ESTABLISHED 1839

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 182 Number 5454 | New York 7, N. Y., Thursday, August 11, 1955 | Price 40 Cents a Copy

EDITORIAL

As We See It

One might suppose, were he quite uninitiated in such matters, that recent steps to "forestall inflation" were in and of themselves drastically restrictive. The fact of the matter is, of course, that they are quite puny. It is possible that their practical effect will, as doubtless the authorities hope, be out of proportion to their magnitude—or it may possibly prove to be far greater than the powers that be have any wish for, as is always a possibility when business has been artificially stimulated as it has at present. The fact remains that the so-called tightening up of mortgage credit is hardly more than microscopic, and the increase in discount rates (except for possible psychological effect) quite inconsequential. There has been a revival of what used to be called the "open mouth credit policy"—by which is meant an effort to restrict or control by word of mouth—in the hope, no doubt, that both sterner measures and further excesses may be avoided.

But all of this leaves the basic questions of the day untouched. The central theme today in official circles at least is "inflation" and its prevention. Current discussions, as is almost always the case, leave a haze of uncertainty and obscurity about the word "inflation." It would appear that the term is now being employed to connote almost anything thought undesirable in the economic sphere. Of late, there have been efforts in some quarters to analyze the price structure to show that "inflation" is present even though the general average of prices has not advanced in any important way for a good while past. This appears to indicate that in the minds of such observers "inflation" is present only if it can be

Continued on page 23

Grounds for Favorable Stock Market Outlook

By HARRY D. COMER*
Partner, Paine, Webber, Jackson & Curtis
Members New York Stock Exchange

Though noting that the stock market is always subject to setbacks, as at present, Mr. Comer holds that the broad trend of the market as a whole seems to be still upward. Sees a big boom in business, with special stress on new building, steel and automobiles. Says we now know more about coping with the business cycle and cites the enormous powers available to the Federal Government in its attempt to direct the speed and direction of the economic machine. Concludes, 1955 will be a banner year, barring a new war.

At the outset I want to give my coclusion that *the current outlook for both business and the stock market is favorable.* Business prospects, in general, appear to be very good for the rest of this year and into 1956. Of course, the stock market is always subject to setbacks and readjustment as it goes along. But the *broad trend of the market as a whole seems to be still upward.*

Harry D. Comer

It is one of the main functions of the stock market to try to foresee what will happen to dividends and earnings which are the stuff out of which dividends are paid. In the early part of the war period, although business was booming, the stock market went down. The reasons were the uncertainties created by the war, the increased taxes, the excess profits taxes and the prospect that it would be a profit-less prosperity for corporations.

Later on, as the end of the war came into sight, the stock market swung up, by way of forecasting the com-

Continued on page 20

*Summary of a talk by Mr. Comer before the Detroit Rotary Club, Detroit, Mich., Aug. 3, 1955.

Funds Like Motor And Oil Stocks

By HENRY ANSBACHER LONG

Investment companies prefer petroleum and auto issues during second quarter of the year. Rails, metals, steels and paper issues also continued to attract buying. Natural gas and merchandising shares which had been sold on balance during the previous quarter, were bought in latest period. Opinion was divided on the electric utilities and chemicals, while selling on balance was concentrated on electric equipment, aircraft and food issues. Although over-all operations indicated only slight disposition toward retrenchment, several individual reporting funds displayed pronounced notes of caution.

Investment company managements continued their preference for the oil shares during the second quarter of the year with the auto stocks displacing the electrical utilities as second ranking favorite. (Opinion was divided on the power and light issues after their brief return to popularity during the previous three months.) Rails and non-ferrous metals were also well liked, but less enthusiastically than during the first period of the year, purchase transactions of the former decreasing by 14% and of the latter by 30%. Building shares, about which management had been undecided during the March quarter, found a friendly reception, while a reversal of the previous period's bearish attitude on the natural gas and merchandising issues, also placed these groups among the fund favorites. Steels and papers were still well thought of, and purchases of the finance companies doubled those of the first three months of the year. However, preference was given to the smaller companies in this industry—Pacific Finance, Beneficial Finance, Seaboard Finance and Trader's Finance—while opinion was divided on the

Henry A. Long

Continued on page 26

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 32.

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.)

This Week's Forum Participants and Their Selections

Food Mart, Inc.—Kuno B. Laren, of Shearson, Hammill & Co., New York City. (Page 2)

The Prophet Company—Robert N. Sawyer, Resident Manager, Smith, Hague, Noble & Co., Ann Arbor, Mich. (Page 2)

KUNO B. LAREN

Shearson, Hammill & Co., N. Y. City
Members New York Stock Exchange

Food Mart, Inc.

Food Mart, Inc., a grocery chain operating about 20 supermarkets in and around El Paso, Texas, has just successfully completed the acquisition of another 21-supermarket chain in Texas. The acquired chain, Worth Food Markets of Fort Worth, Texas, adds an annual sales volume of around $23 million to Food Mart's current annual gross of about $20 million. Although Worth Food's earnings picture has been drab in recent years, with new management and operating procedures the apparent good profit potential of this acquisition renders the outlook for Food Mart excellent and provides superