it to $1,500,000 by the sale of $300,000 of new stock. The latest increase became effective June 24. A reference to the earlier action with respect to the addition to the capital appeared in our June 2 issue, page 2563.

* * *

Elwyn Coats Nichols and Harrison Sherman Holland, Jr., members of the staff of the **Birmingham Trust National Bank, of Birmingham, Ala.,** were promoted to the positions of Assistant Cashiers at a meeting of the bank's directors July 12, it was announced by John S. Coleman, President. Mr. Nichols joined the bank in 1946 and has served as a loan interviewer in the installment loan department. Mr. Holland became associated with the bank in 1949. He has served as head teller and Assistant Manager of the Mountain Brook office, and a loan interviewer and Assistant Manager of the East Lake office.

As of July 5 the **First National Bank of Fort Worth, Texas** reported a capital of $6,500,000, increased from $5,500,000 as a result of the sale of $1,000,000 of new stock.

* * *

W. W. Crocker, Chairman of the Board of **Crocker First National Bank of San Francisco, Calif.** announced on July 14 the following promotions as a result of the directors meeting held that day: From Assistant Vice-President to Vice-President, Jesse D. Middleton, Charles B. Neuman, Jr., Warren M. Johnson and Lester T. Bartman. Promoted from Assistant Cashier to Assistant Vice-President were: Earle V. Taylor, Walter F. Winrott, Jr. and Albert J. Rice. Named Assistant Cashier was Lambert A. Becker. Promoted to Assistant Trust Officers were H. E. Shultis and Robert W. Miller.

Mr. Crocker further announced that Lester T. Bartman who has been associated with the Oakland office of the bank as senior loaning officer for the past eight years, is being transferred to San Francisco and will take over the duties of the late Edwin H. Hagan, in the Commercial Loan Department. Spencer H. Smiley, Jr., will replace Mr. Bartman in Oakland.

* * *

First Western Bank and Trust Company of San Francisco has received permission from the State Superintendent of Banks to open an office in **San Jose, California.** T. P. Coats, Chairman of the bank's Board of Directors, announced July 13. Mr. Coats said that plans for the new San Jose office were well advanced, but that approval must also be received from the Federal Deposit Insurance Corporation before a site for the office and other opening plans are made firm. This will be First Western's first office in San Jose.

* * *

Barclays Bank D.C.O. of London announced on June 30 that Sir Geoffrey C. Gibbs, K.C.M.G. has been elected a Deputy Chairman and F. Seebohm a Vice-Chairman of the bank's Board. Mr. Seebohm has also been appointed a member of the bank's London Committee. G. N. M. Law, C.B.E., Chairman of the Egyptian Local Board, E. V. Whitcombe, Local Director, East Africa and G. G. Money, Local Director, West Indies, have been appointed Directors of the bank.

Columbia Secs. Adds

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Craig F. Althen, Richard V. Chase, Mrs. Minnie Enger, Edward C. Jones, Simpson Marcus and Paul L. Nichols have been added to the staff of Columbia Securities Company, Incorporated, Equitable Building.

Join Hicks, Newton Co.

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Thomas S. Allen, William T. Allen, Jr., Walter G. Asmus, Mary K. Campbell, Edward J. Flint, Robert S. Hartpence, Charles A. Jack, Quentin W. Selby, William H. Thorney, Jr. and Michael C. Villano have become affiliated with Hicks, Newton & Co., Inc., 524 Seventeenth St.

With Courts Staff

(Special to THE FINANCIAL CHRONICLE)

ATLANTA, Ga. — H. Carlton Philyaw, Jr., is now affiliated with Courts & Co., 11 Marietta Street, N. W., members of the New York Stock Exchange.

Marache Dofflemyre Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Russell Kelly is now affiliated with Marache, Dofflemyre & Co., 634 South Spring Street, members of the Los Angeles Stock Exchange.

Continued from page 5

The Stock Market: A Reappraisal

leadership and advance above prewar levels comparably with leaders of the earlier advancing phases, it would provide strong presumptive evidence that the market rise which began in 1953 has actually been a third (and possibly culminating) phase of the bull market which began in 1942.

Our little survey of history has thus brought us to an apparent dilemma: On a long-term basis stocks seem to be approaching the end of a big bull market. On a short-term basis the market may have a good deal further to go.

We may perhaps throw more light on the subject by proceeding to an analysis of—

II.
The Present Position of the Stock Market vis-a-vis the General Economy

Since the end of the Second World War our domestic economy has undergone three distinct waves of prosperity: The first from 1945 to 1949 during which shortages resulting from the war were satisfied; the second the Korean War and rearmament period from 1950 to 1952; and finally the recovery, still in progress, which began in 1954. The last of these, it would appear, is of foreign origin, stemming largely from the great reconstruction boom in Western Europe and further stimulated by the remilitarization of Germany.

On the domestic scene today's economic prosperity is fortified by at least two additional factors:

(1) the extraordinary persistence of high demand for automobiles and houses, and

(2) a serious shortage of basic raw materials like steel, copper and aluminum occasioned partly by European demand referred to above and partly by the over-pessimism expressed by raw materials producers and consumers in allowing inventories to decline sharply during 1954.

At present the European boom is showing signs of great vitality. German heavy industry is making a serious bid to recapture its prewar markets. Elsewhere, notably in France and England, construction and reconstruction are proceeding at a pace not seen in a generation. Moreover, hand in hand with the revival of business activity, has come the virtual disappearance of inflationary pressure. About the validity of the economic forces behind the current European boom there can be no serious doubts. One can only wonder to what extent it can survive any sort of business decline in the U. S. which might seriously dislocate present patterns of world trade.

In this country the demand for houses and automobiles continues apparently unabated. Having almost attained a goal of "two cars for every family" it is conceivable that our advertising geniuses may one day sell every family on the idea of owning two houses. But to the more classically minded it would appear that much of the present demand for these items is being subsidized by abnormal forced drafts of credit. The events of 1929 demonstrated that borrowed money is not usually a sound and never a permanent basis for supporting a market.

The raw materials picture is a little brighter since at the present time production has not substantially risen above consumption. In the United States there is still a serious shortage of copper and aluminum which cannot be satisfied merely through increased production here and abroad within a matter of weeks or even months. Perhaps by late 1956 the supply situation will have improved sufficiently to call for reappraisal, but balancing this increase one must also consider the probability of further growth in European demand.

The present steel shortage is more closely tied to automobile production, although for the time being it is still a reflection of last year's errors of pessimism which led buyers to believe steel would be plentiful at lower prices and consequently to allow their inventories to decline faster than their orders. When these orders suddenly picked up there was a sudden shortage and now, with the shortage still unsatisfied, the price of steel seems on the verge of a sharp increase.

Curiously enough, the market history of the "cyclical" stocks has borne a market resemblance to the recent business history of the raw materials companies. In 1953 and early 1954 these issues were heavily liquidated amid universal predictions of impending disaster. Then, during last summer when reports for the first six months showed that steel earnings had remained remarkably stable despite a 40% drop in operating rates, statisticians began sharpening their pencils and predicting the "normal" earning power of some of these companies. It was soon discovered that many of the leading steel producers with their heavy depreciation returns, were selling at 2½ to 3 times actual cash earnings. As prospects for these earnings began to improve, the stocks began to recover quickly, but the recovery in price has scarcely kept pace with the improvement in earning power.

U. S. STEEL and YOUNGSTOWN SHEET & TUBE have doubled in price in less than a year, but they are still selling for around 4 times their current cash earnings. INSPIRATION COPPER has come from 25 to 55 but at the same time the indicated dividend rate has risen from $3 to $5 and substantial additions have been made to the company's ore reserves. In industries like the railroad equipments where the actual recovery in earnings has been delayed, stocks like AMERICAN STEEL FOUNDRIES have remained virtually unchanged.

Meanwhile, during the same period, the Dow-Jones Industrials have risen from 320 to 470. High flying leaders like REYNOLDS METALS have risen to 3½ times last summer's prices on a 33% increase in earnings, while even sound investment favorites like DUPONT have risen 100% with an earnings increase of 30% and sell today at almost 30 times current earnings.

It would thus appear that some sections of the market have improved grudgingly in almost the same way as the general economy has improved, while others, semi-detached as it were from the economy, have soared, unencumbered by statistical considerations.

This divergence in action leads us to the conclusion that those stocks whose market action has closely paralleled actual operating results will continue to improve as earnings improve and may even rise without such improvement as long as their current price-earnings ratios continue to reflect conservatism rather than optimism over the long-term outlook. The "Favorite Fifty," on the other hand, look overpriced on a statistical basis, considered historically or relative to other values. It is, of course, these stocks which have been the principal purchases of company pension funds which lack experience in the stock market, while, at the same time, they are precisely the issues which long-term investors with large capital gains are reluctant to sell because of tax considerations *until such time as they feel the outlook for stock prices in general has changed materially.*

From this we conclude that the stock market is now and will continue to be in gear with the general economy and that its real leaders will be those groups like steels, motors, and coppers which reflect closely the current trends in their industries rather than the institutional favorites which currently monopolize the newspaper headlines. These latter stocks are following—not leading—the market. How long they will continue to do so is an open question.

If the economy continues to prosper and optimism on general business becomes more widespread, there is the interesting possibility, even probability, that institutional funds, aware of the present large disparity in yields, will begin to flow into the basic industries with pronounced effect on the subsequent price action of these basic industrial leaders.

If this development takes place, we shall finally have a valid basis for making historical comparisons with the great bull markets of 1929 and 1937. To date, it is one of the principal curiosities in our stock market that such comparisons are still hard to find.

III.
Future Prospects

If the foregoing diagnosis of the stock market in its relationship to the general economy is reasonable then it remains to formulate an investment policy which will be consistent with the ideas expressed. Since the success of such a policy will inevitably be influenced by future events, one must constantly bear in mind some of the present factors of risk: namely, that (a) our present economic prosperity is based on a theory of governmental supports and controls which has yet to face the test of a serious decline in demand; (b) on the basis of past experience the economy becomes increasingly vulnerable in proportion as goods are sold on credit; (c) the stock market becomes increasingly vulnerable as the public becomes more optimistic on its outlook; and (d) the prices of many individual stocks already appear to reflect considerable, and in some instances even unreasonable, optimism over their outlook.

Insofar as we must predict the future, we shall assume for the future an over-all level of economic activity more or less unchanged from the present, a continuation of European prosperity, a further improvement in U. S.-Soviet relations, and no violent changes in the interest rate or credit structure.

Under these conditions the rising trend should continue more or less as it has since September, 1953, with reactionary periods usually following spot news developments and remaining within modest proportions both of time and space.

The institutional favorites like DUPONT, GENERAL ELECTRIC, *et al*, should continue firm with the market although their performance may appear less spectacular than heretofore as other issues join the advance.

Heavy industrial leaders like U. S. STEEL and KENNECOTT should come to sell at more generous valuations of their current earning power and should attract increasing institutional funds as confidence increases in their basic investment quality.

The well-situated smaller companies in these industries should out-perform the leaders in proportion as their operations are more highly leveraged and as their securities sell at a more conservative evaluation of dividends and earning power.

Along with these there should be a recovery in the price of securities in depressed industries like railroad equipments, retail trade, and alcoholic beverages, sugars, etc.

Speculative stocks, like aircrafts and televisions, which have enjoyed sharp, recent advances, may decline well ahead of the general market.

Defensive stocks like the tobaccos should attract more investment attention because of their high yield and comparatively small risk. For almost two years they have been liquidated, while other stocks have risen until now they look relatively attractive.

"Special situations," where some new technological improvement has taken or is about to take place, should do as well as ever, although one should be increasingly careful about buying stocks on a low yield basis merely because they have shown good growth records for the past ten years.

Finally, if one believes speculation is going to spread among the public as it has done in past bull markets, the low-priced stocks, tertiary issues with small capitalization, may be attractive for large capital gains. If one wishes to speculate in these issues it is advisable to buy small amounts of several stocks in different industries. Their balance sheets should be strong enough to ensure against the risk of bankruptcy and, if possible, their business should contain some element which might appeal to speculators in late stages of a market rise. Many of these little stocks are selling approximately where they were in the fall of 1953. Either they are very cheap here or they are slated for virtual extinction. They look like an interesting gamble at moderate near-term risk for a limited amount of money.

In conclusion one should bear in mind that it is the degree of speculative activity rather than the level of stock prices which makes the market vulnerable. At present the market appears well-behaved, but it is hardly to be hoped that people can continue to amass large capital gains in stocks without eventually attracting the interest of those whose judgment may prove less competent.

Skyline Securities

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Skyline Securities, Inc. has been formed with offices at 1719 Welton Street. Officers are Gomer D. Hughes, President; Wayne L. Black, Vice-President; and Harold E. Wallace, Secretary-Treasurer.

Bank and Insurance Stocks

By ARTHUR B. WALLACE

This Week — Bank Stocks

The predictions of better bank stock earnings, whether for the second quarter of this year or for the first six months, were fully borne out by the income accounts of the New York City banks. Because of the four recent major mergers some *pro forma* calculations had to be used for comparisons, but this tends to favor the earlier or base period as in a merger there is bound to be some loss of deposits, which affects the level of invested assets, and, in turn, of earnings.

In the 1955 second quarter operating earnings of 13 leading New York City banks were $55,565,000, compared with $44,701,000 in the like quarter of 1954. This gain of $10,864,000 is approximately 24%. Several contributing factors were responsible for the increase. First, as of June 30, 1955, invested assets of these banks were about $472,000,000 greater than a year earlier. Then, the June 30, 1955, total of United States Government obligations held, $7,642,060,000 was 10.6% lower than a year earlier, whereas their loans and discounts were $13,061,237,000, or $1,320,909,000 (11.2%) higher than on June 30, 1954. And it is patent that the rate of return for the larger banks is higher on loans than on either governments or on over-all security holdings (for 1954 the average loan rate was 67% greater than that on governments).

The banks have also experienced some leveling-off tendency in their operating expenses, mainly salaries and wages; and the mergers will bring some economies. So this combination can easily account for the better level of earnings in the half. As the 12 months' earnings through June 30 were only about 6.4% higher; the six months' results, 18%; and the quarter 24% better, it is probable that the banks are experiencing a trend for the better so far as operating earnings are concerned, with the nearer periods showing this better rate of improvement.

As was pointed out in a recent column on the banks, leading bankers look not only for moderately firmer money rates, but also for a rising volume of loans as they go further into the second half of the year. If the roseate news reports of the improving economy are to be realized—and we get them in almost every newspaper we pick up—there can be little doubt about the economy expansion leading to higher loan volume, and as the banks can readily handle a greater amount of loan accommodation with but minor increased operating expenses, most of the resulting improved earnings will be carried down to net before taxes. And their tax bill will be moderated by any further bad debt reserve set-asides, as these are tax-free.

Following are six months' operating earnings figures for these 13 leading banks, and for the 12 months ended with June 30. Because of the mergers in the two periods covered *pro forma* material is used for Bankers-Public; Chase Manhattan; National City, First National, and Chemical Corn Exchange. Also, adjustments have been made for stock splits and for stock dividends:

	Earnings				
	First Half		*12 Months		Dividend
	1954	1955	1954	1955	Rate
Bankers Trust	$2.04	$2.24	$4.25	$4.43	$2.60
Bank of New York	6.61	6.90	16.51	16.98	10.00
Chase Manhattan	1.50	1.75	3.28	4.02	2.20
Chemical Corn Exch.	1.77	1.92	3.67	3.62	2.00
Empire Trust	5.84	7.24	12.07	13.63	3.00
First National City	1.66	2.01	3.99	4.02	2.40
Guaranty Trust	1.56	2.28	4.65	4.44	**3.70
Hanover Bank	1.60	1.77	3.38	3.55	2.00
Irving Trust	0.85	0.98	1.77	1.93	**1.30
Manufacturers Trust	2.84	3.16	5.84	6.20	3.20
J. P. Morgan & Co.	7.48	10.41	16.68	16.66	10.00
New York Trust	2.23	2.34	4.55	4.78	3.00
United States Trust	9.29	11.05	20.43	23.83	**16.00

*Ended June 30.
**Includes extra dividend.

G. H. Walker Branch

PAWTUCKET, R. I. — G. H. Walker & Co. have opened a branch office at 34 East Avenue under the management of Malcolm Farmer, Jr.

Forms Family Mutual Funds

LONG ISLAND CITY, N. Y.—Gerald Bernstein and Leah Bernstein have formed Family Mutual Funds, with offices at 34-20 Twenty-fourth Street.

J. J. Holland Opens

J. J. Holland Securities Co., Inc., has been formed with offices at 80 Wall Street, New York City, to conduct an investment business.

Herbert Kunmann Opens

HEMPSTEAD, N. Y.—Herbert H. Kunmann is engaging in a securities business from offices at 412 Jerusalem Avenue.

McLean Industries Securities Sold

White, Weld & Co. and associates on July 15 offered for public sale in the form of units of 190,000 shares of cumulative preferred stock, $3 series ($5 par value) and 95,000 shares of common stock of McLean Securities, Inc. Each unit consists of one share of preferred and one-half share of common stock. The price per unit is $51. Of the units offered 170,000 are being sold for the account of the company and 20,000 for the account of Malcolm McLean, President of the company.

The offering was quickly completed.

Of McLean's share of the proceeds of this sale approximately $7,000,000 will be applied to the payment of a bank note incurred to provide part of the funds for the acquisition of more than 99% of the outstanding stock of Waterman Steamship Corp. The balance of the proceeds will be used to retire the McLean Industries' outstanding 10,000 shares of $5 preferred stock at $100 per share.

The consolidated capitalization of McLean Industries, after the sale of these units and after the proposed payment of an additional $7,500,000 of bank loans out of the proceeds of the sale of certain properties of Waterman, will consist of $17,954,,164 of funded debt, 220,000 shares of $3 series preferred stock ($50 redemption and liquidation price), and 1,345,000 shares of common stock.

McLean Industries, Inc., organized early this year, is a holding company whose principal operating subsidiaries are Waterman Steamship Corp. and Pan-Atlantic Steamship Corp. Waterman Steamship operates a world-wide steamship service. It owns 29 cargo vessels and transportation of freight provides its major source of revenue. Pan-Atlantic operates a coastwise steamship service between U. S. Atlantic and Gulf ports. It owns seven cargo vessels and two tankers.

Pan-Atlantic is undertaking the development of a program over the next few years to convert its present cargo vessel service between ports along the Atlantic and Gulf coasts into a regularly scheduled roll-on roll-off trailership service between such ports. The trailerships will be especially constructed to carry up to 288 loaded truck trailers each. The trailerships are expected to alleviate two critical problems of present day coastal water carriers: high cargo handling expense and insufficient productive time at sea in relation to non-productive port time.

It is contemplated that Pan-Atlantic may also offer a tanker-containership service between Texas and North Atlantic ports generally similar to the trailership service except that dry cargo or trailers would be carried in removable containers as a deck load of the tanker and would be loaded and unloaded by shore derricks.

The corporation was organized on Jan. 14, 1955, and on July 6, 1955, its name was changed from McLean Securities Corp. to McLean Industries, Inc.

For the three months ended March 31, 1955, McLean Securities and subsidiaries consolidated reported operating revenues of $13,506,287 and net income of $292,167, on a pro forma basis.

Other underwriters are: The First Boston Corp.; Union Securities Corp.; A. C. Allyn & Co. Inc.; and Harriman Ripley & Co., Inc.

New Reynolds Branch

SALISBURY, N. C. — Reynolds & Co., members of the New York Stock Exchange, have opened a branch office in the Wallace Building under the management of Frederick P. Spach.

Public Utility Securities

By OWEN ELY

Washington Water Power Company

Washington Water Power is one of the oldest electric utilities in the Pacific Northwest, last year being its 65th year of operations, while dividends on the common stock have been paid consecutively since 1899. The company was formerly controlled by American Power & Light Company (one of the Electric Bond a Share sub-holding companies), the stock having been distributed to holders of American in July, 1952.

The company supplies electricity to a population of about 530,000 in north central and eastern Washington, and in northern Idaho, Spokane being the principal city served. The economy of the area is largely dependent upon farming, lead, zinc and silver mining, lumbering and aluminum production.

Revenues are about 98% electric, with the balance in steam heating and water service. Electric revenues are 38% residential, 11% rural, 21% commercial, 20% industrial and 10% miscellaneous. Industrial revenue was about 44% from mining and smelting, with the balance from lumber and wood products, paper manufacturing, food processing and a variety of other industries. Obviously the load is well balanced, with the mining component only about 8% of the total. The revenue from the largest single customer is about 3% of the total.

With hydro generation supplying virtually all generated and purchased power, domestic electric rates average only about 1.27c per kwh compared with the national average of 2.69c; while annual usage of 6,910 kwh compares with the U. S. average of 2,549 kwh.

Generating capacity was greatly improved by the completion of the Cabinet Gorge hydro plant in northern Idaho in August, 1953. Addition of this plant doubled the capacity, enabling the company to reduce power purchases, and to resume for the first time in 10 years a broad load-building program.

In December, 1954, the company requested permission from the Federal Power Commission to build an $85 million hydro plant at Noxon Rapids on the Clark Fork River in Montana. When fully developed, this new 385,000 kw project will add substantially to the company's generating capability. Subject to obtaining necessary Federal approval, the company has scheduled construction to start in July, 1955, making the first power available in 1958 or 1959, with the entire project to be completed by 1960.

Washington Water Power has joined forces with Pacific Power & Light, Montana Power and Portland General Electric to set up and control a new hydro generating company, Pacific Northwest Power, which seeks to construct and operate large northwest hydro projects. This program will be in harmony with President Eisenhower's power partnership program. This company was incorporated over two years ago and is investigating the feasibility of constructing a 244,000 kw hydro plant in north Idaho, at Bruces Eddy on the Clearwater River.

In November, 1954, Pacific Northwest also applied for a preliminary permit from the Federal Power Commission to study the feasibility of an 850,000 kw development on the Snake River, comprising the 250,000 kw Mountain Sheep and the 600,000 kw Pleasant Valley dam sites. Costs of the two projects, including transmission lines to load centers, is estimated at over $200,000,000, all of which would be furnished by private capital. According to present plans, the company will file with the Federal Power Commission for a license by September this year with the hope of starting construction early in 1956. (Figures for potential kw capacity in these future hydro developments are naturally approximate, and seem to vary in different versions of the plans; however, they will serve to indicate the general scope of the projects.)

Along with other private utilities in the Northwest Power Pool, Washington Water Power has a favorable contract with the Bonneville Power Administration, signed in 1953 for a 20-year period, for allocation of power from Bonneville when needed (principally in the event of severe drought). The addition of 125,000 kw of firm power to the Northwest Power Pool through integration with Canadian operations is also anticipated, if negotiations are successful. If obtained, this additional power should eliminate the need for high-cost steam generation during the drought periods, such as occurred several years ago.

Capitalization of Washington Water Power as of Dec. 31, 1954, was about 65% debt and 35% common stock equity (there is no preferred stock outstanding). The company recently made arrangements to sell its Chelan property to the Public Utility District No. 1 of Chelan County, Wash., for $20 million, settling an old condemnation suit. The transaction also includes a 40-year contract under which the PUD will sell the company all surplus power beyond customer needs. The company will realize nearly $10,000,000 book profit on the sale, but it is reported there will be no capital gain if proceeds are reinvested in a like property such as Noxon Rapids. The sale will improve the common stock equity.

Some time ago the management of Washington Water Power proposed a merger with Puget Sound Power & Light. A definite plan was developed but did not eventuate at that time. A stockholders' committee, representing stock interests in Puget which favored the merger, is still alive and it is possible that fresh efforts may be made to effect such a merger.

Washington Water Power is currently selling around 41, and based on the $1.70 dividend (largely tax-free due to accelerated amortization) the yield is about 4.4%. Share earnings of $1.99 for the 12 months ended May did not include the sizable amount of tax savings due to amortization.

Continued from page 7

Economic Illiteracy—A Menace to a Sound Dollar

bilization plan must also be anchored to honest American dollars.

One observes in this connection that we are living in a day of paradoxes. Ceremonious occasions are created to bewail the sad lot of the underprivileged and the downtrodden. Men in high places lament the inadequate wages of the less prosperous. Mere sponsorship and advocacy of higher wages seem to bring those in public life both applause and promotion, and the expectation of being retained permanently on the public payroll. Yes, here is the striking paradox:

The very same agencies and the very same political leaders who are exhausting their store of eloquence and shedding tears out of commiseration for the worker because his pay envelope is thin, are largely responsible for the vanishing returns upon the accumulated savings of our factory workers, clerks, teachers, mechanics, miners, farmers, and others who look forward to their savings to produce an income for them, so as to supplement their personal earnings and secure well-deserved comforts and relaxation in their declining years. Millions of men and women, our savings citizens, depend upon the eventual purchasing power of the proceeds of insurance policies, and millions more who have purchased government bonds, **if they only knew,** would be at a loss to understand why "humanitarians" advocate drastic means of reducing unemployment and at the same time direct their ingenuity toward lowering the earning power of the billions of saved dollars that many of our workers have toiled almost a lifetime through self-denial to accumulate.

These millions of people are the middle-class folks—the very salt of the earth. They should be able to look forward confidently to the day when our leadership in government would be aroused to the gravity of this whole situation; when they, our leaders, would recognize that employed money, if honest, is only employed labor in another form.

We are talking about representative labor at a time when the stability of the dollar is threatened by gigantic spending for world rehabilitation. When it is known that the well-being and destiny of all free peoples center in the preservation of sound money, we can readily understand that the problem transcends in importance, parties, politics, and partisanship.

All through history, governments by debasing their money systems, have multiplied their functions at the expense of the property, liberty, and lives of their citizens. Democracies have not been spared in this process of exploitation. Politicians of all persuasions are disposed to make public office a personal, vested interest. Our savers should know that parties in power are built up and maintained by a common practice of feeding their following out of the public treasury, creating printing-press money to do so, giving little thought to the vital principle of sound money—the cornerstone of representative government. They discover that it contributes to their perpetuation in office to find and to exhaust new sources of revenue, to create more unproductive jobs as a reward for party adherents, to permit more and more to fatten on the public payroll, to make more and more citizens economically dependent upon the public purse. By prolific spending of printing-press money, the New-Fair-Dealers, as distinguished from the Democrats, for 20 years were able to entrench themselves in office, as a party powerful enough, by the applications of such methods, to defeat or crush its opponents and to modify or nullify constitutional restrictions so as to extend its powers, transforming this representative republic almost into a socialistic state. This must not happen again, and will not if our savers are informed.

We hear much today of the evils of capitalistic exploitation. If such evils exist, and they always have, all informed citizens will welcome their removal by wise and just legislation. But what we should see to is that the hoped-for cure is not more malignant than the disease. If we are to retain any vestige of the consent of the governed, we, like our fathers, must stand out against any effort further to multiply the powers of government. It is this vigilance, coming through sound dollar-education, which will prove to be the price of our liberty.

American citizens will not wittingly accept the establishment of a totalitarian state in this land. They will fight it if they are able to recognize it as it creeps upon them. There are among us, and always will be, some who would exchange political liberty for what they imagine is economic security. In this they ignore the historic fact that neither economic liberty nor any other liberty is possible without political liberty, the cornerstone of which is a balanced budget. When will the mass public, millions of them our savers who hold the voting control, be made to understand that solvency is no small matter; that it is a sacred thing; that it is the very cornerstone of the kind of government that makes and keeps men free? The answer is: When they become informed through some nation-wide plan of dollar literacy education, or when, if it is not too late, they, themselves are made to feel the full burden of the tax and become sorely conscious of the fact that they, themselves are paying the bills for their alleged security, and that educational program is somebody's responsibility.

It is rare indeed that even men on the watchtower seem able to recognize the approaching forces of disintegration, and as for the masses, they seem never to have been able to identify the enemy that comes to destroy sound money on which political, economic, and social liberties are created. I then pose this question: What is to be done to arouse the people?

Really, fellow insurance men, what power do you and I possess to make impressive these demonstrated historical axioms? How must we proceed to impress upon the public mind the vital importance of honest dollars?

Educational Responsibilities

Th schools have a sacred responsibility to teach solvency but have they discharged this obligation? My answer is a resounding "No!" Every boy and every girl in every school and in every college in this great free nation should be required to complete a course and acquire a clear understanding respecting honest money, so that a diploma would carry with it an understanding of the fundamentals of money, which are, first, a medium of exchange; second, a measure of value; and most important, a storehouse of value — thus qualifying them to exercise their voting franchise intelligently.

The situation not only challenges the intelligent, cooperative action of education, business, and the legal fraternity, but also of labor. There are no labor unions in dictator countries.

Whenever and wherever the life-blood of a people has been sucked up to maintain men in power, to sustain a top-heavy government with fiat money-spending, no matter what name it bears, the day of reckoning is at hand. Look at the present terrifying struggle in the world today as the result of the scheming of a few despotic individuals. The dictators who seemed to control the destiny of Europe were not self-elected. They were invited. They came into power because of the situation which had been created through the years, culminating in the very things that are now transpiring, in the tragedies that are still rocking the very foundations of civilized society. Possessed of a superior power of persuasion, coupled with native political sagacity and a burning passion for power, these men witnessed the helplessness of those in power and recognized that their day had arrived. They saw before them the beckoning seats in high places, made vacant by the breakdown of solvent government.

And what made their advent possible? Economic exhaustion, treasury erosion, ruthless taxation — that was the terror—the demon of debt, the disregard for solvency.

Loss of confidence in its money, which in the final analysis is progressive inflation, is the greatest tragedy that can happen to any free state.

"It Must Not Happen Here"

We say it can't happen here. Rather, let us say, it must not happen here. Then let us proceed to make that declaration a living reality by recapturing the control of Federal spending, restoring the gold standard, and balancing the Federal budget at the earliest possible moment.

As insurance men and bankers, trustees for millions of savers, do we realize what it is going to mean to the great fundamentals we cherish under this representative republic, if we tolerate in our country a continuation of a discredited fiscal philosophy? If we do not, we are misfit custodians. If we do, and remain silent then we qualify to be numbered in the neutral class, and someone has said that the hottest place in Hades is reserved for those who remain neutral. Paraphrasing Alexander Pope we might say:

> *"Vice (Federal deficit) is a monster of such frightful mien*
> *As to be hated, needs but to be seen;*
> *Yet, seen too oft, familiar with her face,*
> *We first endure, then pity, then embrace."*

We shivered at the first sight of uncontrolled spending; we, too many of us, then came to endure it: and now we have embraced it. That is what was responsible for the rearing of a debt structure, even before the advent of World War II, of such unprecendented size that unless soon halted, will pass the stage of safety and solvency, and this governmental system must, of its own weight, collapse, leaving among its ruins 150 years of free agency — a system that gave to the world a government characterized by Lincoln as "of the people, by the people, and for the people"—now the last best hope on earth.

If that picture be overdrawn, then all history is a lie.

The American Dollar Threatened

I fear the fate of the American dollar for another reason. Politicians promise full employment—an impossible pledge to carry out. When legislation is introduced into the Congress to provide full employment it should be labelled, "A Bill Providing for the Destruction of the American Way of Life Through Money Debasement." Quoting an editorial from a great American newspaper:

"Herr Hitler gave Nazi Germany full employment. So did Signor Mussolini in Fascist Italy. So did Premier Stalin in Russia. In each of those countries human liberties disappeared. Men and women were employed in the sense that they were at work and in no other sense.

"These are three modern instances. One could go back into history and find without important variation that where government has accepted and attempted to discharge the resposibility of keeping men at work, there always has been the same result, the individual became the creature of government."

The Founding Fathers were aware of these dangers, of which many of our savers are ignorant, and warned against them. And why? Because they were historically minded. They were close students of world affairs. They knew what had brought about the rise and fall of nations. That is why they attempted, through the Constitution, to map out the safe way which we should pursue to establish and to perpetuate the principles of government and human relations for which they gave so freely of their blood and treasure. They knew that any departure from that safe-charted highway of honest money would lead us into a wilderness of confusion where, in our helplessness and ignorance, we, too, would add one more name to the long list of defunct civilizations. They trembled as they anticipated the day when the vote of the majority could be bought in exchange for alleged economic social security. Someone has said: "Beware Welfare Governments.

"The slave state always starts out as a welfare state"—progressing in three steps: first, bankruptcy, then chaos, then dictatorship. "It promises freedom from worry, want—as many freedoms as you wish, except freedom from the State itself. Whenever you are wholly dependent on anything, you are a slave to it. Ask the Germans, the Fascists, the French of the 'Peoples' Front.'

"Sure, you can have freedom from worry and want — at the price of freedom itself. Since time began, 'reformers' have promised easy plenty, but these reformers, once they have you depending on them, always turn into dictators. Even the glib reformers don't promise freedom from work (hours in Germany went up to 60 a week) and the strange fact they hope you'll forget is this: If you and I and every one work and work efficiently, we automatically have freedom from worry and want, without loss of our personal freedom.

"Efficient work by everyone lowers all costs. Lower costs mean more people can buy what you and I make. The more people who buy, the greater the demand, and the more work for all of us. It is as simple as that, and it is the only way to freedom and plenty."

Our forefathers recognized that only when people are informed, when they discern, are they able to exercise the voting privilege wisely and effectively in their own interest and for the perpetuation of their own rights. They knew of men's lust for power; that once entrenched, they reluctantly yield their positions; that they create situations to perpetuate themselves in control; that they surround themselves with hungry hangers-on; that they build up a vast ever-increasing, tax-consuming army of servile public employees — bureaucrats and agencies—that by means of lavish contributions taken from the pockets of the people, by a systematic erosion of the public treasury, individuals, states, and their political subdivisions can all be made to relinquish their time-honored, independent prerogatives in favor of an ambitious central government.

Those men had seen how human nature operates; how easily people can be fooled and sold down the river; how readily they can be betrayed. Out of the wealth of their wisdom and their power of discernment they gave to us that unprecedented instrument of human liberty, the Constitution, providing, among other things, that the spending power shall be vested in the House, the true Representatives of the people. It had been burned into the hearts of the Founding Fathers that any departure from this fundamental of free government would be the beginning of the end of that free government.

"Let the Savers Know"

Our savers should know that in no other country on earth could sound principles of economics have been so ruthlessly violated. Thanks to our endless and apparently inexhaustible resources, we have been able, up to now, to meet our obligations and to remain solvent. The best proof that the American pattern of government is sound is that it was able to endure in the prewar years under the greatest orgy of peacetime spending that any government in any period had ever attempted in the history of civilization, and then become the arsenal and treasury of democracy, to save the world.

As much as our present indebtedness alarms us, it is our apprehension of the present trend that overwhelms us. We are not unmindful of those stalwart, patriotic Americans — Democrats and Republicans—in the Congress of the United States at this time, such as Senator Byrd (God bless him)—who are at this very moment fighting against almost insurmountable barriers to preserve solvency. Their efforts seem, at the moment, to be making some progress.

Men will not struggle to save if they know that they are ultimately to be denied the fruits of their labors.

No trick of logic will ever be able to destroy that human trait. That fact is known to those in power. As individuals and as classes we are rapidly losing our national outlook. Our group-consciousness has brought about group-greed. We have proved that we can be purchased, big business included, and silenced by carefully-planned doles handed out to us by some branch or other of that great philanthropic agency which we call our central government.

Our protests against the unlimited outpouring of borrowed money grow fainter and fainter. States and their local subdivisions are losing their constitutional autonomy. Federal projects and grants have done their work. Even branches in our national government, set up under the Constitution to maintain the balance of power, have shown their willingness to abdicate under the manufactured declaration that there exists an extreme emergency — **the recognized springboard and impliment to despotism.** Thus we have abandoned many of our time-honored constitutional safeguards. Through the creation and operation of numerous, ever-increasing alphabetical agencies and commissions, many exercising undisputed legislative, executive, and judicial powers, there has resulted a delegation of authority of such proportion that the constitutional pillars of government have largely been eaten away.

Need for Education of the Masses

I repeat—we, of the insurance and banking profession, should stimulate and participate in a needed, fact-revealing process of education of the masses. Our great school system should be a partner in the task. It is my belief and conviction that many of those who stand at the head of our educational forces, including our endowed institutions, if they only knew, are they themselves in peril. There is no justifiable gulf between education and business; without the proceeds that come from constructive private business, schools must starve! In turn, with a healthy atmosphere in the schools, kept free from disturbing "isms," they can raise up a generation of sound thinkers and clear observers prepared to become resolute defenders and informed participants in the affairs of government and everyday life. May the day soon come when it is understood that schools, business, and labor are natural allies.

It ought to be burned into the consciousness of every citizen that the first line of defense in a free country is a balanced budget.

Let us dismiss any gay optimism clearly intended to charm and disarm us. The cold wartime calls for action—speedy action, intelligent action, determined action. It must be organized action, while action is still possible; and before we, too, are r o b b e d of our weapons.

Let us ponder the words of James L. Gordon. These words carry meaning having to do with the most important function of money—a storehouse of value:

"Money is powerful because it represents so much. What a tremendous investment has been made in order to produce a dollar —time, thought, effort, toil, conflict and high-nerved endeavor. Therefore take care of money; it is the most costly thing in the world.

"Time is money. Money is character. Character is destiny. If these three short sentences seem to you to lack logical connections then remember the suggestive words of Sir Bulwer Lytton. He says, 'Never treat money affairs with levity, for money is character.' Money is character. How you get it. How you keep it. How you invest it. How you spend it. How you hoard it. How you get it. How you use it. How you are influenced by it. Yes, money is character!" (240-241.)

That should be the "theme song" for American insurance and banking — "money is character." We should see that our savers know it.

Men have struggled throughout the centuries, from serfdom up to freedom. It lies in our power to determine the fate of the unborn generations. Will it be the despotism of debt, or the security of government solvency? May we have the inspired vision of our Founding Fathers to go forward as they have begun.

We should not lack in courage, having a clear understanding of our rights and obligations. We must now determine whether we will accept our share of that responsibility to educate ourselves and our savers to stay the threatening process of disintegration.

We should know after nearly 20 years of Federal deficits that our most dangerous foe is not to be sought under foreign flags, but here at home. Deficit—America's number one national menace—has already done tragically destructive work. The emergency demands prompt, decisive, educational action. Let us remember that that leadership which has villified competence and glorified incompetence, and has weakened the first line of national defense in our land, choice above all other lands, was in breach of its trust to the American people. Such leadership under the control of deficit addicts, should not be returned to the helm of the Ship of State, sailing as it is in troubled waters. The ability to save her is in the hands of the great middle class of t h r i f t y, self-reliant, money-educated savings citizens, possessing voting control, to whom, as I have tried to impress upon you, we, as insurance men and bankers, have a high moral obligation. Let us not continue to trifle with that Trusteeship.

The ballot box is the last hope of our Republic and of the world. God grant that our saver-group that, that leadership which has may be so alerted as to see the light and thus be prepared to exercise their franchise in their own interest and the interest of freedom, to save what is left.

And, finally, in the words of Dr. Douglas Southall Freeman of Richmond at the Graduate School of Banking: "Is America to Survive? If that question is less academic today than it has been since April, 1865, the answer that comes from the past is an assured one: Yes, America will survive —if her sons will cease to think of her as a Lady Bountiful and regard her as a mother for whom, from the love they bear her, they are willing to sacrifice. The road of individual self-discipline and self-denial is the road to America's safety, to her happiness, and to her world service."

N. Richman Opens

Nicolas Richman is engaging in a securities business from offices at 50 East 42nd Street, New York City, under the name of The Richman Company.

Granbery Marache Admits

Granbery, Marache & Co., 67 Wall Street, New York City, members of the New York Stock Exchange, on Aug. 1 will admit Benjamin V. Harrison, Jr., Exchange member, to partnership. On July 31 John Y. G. Walker, Jr., will withdraw from the firm.

Forms Miller Securities

ATLANTA, Ga.—Miller Securities Corporation has been formed with offices in the Atlanta Federal Savings Building to conduct an investment business. Officers are Philip L. Miller, President, and Mrs. W. W. Miller, Secretary. Mr. Miller was formerly with Hancock, Blackstock & Co.

With Loomis, Sayles

MILWAUKEE, Wis.—Robert W. Selle has joined the Milwaukee Counseling Staff of Loomis, Sayles & Company, 411 East Madison St. Before coming to Milwaukee, Mr. Selle was associated with the home office of this company.

Prior to joining Loomes, Sayles & Company in Boston, Mr. Selle was associated with the New York office of Paine, Webber, Jackson & Curtis. He is a graduate of the University of Minnesota and the Harvard Business School.

H. S. Rothstein Opens

Harvey S. Rothstein has opened offices at 50 East 42nd Street, New York City, to engage in a securities business.

Continued from first page

The Future Petroleum Industry and Atomic Power

$7 billion—more than the value of all other minerals produced in this country, including iron ore, coal, lead, zinc, gold, silver, and uranium.

The petroleum industry contributes approximately one dollar out of every 30 to the country's gross national product and provides employment to some two million people.

Petroleum and natural gas furnish more than 65% of the total energy supply of the United States. In 1954, the demand for petroleum liquids averaged over 7¾ millions barrels per day. That is equivalent to about 2 gallons each day for every man, woman, and child. Outside the United States, per capita consumption is far lower. Nevertheless, the daily demand for petroleum in the free areas outside our country last year average nearly 5½ million barrels.

The market value of the securities of the petroleum industry is a good indication of its size; the market value of stocks of the 35 leading oil companies now amounts to more than $27 billion. Since these 35 companies accounted for only 52% of last year's crude oil production, a guess of $50 to $60 billion for the market value of securities of the entire petroleum industry does not seem out of line.

The launching and placing in service of one atomic-powered submarine has not diminished the importance of the petroleum industry to national defense. During World War II, petroleum products amounted to 60% of the total weight of military goods shipped overseas. At the same time, a sizable portion of domestic consumption of petroleum and natural gas was used directly, or indirectly, in the production and movement of war goods. The dependence of the nation's war machines on oil and gas is likely to continue unabated for many years. As an example, a jet fighter consumes more fuel than its propeller-driven counterpart. The shift from aviation gasoline to jet fuel is just one of the many changes which keep the oil business fascinating. We are continually faced with changes in demand for our various products and with improvements in quality of all of our products.

Oil in Your Future

Up to this point I have been talking about the oil in our past. Now let me talk about the Oil in Your Future, particularly for the next 5 to 10 years.

There are almost as many different forecasts of petroleum demand for 1960 and 1965 as there are forecasters. However, for what they may be worth, I'll give you the ideas on this subject developed in my company.

We are predicting that demand in the United States will increase over the next ten years at an average rate of about 3% per year compounded. While this is only half the average rate of growth that occurred between 1946 and 1954, it will result in a demand of some 35% above last year's level. In terms of volume, our figures indicate that demand in 1965 will be approximately 10½ million barrels daily, as compared with 7¾ million barrels a day in 1954. For the free world outside the United States, we are expecting growth in petroleum demand to continue its recent trend at a rate about twice our own. Such growth of from 5½ to 6% per year will result in a 1965 foreign demand almost equal to that of the United States. Thus, we are looking at a total free world oil consumption 10 years hence in the order of 20 million barrels each day. To keep this figure in perspective, you may recall the comparable figure for 1954 was 13¼ million barrels.

Along with the growth in U. S. demand for all products, the changing pattern of seasonal demand for individual products will undoubtedly continue. Lately, consumption of gasoline has remained almost constant throughout the year, with only a moderate seasonal swing during the summer months. The current gasoline demand pattern is a tribute to the better highways, better automobiles and better gasolines of today. Just a few years ago the summer bulge in gasoline-demand offset the summer sag in heating oil demand, so that the combined consumption of all petroleum products remained practically unaffected by the changing seasons. As a result of increased winter demand for heating oils and the more nearly constant gasoline demand, there is now a seasonal dip of about 10% in the demand for all products in spring and summer, as compared with fall and winter. The failure of some refiners to recognize this change in the demand pattern and to govern their operation accordingly plagues the industry with an oversupply of some products from time to time in various areas.

To prevent recurring accumulations of excessive inventories, each individual company in the industry must do a better job of coordinating its own level of operations with its sales requirements. Until that occurs, the industry will be in for temporary price adjustments wherever stocks are too high. These price reactions will automatically bring about reductions in refinery runs and thereby tend to reduce swollen inventories.

Changes in Pattern of Demand For Oil Products

Along with further accentuation of the present seasonal pattern, there will undoubtedly be marked changes in the relative demand for the various products derived from a barrel of oil. From the industry's initial "coal oil" economy to today's gasoline economy, our refining techniques have undergone some radical changes. Just a little over a decade ago we had to build, almost overnight, facilities to produce sufficient high octane aviation gasoline for military and civilian use during the war. Now, with growing use of jet and turbo-prop engines, the pendulum appears to be swinging the other way for aircraft fuel. Fortunately for our industry, the new engines are replacing the old ones rather slowly, and many of the facilities constructed to supply aviation gasoline are now needed to make high quality motor fuel for today's high-compression automobile engines. Some of you may not realize the sharp improvements in gasoline quality which have taken place. Today's premium motor gasoline is nearly comparable, quality-wise, to most World War II aviation fuel.

At present, it would appear possible that a further shift toward the old "coal oil" economy could occur with the introduction of gas-turbine engines in automobiles. Yet, with so many high compression motors on the roads and coming off the assembly lines, and with only one old car being scrapped for each two new ones being produced, conversion to gas turbines would necessarily be gradual. In our lifetime, we may begin a new era, with turbine fuel being dispensed through the present "house brand" gasoline pumps. But the demand for premium gasoline should continue for a decade or more thereafter, until the nation's piston-driven engines are substantially replaced by turbines.

Change in relative demand for petroleum fuels may likewise be influenced by the use of atomic energy for the generation of electric power. This will still further shrink the demand for heavy residual fuel oil, thus continuing the trend that began with the use of diesel-engines to drive electric generators and propel railroad locomotives.

The problems of shielding atomic power plants to eliminate the deadly effects of radiation will delay and may actually prevent the successful development of atomic engines in automobiles, airplanes and locomotives for civilian use. Those vehicles are all subject to weight limitations and to being wrecked by collisions. The radiation shielding problem presented by moving objects is far more difficult than that involved in shielding a stationary power plant.

In addition to atomic power, there are a number of other energy sources that could eventually compete with or even supplant the products derived from today's petroleum resources. Among these prospective competitors, so my scientific advisors tell me, are oil-shale, coal and solar energy. When and whether one or more of these possible rival sources will present a serious threat to the oil business as we now conduct it is anybody's guess. Basic economic considerations will ultimately decide which energy source will lead the race. As of today, liquid petroleum outstrips all the others in availability, efficiency, convenience and price.

In the last analysis, we in the petroleum business are primarily sellers of energy. We hope and expect to maintain our leadership in this field. With just this in mind, several oil companies are now in the uranium business. Let me add that if the sun's rays are ever successfully harnessed, the oil industry will be in these selling the best brands of sunshine on the market!

Our industry has in the past successfully met the changing pattern of energy demand and expects to be equally successful in the years ahead. The solution lies in technological advances. We have seen the development of catalytic processes for cracking and reforming molecules of oil and constructing other oil molecules out of natural gas, all to provide higher quality motor fuels and raw materials for the new petrochemical industry. The shrinking demand for residual fuel oil has brought about the development of more and better equipment for converting that product into lighter oils and petroleum coke. Progressive developments of this type have enabled the industry to keep pace with the current demand for improved quality and increased quantity, thereby supplying the public's needs and at the same time, upgrading low-value products into gasoline, light heating oils and building blocks for petrochemicals.

Petrochemical Derivatives

Petrochemical derivatives have already found wide use as chemical raw materials, and this trend may be expected to continue. Petrochemistry has entered our lives in a big way. To show you how far it has gone, this morning I'm clothed in petrochemicals. This is a dacron suit; I have on an orlon shirt, a nylon tie, nylon socks and neolene soles on my shoes. Even my spectacle frames are composed of petrochemical derivatives. Nothing that I have on is representative of the large volume petrochemicals such as tires and tubes, fertilizers, and detergents. The progress already made in this field makes me hazard the guess that we have seen only the beginning.

Expanding markets and the development of new products combine to make us a growth industry with huge capital requirements. Just our normal operations require large capital expenditures each year to replace the 8% of our producing assets which are extracted and sold. The rising cost of finding oil further accentuates our problem. While our industry has great capacity to generate funds internally through depreciation, depletion, retained earnings, etc., it cannot generate enough capital to meet all of its requirements. We must look to you bankers for large amounts of new capital. I repeat—There's Oil in Your Future.

We can attract the outside capital required only if we convince you that our industry represents a sound and profitable place for people's savings.

In assessing our industry, you examine many factors. Three of these factors that deserve and receive your particular attention are management, reserves and government relations.

The management of the petroleum industry has the reputation of being progressive, intelligent and public-spirited. Since I am "completely unbiased," let me say I believe this reputation is well deserved. Ours is an exceedingly competitive industry, and competition keeps all of us on our toes.

As an industry, we have gone far in our adoption of modern concepts of management. We pay our people well and provide them with opportunity for advancement and stability of employment. Both management and labor seem to feel that on the whole our labor relations are excellent. Modern organization procedures have been adopted. Decentralization of operations—the delegation not only of responsibility but also of authority—is widely practiced. Excellent people are recruited into the industry, and comprehensive programs of development, training, and appraisal at all levels of management are carried on. Highly trained and capable managements in the petroleum industry offer the best available assurance that the opportunities of the future can be converted into profits for the security holders.

The Reserve Picture

Let's consider for a moment the reserve picture. Generally speaking, in recent years the big finds of crude oil have been outside the United States. In the Western Hemisphere, they have been in Canada and Venezuela. You are also familiar with the vast reserves discovered in the Middle East. Almost two-thirds of the world's known reserves are now located there. In addition, we are finding new and important reserves in this country, particularly offshore. The improvement in exploratory techniques and tools, plus the incentive of a higher price for oil, have made it possible for us to discover and profitable for us to develop untapped reserves. Also, new engineering techniques enable us to recover a larger portion of the oil in place.

No one knows where additional major reserves will be discovered in the future. We geologists hold to the concept that there are vast reservoirs of oil yet to be discovered in the sedimentary formations all over the world. For the foreseeable future, given a favorable economic and governmental climate, new discoveries will be limited only by man's ingenuity, imagination and willingness to look beyond present horizons. The oil business is becoming more international in scope, and the individual companies are being forced to follow this trend.

Insofar as reserves of oil are concerned, there's lots of oil in your future just as surely as there's lots of Government in your future. Government is a good thing, but like whiskey, you can have too much of it.

Sound Relations with Government

Sound relations with Government are a basic responsibility of management. As managers, we must protect the property belonging to our security holders from all types of hazards. We customarily think of the casualty hazards, such as fire, windstorm and the like, and we also think of economic hazards, such as competition, obsolescence and new developments. We must also keep in mind the increasing impact of Government upon our business and the security holder's investment. Casualty and economic hazards can adversely affect a security holder's property without his consent. Government represents another hazard. It can also adversely affect a security holder's property without his consent. That is what makes Government relations so important to progressive management.

Traditionally, our industry has enjoyed a wholesome relationship to Government—and the policy of Government has been one which encouraged people to engage in the search for oil and gas to the end that the nation would have adequate energy resources. You know, of course, as well as I do, what has been achieved in this country under that sort of economic climate—an abundance of oil when and where needed at reasonable prices.

There's been a change—and it's a change for the worse. In the *Phillips* case, the Supreme Court for very obscure reasons, gave the Federal Power Commission control over the field price of all gas that moves in interstate commerce. This is the first time the Government has regulated the price of an ordinary commodity at the point of production in peace time.

There is far more involved than the welfare of the producer. This is a *big* step in the wrong direction—and if enough such steps are taken, our competitive, free enterprise system will be destroyed. The industry has marshaled its forces and is now engaged in an all-out effort to protect itself and to protect the American public from the alleged "benefits" of Federal regulation. Many friends of the industry, including nearly all bankers, have supported us in this struggle against unwarranted Goverment encroachment, which we are sure is not in the public interest.

In the main, proponents of regulation are self-appointed champions of the consumer. They have capitalized upon the implication of Federal regulation — namely, that somehow the consumer will be protected against higher prices. Generally speaking, the producer receives a relatively small portion of the consumer's gas bill, while the distributor receives a relatively large portion. In New York, for example, a residential consumer pays $2.08 per mcf—the producer receives only 8¢ in the field, while the distributor receives $1.77, with the long line transporter getting the remaining 23¢. On the over-all average, the producer will receive about 10% of the price paid for the gas by the consumer. Under the circumstances, it's rather difficult to see any necessity for regulation when competition has succeeded so well. The public, until recently, has never been exposed to the facts about the gas business and, unfortunately, the producer has been the whipping boy.

Let me say just one more thing

about the gas problem—you know I am terribly interested in it. I think you will agree with me that competition ordinarily produces an abundance of any commodity and that regulation will likely produce a scarcity. That is exactly what would happen if the field price of gas continues to be regulated. It will discourage exploration, and diminishing supplies will be the inevitable result. Reserves can't be turned on or off with a valve but must be accumulated through the continuing exploratory efforts of a lot of people who are willing to risk their time and money so long as they are sure of a free competitive market in which to sell their product.

Federal control of the price of gas in the field does not make sense—and there is no precedent for it. It's all wrong—but if it were right it certainly would also be right to fix the price of oil, which is frequently produced from the same well, and it would seem right to fix the price of coal as a competitive fuel. It then might seem right, since the nation's energy resources would be regulated, to proceed to regulate the price of other commodities such as grain, metals and many others which have always been competitively produced and marketed. The sad thing about this step, if we don't back up, is that a lot of other steps will seem quite "logical," and if this one can't be prevented, it won't be any easier to prevent later ones.

Management and investors, working together, can do much to help in such a situation. As in nearly all other major problems facing our nation, the answer to this is adequate public information. We in the oil business are doing our best to see that Mr. and Mrs. America find out that it isn't just the natural gas producers who are going to be hurt by Federal control—it is their future gas supply that is at stake.

Conclusion

I have undertaken to discuss with you as bankers and investors, some facets of the petroleum industry in which I think you are especially interested.

For a long time oil and its derivatives have been essential to our way of life and in some way we actually enjoy its benefits every hour of the day. Looking back over the years, the petroleum industry has efficiently provided quality products at reasonable prices in quantities to satisfy a growing demand. In the future, *more—not less*—oil and gas will be needed, and I am confident it will be provided. I know of no better way to judge the future of the petroleum industry than to examine its past. Intelligent, progressive and public-spirited management has given character to the oil industry, and its integrity is a point of pride with me. The industry can and will continue to provide energy fuels and related products to America and to the free world.

This is possible only under the proper political and economic climate—a climate where each of us has an opportunity to reap a reward commensurate with the energy, initiative, imagination and capital expended. In short, a free-enterprise climate in which Government is devoted to the protection of the liberty, lives and property of its citizens. No one doubts that enlightened management and an informed citizenship will overcome problems as they arise.

This industry will continue its growth and will require large amounts of new capital. I know that as long as our industry is well managed — as long as the necessary reserves are developed —and as long as we operate profitably, we can count on you to supply the needed funds. I believe these things prophesy more and more *Oil in Our Future.*

Now Glick & Co. Inc.

E. A. Glick Securities Corporation, 99 Wall Street, New York City, has changed the firm name to Glick & Co., Inc.

John H. Kaplan Admits

John H. Kaplan & Co., 60 Beaver Street, New York City, members of the New York Stock Exchange, on Aug. 1 will admit Joseph R. Lasser and Carlyn Ring to partnership.

Baruch Bros. Wire

Louis J. Nettune, Vice-President, Baruch Brothers & Co., Inc., 44 Wall Street, New York City, announces the opening of a Canadian Department with direct private wire to Canada.

With T. R. Peirsol

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Cal.—Charles S. Berger is now connected with T. R. Peirsol & Co., 9645 Santa Monica Boulevard. He was previously with Francis I. du Pont & Co.

Halsey, Stuart Group Offer Equip. Tr. Ctfs.

Halsey, Stuart & Co. Inc. and associates yesterday (July 20) offered $3,600,000 of Chesapeake and Ohio Railway 3% serial equipment trust certificates, maturing annually Aug. 1, 1956 to 1970, inclusive. This is the first installment of an issue not exceeding $8,400,000.

The certificates are offered at prices scaled to yield from 2.70% to 3.10%, according to maturity. Issuance of the certificates is subject to the authorization of the Interstate Commerce Commission.

The entire issue of $8,400,000 of certificates is to be secured by the following new equipment estimated to cost $10,537,876: 938 50-ton box cars with D-F loaders.

Associated with the offering are: R. W. Pressprich & Co.; Freeman & Company; Wm. E. Pollock & Co., Inc.; Gregory & Sons; McMaster Hutchinson & Co.

New Grayson Branch

HEMPSTEAD, N. Y. — A. J. Grayson Investment Securities have announced the opening of a new office at 250 Fulton Avenue, with Franklyn I. Steinberg as manager. This is the firm's first branch office in Long Island.

Newly associated in the new office as registered representatives are: Martin F. Crowe, Thomas K. Derham and Fredric C. Hamburg.

Modern Inv. Corp. Opens

Modern Investors Corporation has been formed with offices at 50 East 42nd Street, New York City, to engage in a securities business.

New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following firm changes:

Halladay & Co. will be dissolved July 31.

Dissolution of Stanley & Co., previously reported, will not become effective.

Lester Ryons Branch

ENCINO, Calif.—Lester, Ryons & Co. have opened a branch office at 5010 Amestoy Avenue under the direction of Gordon B. Carey.

Our Reporter on Governments

By JOHN T. CHIPPENDALE, JR.

The Government market is digesting the Treasury financing, which was taken very much in stride by the financial community. There is no let-up in the pressure on the money market and with the new money raising operation out of the way, it is believed the monetary authorities will keep interest rates on the firm side. The reception which the 1⅞% tax certificates and the 3% bond received was favorable under the prevailing conditions, even though the latter offering did not attract as much saving-type money as some had thought would be the case.

The demand for near-term issues is still sizable in spite of the somewhat decreased interest which has been in evidence because of the funds which have gone into the recently offered tax certificates. Accordingly, rates for the shortest maturities continue to harden. The longer maturities are still beng led by the 3s of 1995, but no important price developments are looked for in these issues in the immediate future.

The Statistical Record

The Treasury announcement that the recent financing was a success, bore out what the financial community had been predicting. Subscriptions to the eight-month 1⅞% tax anticipation certificates amounted to more than $10.6 billion which resulted in allotments of 19% above $100,000. The Treasury offering of tax certificates was limited to $2 billion. The long-term new money financing was carried out through the reopening of the 3% due Feb. 15, 1995, and the subscriptions to this bond was reported at $1,720,000,000, with the Treasury setting the limit at $750,000,000.

Because of the preferential treatment which was given to savings-type investors their allotments were 65% in excess of $25,000, whereas all others were given only 30% of the bonds which they were interested in buying. It was reported that the non-deposit investors had put in orders for about $747 millions.

The instalment method of payment for the 3% bond will give the subscribers to this issue plenty of time to take up commitments. Even though it is indicated that there was some "padding" of subscriptions, this was not as heavy as has been the case in previous offerings which have been made by the Treasury. The reaction of the market to the reopening of the 3s of 1995 was about in line with expectations, with enough interest around to result in quotations being at a small premium above the offering price of 100. There has been some selling of the 3s by those that received more bonds than they expected, while on the other hand, there were those that did not get as many of these bonds as they wanted and this resulted in purchases being made of the recently reopened 3s.

Money Market Pressure to Continue

The Treasury financing was carried in an orderly way with only a minimum of disturbance as far as the Government market was concerned, because the money market was pretty well prepared for this operation ahead of time. The element of surprise which has always been a part of the "bag of tricks" of the Treasury when it comes to raising new money or refunding maturities, was not in evidence this time. The money markets are still under pressure and there are no indications yet of any change in that score. Accordingly, there was not, and will not be too much interest in Government obligations until there is some modification in the existing course of events. Under such conditions, the Treasury did not have to keep the money markets under the same suspense as they would have to if the pressure were being lifted or were taken off entirely.

Good Buying of Reopened 3s

Pension funds, according to reports, have been rounding out positions in the recently offered 3s, and in spite of the commitments which they made under the partial payment plan, are likely to continue to be the most important buyers of this bond. Certain of the private pension funds, according to advices, have been putting money into the 3s of 1995 which has come from the sale of common stock.

The intermediate-term Treasury issues have been on the defensive a bit more than the rest of the list because there has been selling of these obligations, either to move into the shorter maturities or the most distant ones. Also it is reported that some of the bonds which were known as the "tap issues" at one time, and still are for that matter, have been let out with the proceeds going into the 3s of 1995. Savings banks and certain commercial banks with savings deposits, which have been experiencing a sharp increase in these deposits, have also been buyers of reopened 3s.

Terms of New Refunding Offer

The Treasury's refunding offer to holders of the 1⅛% certificates maturing August 15, of either a 2% tax anticipation certificate coming due June 22, 1956, or the 2% notes due August 15, 1956, which will be reissued as of August 1, was in line with existing money market conditions. The timing of the announcement was a bit of a surprise, however. The Federal Reserve Banks, the largest owners of the maturing 1⅛s, will be in a position to exchange for the 2% notes, with the optional offer, instead of the tax certificates which might have complicated monetary policy at the time of maturity if the only alternative was the latter obligation. Corporations are expected to exchange the August 15 certificates for the tax anticipation certificates.

Continued from page 9

No Sound Grounds for Fulbright Bill To Regulate Unlisted Companies

not provide its stockholders with printed annual reports. Quite often, these reports are supported with voluminous supplementary information. Far from providing only the bare facts of its operations, many over-the-counter corporations provide their stockholders with annual reports that are models of financial completeness and a match for the most elaborate reports of the foremost listed corporations.

National recognition of the financial progressiveness of over-the-counter corporations is afforded by the awards which "Financial World" makes to corporations each year for the excellence of their annual reports. The judging of these awards is done by a distinguished, independent group of experts who judge the reports not only for their attractiveness but for the solid fiscal information they provide stockholders. In 1954, 15 over-the-counter companies were awarded "Oscars of Industry" for having the very finest annual reports in their industrial classification. In addition, 29 unlisted companies received runner-up awards and 20 unlisted companies had their reports judged third best. In all categories, these over-the-counter corporations competed with the largest listed corporations in the nation.

As regards the matter of proxy solicitation, it is my firm opinion that the information provided by over-the-counter corporations is ordinarily just as complete as that provided by most listed corporations. The recent proxy battles involving New York Central Railroad and Montgomery Ward & Co. certainly indicate that the present proxy regulations regarding listed corporations are far from perfect and are in definite need of complete overhaul. It is difficult to see the virtue of ordering unlisted corporations to conform to a standard that is admittedly inadequate and of limited protection to investors.

Voluntary Cooperation Better Than Compulsion

A quick review of the testimony to date pictures the type of unlisted corporation that would be regulated by Bill S. 2054 as a well-established company, providing useful products or services; fiscally sound; often boasting of long dividend record; its stock fairly priced by today's market standards; and thoroughly alive to the necessity of complete disclosure of fiscal information to its stockholders. Now, frankly, what is the purpose of placing another chain of Government regulation around the already burdened corporate necks of these firms? If we face the facts head-on, we immediately realize that this bill does nothing whatsoever to "protect" investors. In virtually all cases, the unlisted companies are already voluntarily providing to their stockholders the information which this legislation would compel them to provide. I feel certain that all members of the committee believe that it is a little short of common sense to compel people or companies to do what they are already doing voluntarily. Yet this is exactly what Bill S. 2054 in essence proposes to do.

Bill Aimed in Wrong Direction

As a student of the workings of the over-the-counter market for the past decade, I am the first to admit that the market does have its shortcomings. Unfortunately, the bill before the committee is aimed basically in the wrong direction as far as helping to correct these difficulties. In proposing that over-the-counter corporations with assets of more than $5 million and more than 500 stockholders "toe the mark" (a mark that most of them are already toeing quite carefully) this legislation would have two undesirable effects. First, the bill arbitrarily and without good reason penalizes those unlisted corporations which have been successful enough to raise their assets above the $5 million mark and to attract more than 500 shareholders to their rolls. Secondly, this Bill allows a company that has not pushed its assets or its stockholders up to this mark to go "scot free" as regards regulation. Yet its stockholders may be far more in need of protection than the stockholders of corporations which would be regulated by this Bill.

I think that most other observers will agree with me that the majority of abuses in the unlisted market occur in companies with LESS THAN $5 million in assets, and, often, LESS THAN 500 stockholders. Most competent investment dealers concur in the opinion that the vast majority of unlisted companies when they reach the stature which would entitle them to regulation under Bill S. 2054 are sufficiently established and sufficiently mature so that they are already doing what the Fulbright Bill would order them to do. In my position as a financial editor I receive a constant flow of letters in which our readers request information on this or that security. Almost without exception, these companies have less than $5 million assets. Our subscribers write to us because, having purchased stock in the company, they are unable to obtain periodic financial information about the firm. It is this type of situation which deserves the most careful consideration of the committee.

Since I am here to testify against one bill, it would be presumptuous and illogical for me to suggest an entirely different bill. Still, I feel I would be remiss in my duty if I did not point out that I regard this particular field —the so-called "penny stock" market—as most fertile for further study by the committee.

Let me say, before I pass on to my next topic, that it would be reckless and dangerous to condemn any security just because it is selling for a few cents or a few dollars or because its assets are less than $5 million. Investors in these types of securities are on the very frontier of venture capital and the investment dealers who underwrite these stocks very frequently perform a real service in furthering the dynamic growth of new enterprises.

A Penalty on Progress

Proponents of Bill S. 2054 have made wide use of the phrase "double standard" when referring to the fact that listed securities follow SEC regulations and unlisted securities are generally (though not completely) free from such regulations. To me the term "double standard" is an emotional, loaded word without any real substance in fact. In the case of the listed security the management of the company voluntarily submits itself to listing requirements which include submission of reports to the SEC. No company MUST have its stock listed on an exchange and if it does so, it acts with the full knowledge that it must submit to a certain group of rules and regulations.

This situation is entirely different from that of the over-the-counter company. A corporation, in itself, can do nothing whatsoever to make its stock trade in the unlisted market. This action must, of necessity, be initiated and carried on by investment dealers and private investors. Why, simply because a company has managed to grow and to attract a fair number of shareholders must it be singled out for additional Government regulation? Is not this a penalty on progress? Unlike the company which voluntarily lists its stock on an exchange, the over-the-counter company has done NOTHING WHATSOEVER to invite regulation beyond being a successful, growing company. Thus, it is logically apparent that it is impossible to speak of a "double standard" when the things being compared (listed and unlisted securities) are not basically comparable. No one objects because an industrial company is not regulated as closely as a public utility, because the situations are not comparable. The same type of reasoning should apply to listed and unlisted companies when the term "double standard" is offered as a reason for regulation.

"Insider" Trading Rules

As to the "insider" trading rules which Bill S. 2054 would enforce in regard to unlisted securities, my comment will be quite brief. It is my personal opinion that this type of trading is not very important in the unlisted market. Most investors in the type of unlisted securities that would come under regulations are basically long-term investors. Further, the term "long-term investor" applies with most force to the officers and directors of unlisted corporations. By the very fact that their whole lives and often their whole fortunes are bound up in the corporations they work for, these members of management are hardly likely candidates for fast and furious short-term trading of the type that the "insider" regulations militate against.

The 70% Margin Requirement

In regard to the placing of a 70% margin requirement on unlisted stocks to make them conform to listed securities practice, my reasoning, again, is that the situations are not comparable and hence there is no valid reason for such a requirement. The restriction on credit in the stock market may, in itself, be worthwhile in helping to put the brakes on security speculation. Yet I am sure that even the strongest advocate of higher margins will quickly admit that it is a case of discrimination, particularly when credit for real estate, durables and similar items can be obtained virtually without restriction.

Encouraging Venture Capital

In conclusion I would like to point out that the over-the-counter market is the last and largest frontier for what may truly be termed "venture capital." The giant listed corporations of today can raise vast amounts of money with astonishing ease. Not so the struggling small business. If the entrepreneur of such a business wants to raise equity funds for expansion, he must, of necessity, launch an offering in the over-the-counter market. It is generally agreed that if the U. S. economy is to continue to grow every encouragement must be given to new enterprises. One of the soundest ways of providing this encouragement is to allow these small businessmen to finance free of the thought that when their assets and their stockholders reach a certain figure they will be immediately subject to additional Government regulation. This placing of a penalty on growth is not only an injustice to the unlisted corporation so regulated — more importantly it could conceivably slow down the growth of these corporations and the entire economy by discouraging them from doing public financing that could ultimately lead to regulation.

New Central Securities

DALLAS, Texas — The firm name of Lynch, Allen & Company, 5738 North Central Expressway, has been changed to Central Securities Co.

Now Rippel & Co.

NEWARK, N. J. — The firm name of Julius A. Rippel, Inc., 744 Broad Street, has been changed to Rippel & Co.

Morgan Stanley Group Offers Consumers Pr. $4.16 Preferred Stock

An underwriting group managed by Morgan Stanley & Co. is placing on the market today (July 21) a new issue of 100,000 shares of Consumers Power Co. $4.16 cumulative preferred stock without par value. The stock is priced at $101 per share and accrued dividends from July 1, 1955 to yield approximately 4.12%.

Proceeds from the sale of the preferred stock and from the company's concurrent offering to holders of its common stock of 373,689 shares of additional common stock for subscription at $45.25 per share, will be used for capital expenditures consisting of property additions and improvements.

The company's capital expenditures for 1955 will amount to about $78,800,000 following similar expenditures of $62,800,000 in 1954.

The new preferred stock is redeemable at $105.25 per share on or prior to July 1, 1960, at $104.25 per share thereafter but on or prior to July 1, 1965 and thereafter at $103.25 per share.

Consumers Power Company operate entirely within the State of Michigan, supplying electric service in 1,480 communities, and distributing and selling natural gas in 282 communities. Principal communities served include Grand Rapids, Flint, Saginaw, Lansing, Pontiac, Kalamazoo, Bay City, Jackson, Battle Creek and Muskegon. For the 12 months ended June 30, 1955 the company's total operating revenues were $178,503,000. Net income before dividends on preferred stock was $27,657,000.

Now United Western Secs.

OAKLAND, Calif. — The firm name of First Western Securities, Inc., 1419 Broadway, has been changed to United Western Securities, Inc.

Joins Webber-Simpson

(Special to The Financial Chronicle)

CHICAGO, Ill.—John A. Block has joined the staff of Webber-Simpson & Company, 208 South LaSalle Street, members of the Midwest Stock Exchange. Mr. Block was formerly with Cruttenden & Co. and Taylor & Co.

Continued from first page

Guaranteed Annual Wage Symposium Concluded

temporarily displaced workers; the supplemental payments will be made from a fund of specified size, which the given company will accumulate over a period of years, and the company's liability will be limited to the amount of the fund. The agreements recognize that this fund is in fact another form of wages and that there are realistic limits beyond which it cannot be increased without impairing the company's operating efficiency and thus its competitive position in the market. Moreover the fund is contingent, in the sense that it will be drawn upon only in the event that workers are laid off, a fact which will give management a further incentive to stabilize production and employment. There are other, and perhaps better, ways by which unemployment compensation could be improved and there is no doubt that the pattern set by the Ford and General Motors settlements will add to management's burden and responsibility; but what happened in Detroit was not so revolutionary as one may have been led to believe.

The real Guaranteed Annual Wage—that is, the concept that an employee should receive full pay from his employer for an indefinite period, whether or not he is working—is quite different. That proposition imposes an almost measureless liability upon the employer and thus carries with it the serious danger of creating a situation in which the employer would have no incentive to improve the efficiency of his operation and the employee no incentive to work. These adverse consequences are both economic and moral and they would almost certainly stultify the wonderful flexibility and dynamism of American economy.

It is an economic fact that our present high living standard was achieved as a direct result of steady and sometimes spectacular improvements in the efficiency of our production and distribution. Large-scale production of quality products at prices within reach of the great majority was achieved by cutting costs, and this frequently involved the temporary reduction of payrolls and the temporary displacement of some workers. It is also a moral precept of our society that rewards should be proportionate to the skill and devotion with which a man applies himself to his work. The employee must have a real incentive to work and this will be lacking if the reward for idleness is the same as pay for honest labor. A breakdown of the incentive to work would, I think, produce a serious moral deterioration in our national life.

Our economy has achieved impressive and reassuring stability in the past15 years through increased understanding and restraint on the part of both labor and management, through the intelligent application of indirect monetary controls and through the increased willingness of the consumer to spend his surplus income—a willingness derived, in turn, from his confidence in the stability of the economy. We must continue to seek the means of improving this stability, but we must also remind ourselves that temporary and small-scale disruptions are the irreducible price a competitive society must pay for improvements in productivity; and it is on these improvements that our living standard squarely rests. We should not fear these periodic dislocations, for our history indicates clearly that new methods contribute, after only a short time lag, to more and steadier jobs than existed before. Through technological improvement (or "automation" as some now call it) we have expanded our Gross National Product three-fold since 1940 and have more people gainfully employed than ever before.

The time lag during which some workers are temporarily displaced as a result of improved efficiencies presents a serious problem and one we should approach with a determination to solve, but the "Guaranteed Annual Wage"—in the literal sense—will not lead to a sound solution. It will, I am sure, lead only to a stultification of our system which will prove detrimental to everyone. The proper approach to this problem lies, I believe, in providing adequate unemployment compensation for the bona fide temporarily displaced individual who is willing to work and by "adequate" I mean a substantial portion of a worker's take-home pay for a reasonable definite period of time. This approach is in fact the essence of the Ford and General Motors agreements.

MAURICE R. FRANKS
Editor of "Partners Magazine," Chicago, Ill.


Maurice R. Franks

To begin with, the GAW preaches the doctrine of "security" at the expense of energy, initiative and enterprise. For the worker it demands "security" but it encourages no worker to build his own, through developing his individual talents and husbanding his own resources; instead, it looks to the employer to supply it and bear all costs, even though the creation of such questionable worker "security" can spell the end of true security for the company that employs him. Such utterly erroneous emphasis is thoroughly socialistic.

Next, in the true Fabian style, the scheme to guarantee production wages gets the cart before the horse and falsely assumes that purchasing power, in the form of wages, can be established before it is created by and through production. It would spend money before it is earned and, of course, reaches into another's pocket to do so. In a word, it would rob Peter to pay Paul—without pointing out that Paul stands next in line to be robbed. For Paul is robbed of merchandise that can't be produced because of soon excessive production costs. Or he is robbed of money when he has to pay the costs of his GAW in the form of higher prices—the reflection of Peter's having to pass on to the consumer such costs as he and his business are in no financial position to absorb. Or, in the very last and very sad analysis, Paul may be robbed of his job, his very livelihood, when Peter prices himself out of the market and is compelled to shut up shop.

In general thus, the effect of "guaranteeing" wages is to level both the worker and his employer and rob them of the very security they presently possess as a result of their combined productivity. To support them in their resulting destitution there is, of course, the government—or rather, the government's herded taxpayers, all neatly lined up as they await their own turn to be levelled, thus completing the socialist pattern.

The character of the forces at work should be clear as we observe them in general. If they are not, then the GAW's betrayal of unionism's sacred principal of seniority offers us a closeup of the levelling force in action. Seniority is a system of individual employment security based on ability and years of service. Under the GAW, the whole thing is turned upside down and the junior worker automatically gets more consideration, while the senior worker gets the least. Because, in case of a layoff, the junior worker leaves the job assured of full pay checks while not at work, whereas the veteran worker must stay on the job and work his regular hours in order to collect his.

Nothing could be closer to socialist idiocy than this proposal to penalize the "have" and compel him, through the proof of his own accomplishment and the sweat of his own brow, to subsidize the "have not." Its the principle of "soak the rich" brought all the way down the line and deposited at shop level.

So far the socializing effects of the GAW are noted only as they apply to business and industry per se—and as they would begin to apply to individual workers and employers. Let's now expand the picture a bit and judge, if we can, the effect of generally guaranteed wages upon the whole American economy.

Toward a Socialist America

Like everything drawn from socialism's bag of tricks, the GAW philosophy ignores the simple fact that no economy can guarantee anything not supported by productivity and that productivity shrivels when creative employment shrinks. It thinks only in terms of drawing from a barrel, without stopping to consider that barrels have bottoms and that it takes work to fill a barrel and maintain its reservoir. It shoulders aside the basic fact that work can be performed only by workers creatively employed—not by managers, not by union or company officials and certainly never by government administrators.

It also turns up its nose at the important fact that our economy comprises far more than its largest and most conspicuous industries—that in reality it is a far-flung network of interdependent enterprises, large and medium-size and small.

The point lost in all GAW pipe-dreaming is that the people employed by all these many enterprises are consumers as well as producers and that, as a composite group, these people are counted upon to buy the goods and services they separately produce. But as consumers they are a hard-boiled lot, forever interested solely in price and quality and in no way interested in the nature of the costs responsible for high prices. As customers, they always make for the market that offers them the most of the best for the least. And on that same market all free industry must forever compete for sales.

Stripped of all highfalutin theory, this means that sales — goods and services bought and paid for—are the only real guarantee there ever can be in any economy on earth of anything that even remotely resembles a wage. Even doles by government must be paid far out of somebody's production, and even this production is determined by sales.

Consumer No Philanthropist

To assume that the customer will buy luxuries or even necessities simply because they were produced under union auspices in the interest of some passionately declared utopia—or even simply because they were made in America—is to kid ourselves that consumers are philanthropists.

The fact is, if the establishment of anything like a generally applied guaranteed annual wage forces up the prices of domestic commodities to a point beyond the ability or willingness of the domestic consumer to pay—and if foreign-made goods of competitive quality are offered on the American market at far lower prices simply because they are not overburdened with fancy production costs—then you can bet it will be the foreign-made goods the American consumer will go for. The net result of that will be diminished U. S. business, diminished U. S. production and a rapidly diminishing likelihood that any guaranteed U. S. wages could be met.

Raise the price of a pair of American-made shoes because the cost of a GAW compels it, and the person needing shoes will look elsewhere for a pair, no matter where they come from. And he won't care a tinker's dam whether the workers who produced them receive $3 an hour or $3 a week—or why. And because of his indifference as to where he buys his shoes, his television set, his typewriter, camera, sewing machine or cigarette lighter, his desertion of American-made goods will further damage already cost-ridden U. S. productivity. Millions — yes, billions—of domestic man-hours of production will be lost to our economy, and if those man-hours still must be paid for—well, there goes your old ball game! And along with it, the American high standard of living that today we are so proud of. For as productivity collapses, so does American business and industry — taking with them the employment of Americans like you and me, our purchasing power and all our confidence in ourselves. In the resulting crash, all our present security would vanish in thin air.

Effect On Obligations

Homes, cars, furniture and electrical appliances—yes, and many an insurance policy set up to assure a growing child of a future college education or a comfortable retirement for its beneficiary — these and many other personal assets for which the American worker has obligated himself to pay for over an extended period of time would certainly slip from his grasp. Obligations easily undertaken in boom times — especially in times influenced by a temporary GAW inflation—simply cannot be met under conditions of rapid deflation, occasioned by the forced default through bankruptcy of one business after another.

These are the conditions our social-minded planners are bound to lead us to—conditions, discouraging to capital investment, conditions in which no bank can be persuaded to loan money to a business already hopelessly on the rocks. For there we'd have the situation wherein the last resort of business and industry would of necessity be a government handout, each bearing the inevitable red tag to indicate government ownership or control. And to the government the people themselves would be forced to go for what would then amount to a Guaranteed Annual Dole (GAD!).

The age of administration and bureaucracy would then be fully upon us. Socialism, the foolish king of our lives, would sit on his shabby throne only long enough for the greedy tyrants of of world Communism to burst in upon him and seize the scepter from his palsied hand. For there would be no enterprising nation on earth to step in and save us from our sorry selves and put us back on our industrial feet—as we have stepped in and poured out our money to save other peoples from the worst follies of their socialism. We'd be left to ourselves, to share and share alike the wretched minimums allowed the proletariat by Communism wherever it raises its hammer and sickle — and to remember with hopeless nostalgia the days when the glittering maximums of free enterprise and personal initiative and production for profit enriched our lives.

In our case there could be no side stepping the penalties for yielding to the social planning of Fabian phonies and dreamers of a Soviet America, whose minds are frozen with the false notion that production is solely for use and not for profit and who today offer us a full schedule of "securities" based on strangling the profit motive and killing the goose that lays our golden eggs. And worst of all, there could be no return to the productive realities of our American economy as we know it today.

Were it possible for the GAW permanently to stabilize our economy, as Mr. Reuther predicts and may honestly believe it can, perhaps the general proposal would have something. But it does not lie in its power to stabilize. Because the very character of a dynamic economy makes it forever and delicately responsive to the laws of supply and demand. To "stabilize" it is to deactivate it, stifle it and eventually kill it—as the case obviously has been in Soviet Russia. If security for the working class of our country be our sincere and practical ambition — as it should be—certainly nothing in the way of security can be pursued in any socialist direction.

Our Surest Guarantee

The inescapable fact is that our truest security—our surest guarantee of wages, salaries and profits—lies in productive work, in joining forces as true partners in production to turn out the most of the best for the least. It lies in considering ourselves first of all as consumers, then as producers of the goods we must or want to consume. Out of this process — which is enterprise — comes an honest day's pay for an honest day's work, provided all of us pitch in as partners in America and first contribute an honest day's work for an honest day's pay.

This is our system and it is one that is tried and true. When fully applied, it has brought—and always will bring—good times to every segment of our economic society — the worker, the employer, the investor, the taxpayer and the customer; in a word, the American in his various interlocking capacities.

This is our system and it is the very opposite of the socialism that has brought ruin to every economy it has ever been applied to.

To ignore these facts as together we explore the future of our economy and together we endeavor to improve our way of life is to blind ourselves to the basic FLAWS IN THE GAW.

Editor's Note: The foregoing has been extracted from an editorial in the June, 1955 issue of "Partners" official publication of the National Labor-Management Foundation.

HUDSON B. HASTINGS
Professor Emeritus of Economics, Yale University, New Haven, Conn.


Prof. H. B. Hastings

I find myself in virtually complete agreement with the statements made by Mr. Frank Rising in his article "Guaranteed Annual Wage — Blue Sky and Brass Tacks," and I have but two brief comments to make on this article.

I think Mr. Rising might have brought out with more clarity and emphasis the fact that the general adoption of the Guaranteed Annual Wage plan would not be in the long run interest of labor as a whole. It is another example of shortsighted policy on the part of labor leaders which, although it may give temporary advantages to favored groups of workers, or even temporary benefits to labor as a whole, would in the long run prove disastrous to them.

Secondly, and possibly more importantly, it is another striking example of the unsoundness of legalizing labor monopolies. Monopolistic powers of individuals, or groups of individuals, in any field of human relationships have always proven thoroughly unsound. The sooner this invariable truth is recognized the better it will be for all parties concerned.

I am convinced that it is not necessary to give labor monopolistic powers, nor to place labor contracts under the supervision and control of public bodies, in order to prevent the exploitation of labor by unscrupulous employers.

JOHN T. HOLDSWORTH, Ph.D.
Dean Emeritus,
School of Business Administration
University of Miami

Subsidizing idleness: That is what the Guaranteed Annual Wage looks like to the bystander, who assumes that since he does not work for wages this new arrangement does not affect him. It is just another twist in the long fight between employer and employee to get more of the total product, this time involving the giants in the auto industry and the giant labor unions, so let them fight it out, it's no concern of mine. But wait a minute, Mr. Bystander; take a close look at this GAW development and you will see that it is some concern of yours, indeed that your economic welfare may be vitally affected by it.


John T. Holdsworth

Elementary economics tells you that in supplying human wants three primary factors are involved: land (natural resources), labor, and capital, and that each of these must be paid for its contribution—**rent** for land, **wages** for labor and salaries for management, and interest for the use of capital. None of these will work willingly or for long without being paid. Paid by whom? You, Mr. and Mrs. Consumer. It is axiomatic that wherever in the increasing complexity of modern production and distribution it is possible to pass along the costs of improvements, taxes, labor, etc., the consumer has to foot the bill. And, don't make any mistake about it, the GAW means increased costs to the consumer, and if adopted widely will quicken the pace of inflation, until Mr. Consumer, recognizing that he is paying for something he is not getting, balks at the high prices, and another business recession, even a depression, sets in.

Though in the past the general pattern of labor union policies has followed that of the big unions, it must be noted that the recent GAW agreement between the two big automobile concerns, Ford and General Motors, and the two big unions (soon to be merged), is looked upon with misgivings or disapproval by both the independent unions and management in other industries. Symptomatic of this reluctance to be dominated by the big unions, on the part of the 2,600 unaffiliated unions, are the activities of the National Independent Union Council, which claims six to seven million members (as against the AFL claim of 11 million and the CIO five million), and is organizing local and state central bodies.

Admitting that the GAW can be made to work in some limited sectors of industry, even there, as Mr. Rising predicts, "it will work only under compulsion and controls which will break the American tradition of hope and confidence and risk-taking and steady progress." If forced upon industry generally, it would drive many smaller competitive companies out of business, and eventually "would force the largest ones into a monopoly dependent upon government subsidy and supervision." In any event the conflict between "trustified" industry and "cartelized" labor would lead to intensification of the economic "cold war," paralysis of our free enterprise, competitive system, under which we have become the most powerful industrial nation in history, and, possibly to a modified form of socialism such as the now discredited British experiment in "nationalized industry."

The current renewal of wage contracts reflects the mood of the unions to continue the tested advantage of pay increases and fringe benefits, more money in the pay envelope right now, rather than the uncertainties of the GAW "pie in the sky," which may never be realized, or at best awaits the test of time and change. The word "guaranteed" is beguiling, but, misleading.

All that is actually "guaranteed" in the Ford and General Motors agreement is that these companies will pay five cents per hour per man into a supplementary unemployment benefit (SUB) trust fund. In two or three years these funds would provide lay-off benefits, supplementary to state unemployment insurance, for as long as 26 weeks, which, with a limit of $25 a week, would raise the workers total benefits to 65% of his regular weekly pay for four weeks and 60% for 22 weeks. The plan is designed to come into operation gradually over a period of years beginning June 1, 1956. Benefits would be suspended if the trust funds should fall below 4% of its calculated ceiling amount. The trust fund would have to reach 85% before all qualified workers would be entitled to 26 weeks of benefits. "Even under the most favorable conditions this is unlikely to come about before the three-year contract expires."

Another road block is the adoption of the plan lies in the fact that laid-off employees would have to be eligible for state unemployment compensation to obtain the benefits of the plan. Many of these State systems forbid payment of benefits to employees receiving pay from employers, so it will be necessary to get approval from those states where Ford and General Motors employees are most heavily concentrated. Recently Michigan has raised its maximum benefit from $42 to $54 a week, and in New York the maximum has been raised from $30 to $36. As one unbiased observer (Monthly Letter of the First National City Bank of New York) puts it: "An adequate Federal-State system should need no supplements. The benefits allow for differences in income levels and cost of living among the states and also permit the state agencies to learn from each other's errors . . . and provide incentives to employers to avoid unnecessary lay-offs and turnover. Employers have many incentives to stabilize production and employment and try to do so within the limits of their resources and the predictability of their markets. It is doubtful that the SUB scheme would make any critical differences. . . . Nor does it appear likely that SUB will make any real contribution to stability of consumer spending.

The recent "Big-Steel"-CIO contract (after a 12-hour strike) by-passed the GAW plan and agreed to raise wages 15 cents an hour effective at once. This is 7½ cents an hour more immediate pay than the auto workers will get under GAW. The prevalent attitude toward a guaranteed annual wage of that great majority (two to one) of wage earners who do not belong to any union may be reflected in the comment: "It is a sad state of affairs when a wage earner refuses to take the responsibility of putting aside for the unforseen, and in the case of certain occupations, the inevitable layoffs and slack seasons." The almost universal opposition of businessmen to GAW is "based in part on their knowledge that it is too much to expect ordinary mortals to work in a disciplined way when they can get good pay sitting in the armchair at home. Equally it is based on the apparent aspirations of the unions, through 'Joint Boards,' a 'National Production Board,' and the like, to take over industry and run it for the benefit of a minority of industrial workers."

The well-informed and unbiased authority quoted above adds cogently:

"The most obvious pitfalls of GAW have been recognized: the limitation of liability protects the consumer from unreasonable burdens and employers from insolvency; the 60% standards, as opposed to the 80 and 100% standards proposed by the union, leaves a worker a genuine incentive to get back on the job; the provisions for administration reject the view that the state unemployment agencies are too tight and the idea that unions should participate in business decisions. At the same time it must be frankly recognized that the door has been opened to a continuing movement toward GAW, toward full pay for idle men, mounting financial costs, and shrinking inducements to work."

This long-time observer of the marvellous development of American industry and of organized labor, despite the setbacks of wars, inflation and depressions, strikes, and the other pains of growing "Big," must conclude that even if the principle of the GAW be admitted as sound, and possibly workable for some industries in periods of wide prosperity, it is neither sound nor feasible as a long-range policy applicable to our whole industrial economy. The man who pays the bill, the consumer, will not, when fully informed, agree to the adoption of any plan to **Subsidize Idleness.**

JOHN L. LOUNSBURY
President, San Bernardino Valley College, San Bernardino, Calif.

The problem of a guaranteed annual wage has been with us for many years. Seasonal employment, caused by both nature's caprice and economic conditions, has always been a part of our national production problems. Under such conditions, everybody has to take chances. The producer must take chances on marketing his product, and the wage earner on protecting his income. The newness of the present day problem has been caused by the ability of organized groups to force the producer to relieve the employee from taking any chances with respect to his income. The present solution of the problem, therefore throws out of balance two large forces in our economic and industrial growth and expansion. What adjustments are made by the producer to meet the new financial obligations remains to be seen.

In a democratic society such as ours, and in an economy based on free competitive procedures, there will always be similar conflicts. The conflict over guaranteed annual wage is but a part of the inexorable march of time and progress.

The evil of the situation, as I see it, is the apparent blatant disregard of the pressure group for the good of all peoples. In our kind of world, when one group moves in a selfish manner to achieve its goals, then all must suffer if the goals are achieved. Such disregard for the good of all will, in the end, force upon the people more rigid controls by the only instrumentality we have for such purposes, the government. Thus we move more and more in the direction of statism, and our liberties become fewer and fewer.

The solution to the problem, I believe, lies in the field of education and understanding of the rights and privileges of all. The willingness on the part of both labor and management to require a complete and unbiased knowledge of all facts and their significance would slow down hasty action. Slowness of action, of course, would cause irritable impatience but, in the end, we could achieve equitable goals, and all would profit.

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Whether or not the guaranteed annual wage is possible for all American workers ultimately depends upon what is meant by the term "Guaranteed Annual Wage." If one understands G.A.W. to mean the uninterrupted weekly payment to the millions of American employees of 52 pay checks each equal to his average weekly earnings the answer must be in the negative. Few of the 3,800,000 firms in the United States could commit themselves to such a guarantee. Apart from general recessions over which they have no responsible control the nature of the uncertain demand for the products they manufacture makes continued high-level production quite impossible. Periods of adjustment to the market choices of buyers which cannot be accurately anticipated causes millions of American businesses to increase or contract their operations in response to the buying habits of the American public. To maintain the same group of employees at the *same* wages in periods both of full production and contracted production would involve reserve wage funds that the average American business just cannot put aside. The inevitable result of forcing a G.A.W. program on this type of American concern—and they are in the vast majority—would be the bankruptcy and extinction of small businesses.

If, however, the G.A.W. is understood in the modified sense that it involves a guarantee of full yearly earning power to *certain designated employees* or the assurance of a *specified number of work weeks* at *average earnings* for the whole of any given labor force then it is not only possible but actually an accomplished fact. Approximately 190 American firms have either one or the other of these G.A.W. plans in operation today. It must be noted though that these concerns represent considerably less than 1% of all American firms.

Perhaps, the most significant aspect of the current U.A.W. demand upon the automobile industry is the role it attaches to unemployment compensation *as a component of the G.A.W.* In asking for 52 pay checks each year from the automobile producers the union concedes that in periods of slack production thousands of idle workers could be paid a substantial proportion of their guaranteed weekly wage with unemployment compensation. For instance, assuming that an automobile worker receives $75 weekly and that he is entitled to $26 weekly unemployment compensation for 26 weeks under the law of the state in which he lives, the firm for which he works would then pay only $49 weekly from its reserve fund toward G.A.W.

Many commentators on the G.A.W. controversy favor the inclusion of unemployment compensation in the total pay check guarantee. A few management spokesmen have supported the idea publicly. The majority opinion of American business, however, fears the implications of accepting the principle of paying the G.A.W. in this manner. Management reluctance to give unqualified approval to the idea springs from its experience with union pension demands. Pensions negotiated in collective bargaining and included in contracts with American unions are based upon Social Security payments. Employers who agree to pay their retired workers $100 monthly, for instance, actually pay only the difference between the Old Age and Survivors benefit and the pension sum determined by the collective bargaining contract. In recent years, however, unions have set their pension goal at $200 monthly. This means, of course, that supplementary pension payments by business have been—and will continue to be—increasingly larger. As this same principle of supplementary payments — unemployment compensation plus payments from private reserve funds — would apply to the G.A.W., management contends that the total amount of the G.A.W. would be pushed higher and higher yearly by unions.

Apart from the understandable and realistic objection of management the function of unemployment compensation in the achievement of a guaranteed annual wage for *all* American workers seems vital. In unemployment compensation, as it was conceived and as it now operates, employers engaged in interstate commerce — with a few exceptions—are taxed in accordance with the number of their employed work forces. The maximum percentage of this tax is 2.7 of payrolls and the cumulative revenue flows into a huge reserve fund maintained by the Federal Government. Benefit payments are made to unemployed workers on the basis of the state's unemployment law and from this reserve fund.

While it is true that coverage of the amount of money paid out in benefits, and the periods of time in which these benefits may be received are all inadequate, the fact remains that in unemployment compensation we have the framework for year-round guaranteed wages. Furthermore, and this is tremendously important, unemployment payments *are not doles from the Federal Government.* Rather, the benefits paid to unemployed workers are derived from income *already earned in the productive process.* In short, unemployment compensation is something that is due an unemployed worker *as a right.* It would seem, then, that if the present unemployment system is substantially expanded through increases in amounts of payments and in the number of weeks that the compensation may be received—together with complete coverage of our labor force—we have an approach to the G.A.W. that both Big Business and Small Business — and the American economy — can provide.

Assuming that adequate unemployment compensation becomes the basic component of G.A.W. programs the answer to the above question must be an unqualified "yes." Such an affirmative reply derives from simple logic. Four out of every five Americans work for either a wage or a salary. Participation in the ownership of capital facilities through stock shares is restricted to relatively few Americans. It follows, then, that assured high wage levels mean sustained demand for the products of American industry. Sustained demand, in turn, stabilizes both the employment and the purchas-

Continued on page 33

Mutual Funds

By ROBERT R. RICH

Investment Company Assets Reported At $8.48 Billion

Total net assets of the 146 member companies of the National Association of Investment Companies on June 30, 1955, reached $8,484,675,000, a gain of $1,187,081,000 over the 1954 year-end total of $7,297,594,000 the Association announced.

In the first six months of this year, net assets of the 117 open-end companies increased by $1,076,309,000 to a new high of $7,185,699,000. In the same period, total net assets of the 29 closed-end company members rose to $1,298,976,000 from $1,188,204,000 at the end of 1954.

Investors purchased new mutual fund shares totaling $271,976,000 during the second quarter of this year compared with purchases of $330.099,000 during the first three months.

The total purchases of $602,075,000 for the first six months is a new half year high. Redemptions of holdings by investors during the second quarter came to $109,932,000 against $140,039,000 in the first quarter, a total of $249,971,000 for the first six months of 1955.

A new high, a total of 54,656 accumulation plans were opened by investors for the regular purchase of mutual fund shares during the first six months of 1955. The 27,390 plans started in the 2nd quarter was approximately equal to the 27,266 plans opened in the first quarter. A record monthly total of 9,942 plans started in June. The previous high month was March, with 9,879 new plans. The Association estimates the total number of accumulation plans currently in effect at 275,000.

The number of shareholder accounts, the Association reports, totaled 2,105,066 on June 30, 1955, with 1,901,089 accounts reported by the open-end member companies. This is a total gain of 193,573 since the end of last year.

During the first six months of 1955 total distributions of $180,259,000 were made to owners of securities of the 146 member companies. The 29 closed-end companies paid out a total of $31,388,000, made up to $27,862,000 in common dividends, $3,166,000 in preferred dividends and $360,000 in interest payments. Distributions by the 117 open-end company members totaled $148,871,000. Of this amount $108,042,000 was from investment income and $40,829,000 from net realized capital gains.

Mutual funds continued in both quarters of 1955 to be net buyers of portfolio securities. Securities bought by the open-end companies for investment portfolios (excluding U. S. Government securities) during the second quarter totaled $431,697,000, when total sales of portfolio holdings amounted to $312,751,000. This compares with purchases of $416,401,000 and sales of $274,999,000 in the first quarter. For the first six months, purchases for portfolio totaled $848,098,000 and sales $587,750,000.

Cash, U. S. Government securities and short-term obligations held by the 117 mutual funds totaled $362,553,000 on June 30, 1955, representing 5% of total net assets. This compares with $341,542,000, or 5.2% on March 31, 1955 and $308,701.000 or 5.1% at the 1954 year-end.

ACCORDING TO the quarterly report of Chemical Fund, Inc. released to stockholders today net assets of the Fund at June 30, 1955 amounted to $98,981,893, the highest figure reported for the end of any previous quarter, compared with $65,398,369 on June 30, 1954. The mid-year net assets were equal to $15.80 per share compared with $11.57 per share a year ago. The asset figure is based on 6,256,154 shares outstanding on June 30, 1955 as compared with 5,647,606 shares on the same basis at June 30, 1954. The Fund specializes in investments in securities of companies in the chemical industry.

On June 28, 1955 stockholders approved a two-for-one split of the capital shares of the Fund effective at the close of business on June 30, 1955, an increase in the authorized capital stock from 5,000,000 to 10,000,000 shares and a change in the par value from $1 to 50 cents per share. The number of shares outstanding and per share figures have been adjusted for this stock split.

In the report, F. Eberstadt, Chairman, and Francis S. Williams, President, said: "The portfolio companies of the Fund have reported average increases of approximately 14% in sales and 27% in net earnings for the first quarter of 1955, compared with the corresponding period of the previous year. The three months' period ended March 31, 1955 was the best first quarter in the history of many of the companies.

"The gains in sales and earnings were accomplished for the most part without the benefit of price increases. The sharp rise in earnings resulted from large volume, greater utilization of existing capacities, and operation of new plants and equipment. Higher efficiency from new and improved processes also contributed to the increases in earnings. The continuing expansion in demand for chemicals since the first quarter of 1955 should be reflected in further increases in sales and earnings."

In commenting on the effect of the new Ford labor contract on the chemical and allied industries, Mr. Eberstadt and Mr. Williams pointed out that: "The burden of increased costs resulting from this type of agreement will weight more heavily upon those companies whose products contain a large ingredient of labor cost than upon those in whose products labor costs are of less importance.

"In this respect the chemical industry is fortunately situated. Generally speaking, it enjoys comparatively low labor costs per unit of output. This results from the continuous nature of many chemical processes and the high degree of instrumentation for automatic control of operations. This characteristic of the chemical industry will prove to be of increasing importance to investors."

TOTAL ASSETS of Aberdeen Fund on June 30, 1955 were $5.3 million as compared with $3.4 million a year earlier. This is an increase of 55%. In addition, $207,621.70 was distributed to shareholders as a capital gain during the 12 months period. On June 30, 1953, total assets were $2.7 million. Assets have increased 96% in the past two years. During this same period, asset value per share has increased 64%, from $0.86 to $1.41, or 72% after adjusting for capital gains distributions of $0.074 per share.

The number of shares outstanding on June 30, 1955 was 3,775,618 as compared with 3,172,802 a year earlier. This is an increase of 19%. The number of shareholders during the 12 months ended June 30 increased 55% from 1,223 to 1,898.

The dollar value of Aberdeen sales in June 1955 was nine times the volume of June 1954 and two and one-half times as large as any previous month in the past two years.

SHAREHOLDERS of Washington Mutual Investors Fund, Inc., reelected the Board of Directors at the Annual Meeting held July 15 and approved a two for one split of the Fund's shares effective Aug. 1, 1955.

World Fund To Be Formed; Kidder, Peabody Underwriter

A plan for the formation of a new investment company, to be named International Resources Fund, Inc., specializing in worldwide investment in the field of natural resources companies, was announced today by Jonathan B. Lovelace, President of Capital Research and Management Company of Los Angeles.

An offering of the stock of the company is planned in the fall of this year and is expected to be underwritten by a group managed by Kidder, Peabody & Co.

International Resources Fund, Inc. will concentrate its investments in companies owning sizeable reserves of strategic natural resources including essential minerals and fuels. Among such investments will be a substantial proportion of securities representing leading foreign companies in both hemispheres.

Capital Research and Management Company, which will be investment adviser to the new Fund, already serves as an investment adviser to several investment companies with combined assets in excess of $100 million. The management company will retain Stanford Research Institute as technical consultant.

Revisions to the Internal Revenue Code, adopted in 1954, will permit shareholders to claim as a tax credit various amounts withheld by foreign governments from dividends paid to the Fund.

PERSONAL PROGRESS

GROUP SECURITIES, Inc., leading mutual fund, has announced the appointment of Walter J. Boyd as Vice-President and Treasurer.

Mr. Boyd, formerly a general partner with the public accounting firm of O. F. Taylor & Co., New York City, is a member of The New York State Society of Certified Public Accountants, The American Institute of Accountants and the National Association of Cost Accountants.

MATHEW KECK of Chicago has been elected a director of Selected American Shares, oldest mutual fund managed in Chicago, with assets of over $46 million.

Mr. Keck is Vice-President and a director of Borg-Warner Corp. He has been affiliated with Borg-Warner since 1920, when he became comptroller of the Borg & Beck division. He was elected Secretary - Treasurer of Borg-Warner in 1928, and became Vice-President in 1951.

Edward P. Rubin, President of the mutual fund, in announcing the election of Mr. Keck as a director, states that Mr. Keck's knowledge of the automotive, machinery and home appliance industries with which he is associated, together with his long financial and investment experience, should be valuable in the fund's directorate.

Eaton Howard Assets Now At $207 Million

Combined assets of the two Eaton & Howard Mutual Funds were at new high of $207,225,996 on June 30, 1955, compared with $147,291,427 a year ago.

Eaton & Howard Balanced Fund Semi-Annual Report, issued to 24,356 shareholders, shows assets of $158,915,238, an increase of $38,978,590 during past 12 months. Shares outstanding on June 30, 1955, totaled 7,435,359 compared with 6,836,188 on June 30, 1954. Value per share was $21.37 on June 30, 1955, compared with $17.54 on June 30, 1954. Common stocks totaled 69.2% of Fund on June 30, 1955; 11.1% was invested in preferred stocks; 13.9% in corporate bonds; 5.8% in cash, U. S. Government bonds or short-term notes. Largest common stock holdings were oil (14.6%); power and light (10.5%); insurance (6.2%); chemical (5.4%); banking (4.7%).

Eaton & Howard Stock Fund Semi-Annual Report, issued to 9,427 shareholders, shows assets of $48,310,758, an increase of $20,955,979 during past 12 months. Shares outstanding on June 30, 1955, totaled 2,456,480 compared with 1,862,698 on June 30, 1954. Value per share was $19.67 compared with $14.69 a year ago. Ninety per cent of Fund was invested in stocks on June 30, 1955; 10% was in U. S. Government, short-term notes and cash. Largest stock holdings by industries were oil (12.1%); insurance (9.8%); power and light (7.6%); chemical (7.5%); natural gas (6.8%).

GROWTH OF salt consumption has been accelerated in recent years by the increasing demand from the chemical industry, according to the July "Perspective," issued by the investment management department of Calvin Bullock.

Ranking salt among the five most important inorganic raw materials used in chemical production, in conjunction with water, air, coal and sulphur, the study reported an increase in salt consumption to 20.6 million short tons in 1953, compared with 15.0 million short tons a decade earlier.

Salt used by the chemical industry totaled approximately 70% of all consumption, and was mostly for the production of soda ash, chlorine, bleaches, chlorates and other branches of the alkali division of the chemical industry. The rapid expansion of chlorine during the postwar years, the study explained, was due to the rising demand for refrigerants, aerosol propellants, insecticides such as DDT, and a variety of large volume plastics.

The study found table and household consumption of salt on the decline although the salt requirements of a human being amount to 16 to 17 pounds a year. Beside the chemical industry, the paper and textile industries are heavily dependent on salt, while a host of other industries use significant amounts.

NET ASSETS of Broad Street Investing Corporation rose to a record $76,596,000 on June 30, 1955, as compared with $48,643,000 a year earlier. Asset value of $21.81 at the midyear was a new quarter-end high, 32% above that 12 months earlier after adjustment for the 1954 distribution from realized gain on investments.

Commenting on the general business situation, Mr. Randolph stated that any hesitation in business activity in the summer months seems likely to prove temporary and probably unimportant. He noted that recovery and expansion in the economy have taken place so far without development of significant maladjustment or unsoundness even though the rate has been relatively rapid. He expressed the opinion that there is no fundamental reason yet to question the health of the nation's economy, but went on to add a note of caution as to the need, in view of the general advance in prices that has taken place, for constant study and reappraisal of investment values and risks in individual securities in the light of present and prospective conditions.

Broad Street Investing made no major change in its investment position during the three months ended June 30, 1955. A modest reduction in common stocks to 87% of net assets from 89% three months earlier reflected the acquisition of senior bonds and preferred stocks with money received from the sale of new shares rather than any liquidation of common stock investments.

During the second quarter new common stock positions were established with the acquisition of 2,000 Columbus & Southern Ohio Electric and 800 U. S. Pipe & Foundry. Additions to established positions were 4,600 American Gas & Electric, 6,000 Deere, 5,500 General Foods, 3,500 Illinois Power, 8,000 International Harvester, 5,000 Iowa-Illinois Gas & Electric, 10,000 Oklahoma Gas & Electric and 1,000 Seaboard Air Line Railroad.

Holdings of 13,000 Van Raalte and 20,000 Wisconsin Electric Power were eliminated during the quarter. Reductions were made by the sale of 1,000 American Natural Gas, 13,000 National Fuel Gas, 5,000 Newport News Shipbuilding and 900 New York, Chicago & St. Louis Railroad.

Century Shares Assets At High

Century Shares Trust, oldest and largest mutual investment company specializing in insurance and bank stocks, reports total net assets of $61,181,697 on June 30, 1955, a new record high which compares with $51,384,473 on Dec. 31, 1954. The Trust's semi-annual report shows net assets per share of $29.06 on June 30 against $24.94 at the close of 1954 and points out that, including the capital gains distribution in January, this represents an increase of 19% for the six-month period. There were 2,105,488 shares outstanding at the end of June and 2,060,592 shares last Dec. 31.

The trustees note that during the last five years important changes have been made in the composition of the Trust. At the end of last month, life insurance stocks constituted 36.75% of the portfolio, compared with 9.78% on June 30, 1950. In this period, fire and casualty stocks were moderately reduced, from 66.8% to 54.45% and bank stock holdings were cut from 21.56% to 9.57%. Cash and equivalent was 1.98% in 1950 and 1.23% this year.

The report also includes a chart showing that the book values of insurance and bank stocks in the portfolio applicable to each share of the Trust has increased from $12.65 at the close of 1944 to $25.03 at the end of last year. The accompanying text points out that: "book values are an important influence in determining the market values of insurance companies and banks. While current and prospective earnings are dominant factors, the growth of book value is of basic importance to investors."

As to current trends of earnings for insurance companies and banks, the trustees observe that:

"The investment income of the fire and insurance companies for the first six months of 1955 appears to have surpassed that of the same period of 1954, fostered by greater funds available for investment and higher dividend rates. The results of underwriting do not appear to have been as favorable as in the same period of 1954, which was exceptionally good. This may be partially accounted for by defered claims resulting from the hurricanes in the fall of 1954.

"The life insurance companies continue to report increases of insurance written coupled with a favorable mortality experience. The outlook appears to be good for continued growth in this industry.

"Earnings of the banks represented in the portfolio were slightly higher in the first six months of 1955 than in the similar months of 1954. Increasing loans and a trend toward slightly higher interest rates provide a basis for a continuation of that improvement."

Continued from page 31

Guaranteed Annual Wage Symposium Concluded

ing power which it creates. And thus the economic cycle of production, consumption, exchange and distribution is constantly expanded to meet the challenge of our great population increase.

Ed. Note: The above views appeared in an article by the author in the May, 1955, issue of the "Holy Name Journal."

ROLAND R. RENNE
President, Montana State College Bozeman, Mont.

Frankly, I think the idea of a guaranteed annual wage for workers is a fundamentally sound idea, particularly with the highly developed technological economy which we now operate. I realize that there are numerous adjustments in management that will be necessitated by this program, but I believe our entire economy can function more effectively with an annual wage guarantee and its resulting increased and more stable purchasing power if labor does not overcrowd its gains too rapidly and try to secure increases in excess of advances in production efficiency resulting from scientific, technological, and management adjustments.

I realize that at first blush there are some very alarming features about the guaranteed annual wage. However, I think the time will come when the basic principle of the GAW will be universally received pretty much along the lines that collective bargaining is now recognized and approved both by industry and labor as a necessary adjunct to our modern interdependent and highly specialized economy. We will have problems and at times some of them will seem almost insurmountable, but I am confident that the ingenuity of American business leadership combined with sound and reasonable labor leadership will result in working out these adjustments over a period of time in such a way that the guaranteed annual wage will not only benefit individual laborers, but strengthen the entire economy by the resulting increased and more stable purchasing power of consumers.

W. C. WILLIAMS
Industrial Relations Manager, Air Associates, Inc.

We at Air Associates fall not only in the category of the small company, but in that one participating in the production of aircraft components and electronic equipment which is produced almost exclusively for the military. I believe you must be well aware of the uncertainty and the competitiveness of these fields created by the governmental procurement conditions, changes in the political scene, and the fluctuations of the international situation. In such a climate, the attempt at maintenance of employment stabilization is, at times, a horror.


Walter C. Williams

Our production and maintenance employees are organized into a local union of the UAW-CIO, and if their national collective bargaining policy attempts to force a guaranteed annual wage upon us, it is extremely doubtful that we could finance it in any form acceptable to the union. Serious labor troubles resulting therefrom might readily result in our withdrawal from the industry in which we now participate and similar instances, of which I am sure there would be many, could create a serious impediment to the national defense program. This, added to the impact the guaranteed annual wage would have upon our national economy if it is inflicted upon the automotive industry, in my opinion, warrants the utmost consideration of everyone interested in the objective of maintaining a country that can remain free of the degradation sustained by those countries that disappear behind the "Iron Curtain" or who have become "sitting ducks" along the sights pointing out from behind it.

Meanwhile We Can Hope!

". . . one ingredient has been missing from all these conferences—an honest intent to conciliate, to understand, to be tolerant, to try to see the other fellow's viewpoint as well as we see our own.

"I say to you, if we can change the spirit in which these conferences are conducted, we will have taken the greatest step toward peace, toward future prosperity and tranquillity that has ever been taken in all the history of mankind.

* * *

"As long as the spirit that has prevailed up to now is going to prevail in the world, we cannot expose our rights, our privileges, our homes, our wives, our children to the risk that would come to an unarmed country.


Pres. Eisenhower

"But we want to make it perfectly clear these armaments do not reflect the way we want to live. They merely reflect the way, under present conditions, we have to live." — President Dwight D. Eisenhower.

Time, probably a good deal of time, only will tell whether these ideas are an inspiration or mere pipe dreams, meanwhile we can hope.

Continued from page 4

The State of Trade and Industry

year ago. Businesses succumbed at a considerably lower rate than in prewar 1940 when 64 of each 10,000 enterprises failed.

The liabilities involved in the June failures edged up to $36,667,000, the largest volume since March. The rise was concentrated among failures with liabilities larger than $100,000; there was a slight upturn among small casualties with liabilities less than $5,000.

Businesses in their first five years of operation accounted for 56% of the month's total failures. Some 19% of the failures were among businesses started in 1954.

Nearly all manufacturing industries had fewer casualties than a year ago; the sharpest drop occurred among leather manufacturers who had only one-third as many failures as in June 1954.

The failure pattern among retailers varied considerably. Increases from a year ago in failures among retailers of food, general merchandise, apparel and automobile dealers, contrasted with sharp declines among furniture and drug stores.

Steel Output Scheduled This Week at a Higher Rate At 94.3% of Capacity

The steel industry says "Steel," the metal-working weekly, the current week, did not price itself out of the market.

Its price increases the first of this month were steeper than most people expected but the advances are not hurting demand. Consumer complaints about the steel price increase are noticeably absent. Four reasons why steel consumers' business is good is that they need steel: the brief work stoppage, the Fourth of July holiday and summer vacations have slowed the flow of steel to consumers; consumers were resigned to a steel price increase and consumers will pass on as much of the increase as they can, continues this trade weekly.

Although there is an absence of audible complaints, some buyers are trying to figure where the steel price increase leaves them. Some steel users lowered their product prices in June. Among them were fabricators of gutters and downspouts.

A $7-a-ton increase on structural shapes catches some fabricating shops uncovered on plain material for firm contracts taken at low prices. In addition, these shops will face an estimated increase of $5 a ton in labor. These increases will hurt, for some fabricators were already on narrow margins of profit, declares this trade magazine.

Their alternative is to take the risk of raising prices. Higher prices on fabricated steel may delay, if not kill, some work under consideration. This is particularly true of some public works projects planned under limited appropriations.

There's no noticeable downturn yet because of higher steel prices, and mills are grappling with arrearages. Some are holding back on opening of order books to leave room for getting up to date on deliveries, and others are turning away orders. Among those being turned away are freight car builders, whose business is just now on the upgrade.

The heavy bookings prompted the mills to continue their recovery from the brief steel strike and the Fourth of July holiday. In the week ended July 17, the national ingot rate rose 3.5 points to 93% of capacity. This is only 4 points below this year's high point, it declares.

High production of steel, higher steel prices and exports of scrap gave steel scrap prices another upward nudge. This put "Steel's" price composite on steel-making scrap at $38.67 a gross ton, an 84c rise over the preceding week.

The American Iron and Steel Institute announced that the operating rate of steel companies having 96.1% of the steelmaking capacity of the entire industry will be at an average of 94.3% of capacity for the week beginning July 18, 1955, equivalent to 2,-276,000 tons of ingots and steel for castings as compared with 91.2% (revised) and 2,202,000 tons a week ago.

The industry's ingot production rate for the weeks in 1955 is based on an annual capacity of 125,828,310 tons as of Jan. 1, 1955.

For the like week a month ago the rate was 95.0% and production 2,292,000 tons. A year ago the actual weekly production was placed at 1,557,000 tons, or 65.3%. The operating rate is not comparable because capacity was lower than capacity in 1955. The percentage figures for 1954 are based on annual capacity of 124,330,410 tons as of Jan. 1, 1954.

Electric Output Set New All-Time High Record In Past Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, July 16, 1955, was estimated at 10,440,000,000 kwh., a fresh all-time high record. The previous high level at 10,226,000,000 kwh. was attained in the week ended June 25, of this year, according to the Edison Electric Institute.

This week's output advanced 681,000,000 kwh. above that of the previous week, when the actual output stood at 9,759,000,000 kwh. It increased 1,489,000,000 kwh., or 16.6% above the comparable 1954 week and 2,231,000,000 kwh. over the like week in 1953.

Car Loadings Fell 6.3% in Latest Week Due to July 4th Holiday

Loadings of revenue freight for the week ended July 9, 1955, which was affected by the July 4th holiday decreased 44,054 cars or 6.3% below the preceding week which in turn was affected by the coal miners' annual vacation, according to the Association of American Railroads.

Loadings for the week ended July 9, 1955, totaled 652,680 cars, an increase of 83,118 cars, or 14.6% above the corresponding 1954 week, but a decrease of 68,774 cars, or 9.5% below the corresponding week in 1953.

U. S. Automotive Output Last Week Boosted 26% by Record Level Production at Ford and General Motors

The automotive industry for the latest week, ended July 15, 1955, according to "Ward's Automotive Reports," assembled an estimated 168,056 cars, compared with 134,092 (revised) in the previous week. The past week's production total of cars and trucks amounted to 196,411 units, or an increase of 26% above the preceding week's output of 155,707 units. It was only 9% below the all-time high posted at the end of April. A total of 125,085 units was reported for the same week a year ago, states "Ward's."

Last week's car output rose above that of the previous week by 33,964 cars, while truck output advanced by 6,740 vehicles during the week. In the corresponding week last year 106,708 cars and 18,377 trucks were assembled.

Last week the agency reported there were 28,355 trucks made in the United States. This compared with 21,615 in the previous week and 18,377 a year ago.

Canadian output last week was placed at 9,295 cars and 2,180 trucks. In the previous week Dominion plants built 9,308 cars and 2,273 trucks, and for the comparable 1954 week 4,331 cars and 1,341 trucks.

Business Failures Advance Mildly in Latest Week

Commercial and industrial failures rose to 224 in the week ended July 14 from 204 in the preceding week, according to Dun & Bradstreet, Inc. Although rebounding from the holiday decline, casualties were not as numerous as last year when 225 occurred yet they exceeded the 1953 toll of 148. Failures were down 18% from the 272 recorded in the similar week of 1939.

Failures with liabilities of $5,000 or more increased to 192 from 165 a week ago and were even with the 1954 level. On the other hand, small failures with liabilities under $5,000, dipped to 32 from 39 in the previous week and 34 last year. Sixteen of the failing concerns had liabilities in excess of $100,000 as compared with 12 in the preceding week.

Failures increased during the week in all lines except manufacturing where the toll dipped to 48 from 52. Retailing casualties increased to 106 from 92, wholesaling to 23 from 18, while construction edged up to 32 from 29 and commercial service to 15 from 13. More manufacturers and construction contractors succumbed than last year. In other lines, mild declines from 1954 prevailed.

The Middle Atlantic States reported a considerable upturn in failures to 90 from 73. In five other regions, failures rose slightly, including the Pacific States with 61 as against 53. Fewer failures occurred during the week in three regions, notably the New England States, down to 9 from 18 and the East North Central States, down to 21 from 28. More businesses failed than a year ago in four regions, the Middle and South Atlantic States and the East and West South Central States. In the five other regions, casualties were slightly lower than in 1954.

Wholesale Food Price Index Turns Sharply Lower for 4th Straight Week

Moving sharply downward for the fourth straight week, the wholesale food price index, compiled by Dun & Bradstreet, Inc., fell from $6.33 last week to $6.26 on July 12, marking a new low since Feb. 24, 1953, when it stood at $6.21. The current number represents a drop of 3.8% from $6.51 a month earlier, and is 13.4% below the corresponding year-ago figure of $7.23.

Commodities quoted higher in the week included wheat, barley, butter, sugar, tea and lambs. Lower in wholesale cost were flour, corn, rye, oats, hams, bellies, lard, coffee, cottonseed oil, cocoa, eggs, rice and hogs.

The index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use and its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Reflected Irregular Changes in Latest Week

The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., showed little change following irregular movements during the past week. The index closed at 272.55 on July 12, as compared with 272.28 a week earlier, and with 272.87 on the corresponding date a year ago.

Grain markets last week were featured by active trading and higher prices for wheat, while other grains finished moderately lower. Strength in the bread cereal was largely influenced by mill buying reflecting improved flour sales. Dealings in corn and oats were dominated by the forthcoming government crop report, issued after the close of the market on Monday, which confirmed the prospect of near-record yields for those grains.

Total wheat production this year was estimated at 860,331,000 bushels, slightly above the forecast of a month ago. It compares with last year's crop of 969,781,000 bushels, and with the 10-year average of 1,154,073,000 bushels.

Trading in all grain and soybean futures on the Chicago Board of Trade in the preceding week reached a daily average of 41,500,000 bushels, against 40,500,000 the week before, and 56,900,-000 in the same week last year.

Buying of hard Winter wheat bakery flours perked up at the beginning of last week with total bookings reaching substantial proportions as many of the larger users covered requirements for around 120 days or more. A sizable volume was also reported in soft wheat flours with many buyers covering for extended periods.

Green coffee prices were down moderately as roaster demand tapered off as the continued hot weather slowed down consumer demand.

Cocoa prices were generally steady in moderate trading with manufacturer and trade demand mostly for immediate needs. Warehouse stocks of cocoa were reported at 241,647 bags, up from 235,016 a week ago, and comparing with 125,234 bags last year. Lard displayed a weak undertone most of the week, reflecting generally slow export demand for fats and oils, and further declines in live hog values as the result of continued weakness in fresh pork due to recent hot, humid weather.

Steer prices closed higher in the first general upturn in more than two months.

Spot cotton prices were steady most of the week and trended somewhat easier toward the close. Support in early dealings was attracted by expectations that the 1956 crop will be supported at a high level and that farmers will approve marketing quotas in the referendum this Fall. Tending to hold advances in check were the huge stock of cotton held by the CCC, and uncertainty over the government's surplus disposal program. Mill buying was routine with purchases of old crop cotton limited to small lots to cover nearby needs. Sales for export remained light in volume.

The Department of Agriculture's acreage report, issued at the week-end, estimated the total area of cotton under cultivation as of July 1 at 17,096,000 acres, or 6% under this year's allotment, and 14% under the area cultivation a year ago.

Trade Volume in Past Weeks Scores Record Rate for this Period of Year

Shoppers spent more money in retail stores in the period ended on Wednesday of last week than ever before at this time of the year. With the help of many reduced - price sales, most retailers sold more than in the previous holiday-shortened week. Soaring temperatures left retailers in the East with scanty stocks of air-conditioners.

Stores in five cities in which buses or trolley were halted by strikes—Buffalo, Little Rock, Los Angeles, Scranton, and Washington—reported sagging sales.

The total dollar volume of retail trade in the week was estimated by Dun & Bradstreet, Inc., to be from 3% to 7% higher than the level of a year ago. Regional estimates varied from the comparable 1954 levels by the following percentages: New England and East +2 to +6; Midwest and Southwest +4 to +8; South +1 to +5; Northwest and Pacific Coast +3 to +7.

Spending for household goods rose slightly last week and continued to surpass the level of a year ago. The demand for air-conditioners was up to or above dealers' expectations in most sections as consumer acceptance grew. Also selling quickly the past week were fans, outdoor furniture, hardware, sporting goods and refrigerators.

The volume of wholesale orders edged upward last week as retailers kept pace with the active buying of consumers.

Total dollar sales at wholesale remained well above a year ago. The very high buyer attendance at the major wholesale centers was accompanied by heavy ordering. The response to Fall merchandise was more enthusiastic than it appeared last year at this time.

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended July 9, 1955, advanced 13% from the like period of last year. In the preceding week, July 2, 1955, a rise of 5% (revised) was registered from that of the similar period of 1954, while for the four weeks ended July 9, 1955, an increase of 6% was recorded. For the period Jan. 1, 1955 to July 9, 1955, a gain of 6% was registered above that of 1954.

Retail trade volume in New York City last week continued to show a better performance than in the like period a year ago. Trade observers estimated the week's gain to be about 3% or 4% ahead of last year.

According to the Federal Reserve Board's indxe, department store sales in New York City for the weekly period ended July 9, 1955, advanced 6% above that of the like period of last year. In the preceding week, July 2, 1955, a rise of 2% was noted from that of the previous week. For the four weeks ended July 9, 1955, an increase of 2% occurred. For the period Jan. 1, 1955, to July 9, 1955, the index recorded a rise of 1% from that of the corresponding period of 1954.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (percent of capacity)	July 24	§94.3	*91.2	95.0	65.3
Equivalent to—					
Steel ingots and castings (net tons)	July 24	§2,276,000	*2,202,000	2,292,000	1,557,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of	July 8	6,596,300	6,610,550	6,600,250	6,280,700
42 gallons each)	July 3	¶7,646,000	7,4.9,000	7,522,000	7,121,000
Crude runs to stills—daily average (bbls.)	July 8	26,478,000	25,683,000	25,985,000	23,752,000
Gasoline output (bbls.)	July 8	1,887,000	2,026,000	1,579,000	2,422,000
Kerosene output (bbls.)					
Distillate fuel oil output (bbls.)	July 8	11,474,000	11,257,000	11,755,000	9,253,000
Residual fuel oil output (bbls.)	July 8	7,583,000	7,754,000	7,956,000	8,117,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	July 8	159,307,000	159,611,000	166,233,000	163,712,000
Kerosene (bbls.) at	July 8	30,456,000	29,899,000	27,032,000	29,078,000
Distillate fuel oil (bbls.) at	July 8	105,167,000	99,81,000	88,414,000	90,719,000
Residual fuel oil (bbls.) at	July 8	45,304,000	44,799,000	45,194,000	52,330,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	July 9	652,680	696,734	786,707	569,562
Revenue freight received from connections (no. of cars)	July 9	551,608	637,077	655,242	479,455
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	July 14	$578,407,000	$378,851,000	$327,950,000	$431,055,000
Private construction	July 14	371,880,000	200,55,000	192,942,000	254,577,000
Public construction	July 14	206,527,000	178,2,2,000	135,008,000	176,478,000
State and municipal	July 14	132,778,000	96,737,000	98,511,000	112,844,000
Federal	July 14	73,749,000	81,555,000	36,497,000	63,634,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	July 9	7,340,000	*2,240,000	9,345,000	5,348,000
Pennsylvania anthracite (tons)	July 9	345,000	81,000	502,000	347,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	July 9	87	*98	114	77
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	July 16	10,440,000	9,759,000	9,987,000	8,951,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	July 14	224	204	214	226
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	July 12	5.178c	4.797c	4.797c	4.801c
Pig iron (per gross ton)	July 12	$59.09	$56.59	$56.59	$56.59
Scrap steel (per gross ton)	July 12	$38.50	$37.17	$34.00	$26.58
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	July 13	35.700c	35.700c	35.700c	29.700c
Export refinery at	July 13	35.600c	35.550c	35.475c	29.775c
Straits tin (New York) at	July 13	96.375c	95.000c	93.875c	96.500c
Lead (New York) at	July 13	15.000c	15.000c	15.000c	14.000c
Lead (St. Louis) at	July 13	14.800c	14.800c	14.800c	13.800c
Zinc (East St. Louis) at	July 13	12.500c	12.500c	12.000c	11.000c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	July 19	95.04	95.63	96.43	100.40
Average corporate	July 19	108.70	108.70	108.83	110.34
Aaa	July 19	112.19	112.19	112.19	115.24
Aa	July 19	110.52	110.52	110.70	112.37
A	July 19	108.88	108.88	109.06	109.57
Baa	July 19	103.80	103.80	103.80	104.14
Railroad Group	July 19	107.27	107.44	107.62	108.88
Public Utilities Group	July 19	109.24	109.24	109.24	110.70
Industrials Group	July 19	109.79	109.79	109.79	111.44
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	July 19	2.87	2.82	2.76	2.46
Average corporate	July 19	3.24	3.24	3.23	3.15
Aaa	July 19	3.05	3.05	3.05	2.89
Aa	July 19	3.14	3.14	3.13	3.04
A	July 19	3.23	3.23	3.22	3.17
Baa	July 19	3.52	3.52	3.52	3.50
Railroad Group	July 19	3.52	3.31	3.30	3.23
Public Utilities Group	July 19	3.21	3.21	3.21	3.13
Industrials Group	July 19	3.18	3.18	3.18	3.09
MOODY'S COMMODITY INDEX	July 19	402.0	406.6	410.5	431.9
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	July 9	225,732	339,564	263,819	180,775
Production (tons)	July 9	155,704	279,303	282,825	126,542
Percentage of activity	July 9	55	96	100	46
Unfilled orders (tons) at end of period	July 9	642,257	582,243	598,936	417,331
OIL, PAINT AND DRUG REPORTER PRICE INDEX— 1949 AVERAGE = 100	July 15	106.83	106.78	106.75	106.80
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION:					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	June 25	1,245,014	1,313,207	949,591	960,918
Dollar value	June 25	$65,549,131	$67,099,157	$49,452,043	$44,877,879
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	June 25	1,175,826	1,212,106	907,341	984,723
Customers' short sales	June 25	5,498	4,257	5,142	8,724
Customers' other sales	June 25	1,170,328	1,207,849	902,199	975,999
Dollar value	June 25	$58,842,561	$59,838,044	$44,600,658	$42,705,386
Round-lot sales by dealers—					
Number of shares—Total sales	June 25	331,530	322,610	239,870	324,830
Short sales	June 25		______		______
Other sales	June 25	331,530	322,610	239,870	324,830
Round-lot purchases by dealers—					
Number of shares	June 25	396,010	441,490	320,140	296,110
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	June 25	471,180	520,630	451,640	4?6,990
Other sales	June 25	13,572,610	13,652,030	10,318,740	10,323,190
Total sales	June 25	14,043,790	14,172,660	10,770,380	10,820,180
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS:					
Transactions of specialists in stocks in which registered—					
Total purchases	June 25	1,716,720	1,661,780	1,303,420	1,131,710
Short sales	June 25	277,400	309,140	258,740	226,840
Other sales	June 25	1,436,760	1,383,430	1,055,170	888,590
Total sales	June 25	1,714,160	1,692,570	1,313,910	1,115,430
Other transactions initiated on the floor—					
Total purchases	June 25	368,920	323,360	214,140	326,720
Short sales	June 25	18,100	33,600	20,070	23,300
Other sales	June 25	371,330	339,320	214,670	303,340
Total sales	June 25	389,430	372,920	234,740	326,640
Other transactions initiated off the floor—					
Total purchases	June 25	658,745	619,195	483,685	339,425
Short sales	June 25	84,106	80,780	73,030	102,810
Other sales	June 25	701,407	628,834	514,055	404,080
Total sales	June 25	785,507	709,614	587,085	506,890
Total round-lot transactions for account of members—					
Total purchases	June 25	2,744,385	2,604,335	2,001,245	1,797,835
Short sales	June 25	379,600	423,520	351,840	352,950
Other sales	June 25	2,509,497	2,351,584	1,783,895	1,596,010
Total sales	June 25	2,889,097	2,775,104	2,135,735	1,948,960
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	July 12	110.3	110.0	110.2	110.2
Farm products	July 12	89.1	89.8	91.9	95.9
Processed foods	July 12	103.0	*102.9	103.6	105.6
Meats	July 12	86.8	86.7	96.2	94.3
All commodities other than farm and foods	July 12	116.2	*115.8	115.5	114.2

*Revised figure. ¶Includes 827,000 barrels of foreign crude runs. §Based on new annual capacity of 125,828,310 tons as of Jan. 1, 1955, as against Jan. 1, 1954 basis of 124,330,410 tons.
†Number of orders not reported since introduction of Monthly Investment Plan.

	Latest Month	Previous Month	Year Ago
BUILDING CONSTRUCTION—U. S. DEPT. OF LABOR—Month of June (in millions):			
Total new construction	$3,812	$3,555	$3,385
Private construction	2,655	2,496	2,273
Residential building (nonfarm)	1,465	1,380	1,193
New dwelling units	1,310	1,230	1,050
Additions and alterations	125	123	114
Nonhousekeeping	31	27	29
Nonresidential building (nonfarm)	634	590	530
Industrial	189	183	161
Commercial	257	234	192
Warehouses, office and loft buildings	89	88	76
Stores, restaurants and garages	168	146	116
Other nonresidential building	188	173	177
Religious	63	58	47
Educational	39	37	45
Social and recreational	24	20	20
Hospital and institutional	31	30	28
Miscellaneous	31	28	37
Farm construction	141	131	157
Public utilities	398	379	382
Railroad	30	29	31
Telephone and telegraph	60	60	58
Other public utilities	308	290	293
All other private	16	16	11
Public construction	1,157	1,059	1,112
Residential building	21	22	26
Nonresidential building	395	379	407
Industrial	69	72	129
Educational	221	211	183
Hospital and institutional	34	32	35
Other nonresidential building	71	64	60
Military facilities	115	110	90
Highways	425	360	400
Sewer and water	93	97	85
Miscellaneous public service enterprises	26	20	22
Conservation and development	59	57	68
All other public	17	14	14
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK—			
As of June 30 (000's omitted)	$572,000	$572,000	$679,000
CONSUMER PRICE INDEX — 1947-49=100—			
Month of May:			
All items	114 2	114.2	115.0
Food	111.1	111.2	113.3
Food at home	110.0	110.1	112.8
Cereals and bakery products	123.8	123.9	121.3
Meat, poultry and fish	102.1	103.0	111.0
Dairy products	104.0	104.6	103.5
Fruits and vegetables	120.2	117.5	114.6
Other foods at home	108.4	109.4	114.5
Housing	119.4	119.5	118.9
Rent	130.3	129.9	128.3
Gas and electricity	110.9	110.3	107.7
Solid fuels and fuel oil	122.5	125.7	120.9
Housefurnishings	103.7	104.5	105.9
Household operation	119.0	188.1	112.2
Apparel	103.3	103.1	104.2
Men's and boys'	105.5	105.5	107.3
Women's and girls'	97.3	97.1	98.5
Footwear	117.4	116.9	115.9
Other apparel	90.3	90.2	90.9
Transportation	125.5	125.3	129.1
Medical care	127.5	127.3	125.1
Personal care	113.9	113.7	113.0
Reading and recreation	106.5	106.6	106.4
Other goods and services	119.9	119.8	120.1
CROP PRODUCTION — CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE—			
Crop as of July 1 (in thousands):			
Corn, all (bushels)	3,449,667	______	2,964,639
Wheat, all (bushels)	860,331	845,215	969,781
Winter (bushels)	663,043	639,224	790,737
All spring (bushels)	197,288	205,991	179,044
Durum (bushels)	13,269	______	5,557
Other spring (bushels)	184,019	______	173,487
Oats (bushels)	1,513,498	______	1,499,579
Barley (bushels)	384,397	______	370,126
Rye (bushels)	27,245	25,786	23,688
Flaxseed (bushels)	43,396	______	41,534
Rice (bags)	47,214	______	58,853
Hay, all (tons)	109,184	______	104,380
Hay, wild (tons)	10,427	______	10,184
Hay, alfalfa (tons)	53,282	______	49,328
Hay, clover and timothy (tons)	25,837	______	27,579
Hay, lespedeza (tons)	4,682	______	3,052
Beans, dry edible (bags)	19,221	______	18,899
Peas, dry field (bags)	2,540	______	3,484
Potatoes (bushels)	400,335	______	356,031
Sweetpotatoes (bushels)	34,273	______	29,880
Tobacco (pounds)	2,172,517	______	2,236,408
Sugarcane for sugar and seed (tons)	6,801	______	7,481
Sugar beets (tons)	11,981	______	14,091
Hops (pounds)	38,102	______	43,363
MOODY'S WEIGHTED AVERAGE YIELD OF 100 COMMON STOCKS—Month of June:			
Industrials (125)	3.71	4.05	4.74
Railroads (25)	4.66	4.69	6.28
Utilities (not incl. Amer. Tel. & Tel.) (24)	4.53	4.55	4.85
Banks (15)	4.01	4.06	4.59
Insurance (10)	2.40	2.49	2,88
Average (200)	3.87	4.14	4.82
NEW CAPITAL ISSUES IN GREAT BRITAIN—MIDLAND BANK LTD.—Month of June	£23,921,000	£27,122,000	£15,510,000
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of June:			
Net sales	______	______	$45,463,200
Net purchases	$22,507,500	$56,222,000	______
U. S. GOVT. STATUTORY DEBT LIMITATION—As of June 30 (000's omitted):			
Total face amount that may be outstanding at any time	$281,000,000	$281,000,000	$275,000,000
Outstanding—			
Total gross public debt	274,374,222	277,472,387	271,259,599
Guaranteed obligations not owned by the Treasury	44,142	42,820	81,441
Total gross public debt and guaranteed obligations	$274,418,365	$277,515,000	$271,341,040
Deduct—other outstanding public debt obligations not subject to debt limitation	503,516	505,577	550,735
Grand total outstanding	$273,914,849	$277,009,630	$270,790,304
Balance face amount of obligations, issuable under above authority	7,085,150	3,990,369	4,209,695
UNITED STATES GROSS DEBT DIRECT AND GUARANTEED—(000's omitted):			
As of June 30	$274,418,365	$277,515,208	$271,341,040
General fund balances	6,215,665	5,879,608	6,766,455
Net debt	$268,202,700	$271,635,600	$264,574,585
Computed annual rate	2.351%	2.348%	2.342%

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

Academy Uranium & Oil Corp.
June 10 (letter of notification) 15,000,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For mining operations. **Office**—65 East Fourth South St., Salt Lake City, Utah. **Underwriter**—Western States Investment Co., same city.

● **All State Uranium Corp., Moab, Utah (7/27)**
April 19 (letter of notification) 1,000,000 shares of common stock (par one cent). **Price**—30 cents per share. **Proceeds**—For mining operations. **Underwriter**—General Investing Corp., New York. Filing to be amended.

Allied Industrial Development Corp.
June 20 (letter of notification) 300,000 shares of class A common stock. **Price**—$1 per share. **Proceeds**—For oil and gas operations. **Office**—1508 Capitol Ave., Houston, Tex. **Underwriter** — Paul C. Ferguson & Co., same address.

★ **Allied Finance Corp., Silver Spring, Md.**
July 8 (letter of notification) 22,000 shares of 6% cumulative convertible preferred stock (par $2); 36,668 shares of class A common stock (par 25 cents) and 628 shares of 7% cumulative preferred stock (par $100). **Price**—For 6% preferred and class A common, $2 per share; and for 7% preferred, $100 per share. **Proceeds**—For working capital. **Office**—8025 Georgia Ave., Silver Spring, Md. **Underwriter**—None.

Allstates Credit Corp., Reno, Nev.
June 27 (letter of notification) 27,000 shares of 7% cumulative preferred stock (par $10) and 27,000 shares of common stock (par $1) to be offered in units of one share of each class of stock. **Price**—$11 per unit. **Proceeds**—For working capital, etc. **Office**—206 No. Virginia St., Reno, Nev. **Underwriter**—Senderman & Co., same address.

American Asbestos Co., Ltd.
Feb. 17 (Regulation "D") 600,000 shares of common stock (par $1). **Price** — 50 cents per share. **Proceeds**—For general corporate purposes. **Underwriter**—Maine Investment Co., Ltd.

★ **American Bakeries Co., Chicago, Ill.**
July 11 filed 100,000 shares of common stock (no par) to be offered by company under its investment plan for employees.

● **American Natural Gas Co. (7/28-29)**
June 15 filed 736,856 shares of common stock (par $25) to be offered for subscription by common stockholders on the basis of one share for each five shares held on July 28 or 29 (with an oversubscription privilege); rights expire Aug. 12-13. **Price**—To be supplied by amendment. **Proceeds**—To be applied to the purchase of equity securities of subsidiaries or to replace other corporate funds used for that purpose. **Underwriter**—To be determined by competitive biding. Probable bidders: Blyth & Co., Inc.; The First Boston Corp.; Lehman Brothers; Glore, Forgan & Co. and W. C. Langley & Co. (jointly). **Bids**—Expected to be received up to 11 a.m. (EDT) on or about July 25, at 165 Broadway, New York 6, N. Y.

American Rare Metals Corp., N. Y.
May 11 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—To repay debt and for general corporate purposes. **Underwriter**—Equity Securities Co., 11 Broadway, New York, N. Y.

★ **American Republic Investors, Inc., Dallas, Texas**
July 15 filed 800,000 shares of common stock (par $1). **Price**—$10 per share. **Proceeds**—For working capital, etc. **Underwriter**—None.

★ **AMIC Manufacturing Corp.**
July 12 (letter of notification) $200,000 of 10-year subordinate redeemable debenture bonds due June 30, 1965 (with warrants to purchase class B common stock). **Pricee**—At par (in denominations of $100 each). **Proceeds**—For expansion, working capital and general corporate purposes. **Business**—Electronic units, etc. **Office**—21-25 44th Ave., Long Island City, N. Y. **Underwriter**—None.

Arizona Amortibanc, Phoenix, Ariz.
April 4 (letter of notification) 300,000 shares of common stock, class A. **Price**—At par ($1 per share). **Proceeds**—For working capital. **Office**—807 West Washington St., Phoenix, Ariz. **Underwriter**—First National Life Insurance Co. of Phoenix, same address.

★ **Arkansas Oil Ventures, Inc.**
July 6 (letter of notification) 500,000 shares of common stock (par one cent). **Price** — Two cents per share. **Proceeds**—For drilling equipment and working capital. **Office**—615 Liberty Bank Bldg., Oklahoma City, Okla. **Underwriter**—F. R. Chatfield & Co., Inc., Springfield, Mass.

★ **Atomic Research Corp., Colorado Springs, Colo.**
July 11 (letter of notification) 87,500 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For payment of notes and account payable, purchase of additional equipment, and working capital. **Office** — 1405 Mesita Road, Colorado Springs, Colo. **Underwriter**—A. H. Vogel & Co., Detroit, Mich.

● **Automatic Remote Systems, Inc.**
March 3 filed 540,000 shares of common stock (par 50 cents). **Price**—$3.75 per share. **Proceeds**—For manufacture of Teleac Sending and Receiving Units, working capital and general corporate purposes. **Office**—Baltimore, Md. **Underwriter**—Mitchell Securities, Inc., same city. Statement effective.

Badger Uranium Corp., Las Vegas, Nev.
July 1 (letter of notification) 6,500,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For mining operations. **Office**—401 Fremont St., Las Vegas, Nev. **Underwriter**—Weber Investment Co., same city.

★ **Baldor Electric Co., St. Louis, Mo.**
July 6 (letter of notification) 19,124 shares of common stock (par $10) to be offered for subscription by stockholders. **Price**—$15 per share. **Proceeds**—To expand production facilities and/or repair of building and equipment; to increase inventories; and for working capital. **Office**—4327-63 Duncan Ave., St. Louis 10, Mo. **Underwriter**—None.

★ **Beckjord Manufacturing Corp. (7/27)**
July 11 (letter of notification) 270,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To acquire or lease plant; for equipment and inventory; and for working capital. **Office** — Toms River, N. J. **Underwriter**—None.

Beehive Uranium Corp., Salt Lake City, Utah
May 26 (letter of notification) 20,000,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For mining expenses. **Office** — 156 East Third South St., Salt Lake City, Utah. **Underwriter**—Columbia Securities Co., Denver, Colo., and Salt Lake City, Utah.

★ **Big Salmon Uranium, Inc., Lewiston, Idaho**
June 25 (letter of notification) 15,000,000 shares of common stock (par one cent). **Price**—Two cents per share. **Proceeds**—For mining expenses. **Office**—851 Main St., Lewiston, Idaho. **Underwriter**—None.

Black Panther Uranium Co., Oklahoma City, Okla.
July 12 filed 500,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To explore and drill leases and claims in State of Utah. **Underwriter**—Porter, Stacy & Co., Houston, Tex., on "best efforts basis."

Blue Goose Mining, Inc.
June 7 (letter of notification) 1,950,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Offices**—Boulder, Garfield County, Utah, and Box 1055, Farmington, N. M. **Underwriter**—Birkenmayer & Co., Denver, Colo.

★ **Bojo Uranium Co., Salt Lake City, Utah**
July 8 (letter of notification) 3,000,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For expenses incident to mining operations. **Office**—403 Felt Building, Salt Lake City, Utah. **Underwriter**—J. E. Call & Co., Salt Lake City, Utah.

★ **Bullion Butte Mining Co., Inc., Mobridge, S. Dak.**
June 30 (letter of notification) 1,600 shares of common stock. **Price**—At par ($25 per share). **Proceeds**—For capital assets. **Underwriter**—None.

★ **California Electric Power Co. (8/23)**
July 15 filed 230,000 shares of common stock (par $1). **Proceeds**—To reduce bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Carl M. Loeb, Rhoades & Co. and Bear, Stearns & Co. (jointly); Kidder, Peabody & Co.; Lehman Brothers; Merrill Lynch, Pierce, Fenner & Beane. **Bids**—Scheduled to be received on Aug. 23.

Cal-U-Mines, Inc., Reno, Nev.
May 2 (letter of notification) 2,250,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office**—139 Virginia St., Reno, Nev. **Underwriter**—Coombs & Co. of Las Vegas, Inc., Las Vegas, Nev.

Calumet & Hecla, Inc.
June 9 filed 113,592 shares of common stock (par $5) to be offered in exchange for all of the issued and outstanding capital stock of Goodman Lumber Co., Goodman, Wis., on the following basis: 18 shares for each share of Goodman common stock; seven shares for each share of Goodman 2nd preferred stock; and eight shares for each share of Goodman 1st preferred stock; offer to terminate on Sept. 15, 1955 (subject to withdrawal by Calumet if the required number of Goodman shares have not been deposited and accepted within 30 days from the date of the mailing of the prospectus to the Goodman stockholders). **Underwriter**—None.

★ **Canadian Petrofina Ltd. (Montreal, Canada)**
July 15 filed 1,434,123 shares of non-cumulative participating preferred stock (par $10), of which 270,943 shares are to be offered in exchange for shares of $1 par capital stock of Calvan Consolidated Oil & Gas Co. on the basis of one share of Canadian Petrofina for each four shares of Calvin stock and 1,163,180 shares to be offered in exchange for shares of common stock of Western Leaseholds Ltd. or Leasehold Securities Ltd. on the basis of three shares of Canadian Petrofina for each 10 shares of Western Leaseholds or Leasehold Securities stock held. **Underwriter**—None.

Canadian Uranium Mines, Ltd., Montreal, Canada
June 3 (regulation "D") 2,000,000 shares of common stock (par one cent). **Price**—15 cents per share. **Proceeds**—For exploration and development expenses. **Underwriter**—Tellier & Co., Jersey City, N. J.

★ **Caribou Ranch Corp., Denver, Colo.**
July 15 filed 505,000 shares of common stock (par $1.) **Price**—$4 per share. **Proceeds**—For acquisition of property and equipment, construction of additional facilities, etc. **Underwriter**—Mountain States Securities, Inc., Denver, Colo.

★ **Carolina Fund, Inc., Columbia, S. C.**
July 7 (letter of notification) 22,500 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For working capital. **Office**—1911 Blossom St., Columbia, S. C. **Underwriter**—None.

Cedar Springs Uranium Co., Moab, Utah
June 8 (letter of notification) 300,000 shares of common stock (par five cents). **Price**—$1 per share. **Proceeds**—For mining expenses. **Underwriter**—Universal Investment Corp., Washington, D. C.

Central Reserve Oil Co. (N. Y.)
May 31 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—130 West 42nd Street, New York, N. Y. **Underwriter**—United Equities Co., 136 Liberty Street, New York, N. Y.

Chance (A. B.) Co., Centralia, Mo.
June 29 filed 50,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—To reduce bank loans incurred in connection with acquisition of common stock of Seyler Manufacturing Co., Pittsburgh, Pa. **Underwriter**—Stifel, Nicolaus & Co., Inc., St. Louis, Mo.

● **Clad (Victor V.) Co., Philadelphia, Pa.**
June 17 (letter of notification) 120,000 shares of common stock (par 25 cents). **Price**—$2.50 per share. **Proceeds**—For equipment and working capital. **Underwriter**—Barrett Herrick & Co., Inc., New York.

Clad-Rex Steel Co., Denver, Colo.
June 6 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To retire outstanding debts and for working capital. **Office**—40th Ave. and Ulster St., Denver, Colo. **Underwriters**—Mountain States Securities Corp. and Carroll, Kirchner & Jaquith, Inc., both of Denver, Colo.

● **Colohoma Uranium, Inc., Montrose, Colo. (8/15)**
April 21 filed 2,960,000 shares of common stock (par one cent), of which 2,500,000 shares are to be offered publicly. **Price**—50 cents per share. **Proceeds**—For exploration and development expenses and for general corporate purposes. **Underwriters**—General Investing Corp., New York; and Shaiman & Co., Denver, Colo.

Colorado Oil & Uranuim Corp.
June 7 (letter of notification) 300,000 shares of common stock (par 20 cents). **Price**—$1 per share. **Proceeds**—For oil and mining activities. **Office** — 350 Equitable Bldg., Denver, Colo. **Underwriter**—Birkenmayer & Co., same city.

● **Colorado Sports Racing Association (7/29)**
April 29 filed 600,000 shares of common stock (par five cents). **Price**—$1 per share. **Proceeds**—For purchase of land and other facilities and for working capital. **Office**—Grand Junction, Colo. **Underwriter**—General Investing Corp., New York.

★ **Commerce Acceptance Co., Inc., Atchison, Kan.**
July 5 (letter of notification) 3,000 shares of 4¾% cumulative preferred stock. **Price** — At par ($100 per share). **Proceeds**—For working capital. **Office**—604 Commercial St., Atchison, Kan. **Underwriter**—First Securities Co. of Kansas, Inc., Wichita, Kan.

Community Credit Co., Omaha, Neb.
June 6 (letter of notification) 1,000 shares of 5½% cumulative preferred stock. **Price**—At par ($100 per share). **Proceeds**—For working capital. **Office**—3023 Farnam St., Omaha, Neb. **Underwriter**—Wachob-Bender Corp., same city.

★ **Community Drug Co., Inc., Arlington, Va.**
July 6 (letter of notification) 30,000 shares of 6% cumulative participating preferred stock. **Price**—At par ($10 per share). **Proceeds**—For expansion, etc. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C.

Conjecture Mines, Inc., Coeur d'Alene, Idaho
May 5 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—25 cents per share. **Proceeds**—For mining expenses. **Office**—326 Wiggett Bldg., Coeur d'Alene, Idaho. **Underwriter**—M. A. Cleek, Spokane, Wash.

Consolidated Sudbury Basin Mines, Ltd., Toronto, Canada
Jan. 31 filed 3,000,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—For exploration and development of properties. **Underwriter**—Stock to be sold on Toronto Stock Exchange or through underwriters or selected dealers in United States.

Constellation Uranium Corp., Denver, Colo.
March 22 (letter of notification) 2,855,000 shares of common stock (par one cent). **Price** — 10 cents per share. **Proceeds**—For mining expenses. **Office**—206 Mercantile Bldg., Denver, Colo. **Underwriter**—Bay Securities Corp., New York.

● **Consumers Power Co.**
June 24 filed 373,689 shares of common stock (no par) being offered for subscription by common stockholders

on the basis of one new share for each 20 shares held as of July 21; rights to expire on Aug. 5. Unsubscribed shares to be offered to employees of company and its subsidiary. **Price**—$45.25 per share. **Proceeds**—For construction program. **Underwriters** — Kuhn, Loeb & Co.; Ladenburg, Thalmann & Co.; Allen & Co.; Blair & Co. Incorporated; and Salomon Bros. & Hutzler.

★ Container Corp. of America (7/27)
July 14 filed $35,000,000 of sinking fund debentures due July 1, 1980. **Price**—To be supplied by amendment. **Proceeds**—For additions and improvements to property and for working capital. **Underwriter**—Kidder, Peabody & Co., New York.

★ Continental U308 Corp., Reno, Nev.
June 29 (letter of notification) 490,000 shares of common stock. **Price**—10 cents per share. **Proceeds**—For mining expenses. **Office** — 139 No. Virginia St., Reno, Nev. **Underwriter**—None.

Copper Blossom Uranium & Mining Co.
June 24 (letter of notification) 5,000,000 shares of capital stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining operations. **Office**—65 East 4th South, Salt Lake City, Utah. **Underwriter** — Empire Securities Corp., same city.

Copper Blossom Uranium & Mining Co.
June 24 (letter of notification) 5,000,000 shares of capital stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining expenses. **Office**—65 East 4th South, Salt Lake City, Utah. **Underwriter**—Empire Securities Corp., same city.

Cordillera Mining Co., Denver, Colo.
June 8 (letter of notification) 2,995,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining operations. **Offices** — 738 Majestic Bldg., Denver, Colo., and 317 Main St., Grand Junction, Colo. **Underwriter**—Lasseter & Co., Denver, Colo.

Cortez Uranium & Mining Co., Denver, Colo.
May 27 (letter of notification) 3,000,000 shares of common stock (par one cent). **Price**—10 cents per share. **Proceeds**—For mining expenses. **Office**—404 University Building, Denver, Colo. **Underwriter**—Peters, Writer & Christensen, Inc., Denver, Colo.

Coso Uranium, Inc., Long Beach, Calif.
May 31 (letter of notification) 3,000,000 shares of capital stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office**—2485—American Ave., Long Beach 6, Calif. **Underwriter**—Coombs & Co., of Los Angeles, Inc., San Francisco and Los Angeles, Calif.

Cromwell Uranium & Development Co., Inc.
May 25 (regulation "D") 300,000 shares of common stock (par five cents). **Price**—$1 per share. **Proceeds**—For exploration and development expenses, etc. **Offices**—Toronto, Canada, and New York, N. Y. **Underwriter**—James Anthony Securities Corp., New York.

★ D. and V. Manufacturing Co., Inc., Bessemer, Ala.
July 7 (letter of notification) 996 shares of common stock. **Price**—$50 per share. **Proceeds**—For general corporate purposes. **Underwriter**—None.

Dawn Uranium & Oil Co., Spokane, Wash.
June 16 (letter of notification) 1,500,000 shares of common stock. **Price** — 10 cents per share. **Proceeds**—For uranium and oil exploration. **Office**—726 Paulsen Bldg., Empire State Bldg., same city.

Denver-Golden Oil & Uranium Co.
June 23 (letter of notification) 2,999,000 shares of common stock (par one cent). **Price**—10 cents per share. **Proceeds**—For oil and gas operations. **Office**—Denver Club Bldg., Denver, Colo. **Underwriter**—Carroll, Kirchner & Jaquith, Inc., Denver, Colo.

Deseret Uranium Corp., Salt Lake City, Utah
June 9 (letter of notification) 2,000,000 shares of capital stock. **Price**—At par (15 cents per share). **Proceeds**—For mining expenses. **Office**—527 Atlas Bldg., Salt Lake City, Utah. **Underwriters**—Western Securities Corp. and Potter Investment Co., both of Salt Lake City, Utah.

Desert Sun Uranium Co., Inc.
April 18 (letter of notification) 3,000,000 shares of common stock (par one cent). **Price**—10 cents per share. **Proceeds**—For mining operations. **Office** — 343 South State St., Salt Lake City, Utah. **Underwriter** — J. W. Hicks & Co., Inc., Denver, Colo.

★ Desert Treasure Uranium Co., Midvale, Utah
June 30 (letter of notification) 30,000,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For mining expenses. **Underwriter**—None.

Dinosaur Uranium Corp., Seattle, Wash.
June 20 (letter of notification) 1,750,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office**—1226-1411 Fourth Ave. Bldg., Seattle, Wash.

★ Dreyfus Corp., New York
July 19 filed $8,500,000 of systematic accumulation programs with insurance protection and systematic accumulation programs; and $1,500,000 of fully paid programs.

● Dyno Mines, Ltd., Toronto, Canada
March 25 filed 1,100,000 shares of common stock (par $1). **Price**—To be related to the current market price on the Toronto Stock Exchange. **Proceeds**—To American Trading Co. Ltd., the selling stockholder. **Underwriter**—R. W. Brown Ltd., Toronto, Canada, on a "best-efforts basis." Statement has been withdrawn.

Electronics Co. of Ireland
Jan. 6 filed 300,000 shares of capital stock. **Price**—At par ($1 per share). **Proceeds**—For machinery and building and working capital. **Office** — 407 Liberty Trust Bldg., Philadelphia, Pa. **Underwriter**—None.

Fairway Uranium Corp., Salt Lake City, Utah
May 23 (letter of notification) 275,000 shares of capital stock (par 50 cents). **Price**—$1 per share. **Proceeds**—For mining expenses. **Office**—2320 South Main Street, Salt Lake City, Utah. **Underwriter** — Eliason, Taylor, Cafarelli Co., Las Vegas, Nev.

Farm Family Mutual Insurance Co., Albany, N. Y.
June 28 filed $1,500,000 of 5% debentures to be offered directly to members of the American Farm Bureau Federation and to State Farm Bureau Federations and local organization. **Price**—At 100% of principal amount (in denominations of $250 each). **Proceeds**—To provide company with necessary funds to comply with requirements of surplus to policyholders under New York and other state laws. **Underwriter**—None.

★ Federal Mortgage Corp. of Connecticut
July 15 (letter of notification) $75,000 of 12% bonds due in five years commencing Dec. 31, 1959. **Price**—At par (in denominations of $100 each). **Proceeds**—For working capital. **Office**—c/o Wilbur Duberstein, Colonial Green, Westport, Conn. **Underwriter**—None.

★ Federal Mortgage Corp. of Massachusetts (8/1)
July 15 (letter of notification) $75,000 of 12% bonds due in five years commencing Dec. 31, 1959. **Price**—At par (in denominations of $100 each). **Proceeds**—For working capital. **Office**—59 Olmsted Drive, Springfield, Mass. **Underwriter**—None.

Fidelity Insurance Co., Mullins, S. C.
March 25 (letter of notification) 86,666 shares of common stock (par $1). **Price**—$1.87½ per share. **Proceeds**—To increase capital and surplus. **Underwriters**—McDaniel Lewis & Co., Greensboro, N. C.; Dietenhofer & Heartfeld, Southern Pines, N. C.; and Calhoun & Co., Spartanburg, S. C.

Five States Uranium Corp.
June 30 (letter of notification) 3,000,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office**—1019 Simms Bldg., Albuquerque, N. M. **Underwriters** — Coombs & Co. of Ogden, Inc., Odgen, Utah; and Shelton Sanders Investments, Albuquerque, N. M.

Fort Pitt Packaging International, Inc.
June 30 filed 300,000 shares of common stock (par 10¢), of which 250,000 shares of for account of company and 50,000 shares of five selling stockholders. **Price**—$3 per share. **Proceeds**—For working capital; for exploitation of "Totosave" system; and for marketing of "Tropic-Ray" infra-red space heater. **Office** — Pittsburgh, Pa. **Underwriter**—Barrett Herrick & Co., Inc., New York.

Fowler Telephone Co., Pella, Ia.
May 6 (letter of notification) $260,000 of 4% first mortgage bonds, series A, due May 1, 1975. **Price**—At par (in denominations of $1,000 each). **Proceeds**—To retire existing debt, acquire Northwestern Bell properties in Leighton, Ia., and for conversion of both exchanges to dial operation. **Underwriter** — Wachob-Bender Corp., Omaha, Neb.

Freedom Insurance Co., Berkeley, Calif.
June 6 filed 1,000,000 shares of common stock (par $10). **Price**—$22 per share. **Proceeds**—For capital and surplus. **Business**—All insurance coverages, except, life, title and mortgage. **Office**—2054 University Avenue, Berkeley, Calif., c/o Ray B. Wiser, President. **Underwriter**—Any underwriting agreement will be made on behalf of this company by Uni-Insurance Service Corp.

Fremont Uranium Corp., Denver, Colo.
April 22 (letter of notification) 600,000 shares of common stock (par 10 cents). **Price** — 50 cents per share. **Proceeds**—For mining expenses. **Office**—235 Ivy St., Denver, Colo. **Underwriter**—L. A. Huey Co., same city.

Continued on page 38

NEW ISSUE CALENDAR

July 22 (Friday)

Goodyear Tire & Rubber Co.____Common
(Offering to stockholders—underwritten by Dillon, Read & Co. Inc.) 913,531 shares

Interstate Adjusteze Corp.____Common
(Offering to stockholders of Interstate Engineering Corp.—underwritten by Dempsey-Tegeler & Co.; Cruttenden & Co.; and Fairman & Co.) $691,068

Maremont Automotive Products, Inc.__Debentures
(Hallgarten & Co.; McCormick & Co.; and Straus, Blosser & McDowell) $1,000,000

July 25 (Monday)

Industrial Hardware Mfg. Co., Inc. ____Debentures & Common
(Hallowell, Sulzberger & Co.; and Baruch Brothers & Co., Inc.) $1,500,000 debentures and 300,000 shares of stock

Western Union Telegraph Co.____Common
(Offering to stockholders—underwritten by Kuhn, Loeb & Co.; Lehman Brothers; Clark, Dodge & Co.; and Salomon Bros. & Hutzler) 1,041,393 shares

July 27 (Wednesday)

All State Uranium Corp.____Common
(General Investing Corp.) $300,000

Beckjord Manufacturing Corp.____Common
(Offer by company—no underwriting) $270,000

Container Corp. of America____Debentures
(Kidder, Peabody & Co.) $35,000,000

Southern Colorado Power Co.____Preferred
(Stone & Webster Securities Corp.; Paine, Webber, Jackson & Curtis; and others) $1,000,000

TelAutograph Corp.____Debentures
(Offering to stockholders—no underwriting) $2,396,500

July 28 (Thursday)

American Natural Gas Co.____Common
(Bids 11 a.m. EDT) 736,856 shares

Interstate Securities Co.____Common
(Harriman Ripley & Co. Inc. and Stern Brothers & Co.) 333,848 shares

Kirby Oil & Gas Co.____Common
(Allen & Co. and Rauscher, Pierce & Co.) 200,000 shares

Western Tool & Stamping Co.____Common
(Blunt Ellis & Simmons) 75,000 shares

July 29 (Friday)

Colorado Sports Racing Association____Common
(General Investing Corp.) $600,000

National Shoes, Inc.____Common
(C. E. Unterberg, Towbin Co.) $299,600

August 1 (Monday)

Federal Mortgage Co. of Connecticut____Bonds
(Offered by company—no underwriting) $75,000

Federal Mortgage Corp. of Massachusetts____Bonds
(Offer by company—no underwriting) $75,000

Foremost Dairies, Inc.____Debentures
(Allen & Co. and Salomon Bros. & Hutzler) $20,000,000

Livingston Oil Co.____Common
(Van Alstyne, Noel & Co.) $1,298,500

Siboney Development & Exploration Co.____Common
(Dempsey-Tegeler & Co.) 2,000,000 shares

August 2 (Tuesday)

Pacific Far East Line, Inc.____Preferred
(A. G. Becker & Co. Inc.) $2,000,000

Pacific Far East Line, Inc.____Common
(A. G. Becker & Co. Inc.) 160,000 shares

Thomas Industries, Inc.____Class A Common
(Kidder, Peabody & Co. and McCormick & Co.) 140,000 shares

August 4 (Thursday)

Southeastern Telephone Co.____Common
(Scott, Horner & Mason, Inc.) 50,000 shares

August 5 (Friday)

Maule Industries, Inc.____Common
(Offering to stockholders—underwritten by Merrill Lynch, Pierce, Fenner & Beane) 638,532 shares

August 8 (Monday)

Pictograph Mining & Uranium Co., Inc.____Common
Shaiman & Co.; J. H. Lederer Co.; and McGrath Securities Corp.) $600,000

Western Nebraska Oil & Uranium Co., Inc.____Com.
(Israel & Co.) $300,000

August 15 (Monday)

Colohoma Uranium, Inc.____Common
(General Investing Corp. and Shaiman & Co.) $1,250,000

Trans-National Uranium & Oil Corp.____Common
(Garrett Brothers, Inc.) $3,000,000

August 22 (Monday)

St. Louis-San Francisco Ry.____Bonds
(Bids to be invited) $19,500,000

August 23 (Tuesday)

California Electric Power Co.____Common
(Bids to be invited) 230,000 shares

Pacific Telephone & Telegraph Co.____Debentures
(Bids to be invited) $67,000,000

August 30 (Tuesday)

California Electric Power Co.____Bonds
(Bids to be invited) $6,000,000

Sept. 5 (Monday)

Housatonic Public Service Corp.____Common
(Offering to stockholders—no underwriting) $325,974

September 13 (Tuesday)

Utah Power & Light Co.____Bonds
(Bids to be invited) $15,000,000

Utah Power & Light Co.____Common
(Bids to be invited) 177,500 shares

Sept. 20 (Tuesday)

Ohio Power Co.____Preferred
(Bids 11 a.m. EDT) $6,000,000

Ohio Power Co.____Bonds
(Bids 11 a.m. EDT) $22,000,000

September 27 (Tuesday)

Pacific Power & Light Co.____Bonds
(Bids noon EDT) $10,000,000

October 1 (Saturday)

Mountain States Telephone & Telegraph Co.____Common
(Offering to stockholders—no underwriting) $48,688,100

October 4 (Tuesday)

Public Service Electric & Gas Co.____Debentures
(Bids to be invited) $35,000,000

October 5 (Wednesday)

Pacific Power & Light Co.____Preferred
(Expected by local dealers) $3,000,000

Oct. 18 (Tuesday)

Worcester County Electric Co.____Bonds
(Bids to be invited) $8,500,000

October 19 (Wednesday)

New York State Electric & Gas Corp.____Bonds
(Bids to be invited) $25,000,000

October 25 (Tuesday)

Arkansas Power & Light Co.____Preferred
(Bids to be invited) $8,000,000

November 9 (Wednesday)

Southern Co.____Common
(Bids to be invited) 500,000 shares

Continued from page 37

GAD Enterprises, Inc., Alexandria, Va.
March 15 (letter of notification) 260,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For purchase of factory and working capital. **Office**—1710 Mount Vernon Avenue, Alexandria, Va. **Underwriter**—T. J. O'Connor and Associates, Washington, D. C.

General Homes, Inc.
Dec. 15 filed 300,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—For plant expansion, new equipment, inventory and working capital. **Office**—Huntington Station, L. I., N. Y. **Underwriter**—S. D. Fuller & Co., New York.

★ **General Waterworks Corp.**
June 30 (letter of notification) 3,000 shares of 5% cumulative preferred stock. **Price** — At par ($100 per share). **Proceeds**—To retire bank loans. **Underwriters**—Southern Securities Corp., Savannah, Ga.; Hill, Crawford & Lanford, Inc., Little Rock, Ark.; and Security & Bond Co., Lexington, Ky.

● **Goodyear Tire & Rubber Co., Akron, Ohio (7/22)**
June 28 filed 913,531 shares of common stock (par $5) to be offered for subscription by stockholders of record July 21 on the basis of one new share for each 10 shares held; rights to expire on Aug. 8. **Price**—$50 per share. **Proceeds**—For expansion and working capital. **Underwriter**—Dillon, Read & Co., Inc., New York.

★ **Grand Union Co., East Patterson, N. J.**
July 11 filled 117,748 shares of common stock (par $5) to be offered under company's employees' restricted stock option plan.

Great Eastern Mutual Life Insurance Co.
June 23 (letter of notification) 45,583 shares of common stock (par $1) to be offered for subscription by stockholders of record June 10 in the ratio of one new share for each three shares held; stock not subscribed for by Sept. 10, 1955 will be offered to public. **Price**—To stockholders, $3 per share; and to public, $5 per share. **Proceeds**—To increase capital and surplus accounts. **Office**—210 Boston Bldg., Denver, Colo. **Underwriter**—None.

★ **Great Northern Uranium Co., Inc.**
June 30 (letter of notification) 500,000 shares of common stock (par one cent). **Price**—10 cents per share. **Proceeds**—To repay note indebtedness and for mining expenses. **Office**—2070 So. St. Paul St., Denver, Colo. **Underwriter**—None.

Great Yellowstone Uranium Co.
June 29 (letter of notification) 1,200,000 shares of common stock (par 10 cents). **Price**—25 cents per share. **Proceeds**—For mining operations. **Office**—139 N. Virginia St., Reno, Nev. **Underwriters**—Cromer Brokerage Co. and Walter Sondrup & Co., both of Salt Lake City, Utah.

★ **Hamilton Funds, Inc., Denver, Colo.**
July 11 filed (by amendment) an additional $1,500,000 series H-C7, $1,500,000 of series H-DA, and $20,000,000 of face amount of Hamilton Funds periodic investment certificates.

★ **Hardy-Griffin Engineering Corp., Houston, Texas**
July 8 (letter of notification) 240,000 shares of common stock (par one cent). **Price**—$1.25 per share. **Proceeds**—For purchase of machinery and equipment and working capital. **Underwriter**—Benjamin & Co., Houston, Texas.

Hawk Lake Uranium Corp.
April 12 filed 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds** — For mining expenses, etc. **Underwriter**—Dobbs & Co., New York City, will act as agents.

★ **Holly Sugar Corp., Colorado Springs, Colo.**
June 29 (letter of notification) 2,400 shares of common stock to be offered to employees. **Price**—$19 per share. **Proceeds**—For working capital. **Underwriter**—None.

Home-Stake Production Co., Tulsa, Okla.
May 12 filed 60,000 shares of capital stock (par $5) and 1,000 debentures (par $100) to be offered for sale in units of 60 shares of stock and one $100 debenture, or multiples thereof. **Price**—$400 per unit. **Proceeds**—For working capital. **Underwriter**—None. O. Strother Simpson, of Tulsa, Okla., is President.

Horton Aircraft Corp., Las Vegas, Nev.
April 26 filed 500,000 shares of common stock (no par), of which 400,000 shares are to be offered for account of company and 100,000 shares for account of William E. Horton, President. **Price**—$1 per share. **Proceeds**—For construction of model of "Horton Wingless Aircraft" and expenses incident thereto. **Underwriter**—None.

Humble Sulphur Co., Houston, Texas
April 25 filed 500,000 shares of common stock (par 1¢). **Price**—$1.20 per share. **Proceeds**—For exploration for sulphur and related activities. **Underwriter**—Garrett & Co., Dallas, Texas.

Inca Uranium Corp., Salt Lake City, Utah
April 25 (letter of notification) 15,000,000 shares of capital stock. **Price**—At par (one cent per share). **Proceeds**—For mining expenses. **Office**—1946 S. Main St., Salt Lake City, Utah. **Underwriter** — Guss & Mednick Co., Salt Lake City, and Moab, Utah.

Industrial Hardware Mfg. Co. (7/25-29)
May 12 (amendment) $1,500,000 of 5% debentures due 1975 and 300,000 shares of common stock (par 50 cents), of which 85,000 shares are to be sold to Seymour and Bernard Offerman at $5 per share. **Price**—To be supplied by amendment. **Proceeds**—To purchase Hugh H. Eby Co. and Wirt Co. **Underwriters**—Hallowell, Sulzberger & Co., Philadelphia; and Baruch Brothers & Co., Inc., New York.

★ **Industries, Inc., Bluefield, W. Va.**
July 12 (letter of notification) 30,000 shares of common stock. **Price**—At par ($10 per share). **Proceeds**—For construction of building. **Underwriter**—None.

International Fidelity Insurance Co., Dallas, Tex.
March 30 filed 110,000 shares of common stock (no par). **Price**—$5.75 per share. **Proceeds**—To 12 selling stockholders. **Underwriter**—Franklin Securities Co., Dallas, Texas.

● **Interstate Adjusteze Corp. (7/22)**
June 23 filed 345,534 shares of common stock (par $1) to be offered for subscription by common stockholders of Interstate Engineering Corp. on a share-for-share basis from about July 22 to Aug. 5. **Price**—$2 per share. **Proceeds**—For machinery and equipment; and for working capital. **Office** — Amaheim, Calif. **Underwriters** — Dempsey-Tegeler & Co., St. Louis, Mo.; Cruttenden & Co., Chicago, Ill.; and Fairman & Co., Los Angeles, Calif.

● **Interstate Securities (7/28)**
July 7 filed 333,848 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—To certain selling stockholders. **Business**—Automobile sales financing, direct lending to consumers on automobiles and other personal property and the writing of credit life and accident and health insurance in connection with its financing activities. **Office** — Kansas City, Mo. **Underwriters**—Harriman Ripley & Co. Inc., New York; and Stern Brothers & Co., Kansas City, Mo.

★ **Investment Trust of Boston, Boston, Mass.**
July 15 filed (by amendment) 800,000 shares of beneficial interest in the Trust. **Price**—At market. **Proceeds**—For investment.

Israel Pecan Plantations, Ltd.
Feb. 28 filed 24,900 shares of ordinary common stock (par one Israeli pound). **Price**—$10 per share. **Proceeds**—For capital expenditures. **Underwriter**—None. **Offices**—Natanya, Israel, and New York, N. Y.

Kachina Uranium Corp., Reno, Nev.
May 12 (letter of notification) 600,000 shares of common stock (par 10 cents). **Price**—50 cents per share. **Proceeds**—For mining expenses. **Office**—206 N. Virginia St., Reno, Nev. **Underwriter**—Whitney, Cranmer & Schulder, Inc., Denver, Colo.

★ **Kingdom Uranium & Mining Co., Denver, Colo.**
July 8 (letter of notification) 250,000 shares of common stock (par five cents). **Price**—$1 per share. **Proceeds**—For expenses incident to mining operations. **Office**—611 Denham Bldg., Denver, Colo. **Underwriter**—None.

Kirby Oil & Gas Co., Houston, Texas (7/28)
July 8 filed 200,000 shares of common stock (par $1), of which 100,000 shares are for the account of the company and 100,000 shares for the account of the Murchison-Richardson financial interests of Texas. **Price**—To be supplied by amendment. **Proceeds**—To retire outstanding bank loans and for exploration of oil and gas leases. **Underwriters**—Allen & Co., New York; and Rauscher, Pierce & Co., Dallas, Texas.

LeBlanc Medicine Co., Inc., Lafayette, La.
April 6 filed 1,000,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For purchase of land, plant, warehouse, office building and equipment; and additional working capital. **Business**—Processing, packaging and merchandising of new proprietory medicine, KARY-ON. **Underwriter**—None.

Leborn Oil & Uranium Co.
June 8 (letter of notification) 6,000,000 shares of capital stock. **Price**—At par (five cents per share). **Proceeds**—For mining expenses. **Office** — 124½ South Main St., Newcastle, Wyo. **Underwriter** — Mid-American Securities, Inc. of Utah, Salt Lake City, Utah.

Life and Accident Insurance Co. of Alabama
June 2 filed 750,000 shares of class B (non-voting) common stock (par $1). **Price**—$3 per share. **Proceeds**—To increase capital and surplus. **Office**—Gadsden, Ala. **Underwriter** — None, sales to be handled by Burlus Randolph Winstead, Secretary and Treasurer of the company.

★ **Life Insurance Co. of Mississippi**
July 7 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—for capital and surplus. **Address**—P. O. Box 1172, Jackson, Miss. **Underwriter**—Luther Martin Honeycutt, Jr., same address.

● **Little Star Uranium Co., Inc., Casper, Wyo.**
May 25 filed 5,000,000 shares of common stock (par 10 cents). **Price**—15 cents per share. **Proceeds**—To purchase machinery and equipment; for drilling and reconnaissance surveys; for acquisition of additional properties; and for working capital and other purposes. **Underwriter**—Peters, Writer & Christensen, Inc., Denver, Colo. Statement effective July 11.

● **Livingston Oil Co., Tulsa, Okla. (8/1-5)**
June 16 filed 742,000 shares of common stock (par 10 cents). **Price**—$2.75 per share. **Proceeds**—For purchase of properties and working capital. **Underwriter** — Van Alstyne, Noel & Co., New York.

Lutah Uranium & Oil, Inc.
May 23 (letter of notification) 3,000,000 shares of common stock (par one cent). **Price**—10 cents per share. **Proceeds**—For mining operations. **Office**—Suite 1003, Continental Bank Bldg., Salt Lake City, Utah. **Underwriter**—Havenor-Cayias, Inc., same city.

● **Magna Theatre Corp., New York**
May 23 filed 122,300 shares of common stock (par five cents), 6,000 outstanding warrants for the purchase of 439,800 shares of common stock (as well as the common stock), and 6,000 outstanding units of "Oklahoma" participation certificates (each certificate entitling the holder to receive 1/6,000th of 5/12ths of Magna's percentage of profits due from the distribution of "Oklahoma." This filing was made by the corporation to take care of certain warrants that were attached to $6,000,000 of debentures privately distributed by Kuhn, Loeb & Co. and finders' warrants that were given to those people who were able to locate buyers for these debentures. The registration statement, which the company is now effecting, includes the following owners of Magna Theatre stock and/or warrants, but it does not necessarily mean that they intend to dispose of their stock; Kuhn, Loeb & Co.; United California Theatres, Inc.; Harris, Upham & Co.; Prudential Theatres, Inc.; Carl M. Loeb, Rhoades & Co.; Brown Brothers Harriman & Co.; and United Artists Theatre Circuit, Inc.

Maremont Automotive Products, Inc. (7/22)
June 30 filed $1,000,000 of convertible sinking fund convertible subordinated debentures due July 1, 1970. **Price**—To be supplied by amendment. **Proceeds**—To reduce bank loans. **Office**—Chicago, Ill. **Underwriters**—Hallgarten & Co., New York; and McCormick & Co. and Straus, Blosser & McDowell, both of Chicago, Ill.

★ **Maule Industries, Inc., Miami, Fla. (8/5)**
July 15 filed 638,532 shares of common stock (par $1), to be offered for subscription by common stockholders at the rate of one new share for each 2½ shares held about Aug. 15; rights to expire Aug. 22. **Price**—To be supplied by amendment. **Proceeds** — To pay purchase money notes issued in connection with property acquisitions; to pay bank loans; and to exercise an option to purchase the Lake plant property. **Business**—Production and sale of concrete aggregates, concrete blocks and ready-mix concretes. **Underwriter** — Merrill Lynch Pierce, Fenner & Beane, New York.

Medical Abstracts, Inc., Philadelphia, Pa.
June 15 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For working capital, etc. **Office**—825 Western Savings Fund Bldg., Philadelphia, Pa. **Underwriter** — Carl J. Bliedung, Washington, D. C.

Mehadrin Plantations, Inc., New York
April 28 filed 70,000 shares of common stock (par $10). **Price**—$10.75 per share. **Proceeds**—For acquisition of additional groves and working capital and other general corporate purposes. **Business**—Production and sale of citrus fruits in State of Israel; also plans to grow subtropical fruits. **Underwriter**—None.

Merritt-Chapman & Scott Corp., New York
June 28 filed 314,718 shares of common stock (par $12.50) to be offered in exchange as follows: 102,250 shares to class A stockholders of Devoe & Raynolds & Co., Inc. on basis of 1⅔ shares for each Devoe share; 6,621 shares to class B common stockholders of Devoe on 1⅓-for-1 basis; 127,623 shares to common stockholders of New York Shipbuilding Corp. on a share-for-share basis; 53,324 shares to common stockholders of Tennessee Products & Chemical Corp. on a 1¼-for-1 basis; 13,453 shares to common stockholders of Newport Steel Corp. on a 1-for-2.1 basis; 10,899 shares to common stockholders of Marion Power Shovel Co. on a 1½-for-1 basis; and 548 shares of class B common stockholders of The Osgood Co. on a 1-for-1½ basis. **Underwriter**—None.

Mitchell Mining Co., Inc., Mount Vernon, Wash.
May 13 (letter of notification) 500,000 shares of common stock (par 10 cents). **Price**—50 cents per share. **Proceeds**—For mining expenses. **Address**—P. O. Box 301, Mount Vernon, Wash. **Underwriter**—Standard Securities Corp., Spokane, Wash.

Moab King, Inc.
April 4 (letter of notification) 10,000,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For mining expenses. **Office**—210 Zions Savings Bank Building, Salt Lake City, Utah. **Underwriter**—Potter Investment Co., same city.

★ **Moab Queen Uranium Corp., Reno, Nev.**
June 28 (letter of notification) 950,000 shares of common stock (par 10 cents). **Price**—30 cents per share. **Proceeds** — For mining expenses. **Office** — 206 No. Virginia St., Reno, Nev. **Underwriter**—None.

Moab Valley Uranium Co.
May 16 (letter of notification) 2,000,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining costs. **Office**—716 Newhouse Bldg., Salt Lake City, Utah. **Underwriter** — Moab Brokerage Co., same city.

Monte Carlo Uranium Mines, Inc.
June 6 (letter of notification) 6,000,000 shares of common stock. **Price**—At par (five cents per share). **Proceeds**—For mining expenses. **Office** — 706 Newhouse Bldg., Salt Lake City, Utah. **Underwriter**—Mid-Continent Securities, Inc., same city.

Morning Sun Uranium, Inc., Spokane, Wash.
June 14 (letter of notification) 700,000 shares of common stock (par 10 cents). **Price** — 25 cents per share. **Proceeds**—For mining expenses. **Office** — 415 Paulsen Bldg., Spokane, Wash. **Underwriter**—Pennaluna & Co., same city.

Mortgage Associates, Inc., Philadelphia, Pa.
June 7 (letter of notification) 20,000 shares of 60-cent convertible preferred stock (par $5) and 20,000 shares of common stock (par 10 cents). **Price**—For preferred, $10 per share; and for common, $2.50 per share. **Proceeds**—For construction loans and acquisitions. **Underwriters**—Rambo, Close & Kerner Inc., Philadelphia, Pa.; and J. S. Hope & Co., Scranton, Pa.

● **Multi-Minerals Corp., Salt Lake City, Utah**
May 5 filed 1,500,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For payment on uranium claims and for exploration and other costs. **Underwriter**—M. Raymond & Co., Inc., New York. Statement withdrawn.

★ **National Apex Industries Corp.**
June 30 (letter of notification) 298,749 shares of common stock to be offered for subscription by stockholders. **Price**—At par (50 cents per share). **Proceeds**—For working capital. **Office**—706 Citizens Bldg., Cleveland, O.

Underwriter—None. Company was formerly known as the National Bronze & Aluminum Foundry Co.

★ **National Mortgage Corp.**
July 13 (letter of notification) 14,900 shares of class B common stock. **Price**—At par ($10 per share). **Proceeds**—For working capital. **Office**—50 Elk Ave., New Rochelle, N. Y. **Underwriter**—None.

★ **National Shoes, Inc. (7/29)**
July 15 (letter of notification) 42,800 shares of common stock (par $1). **Price**—$7 per share. **Proceeds**—For working capital. **Office**—595 Gerard Ave., Bronx, New York City. **Underwriter**—C. E. Unterberg, Towbin Co., New York.

★ **Navajo Cliffs Uranium Corp., Provo, Utah**
July 6 (letter of notification) 6,000,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining expenses. **Office**—156 No. University Ave., Provo, Utah. **Underwriter** — Lindquist Securities, Salt Lake City, Utah.

Northport Water Works Co.
June 23 (letter of notification) 4,438 shares of common stock (no par) to be offered for subscription by stockholders on the basis of one share for each 3½ shares held (with an oversubscription privilege). **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and accounts payable and for new construction. **Office**—50 Church St., New York, N. Y. **Underwriter**—None.

Oasis Uranium & Oil Corp., Fort Worth, Texas
June 8 (letter of notification) 265,000 shares of common stock (par 50 cents). **Price**—$1 per share. **Proceeds**—For uranium and oil exploration. **Office**—Fortune Arms Bldg., Fort Worth, Tex. **Underwriter**—Standard Securities, Inc., Salt Lake City, Utah.

Ocean Drilling & Exploration Co.
June 23 filed 225,666 shares of common stock (par $1) being offered for subscription by common stockholders of record July 13 on the basis of two new share for each nine shares held; rights to expire on July 28. Murphy Corp., which owns 530,450 shares (52%) of the 1,015,500 common shares outstanding, intends to exercise rights to purchase at least 104,230 of the 117,877 shares to which it is entitled. **Price**—$8 per share. **Proceeds**—For equipment, to acquire oil and gas interests, exploration and possibly drilling costs; and to pay all or a portion of a $705,000 mortgage note. **Office**—New Orleans, La. **Underwriters** — Morgan Stanley & Co. (New York) and Reinholdt & Gardner (St. Louis, Mo.) on a best-efforts basis.

Old Republic Insurance Co.
June 10 filed 100,000 shares of common stock (par $5) being offered for subscription by stockholders of record June 30 on the basis of one new share for each share held; rights to expire on Aug. 8. **Price**—$21 per share. **Proceeds**—To diversify and increase its premium volume. **Office**—Greensburg, Pa. **Underwriter**—The First Boston Corp., New York.

Pacific Far East Line, Inc. (8/2)
July 12 filed 80,000 shares of cumulative convertible preferred stock (par $25) and 160,000 shares of common stock (par $5). Of the latter, 100,000 share are to be sold for account of the company and 60,000 shares for account of the Chicago Corp. **Price**—To be supplied by amendment. **Proceeds**—To retire a small issue of junior preferred stock and for fleet replacement program. **Office**—San Francisco, Calif. **Underwriter**—A. G. Becker & Co. Inc., Chicago, Ill.

Pacific Uranium & Oil Corp.
June 6 (letter of notification) 3,000,000 shares of common stock (par two cents). **Price**—10 cents per share. **Proceeds** — For mining expenses. **Office** — 811 Boston Bldg., Denver, Colo. **Underwriter**—Amos C. Sudler & Co., same city.

Palestine Economic Corp., New York
July 1 filed 50,000 shares of common stock (par $25) and $2,000,000 of five-year 5% notes, series 1955. **Price**—Of stock, $28 per share; and of notes, at 100% of principal amount. **Proceeds** — For further development of Israel industry; development of urban and suburban areas; extension of credit; financing of exports to Israel; and working capital and general corporate purposes. **Underwriter**—None, sales to be handled through company officials and employees.

Panama Minerals, Inc., S. A. (Republic of Panama)
June 30 filed 400,000 shares of common stock (par $1). **Price**—$1.25 per share. **Proceeds**—For mining expenses. **Office**—Denver, Colo. **Underwriter**—None.

Pelican Uranium Corp., Salt Lake City, Utah
May 25 (letter of notification) 300,000 shares of common stock (par five cents). **Price**—10 cents per share. **Proceeds** — For mining expenses. **Office** — 688 East 21st South, Salt Lake City, Utah. **Underwriter** — Trans-Western Brokerage Co., New Orleans, La., and Salt Lake City, Utah.

Permian Basin Uranium Corp.
June 2 (letter of notification) 640,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining costs. **Office**—613 Simms Building, Albuquerque, N. Mex. **Underwriter** — Western Securities Corp., Salt Lake City, Utah.

Petrolane Gas Service, Inc.
June 24 filed 61,302 shares of common stock (par $2). **Price**—To be supplied by amendment. **Proceeds** — For working capital. **Office**—Signal Hill, Calif. **Underwriters**—Bateman, Eichler & Co., First California Co., Inc. and William R. Staats & Co., all of Los Angeles, Calif.

★ **Phoenix Products Co., Inc., Milwaukee, Wis.**
July 11 (letter of notification) 1,000 shares of common stock. **Price**—At par ($100 per share). **Proceeds**—For expansion of facilities and procurement of labor saving equipment. **Office**—4715 N. 27th St., Milwaukee, Wis. **Underwriter**—None.

Pictograph Mining & Uranium Co., Inc. (8/8)
June 15 filed 2,400,000 shares of common stock (par one cent). **Price**—25 cents per share. **Proceeds**—For exploration and mining operations and for purchase of equipment and additional claims or leases when justified. **Office**—Edgemont, S. D. **Underwriters**—Shaiman & Co., Denver, Colo.; and J. H. Lederer Co. and McGrath Securities Corp., both of New York City.

● **Pioneer Mortgage & Development Corp.**
April 27 filed 300,000 shares of common stock (par $1) with warrants attached entitling the holder to purchase one additional share at prices ranging from $13 to $20 depending upon the exercise date. **Price**—$10 per share "as a speculation." **Proceeds**—For working capital and general corporate purposes. **Office**—Houston, Tex. **Underwriter**—None. Statement effective July 14.

Powder River Pipeline, Inc., Billings, Mont.
May 31 (letter of notification) $300,000 of 5½% 10-year debentures. **Price**—At par (in denominations of $1,000 each). **Proceeds**—For expenses incident to oil and gas activities. **Underwriter**—The First Trust Co. of Lincoln, Neb. **Office**—Fratt Bldg., Billings, Mont.

Primary Minerals Corp.
May 24 filed 1,400,000 shares of common stock (par one cent). **Price**—50 cents per share. **Proceeds**—For acquisition of mining equipment and other mining expenses. **Office** — San Francisco, Calif. **Underwriter** — General Investing Corp., New York. Statement to be amended.

★ **Prospect Hill Golf & Country Club, Inc.**
July 8 (letter of notification) 11,900 shares of preferred stock. **Price**—At par ($25 per share). **Proceeds**—For swimming pool, club furnishings and equipment, golf course and organization and develoment expense. **Office**—Bowie, Md. **Underwriter**—L. L. Hubble & Co., Inc., Baltimore, Md.

Prudential Industries, Inc., Philadelphia, Pa.
June 29 (letter of notification) 31,500 shares of class A common stock (par $1). **Price**—$9.50 per share. **Proceeds**—For working capital. **Office**—Castor and Kensington Avenues, Philadelphia, Pa. **Underwriters** — Auchincloss, Parker & Redpath and Boenning & Co., both of Philadelphia, Pa.

★ **Pyke Manufacturing Co., Salt Lake City, Utah**
July 7 (letter of notification) 2,000 shares of 5% cumulative preferred stock. **Price**—At par ($50 per share). **Proceeds**—For machinery and equipment and other general corporate purposes. **Office**—154 West Second South, Salt Lake City, Utah. **Underwriter**—None.

Pyramid Electric Co.
May 3 filed 50,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** — To selling stockholders. **Underwriter** — S. D. Fuller & Co., New York.

★ **Quinby & Co. Inc., Rochester, N. Y.**
July 19 filed (by amendment) $413,000 of Quinby Plans for accumulation of common stock of Eastman Kodak Co.

Rebel Oil & Uranium Co., Denver, Colo.
May 27 (letter of notification) 6,000,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining operations. **Office**—636 South Broadway, Denver, Colo. **Underwriter**—Lester Gould & Co., Inc., same city.

Revere Realty, Inc., Cincinnati, Ohio
March 8 filed $1,000,000 of 5½% cumulative convertible debentures due Jan. 1, 1980 and 25,000 shares of common stock (no par). **Price**—Par for debentures and $100 per share for stock. **Proceeds** — To purchase real estate or interest therein. **Underwriter**—Stanley Cooper Co., Inc., Cincinnati, O.

Royal Uranium Corp.
May 26 (letter of notification) 200,000 shares of common stock (par five cents). **Price**—At market (total not to exceed $150,000). **Proceeds**—For working capital. **Office**—Walker Bank Bldg., Salt Lake City, Utah. **Underwriter**—Whitney & Co., same city. No general offer planned.

St. Regis Paper Co., New York
June 28 filed 329,327 shares of common stock (par $5) to be offered in exchange for common stock of General Container Corp. on basis of 2⅜ shares of St. Regis for one General share. Offer is conditioned upon St. Regis obtaining 80% of outstanding General stock. **Underwriter**—None.

San Juan Uranium Corp.
June 23 (letter of notification) 89,850 shares of common stock (par one cent), represented by options issued to underwriters. **Price**—50 cents per share. **Proceeds**—To selling stockholder. **Office** — Fidelity Bldg., Oklahoma City, Okla. **Underwriter** — E. W. Whitney, Wewoka, Okla.; and through company.

Sanitary Products Corp., Chicago, Ill.
June 27 (letter of notification) 15,000 shares of common stock (par $1). **Price**—At market (estimated at $1.62½ to $2 per share). **Proceeds**—To selling stockholder. **Office**—10 So. LaSalle St., Chicago, Ill. **Underwriter**—Cruttenden & Co., Chicago, Ill.

Santa Fe Uranium & Oil Co., Inc.
May 26 (letter of notification) 2,959,500 shares of common stock (par one cent). **Price** — 10 cents per share. **Proceeds**—For mining operations. **Office**—416 Independence Bldg., Colorado Springs, Colo. **Underwriter**—Columbia Securities Co., Denver, Colo.

★ **Savoy Oil Co., Inc., Tulsa, Okla.**
July 8 (letter of notification) 20,000 shares of common stock (par 25 cents) to be offered for subscription by stockholders on a 1-for-13 basis. **Price**—$7 per share. **Proceeds**—For exploration, development and acquisition of properties. **Office**—417 McBurney Bldg., Tulsa, Okla. **Underwriter**—None.

★ **Scudder Fund of Canada, Ltd.**
July 14 filed 250,000 additional shares of common stock (par $1). **Price** — At to be supplied by amendment. **Proceeds** — For investment. **Underwriter** — Lehman Brothers, New York.

Shumway Uranium, Inc., Moab, Utah
June 20 (letter of notification) 1,200,000 shares of common stock (par one cent). **Price**—25 cents per share. **Proceeds**—For mining expenses. **Office** — 6 Kirby St., Moab, Utah. **Underwriter**—Skyline Securities Inc., Denver, Colo.

● **Siboney Development & Exploration Co., Tulsa, Okla. (8/1-5)**
June 27 filed 2,000,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds**—For geological and geophysical surveys and for drilling of exploratory wells. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo.

★ **Sierra Madre Uranium Corp., Rawlins, Wyo.**
July 8 (letter of notification) 2,995,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For expenses incident to mining operations. **Office**—406½ West Cedar St., Rawlins, Wyo. **Underwriter**—None.

Silvaire Aircraft & Uranium Co.
June 17 (letter of notification) 3,000,000 shares of common stock (par one cent). **Price** — 10 cents per share). **Proceeds**—For mining operations. **Office**—Fort Collins, Colo. **Underwriter**—Carroll, Kirchner & Jaquith, Inc., Denver, Colo.

★ **Silver Gull, Inc., Mattapoisett, Mass.**
July 11 (letter of notification) 250 shares of 6% cumulative preferred stock. **Price**—At par ($100 per share). **Proceeds** — For working capital. **Office** — Neds Point Road, Mattapoisett, Mass. **Underwriter**—None.

★ **Smith-Dieterich Corp.**
July 12 (letter of notification) 8,677 shares of capital stock (par $2.50) to be offered for subscription by stockholders on basis of one new share for each 10 shares held. **Price**—$5.50 per share. **Proceeds**—To obtain additional patents; to repay certain loans; and working capital. **Business**—Photographic equipment. **Office**—50 Church St., New York. **Underwriter**—None.

Sonoma Quicksilver Mines, Inc.
April 27 filed 800,000 shares of capital stock (par 10 cents), of which 80,000 shares are to be initially offered to public. **Price**—To be fixed on the basis of the market value at the time of their first sale or $1 per share, which ever is lower. **Purpose** — To increase facilities and invest in other quicksilver properties; and for working capital. **Office**—San Francisco, Calif. **Underwriter**—Norman R. Whittall, Ltd., Vancouver, B. C., Canada.

★ **Southeastern Telephone Co., Tallahassee, Fla. (8/4)**
July 15 filed 50,000 shares of common stock (par $10). **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and for construction program. **Underwriter**—Scott, Horner & Mason, Inc., Lynchburg, Va.

Southern Colorado Power Co. (7/27)
June 27 filed 20,000 shares of 4.72% cumulative preferred stock (par $50). **Price**—To be supplied by amendment. **Proceeds**—For payment of bank loans. **Underwriter**—Stone & Webster Securities Corp., Paine, Webber, Jackson & Curtis, and six other firms.

★ **Springfield Downtown Parking, Inc.**
June 30 (letter of notification) 10,000 shares of common stock. **Price**—At par ($10 per share). **Proceeds**—For working capital, etc. **Office**—1020 Illinois Bldg., Springfield, Ill. **Underwriter**—None.

Stancan Uranium Corp., Toronto, Canada
April 18 filed 200,000 shares of cumulative convertible preferred stock, series A (par one cent). **Price**—To be supplied by amendment. **Proceeds**—For exploration and development expenses and for general corporate purposes. **Underwriters**—Gearhart & Otis, Inc. and F. H. Crerie & Co., Inc., both of New York.

Strevell-Paterson Finance Co.
June 16 (letter of notification) 352,000 shares of common stock (par 50 cents) to be offered for subscription by stockholders at 70 cents per share; unsubscribed shares to be publicly offered at $85 per 100 shares. **Proceeds**—For working capital. **Office**—76 West Sixth South St., Salt Lake City, Utah. **Underwriter**—Harrison S. Brothers & Co., same city.

★ **Stuart-Hall Co., Inc., Kansas City, Mo.**
June 30 (letter of notification) 17,500 shares of common stock (par $1). **Price**—$8.25 per share. **Proceeds**—For new machinery and equipment; and for working capital. **Office**—3710 Main St., Kansas City, Mo. **Underwriter**—None.

Sun Hotel, Inc., Las Vegas, Nev.
Feb. 16 filed (as amended) 3,750,000 shares of common stock (par one cent). **Price**—$2.50 per share. **Proceeds**—To construct hotel and for working capital. **Underwriters**—Golden-Dersch & Co., Inc., New York; and Coombs & Co. of Las Vegas, Inc., Las Vegas, Nev.

Super-Seal Piston Ring Corp., Brownwood, Tex.
June 3 (letter of notification) 575,000 shares of common stock (par 10 cents). **Price**—50 cents per share. **Proceeds**—For machinery and working capital. **Office**—1812 Belle Plain Ave., Brownwood, Texas. **Underwriter**—Great Southwest Securities Co.

Tasha Oil & Uranium Co., Denver, Colo.
May 11 (letter of notification) 6,000,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining operations. **Office**—1890 S. Pearl St., Denver, Colo. **Underwriter** — Carroll, Kirchner & Jaquith, Inc., same city.

TelAutograph Corp., Los Angeles, Calif. (7/27)
July 1 filed $2,396,500 of convertible subordinated debentures due July 15, 1965, to be offered for subscription by common stockholders of record July 27, 1955 on the basis of $500 of debentures for each 50 shares of stock

Continued on page 40

Continued from page 39

held; rights to expire on Aug. 15. **Price**—To be supplied by amendment. **Proceeds**—To retire outstanding loans from Commercial Credit Corp.; to purchase additional stock of Nuclear Consultants, Inc.; for expansion of present merchandising activities; and for general corporate purposes. **Underwriter**—None.

Tel-Instrument Electronics Corp.
June 28 (letter of notification) 199,999 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—For acquisitions and working capital. **Office**—728 Garden St., Carlstadt, N. J. **Underwriter**—Batkin & Co., New York, N. Y.

Tennessee Life & Service Insurance Society
June 20 (letter of notification) 9,200 shares of common stock (par $5) to be offered for subscription by stockholders. **Price**—$30 per share. **Proceeds**—To increase working capital for agency expansion. **Office** — 1409 Magnolia Ave., Knoxville, Tenn. **Underwriter**—None.

★ **Texas Toy Co., Houston, Texas**
July 8 (letter of notification) 300,000 shares of common stock (par 25 cents). **Price**—$1 per share. **Proceeds**—For payment of accounts payable of operating company; expansion and working capital. **Office**—2514 McKinney Ave., Houston, Texas. **Underwriter**—Ray Johnson & Co., Inc., Houston.

Texas Western Oil & Uranium Co., Denver, Colo.
June 15 (letter of notification) 5,960,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining expenses. **Office** — 407 Denver National Bldg., Denver, Colo. **Underwriter** — Floyd Koster & Co., same address.

Texokan Oil & Mining Co.
July 1 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For oil and mining activities. **Office** — Liberty Bank Bldg., Oklahoma City, Okla. **Underwriter**—M. A. Collier & Co., Inc., same city.

★ **Thermo Ray Corp.**
July 11 (letter of notificattion) 49,900 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For working capital. **Office**—South Buchout St., Irvington-on-Hudson, N. Y. **Underwriter**—None.

● **Thomas Industries, Inc. (8/2)**
July 11 filed 140,000 shares of class A common stock (par $1), of which 75,000 shares are to be offered for account of the company and up to 65,000 shares for account of 24 seling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For expansion program and general corporate purposes. **Office**—Fort Atkinson, Wis. **Underwriters**—Kidder, Peabody & Co. and McCormick & Co., both of Chicago.

★ **Thompson (H. I.) Fiber Glass Co., Los Angeles, Calif.**
July 8 (letter of notification) 4,470 shares of common stock (par $1). **Price**—$11 at market (estimated at $11 per share). **Proceeds**—To Harry I. Thompson, President. **Office**—1733 Cordova St., Los Angeles, Calif. **Underwriter**—Shearson, Hammill & Co., New York, N. Y.; and First California Co., Inc., San Francisco, Calif.

Thunderbird Uranium Corp., Albuquerque, New Mexico
June 9 (letter of notification) 3,000,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office**—915 Simms Bldg., Albuquerque, N. M. **Underwriter**—Hicks, Newton & Co., Inc., Denver, Colo.

★ **Tri-State Natural Gas Co., Tucson, Ariz.**
July 6 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—For expenses incident to oil and gas activities. **Office**—15 Washington St., Tucson, Ariz. **Underwriter**—Frank L. Edenfield & Co., Miami, Fla.

● **Trans-National Uranium & Oil Corp. (8/15)**
July 1 filed 2,000,000 shares of common stock (par 20 cents). **Price**—To be supplied by amendment (expected at $1.50 per share). **Proceeds**—To acquire part of properties presently subject to option in favor of company, and for expenses incident to mining and oil activies. **Office** — Dallas, Tex. **Underwriter** — Garrett Brothers, Inc., Dallas, Tex.

Triangle Mines, Inc., Salt Lake City, Utah
May 3 (letter of notification) 100,000 shares of common stock. **Price**—At par (50 cents per share). **Proceeds**—For mining operations. **Office** — 506 Judge Bldg., Salt Lake City, Utah. **Underwriter** — Lewellen-Bybee Co., Washington, D. C.

Tungsten Mountain Mining Co., Fallon, Nev.
June 8 (letter of notification) 149,800 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For mining operations. **Address** — P. O. Box 456, Fallon, Churchill County, Nev. **Underwriter**—H. P. Pratt & Co., Seattle, Wash.

Two Jay Uranium Co., Salt Lake City, Utah
May 16 (letter of notification) 3,000,000 shares of common stock (par three cents). **Price**—10 cents per share. **Proceeds**—For mining expenses. **Office**—32 Exchange Place, Salt Lake City, Utah. **Underwriter** — Western States Investment Co., Tulsa, Okla.

Ucon Uranium Corp., Salt Lake City, Utah
June 2 (letter of notification) 5,000,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining costs. **Office**—406 Judge Building, Salt Lake City, Utah. **Underwriter**—Empire Securities Corp., Las Vegas, Nev.

U-Kan Uranium & Oil Co., Salt Lake City, Utah
May 5 (letter of notification) 260,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For mining expenses. **Office** — Judge Bldg., Salt Lake City, Utah. **Underwriter** — Northern Securities, Inc., Seattle, Wash.

★ **U-Mont Mining, Inc.**
July 11 (letter of notification) 2,000 shares of common stock (par $10) and $80,000 5% debenture notes due Dec. 1, 1959. **Price**—At par. **Proceeds**—For mining expenses. **Offices**—Burlington, Vt., and Moab, Utah. **Underwriter**—None.

● **Union Club, Inc., Hollywood, Calif.**
March 1 filed 30,000 shares of preferred stock (par $50) and 100,000 shares of common stock (par $10) to be offered in units of three preferred and 10 common shares. **Price**—$400 per unit. **Proceeds**—For purchase of property, construction of hotel, athletic and health facilities, and working capital. **Underwriter**—None, but sales will be made through agents. Statement withdrawn.

★ **United American Investment Co., Atlanta, Ga.**
July 19 filed 3,500,000 shares of common stock no par. **Price**—$2 per share. **Proceeds**—For organization of two wholly-owned insurance compaies, to be named United American Life Insurance Co. and Tourists Indemnity Co.; balance to be used to engage in mortgage loan business and related fields. **Underwriter**—None.

★ **United Cement Co., Inc., Montgomery, Ala.**
July 11 (letter of notification) 30,000 shares of common stock (par $1). **Price**—$10 per share. **Proceeds**—For organization and promotion expenses, working capital, salaries, etc. **Office**—Bell Building, Montgomery, Ala. **Underwriter**—None.

★ **Universal Mining & Milling Co.**
July 5 (letter of notification) 5,000 shares of common stock (par $10). **Price**—$20 per share. **Proceeds**—For mining expenses. **Office**—316 Central Ave., S. E., Albuquerque, N. M. **Underwriter**—None.

Universal Service Corp., Inc., Houston, Texas
July 8 filed 500,000 shares of common stock (par two mills). **Price**—$2.50 per share. **Proceeds**—For equipment, mining costs, oil and gas development, and other corporate purposes. **Underwriter**—None.

★ **Uraninite Corp., Reno, Nev.**
July 11 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—Expenses incident to mining operations. **Office**—139 N. Virginia St., Reno, Nev. **Underwriter**—None.

Uranium Properties, Ltd., Virginia City, Nev.
June 13 filed $600,000 of Grubstake Loans to be offered in amounts of $25 or multiple thereof. **Proceeds**—75% to be invested in U. S. Savings bonds and the balance for equipment and exploration and development expenses. **Underwriter**—None.

Uranium Technicians Corp., Salt Lake City, Utah
June 30 (letter of notification) 30,000,000 shares of common stock (no par). **Price**—One cent per share. **Proceeds** — For mining activities. **Office** — 1101 South State St., Salt Lake City, Utah. **Underwriter**—Anderson-Hackett Investment Co., same city.

USeven Corp., Stockton, N. J.
June 28 (letter of notification) 1,000,000 shares of common stock (par one cent). **Price**—25 cents per share. **Proceeds** — For equipment, drilling costs, and working capital. **Business**—To explore, develop and operate uranium mining properties. **Address**—P. O. Box 99, Stockton, N. J. **Underwriter**—None.

Utah Southern Uranium Co., Las Vegas, Nev.
June 6 (letter of notification) 3,000,000 shares of capital stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office**—210 N. Third St., Las Vegas, Nev. **Underwriter**—Lester L. LaFortune, same city.

★ **Utore Uranium & Diata, Inc., Vale, Ore.**
July 8 (letter of notification) 10,000,000 shares of common stock (par one cent). **Price**—Two cents per share. **Proceeds**—Expenses incident to mining operations. **Office**—Lytle Building, Vale, Ore. **Underwriter**—Hansen Uranium Brokerage, Salt Lake City, Utah.

Vactron Corp.
May 13 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To manufacture, process, rebuild and market television pictures tubes, etc. **Underwriter** — Zone Investments Co., Fort Worth, Texas.

Vanura Uranium, Inc., Salt Lake City, Utah
June 16 (letter of notification) 3,000,000 shares of common stock (par one cent). **Price** — 10 cents per share. **Proceeds** — For mining expenses. **Underwriter** — I. J. Schenin & Co., New York. **Name Change**—The company was formerly known as San Miguel Uranium, Inc.

Vas Uranium & Drilling Co., Monticello, Utah
June 20 (letter of notification) 2,000,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining operations. **Underwriter**—Skyline Securities Inc., Denver, Colo.

★ **Vertex Oil & Uranium Co., Inc., Omaha, Neb.**
July 1 (letter of notification) 400,000 shares of common stock (par 25 cents), of which 250,000 shares are to be offered at 10 cents per share, 50,000 shares at 15 cents each, 50,000 shares at 20 cents each and 50,000 shares at 25 cents each. **Proceeds**—For expenses incident to oil and uranium exploration. **Address**—P. O. Box 7, Elmwood Station, Omaha, Neb. **Underwriter**—None.

Wabash Uranium Corp., Moab, Utah
June 10 (letter of notification) 10,000,000 shares of capital stock. **Price**—At par (three cents per share). **Proceeds**—For mining expenses. **Underwriter**—Moab Brokerage Co. and National Securities, Inc., 368 South State St., Salt Lake City, Utah.

Warwick Hotel Associates, New York
June 22 filed $4,250,000 of participations in partnership interest in Associates in minimum amount of $10,000. **Proceeds** — To pay part of purchase price of Warwick Hotel, Philadelphia, Pa., and related expenses. **Underwriter**—None.

Washington Plywood Co., Inc., Lowell, Wash.
June 13 filed 296 shares of common stock (par $5,000). **Proceeds**—To purchase plywood mill of Walton Plywood Co., Inc., etc. **Underwriter**—Albert Walter Braedt.

Welch Industries, Inc., Houston, Texas
June 23, letter of notification)) 150,000 shares of common stock (par 50 cents). **Price**—$2 per share. **Proceeds**—For erection of plant, machinery and working capital. **Office**—427 Lovett Blvd., Houston, Tex. **Underwriter**—Warren Clark & Co., same city.

● **Western Hills Inn, Fort Worth, Texas**
Jan. 31 filed 200,000 shares of capital stock (no par). **Price**—$5 per share. **Proceeds**—Together with other funds, to construct, furnish and equip hotel to be built between Dallas and Fort Worth, Texas. **Underwriter**—Schwanz & Co., Inc., Aurora, Ill. Statement withdrawn.

● **Western Nebraska Oil & Uranium Co., Inc. (8/8-12)**
April 4 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—For exploration and development costs and working capital. **Office**—924 Broadway, Denver, Colo. **Underwriter**—Israel & Co., New York.

● **Western Tool & Stamping Co. (7/28)**
July 8 filed 75,000 shares of common stock (par $2). **Price**—To be supplied by amendment (probably around $11.25 per share). **Proceeds**—For working capital. **Office**—Des Moines, Iowa. **Underwriter**—Blunt Ellis & Simmons, Chicago, Ill.

Western Union Telegraph Co. (7/25)
June 30 filed 1,041,393 shares of common stock (par $2.50) to be offered for subscription by stockholders of record July 22 on the basis of one new share for each five shares held; rights to expire on Aug. 8, 1955. **Price**—To be supplied by amendment. **Proceeds**—For construction program. **Underwriters** — Kuhn, Loeb & Co.; Lehman Brothers; Clark, Dodge & Co.; and Salomon Bros. & Hutzler, all of New York City.

Wet Mountain Mining, Inc.
June 29 (letter of notification) 6,000,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds** — For mining activities. **Office** — 105½ East Pikes Peak, Colorado Springs, Colo. **Underwriter** — Hicks, Newton & Co., Inc., Denver, Colo.

White Horse Uranium, Inc., Salt Lake City, Utah
June 9 (letter of notification) 2,900,000 shares of capital stock (par 2½ cents). **Price**—10 cents per share. **Proceeds**—For mining expenses. **Office**—1030 South Sixth West St., Salt Lake City, Utah. **Underwriter**—J. W. Hicks & Co., Inc., Denver, Colo.

Wicker-Baldwin Uranium Mining Co.
May 26 (letter of notification) 900,000 shares of common stock. **Price**—At par (25 cents per share). **Proceeds**—For mining expenses. **Office**—616 Sixth St., Rapid City, S. D. **Underwriter**—Driscoll-Hanson, Inc., same city.

★ **Wizard Boats, Inc., Costa Mesa, Calif.**
June 30 (letter of notification) 120,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For expansion and working capital. **Underwriter**—Neary, Purcell & Co., Los Angeles, Calif.

York Oil & Uranium Co.
June 3 (letter of notification) 10,000,000 shares of capital stock. **Price**—At par (two cents per share). **Proceeds**—For mining and oil activities. **Address**—P. O. Box 348, Newcastle, Wyo. **Underwriter**—Empire Securities Corp., Salt Lake City, Utah.

Prospective Offerings

★ **American Enka Corp.**
July 20, John E. Bassill, President, announces that the corporation proposes to raise approximately $11,000,000 through the sale of additional common stock (par $5) to present common stockholders. Stockholders will vote Aug. 9 on increasing the authorized common stock from 1,200,000 shares (1,117,650 shares outstanding) to 1,600,000 shares. **Proceeds**—For construction of a new $21,000,000 rayon staple fiber plant. **Underwriter**—Harriman Ripley & Co. Inc., New York. **Offering**—Expected to make sometime during the latter part of August. **Registration**—To be made shortly with SEC.

American Telephone & Telegraph Co.
April 20 stockholders approved a new issue of not to exceed $650,000,000 convertible debentures. When issued, each stockholder would receive rights to purchase the debentures in proportion to his holdings of stock (probably on the basis of $100 of debentures for each eight share of stock held). **Underwriter**—None. **Offering**—Probably in September or October.

Arkansas Power & Light Co. (10/25)
May 27 it was reported company plans to issue and sell about 80,000 shares of cumulative preferred stock (par $100). **Proceeds**—To repay bank loans and for new construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Lehman Brothers; Blyth & Co., Inc. and Smith, Barney & Co. (jointly); Equitable Securities Corp. and Union Securities Corp. (jointly); White, Weld & Co. **Bids**—Expected to be received on Oct. 25.

★ **Bangor & Aroostook RR.**
July 14 it was announced company has applied to the ICC for exemption from competitive bidding of an issue of $4,000,000 income debentures. **Proceeds** — To redeem 38,280 shares of outstanding $5 cumulative preferred stock.

Blackhawk Fire & Casualty Insurance Co.
April 5 it was reported company plans to issue and sell 200,000 shares of common stock. **Price**—Expected at $5 per share. **Proceeds**—To acquire Blackhawk Mutual Insurance Co., Rockford, Ill. **Underwriter** — Arthur M. Krensky & Co., Inc., Chicago, Ill.

Bliss (E. W.) Co.
April 26 stockholders increased the authorized common stock (par $1) from 1,000,000 shares to 1,500,000 shares. **Underwriter**—Previous financing was handled by Allen & Co., New York.

California Electric Power Co. (8/30)
July 7 it was announced company plans to issue and sell $6,000,000 of first mortgage bonds. **Proceeds**—For reduction of bank loans. **Underwriter**—To be determined by competitive bidding. **Probable** bidders: Halsey, Stuart & Co. Inc.; Blair & Co. Incorporated; White, Weld & Co.; Blyth & Co., Inc. **Bids**—Scheduled to be received on Aug. 30.

Camden Trust Co., Camden, N. J.
June 29 it was announced Bank plans to offer to its stockholders the right to subscribe for 72,500 additional shares of capital stock (par $5), with a 13-day standby. **Underwriter**—Price & Co., Inc., Camden, N. J. **Meeting**—Stockholders on July 29 will vote on approving financing and merger with Bank of Oaklyn National Bank.

Cavendish Uranium Mines Corp.
April 19 it was announced company plans issue and sale of a debenture issue of several million dollars. **Proceeds**—For a concentrating mill, mining equipment and for underground development. **Underwriter**—James Anthony Securities Corp., New York.

Central Maine Power Co.
Dec. 31, W. F. Wyman, President, stated that company plans to issue and sell some additional common stock, par $10 (probably to stockholders) in the latter part of 1955. **Proceeds**—For construction program. **Underwriter**—May be determined by competitive bidding. Probable bidders: The First Boston Corp. and Coffin & Burr, Inc. (jointly); Harriman Ripley & Co. Inc.; Blyth & Co., Inc. and Kidder, Peabody & Co. (jointly). **Meeting**—Stockholders on May 11 voted to increase the authorized common stock from 3,250,000 to 3,500,000 shares. **Offering**—Probably in September.

Chicago, Milwaukee, St. Paul & Pacific RR.
July 13 stockholders approved the creation of an issue of $60,000,000 5% income debentures, series A, to be offered in exchange for outstanding preferred stock, series A, about Aug. 1 on a par for par basis; offer to commence early in September.

Commonwealth Edison Co.
Jan. 24, Willis Gale, Chairman, announced it should be Fall before the company undertakes its next financing. **Proceeds**—For new construction, which, it is estimated, will cost about $125,000,0000 in 1955. **Underwriters**—For last equity financing were The First Boston Corp. and Glore, Forgan & Co.

Consolidated Edison Co. of New York, Inc.
June 14 it was announced company expects to sell from $40,000,000 to $50,000,000 bonds some time during the current year. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; The First Boston Corp.

Consolidated Uranium Mines, Inc.
July 23, 1954, stockholders authorized issuance and sale of not to exceed $6,000,000 convertible debenture bonds in connection with the acquisition of Uranium Mines of America, Inc. stock. Public offering of $2,000,000 bonds expected early in 1955. **Underwriter** — Tellier & Co., Jersey City, N. J.

Continental Aviation & Engineering Co.
June 13 it was reported company plans sale in near future of $2,000,000 convertible debentures. **Underwriter**—Van Alstyne, Noel & Co., New York.

Continental Can Co., Inc.
April 18, preferred stockholders approved creation of not to exceed an additional $25,000,000 of debentures or other indebtedness maturing later than one year after the date thereof. The company has no present plans for making any additional borrowings. **Underwriters**—Goldman, Sachs & Co. and Lehman Brothers, both of New York.

Daitch Crystal Dairies, Inc.
April 28 stockholders approved a proposal to increase the authorized common stock (par $1) from 500,000 shares to 1,000,000 shares to provide for future financing and expansion. **Underwriter**—Hirsch & Co., New York.

Denver National Bank, Denver, Colo.
June 30 it was announced that company plans to offer to its stockholders the right to subscribe for 50,000 additional shares of capital stock (par $10) on the basis of one new share for each four shares held. **Price**—$30 per share. **Proceeds**—To increase capital and surplus. **Meeting**—Stockholders to vote July 28 on approving financing and 25% stock dividend.

Detroit Edison Co.
May 2 stockholders approved a proposal authorizing about $60,000,000 of convertible debentures. Previous offer of convertible debentures was made to stockholders without underwriting.

Doman Helicopters, Inc.
Feb. 17 Donald S. B. Waters, President, announced stockholders voted to increase authorized capital stock from 1,000,000 shares to 3,000,000 shares in anticipation of expansion of the company's activities. **Underwriter**—Previous financing handled by Greene & Co., New York.

★ **Essex County Electric Co.**
July 18 it was reported company plans to issue and sell some additional first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Blair & Co. Inccorporated. **Offering**—Expected this Fall.

First National Bank of Arizona
July 1 stockholders of record June 29 were offered the right to subscribe on or before July 29 for 160,000 shares of capital stock (par $10) at the rate of one new share for each three shares held. **Price**—$30 per share. **Proceeds**—To increase capital and surplus.

Florida Power Corp.
April 14 it was announced company may issue and sell between $10,000,000 and $12,000,000 of first mortgage bonds. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Lehman Brothers and Blyth & Co., Inc. (jointly); Glore, Forgan & Co.; and The First Boston Corp. **Offering**—Expected late in 1955 or early 1956.

Ford Motor Co., Detroit, Mich.
March 15 it was reported that following a probable 10-for-1 stock split, an offering of approximately 4,000,000 new shares will be made to the public. **Price**—Expected to be around $60 per share. **Proceeds** — To the Ford Foundation. **Offering**—Probably not until "latter part of 1955, if then."

Foremost Dairies, Inc.
July 11 the directors authorized an issue of $20,000,000 4½% subordinated debentures to be first offered in exchange for outstanding $4.50 preferred stock and 4½% cumulative preferred stock of Foremost, along with $4.50 preferred stock of Philadelphia Dairy Products Co., Inc., a subsidiary, this offer to be made prior to Sept. 1, 1955. **Underwriters**—Allen & Co. ad Salomon Bros. & Hutzler, both of New York.

● **General Minerals Corp.**
July 18 it was reported that company plans early registration or 1,850,000 shares of its common stock. **Price**—May be around $2 per share. **Underwriters**—Sanders & Newsom and Rauscher, Pierce & Co., both of Dallas, Tex.; and Laird & Co., Wilmington, Del.

Gulf States Utilities Co.
May 16 it was reported company may issue and sell $10,000,000 first mortgage bonds if market conditions permit. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Merrill Lynch, Pierce, Fenner & Beane and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Union Securities Corp. (jointly); Kuhn, Loeb & Co. and A. C. Allyn & Co., Inc. (jointly); Lee Higginson Corp. and Carl M. Loeb, Rhoades & Co. (jointly); Stone & Webster Securities Corp.

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

★ **Heller (Walter E.) & Co.**
July 18 it was reported that the company may be considering some new financing. **Underwriter**—F. Eberstadt & Co. Inc., New York.

Housatonic Public Service Corp. (9/5)
June 20 it was reported company plans to issue and sell 14,817 additional shares of common stock (par $15) to common stockholders of record Sept. 5 on the basis of one new share for each 25 shares held; rights to expire on Sept. 26. **Price**—$22 per share. **Proceeds**—For construction program. **Underwriter**—None. Unsubscribed shares to be sold to highest bidder.

Hupp Corp.
May 13 stockholders approved a proposal increasing the authorized capital stock from 3,000,000 to 4,200,000 shares (200,000 of such increased shares shall be (new) serial preferred stock, $50 par value and 1,000,000 shares shall be common stock, $1 par value); also waiving of preemptive rights to such increased shares.

International Bank, Washington, D. C.
April 25 it was announced company, in addition to placing privately an issue of $500,000 convertible debentures, will offer additional convertible debentures to shareholders, the latter 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 23 it was reported company may do some financing some time in the future. William D. Bost of Whitcomb & Co., New York, is Chairman of the Board.

International Resources Fund, Inc.
July 20 it was announced this company will be formed to specialize in worldwide investment in the field of natural resources companies. An offering of stock is planned in the Fall of this year. **Investment Adviser**—Capital Research & Management Co., Los Angeles, Calif. **Underwriter**—Kidder, Peabody & Co., New York.

Isthmus Sulphur Co. (Texas)
March 30 it was reported early registration is planned of an underternined number of common shares. **Underwriters**—L. D. Sherman & Co., New York, and Garrett & Co., Dallas, Tex.; and others.

Kaiser Aluminum & Chemical Corp.
July 11 it was reported that company is understood to be contemplating the sale to the public of 700,000 shares of sinking fund preferred stock this Fall and private debt financing of about $40,000,000. Stockholders will vote Aug. 12 on approving an increase in the authorized preferred stock from 700,000 to 1,500,000 shares. **Proceeds**—For expansion program and working capital. **Underwriters**—The First Boston Corp., New York; and Dean Witter & Co., San Francisco, Calif.

Keystone Wholesale Hardware Co., Atlanta, Ga.
Jan. 27 it was stated that the company plans at a later date to offer additional shares for sale nationally. An offering of 16,666 shares of common stock was recently made to residents of Georgia only at $3 per share. **Office**—517 Stephens St., S.W., Atlanta, Ga.

Lithium Developments, Inc., Cleveland, Ohio
June 9 it was announced that company plans soon to file a registration statement with the SEC covering a proposed issue of 600,000 shares of common stock. **Proceeds**—For general corporate purposes. **Underwriter**—George A. Searight, New York, will head group.

Long Island Lighting Co.
April 23 it was announced company plans to sell an issue of $15,000,000 first mortgage bonds, series H, due 1985. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders—Halsey, Stuart & Co. Inc.; The First Boston Corp. and Blyth & Co., Inc. (jointly); W. C. Langley & Co.; Smith, Barney & Co.; Baxter, Williams & Co. **Offering**—Expected late in 1955.

Lucky Stores, Inc.
April 20 stockholders approved a proposal to increase the authorized common stock (par $1.25) from 1,000,000 shares to 2,000,000 shares (there are 804,063 shares outstanding). It was reported previously that the company proposed to raise approximately $1,500,000 through the sale of 150,000 shares. However, no immediate financing is planned. **Underwriter**—Probably Blair & Co. Incorporated, New York.

Maine Central RR.
Feb. 14, E. Spencer Miller, President, said company has not given up the idea of refunding the $17,000,000 5⅛% first mortgage and collateral trust bonds due 1978. Probable bidders for new bonds may include Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; W. C. Langley & Co.; Coffin & Burr, Inc.; The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane; Blyth & Co., Inc.; Glore, Forgan & Co.

Majestic Auto Club, Inc.
Aug. 25 it was announced company plans to offer 500,000 shares (par five cents) to the motorist and general public shortly after completion of the current offering of 100,000 shares to service station owners and operators. **Office**—Room 717, 141 Broadway, New York 6, N. Y.

● **Mountain States Telephone & Telegraph Co. (10/1)**
July 19 directors authorized an offering to stockholders of 486,881 additional shares of capital stock on basis of one new share for each five shares held; rights to expire on Oct. 28. Warrants will be mailed on Oct. 1. **Price**—At par ($100 per share). **Control**—American Telephone & Telegraph Co. owns about 86.7% of the presently outstanding common stock. **Underwriter**—None.

Murphy (G. C.) Co., McKeesport, Pa.
April 12 stockholders approved a proposal to increase the authorized limit of indebtedness from $3,000,000 to $20,000,000. **Proceeds**—For expansion program. **Underwriter**—Merrill Lynch, Pierce, Fenner & Beane, New York, handled preferred stock financing in 1942.

New Haven Clock & Watch Co.
June 7 it was announced that in connection with its proposed plan of recapitalization to be voted upon July 26, the company plans to raise not less than $300,000 of new capital. **Underwriter**—Probably Reynolds & Co., New York.

New Orleans Public Service Inc.
Feb. 4 it was announced that company plans this year to issue some first mortgage bonds due 1985. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Blair & Co. Incorporated; The First Boston Corp.; Equitable Securities Corp. and Union Securities Corp. (jointly); Kuhn, Loeb & Co. and A. C. Allyn & Co. Inc. (jointly); Kidder, Peabody & Co. and Stone & Webster Securities Corp. (jointly); and Lehman Brothers.

New York State Electric & Gas Corp. (10/19)
July 8 it was announced company plans to issue and sell $25,000,000 of first mortgage bonds due 1985. **Proceeds**—To repay bank loans and for new construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Hariman Ripley & Co. Inc.; The First Boston Corp. and Glore, Forgan & Co. (jointly); Blyth & Co., Inc. and Smith, Barney & Co. (jointly); **Bids**—Expected to be received on Oct. 19.

New York Telephone Co.
Jan. 17, Keith S. McHugh, President, announced that the company will have to raise more than $100,000,000 of new capital money to aid in carrying out its expansion and improvement program which will cost approximately $200,000,000. **Underwriter**—For and bonds, to be determined by competitive bidding. Probable bidders: Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.

Northern Illinois Gas Co.
June 14, Marvin Chandler, President, announced that the company plans to spend $60,000,000 on new construction through 1958, and that about $25,000,000 would be raised through the sale of bonds in the period. **Underwriters**—The First Boston Corp., Halsey, Stuart & Co. Inc. and Glore, Forgan & Co.

Continued on page 42

Continued on page 41

Northern States Power Co. (Minn.)
March 29 it was announced that new capital requirements for 1955 will approximate $31,000,000. Present plans contemplate these funds will be obtained temporarily from short-term bank loans to be repaid from proceeds of the sale of additional bonds late in 1955 or early 1956. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Beane, Kidder, Peabody & Co. and White, Weld & Co. (jointly); Equitable Securities Corp. and Union Securities Corp. (jointly); Smith, Barney & Co.; Lehman Brothers and Riter & Co. (jointly); Glore, Forgan & Co.

Northwest Nitro-Chemicals, Ltd., Alberta, Can.
March 4 company plans to issue and sell publicly debentures and common stock to finance its proposed chemical project. **Underwriter**—Eastman, Dillon & Co., New York.

Nuclear-Electronics Corp.
June 28, it was announced that it is planned, following proposed merger into company of Olympic Radio & Television, Inc., and Victoreen Instrument Co., to issue and sell $2,500,000 of debentures. **Underwriters**—Van Alstyne, Noel & Co. and Barrett Herrick & Co., Inc., both of New York. **Meeting** — Stockholders to vote on merger in August, 1955.

Ohio Power Co. (9/20)
June 20 it was reported company plans to issue and sell 60,000 shares of cumulative preferred stock (par $100). **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc.; Lehman Brothers; Kuhn, Loeb & Co.; Harriman Ripley & Co., Inc. and Stone & Webster Securities Corp. (jointly); The First Boston Corp.; Union Securities Corp. and Salomon Bros. & Hutzler (jointly). **Registration**—Planned for Aug. 17. **Bids**—Expected to be received up to 11 a.m. (EDT) on Sept. 20.

● **Ohio Power Co. (9/20)**
July 18 it was reported company now plans to issue and sell $17,000,000 of first mortgage bonds due 1985. **Proceeds**—To retire bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Harriman Ripley & Co. Inc. and Stone & Webster Securities Corp. (jointly); Kuhn, Loeb & Co.; Blyth & Co., Inc.; Union Securities Corp. and Salomon Bros & Hutzler (jointly); The First Boston Corp. **Registration**—Planned for Aug. 17. **Bids**—Expected to be received up to 11 a.m. (EDT, on Sept. 20.

Ohio Water Service Co.
March 28 it was reported company plans to issue and sell $1,000,000 of first mortgage bonds and $300,000 of additional common stock (the latter to stockholders) in near future. **Proceeds**—To retire bank loans and reimburse the company's treasury for construction expenditures.

Pacific Power & Light Co. (9/27)
July 6 it was reported company plans to issue and sell $10,000,000 of first mortgage bonds due 1985. **Underwriter**—To be determined by competitive bidding. Probable bidders—Halsey, Stuart & Co. Inc.; Union Securities Corp. and Kidder, Peabody & Co., (jointly); Lehman Brothers, Bear, Stearns & Co. and Salomon Bros. & Hutzler (jointly); Blyth & Co., Inc. and White, Weld & Co. (jointly). **Bids**—Tentatively planned to be received up to noon (EDT) on Sept. 27. **Registration**—Expected on or about Aug. 24.

Pacific Power & Light Co. (10/5)
July 5 it was reported company plans to issue and sell 30,000 shares of cumulative preferred stock (par $100). **Underwriter**—Expected to be local dealers. **Registration**—Expected on Aug. 24.

Pacific Telephone & Telegraph Co.
June 21 it was announced company plans to offer to its preferred and common stockholders later this year 1,339,196 additional shares of common stock on a 1-for-6 basis. (American Telephone & Telegraph Co., the parent, owns a majority of the common and preferred stocks presently outstanding.) **Price**—At par ($100 per share). **Proceeds**—To repay bank loans and for new construction. **Underwriter**—None.

● **Pacific Telephone & Telegraph Co. (8/23)**
June 21 it was announced company plans to issue and sell $67,000,000 of 36-year debentures due 1991. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; White, Weld & Co., Lehman Brothers and Union Securities Corp. (jointly). **Registration**—Planned for the latter part of July. **Bids**—Expected to be opened Aug. 23.

Pennsylvania Electric Co.
Feb. 15 it was reported company plans to issue and sell later this year $9,300,000 of first mortgage bonds. **Proceeds**—To repay bank loans and for new construction. **Underwriter**—To be determined by competitive bidding. probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Kuhn, Loeb & Co.; Kidder, Peabody & Co.; Equitable Securities Corp.; Harriman Ripley & Co., Inc.

Pennsylvania Electric Co.
Feb. 21 it was reported company proposes issuance and sale of $7,500,000 of preferred stock later this year. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Kuhn, Loeb & Co.; W. C. Langley & Co. and Glore, Forgan & Co. (jointly); Kidder, Peabody & Co.; The First Boston Corp.; Smith, Barney & Co.; Harriman Ripley & Co. Inc.

Pennsylvania Power & Light Co.
April 19, Charles E. Oakes, President, announced that company plans this year to issue and sell $15,000,000 of first mortgage bonds and use the proceeds for its construction program. Previous bond financing was arranged privately through Drexel & Co. and The First Boston Corp.

Peoples National Bank of Washington, Seattle, Wash.
June 30 it was announced Bank plans to issue 25,000 shares of capital stock (par $20) as a stock dividend, and a like number of shares will be offered for subscription by stockholders.

Public Service Electric & Gas Co. (10/4)
July 11 it was reported company plans to issue and sell $35,000,000 of debentures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. and Lehman Brothers (jointly), Morgan Stanley & Co. and Drexel & Co. (jointly); The First Boston Corp. **Bids**—Expected to be received up to 11 a.m. (EST) on Oct. 4.

Public Service Electric & Gas Co.
July 11 it was stated that company may issue and sell late in September 250,000 shares of cumulative preferred stock (par $100). **Underwriters**—May be Morgan Stanley & Co., Drexel & Co. and Glore, Forgan & Co.

Puget Sound Power & Light Co.
April 5, Frank McLaughlin, President, said that "it will be necessary in 1955 to obtain funds for construction purposes from outside sources—at least to the extent of several million dollars." The company has scheduled a large-scale expansion program, involving $75,000,000 in order to keep abreast of estimated load growth over the next five years. **Underwriters**—Probably Stone & Webster Securities Corp., The First Boston Corp and Smith, Barney & Co. Halsey, Stuart & Co. Inc., is reported to head a group to bid approximately $25,000,000 of bonds.

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**—Probably Smith, Barney & Co., New York.

Radio Receptor Co., Inc.
Feb. 28 it was reported that a public offering is soon expected of about 250,000 shares of common stock, of which 100,000 shares will be sold for account of company and 150,000 shares for selling stockholders. **Underwriter**—Bache & Co., New York.

Reading Co.
June 7 stockholders approved a proposal increasing the authorized indebtedness of the company to $125,000,000. Funded debt at Dec. 31, 1954 totaled $84,077,350. If, in the future, the directors should deem it in the best interests of the company to issue bonds, the board will determine the amount of the issue and the terms and conditions of the bonds. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.

St. Louis-San Francisco Ry (8/22)
May 10 stockholders approved an additional issue of up to $25,000,000 of first mortgage bonds, of which it is planned to sell initially $19,500,000 principal amount to mature in 40-years. **Proceeds** — For property additions and improvements. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Union Securities Corp.; Blyth & Co., Inc. and Harriman Ripley & Co. Inc. (jointly).

San Diego Gas & Electric Co.
E. D. Sherwin, President, recently reported that the company will need a minimum of $11,000,000 new capital to help finance its current $20,000,000 construction program. The financing will probably take the form of a bond issue or preferred stock. **Underwriters**—(1) For preferred stock, Blyth & Co., Inc., San Francisco, Calif. (2) For bonds, to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Blyth & Co., Inc.; Union Securities Corp. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Lehman Brothers; The First Boston Corp.; White, Weld & Co. and Shields & Co. (jointly). **Offering**—Expected in September.

Southern California Gas Co.
Feb. 28 it was reported company plans to issue and sell $40,000,000 of first mortgage bonds. Application has been filed with California P. U. Commission for exemption from competitive bidding. Bids received on last sale of bonds were from Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; White, Weld & Co. and Union Securities Corp. (jointly); Lehman Brothers.

Southern Co. (11/9)
Dec. 30 it was announced company plans to issue and sell to the public 500,000 additional shares of common stock (par $5). **Proceeds**—To repay bank loans and for investment in additional stock of subsidiary companies. **Underwriter**—To be determined by competitive bidding. Probable bidders: The First Boston Corp., Ladenburg, Thalman & Co., Carl M. Loeb, Rhoades & Co. and Wertheim & Co. (jointly); Blyth & Co., Inc., Bear, Stearns & Co. and Dean Witter & Co. (jointly); Union Securities Corp. and Equitable Securities Corp. (jointly); Lehman Brothers; Morgan Stanley & Co.; Kidder, Peabody & Co., and Merrill Lynch, Pierce, Fenner & Beane. **Bids**—Tentatively scheduled for Nov. 9. **Registration**—Not expected until Oct. 12.

Southland Frozen Foods, Inc.
April 18 it was reported company plans to offer $600,000 of 6% debentures and 60,000 shares of common stock. **Office**—160 Broadway, New York City. **Underwriter**—Eisele & King, Libaire, Stout & Co., New York. **Offering**—Expected in July.

Sterling Precision Instrument Corp.
June 6 the stockholders voted to approve an authorized issue of 500,000 shares of first preferred stock (par $10), of which 300,000 shares (to be convertible into common) are to be publicly offered. **Proceeds**—For working capital. **Office**—Buffalo, N. Y.

★ **Texas Eastern Transmission Corp.**
July 20 it was announced directors have authorized an offering of shares of capital stock of this company in exchange for shares of capital stock of Texas Eastern Production Corp. in the ratio of one share of Transmission stock for each 2.6 shares of Production stock. The offer is contingent upon the tender of at least 263,402 shares of Production Company so that Transmission will thereafter own 80% or more of Production capital stock. **Registration**—Expected on July 25.

Texas Gas Transmission Co.
March 15 it was reported company plans to sell additional first mortgage bonds later to finance cost of new construction, which is estimated at about $17,500,000. **Underwriter**—Dillon, Read & Co. Inc., New York.

Unexcelled Chemical Corp.
May 25 stockholders approved creation of 100,000 shares of 5% non-voting preferred stock (par $25) and increased authorized common stock from 500,000 shares to 1,000,000 shares.

Union Bank & Trust Co., Los Angeles, Calif.
July 9 it was announced stockholders of record July 22 1955, are to be given the right to subscribe on or before Aug. 15 for 95,000 additional shares of capital stock (par $10) on the basis of one new share for each five shares held. **Price**—$33 per share. **Proceeds**—For capital and surplus. **Underwriter**—Blyth & Co., Inc., Los Angeles, Calif.

Union Electric Co. of Missouri
Jan. 24 it was reported company expects to sell about $30,000,000 30-year first mortgage bonds late in 1955. **Proceeds**—To repay bank loans and for new construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc. and Union Securities Corp. (jointly); The First Boston Corp.; Lehman Brothers and Bear, Stearns & Co. (jointly); White, Weld & Co. and Shields & Co. (jointly). **Bids** — Expected to be received in October or November 1955.

United Aircraft Corp.
April 26 stockholders approved a new issue of 500,000 shares of preference stock (par $100). **Proceeds**—To redeem present 5% cumulative preferred stock (233,500 shares outstanding), and for working capital. **Underwriter**—Harriman Ripley & Co., Inc., New York.

Utah Power & Light Co. (9/13)
March 28 it was reported company plans to issue and sell $15,000,000 of first mortgage bonds due 1985. **Proceeds** — To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Union Securities Corp. and Smith, Barney & Co. (jointly); Kidder, Peabody & Co.; Salomon Bros. & Hutzler; White, Weld & Co. and Stone & Webster Securities Corp. (jointly); The First Boston Corp.; Lehman Brothers and Bear, Stearns & Co. (jointly). **Bids** — To be received Sept. 13.

Utah Power & Light Co. (9/13)
March 28 it was reported company plans public sale of 177,500 shares of common stock. **Proceeds** — For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Lehman Brothers; Union Securities Corp. and Smith, Barney & Co. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Blyth & Co., Inc.; The First Boston Corp. **Bids**—To be received on Sept. 13.

● **Warren Brothers Co., Cambridge, Mass.**
July 19 stockholders approved a plan to refinance the outstanding 40,665 shares of $2.50 cumulative preferred stock (par $50). It is proposed to issue not more than $2,500,000 of notes, bonds or debentures which may be in whole or in part convertible into common stock at not less than $50 per share. **Proceeds**—To retire preferred stock, to pay off a $225,000 loan and for working capital.

Worcester County Electric Co. (10/18)
The company proposes to file a registration statement with the SEC early in September with respect to sale of $8,500,000 first mortgage bonds, series D, due 1985. **Proceeds**—For payment of bank loans and new construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Beane, Salomon Bros. & Hutzler and Stroud & Co., Inc. (jointly); Coffin & Burr, Inc.; Kidder, Peabody & Co., Blyth & Co., Inc. and White, Weld & Co. (jointly); Blair & Co. Incorporated and Baxter, Williams & Co. (jointly); The First Boston Corp. **Bids**—Tentatively scheduled to be received on Oct. 18 at company's office, 441 Stuart St., Boston 16, Mass.

York County Gas Co., York, Pa.
June 29 it was announced company contemplates the issuance and sale later this year of a new series of its first mortgage bonds, in an aggregate amount not yet determined. **Proceeds**—To pay for new construction and probably to refund an issue of $500,000 4¾% first mortgage bonds due 1978. **Underwriter**—May be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; A. C. Allyn & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly). It is also possible that issue may be placed privately.

Investment Banking Group Awarded $100,870,000 New Housing Authority Bds.

An investment banking group headed by Phelps, Fenn & Co., Lehman Brothers and Blyth & Co., Inc. was the successful bidder on July 20 for $100,870,000 New Housing Authority bonds sold at sealed bidding by 15 local housing agencies located in 13 states. The following six investment firms also are managers of the group: The First Boston Corporation; Goldman, Sachs & Co.; Harriman Ripley & Co., Inc.; Smith, Barney & Co.; Shields & Co., and R. W. Pressprich & Co.

The investment bankers specified coupon rates of 2½% and 2⅝% for issues due serially in the years 1956-1996, and a coupon rate of 2¾% for issues maturing in 1984 to 1994. Details of the issues acquired by the group appear in the accompaanying tabulation.

The bonds were reoffered to the public in five price scales—Scale A 2½%, Scale B 2½% and 2⅝%, Scale C-1 2⅝%, Scale C-2 2⅝% and Scale D 2¾%—at prices to yield from 1.20% to 2.65%.

Scale A, applicable to bonds of the Philadelphia, Pa. agency, ranges in yields from 1.20% to 2.55%.

Scale B 2½% and 2⅝% is applicable to bonds of the Hartford, Conn.; Atlanta, Ga.; Baltimore, Md. and Cincinnati, Ohio agencies and ranges in yields from 1.20% to 2.60%.

Scale C-1 2⅝% and Scale C-2 2⅝% apply to agencies of New Orleans, La.; Saginaw, Mich.; New York, N. Y.; Norfolk, Va.; Madison County, Ill. and Athens, Ga. and range in yields from 1.20% to 2.65%.

Scale D 2¾% applies to bonds of agencies in Tampa, Fla.; Newark and Trenton, N. J., and Columbia, S. C. and range in yields from 2.60% to 2.65% for maturities in 1934 to 1994.

The bonds will be callable ten years from their date at 104% and accrued interest, and thereafter at decreasing call prices.

The bonds of each issue will be secured by a first pledge of annual contributions unconditionally payable under an Annual Contributions Contract between the Public Housing Administration and the local public agency issuing the bonds. The contributions will be payable in an amount which, together with other funds of the local public agency, will be sufficient to pay the principal and interest on the bonds when due. The United States Housing Act of 1937, as amended, solemnly pledges the faith of the United States to the payment of the annual contributions by the Public Housing Administration.

Interest on the bonds is exempt from Federal income taxes. The bonds are legal investments for savings banks and trust funds in New York and certain other states.

Name	Amount	Coupon—%	Bid—%
Hartford, Conn.	$3,095,000	2⅝	100.267
Tampa, Fla.	5,910,000	2¾	100.410
Atlanta, Ga.	9,415,000	2½	100.110
Athens, Ga.	1,255,000	2⅝	100.256
Madison County, Ill.	1,190,000	2⅝	100.699
New Orleans, La.	7,680,000	2⅝	101.139
Baltimore, Md.	16,075,000	2½	100.116
Saginaw, Mich.	2,400,000	2⅝	101.014
Newark, N. J.	6,645,000	2¾	100.421
Trenton N. J.	1,695,000	2¾	100.531
New York, N. Y.	11,755,000	2⅝	101.325
Cincinnati, Ohio	6,640,000	2½	100.270
Cincinnati, Ohio	6,320,000	2½	100.116
Philadelphia, Pa.	14,060,000	2½	100.520
Columbia, S. C.	1,875,000	2¾	100.431
Norfolk, Va.	4,880,000	2⅝	101.035

With Robert Hough

(Special to THE FINANCIAL CHRONICLE)

ALAMEDA, Calif. — Harold G. Cooper has joined the staff of Robert H. Hough, 933 Eagle Ave.

Joseph A. Bear

Joseph A. Bear, partner in Bear, Stearns & Co., New York City, passed away at the age of 77 following a heart attack.

With Cantor, Fitzgerald

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Eugene Miller has joined the staff of Cantor, Fitzgerald & Co., Inc., 232 North Canon Drive.

Joins Robert Baird

(Special to THE FINANCIAL CHRONICLE)

MILWAUKEE, Wis.—Robert F. Sinclair is with Robert W. Baird & Co., Incorporated, 110 East Wisconsin Avenue.

Mesa Petroleum Stock Offered at $4 a Share

An issue of 75,000 shares of common stock (no par value) of Mesa Petroleum Co., Inc. (a Kansas corporation) is being offered at $4 per share on a best-efforts basis by Albert C. Schenkosky of Wichita, Kan.; Fenner, Streitman & Co., New York, N. Y.; and Nirkenmayer & Co., Denver, Colo.

The net proceeds are to be used to purchase equipment, to pay for drilling expenses and working capital.

The properties owned by Mesa Petroleum Co. include 850.14 acres of oil and gas leases which lie in the Howard-Glasscock oil field, 18 miles southeast of the City of Big Spring, Howard County (West), Texas. This property now has 15 producing oil wells thereon.

In addition the company owns a block of acreage of oil and gas leases consisting of 400 acres in Harmon County (Southwestern) Oklahoma. This particular block is unproven acreage.

DIVIDEND NOTICE

PUNTA ALEGRE SUGAR CORPORATION

The Board of Directors has declared a dividend of $.80 per share on the capital stock of the Corporation, payable September 1, 1955, to stockholders of record at the close of business August 15, 1955.

WILLIAM C. DOUGLAS, *Chairman*

July 14, 1955

DIVIDEND NOTICES

ALUMINIUM LIMITED

DIVIDEND NOTICE

On July 12th, 1955 a quarterly dividend of Fifty-five Cents per share in U.S. currency was declared on the no par value shares of this Company, payable Sept. 5th, 1955 to shareholders of record at the close of business July 29th, 1955.

Montreal JAMES A. DULLEA
July 12th, 1955 *Secretary*

HOOKER ELECTROCHEMICAL COMPANY

Niagara Falls, N. Y.

Dividend Notice

The Board of Directors on July 20, 1955, declared dividends as follows:

Quarterly dividend of $1.0625 per share on the $4.25 Cumulative Preferred Stock, payable September 28, 1955, to stockholders of record as of the close of business September 2, 1955.

Quarterly dividend of $.25 per share on the Common Stock, payable August 30, 1955 to stockholders of record as of the close of business August 2, 1955.

ANSLEY WILCOX 2nd, Secretary

Half a Century of Chemicals From the Salt of the Earth HOOKER CHEMICALS

1905—1955

DIVIDEND NOTICES

WOODALL INDUSTRIES INC.

A regular quarterly dividend of 31¼¢ per share on the 5% Convertible Preferred Stock has been declared payable September 1, 1955, to stockholders of record August 12, 1955.

A regular quarterly dividend of 30¢ per share on the Common Stock has been declared payable August 31, 1955, to stockholders of record August 12, 1955.

M. E. GRIFFIN,
Secretary-Treasurer

R. J. REYNOLDS TOBACCO COMPANY

Makers of Camel, Cavalier and Winston cigarettes
Prince Albert smoking tobacco

Quarterly Dividend

A quarterly dividend of 70¢ per share has been declared on the Common and New Class B Common stocks of the Company, payable September 6, 1955 to stockholders of record at the close of business August 15, 1955.

W. J. CONRAD,
Winston-Salem, N. C. *Secretary*
July 14, 1955

DIVIDEND NOTICES

Public Service Electric and Gas Company

NEWARK, N. J.

QUARTERLY DIVIDENDS

Dividends of $1.02 a share on the 4.08% Cumulative Preferred Stock, $1.04½ a share on the 4.18% Cumulative Preferred Stock, 35 cents a share on the $1.40 Dividend Preference Common Stock, and 40 cents a share on the Common Stock, have been declared for the quarter ending September 30, 1955, all payable on or before September 30, 1955 to holders of record at the close of business on August 31, 1955.

F. MILTON LUDLOW
Secretary

PUBLIC SERVICE
CROSSROADS OF THE EAST

DIVIDEND NOTICES

Southern California Edison Company

DIVIDENDS

The Board of Directors has authorized the payment of the following quarterly dividends:

CUMULATIVE PREFERRED STOCK, 4.08% SERIES
Dividend No. 22
25½ cents per share.

CUMULATIVE PREFERRED STOCK, 4.88% SERIES
Dividend No. 31
30½ cents per share.

The above dividends are payable August 31, 1955, to stockholders of record August 5. *Checks will be mailed from the Company's office in Los Angeles, August 31.*

P. C. HALE, *Treasurer*

July 15, 1955

RICHFIELD
dividend notice

The Board of Directors, at a meeting held July 11, 1955, declared a regular quarterly dividend of 75 cents per share on stock of this Corporation for the third quarter of the calendar year 1955, payable September 15, 1955, to stockholders of record at the close of business August 15, 1955.

Cleve B. Bonner, *Secretary*

RICHFIELD
Oil Corporation

Executive Offices: 555 South Flower Street, Los Angeles 17, California

THE SOUTHERN COMPANY
(INCORPORATED)

The Board of Directors has declared a quarterly dividend of 22½ cents per share on the outstanding shares of common stock of the Company, payable on September 6, 1955 to holders of record at the close of business on August 1, 1955.

L. H. JAEGER, *Treasurer*

THE SOUTHERN COMPANY SYSTEM
Serving the Southeast through:
ALABAMA POWER COMPANY
GEORGIA POWER COMPANY
GULF POWER COMPANY
MISSISSIPPI POWER COMPANY
SOUTHERN SERVICES, INC.

Washington . . . And You

Behind-the-Scene Interpretations from the Nation's Capital

WASHINGTON, D. C.—When it comes to cutting down on the regimentation of the farmer, reducing Federal subsidies on agriculture, and generally going the conservative way, this fellow, Ezra T. Benson, the Secretary of Agriculture, is quite a card.

And when it comes to bold and daring imagination on how to do good things, this Farmers Home Administration under Mr. Benson, really wins the blue ribbon at any showing of the bureaucratic animals.

Just last week this column reported the latest scheme for turning the legally poorest agricultural credit risk's paper into a standing comparable to government bonds, for evading real estate loan limits on banks, and for dipping directly into the savings people put in banks and insurance companies to enable the mortgage lending activities of Farmers Home. All this and a scheme to "reduce Federal spending," too.

This, incidentally, had the approval of Ezra Taft Benson.

Before you can tell one story, up comes Farmers Home with another. Incidentally, it is so daring that Rex Tugwell, the first Administrator of the Resettlement Administration, who started this paternalistic agency on its bureaucratic life, if he knew about it probably would turn green with jealousy. According to the successor agency's imagination, Rex Tugwell looks just like a piker.

What Farmers Home has just announced is a scheme to make over the agricultural economy of the arid plains states, using all of the multifarious loan tools of its ample kit.

SCS Determines Land Use

In the dry areas of Texas, New Mexico, Oklahoma, Colorado, Kansas, Wyoming, and maybe parts of Nebraska (not the entire states but just the arid parts) the Soil Conservation Service of the Department of Agriculture is mapping out all the land and is drawing up county by county, plans for the better use of the land.

What the SCS is doing, of course, is to determine to what use the land can be best put. Or, putting it another way, since the land is normally too dry for plowing and putting into wheat, it should be put into cattle, for instance.

From that determination on, Farmers Home will take over. Out of its kit will come just the loan tools to do the trick of remaking agriculture in those areas.

So a given farmer has been in wheat. The SCS says the land should be in grass for cattle. So in grass it goes, if the farmer wants any help. A farmer doesn't need to take this help. He can go broke peacefully, or he can be sold out under foreclosure, if he is in mortgage debt.

But if he is in debt or if he wants to live a better life, then Farmers Home will help him. Farmers Home will re-activate the "debt adjustment" committees of the 1930's. Debt adjustment means debt forgiveness by the creditor. Farmers Home is ready under given circumstances to make a mortgage loan, but might think that the existing private loan the farmer had was too high. If the creditor accepted an "adjustment" suggested by a Farmers Home committee, he would stand a chance of getting cash.

It doesn't follow that debt forgiveness will necessarily be a part of every farmer's forthcoming benefits of government beneficence.

Gets "Farm and Home Plan"

Next, the dry land farmer sits down with the Farmers Home people and gets a "Farm and Home Plan."

Farmers Home and the farmer decide what is best for the farmer. Let's say it is grass and cattle. Farmer Brown has 320 acres in former grass land that a beneficent government during the war with high prices induced him to put into wheat. Back into grass it goes. But 320 acres is, perhaps, not enough for a grass cattle operation. He needs another 320 to make a "farm family unit."

So up comes dough from Farmers Home (it may be out of your savings account, it may be a direct loan) with a proferred mortgage loan to make an adequate family unit. However, the farmer needs a new cattle barn for this operation. He needs a new well, new fences, many other things. Just say, "bingo," and up comes the loan money from Farmers Home.

Or maybe the dry land could be irrigated and made a fruit farm. The technique is similar. There is money for irrigation systems, for getting going in fruit, or what have you.

Money Not Important

The important thing is not the money. The important thing is for Farmers Home to remake the agriculture of the region the way the government knows best. The money is not important, because the government, with its new access to bank deposits, can make plenty available—only provided the farmer is economically a failure, whether or not it is his own fault. A farmer with credit of his own cannot qualify. That is the law.

The usefulness of Farmers Home credit was explained in the announcement of the new program by E. T. Benson.

"In areas designated by the Secretary of Agriculture, loans will be made for reseeding and establishment of grasslands and other improved conservation and land use practices including soil and water erosion control measures; development and improvement of existing farm buildings, and the purchase of additional land needed to enlarge a farm to a family-type size.

"Loans also may be made to purchase livestock, farm equipment, farm equipment repairs, seed, fertilizer, feed, insecticides, farm supplies, and for the payment of interest and taxes," Secretary Benson stated.

A "carefully-developed Farm and Home Plan" will be a part of the processing of each loan, and "borrowers will be required to follow farm management practices recognized locally as best for their particular type of land." (This form of government paternalism is identified precisely with Mr. Tugwell's original Resettlement Administration.)

Has Many Tools

Farmers Home already has a considerable kit of tools to achieve the remaking of the arid country. It already has funds for direct loans for production and mortgages. The new mortgage "insurance" scheme, described in this column last week, will greatly expand Farmers Home usefulness in the new program. Both Houses are expected to approve it before adjournment.

Then last year Congress, with the blessing of Secretary Benson, voted a whole new scheme of loans for water and irrigation, soil improvement, reforestation, and pasture loans.

Like the new mortgage loans, it provides a scheme for direct access of Farmers Home to bank deposits and other sources of private credit, through the guise of a guarantee.

All that is lacking to make Farmers Home resources virtually unlimited is for government guarantees of Farmers Home "production loans." The water facilities, soil conservation, pasture improvement, and reforestation loans are not supposed to be used strictly for financing farm production.

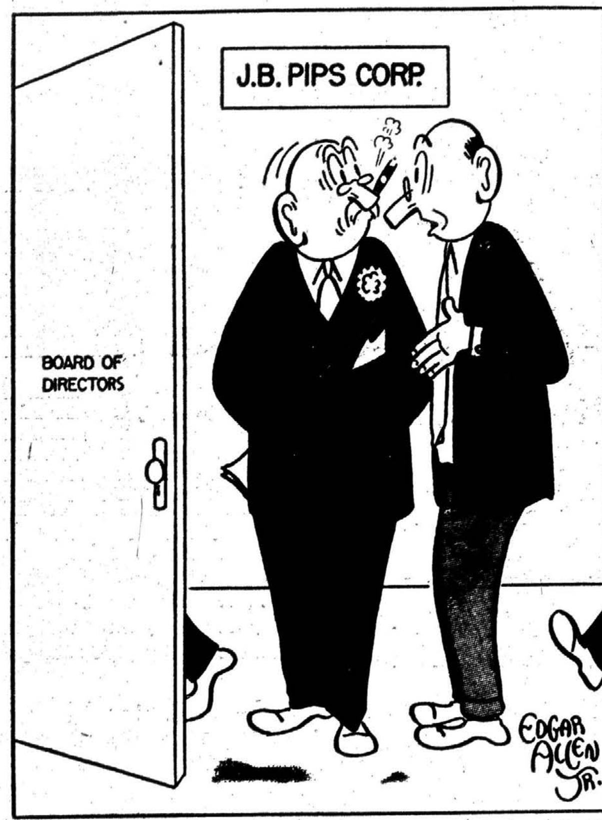
Mr. Benson was agreeable to the idea that the guarantee should also be available for production loans. However, there are a couple of guys around the Budget Bureau who still operate on the theory that the Eisenhower Administration is a private enterprise Administration—so the Benson idea of insured Farmers Home production loans got turned down this year.

So, temporarily, straight Farmers Home production loans are limited to direct Treasury money with one notable exception. This exception is that Congress in extending the program of emergency drought loans for two years, took some of the limits off them. Farmers Home can now use drought loans and intends to use them as part of this kit for making over the arid country with easy credit.

Drought loans, however, are limited to direct appropriations therefore. Incidentally, the Congress rebelled at requiring farmers to pay 5% interest on emergency drought loans. At the same time Congress cut these loans loose for the broad purposes of Farmers Home, it reduced the interest rate on them to 3%.

(This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.)

BUSINESS BUZZ



"I'd like to leave the meeting a bit early today, J. B., so I'll 'yes' you in advance!"

COMING EVENTS

In Investment Field

July 22, 1955 (Portland, Oreg.)
Investment Securities Dealers of Portland, Oreg., annual summer party at the Oswego Country Club.

Aug. 18-19, 1955 (Denver, Colo.)
Denver Bond Club annual outing at Park Hill County Club.

Sept. 11-14, 1955 (Mackinac Island, Mich.)
National Security Traders Association annual convention.

Sept. 16-17 (Chicago, Ill.)
Investment Bankers Association Fall meeting of Board of Governors.

Sept. 16, 1955 (Philadelphia, Pa.)
Bond Club of Philadelphia 30th Annual Field Day, at Huntingdon Valley Country Club, Abington, Pa.

Sept. 21-23, 1955 (Denver, Colo.)
Association of Stock Exchange Firms meeting of Board of Governors.

Nov. 16-18 (New York, N. Y.)
Association of Stock Exchange Firms meeting of Board of Governors.

Nov. 27-Dec. 2, 1955 (Hollywood, Florida)
Investment Bankers Association annual Convention at Hollywood Beach Hotel.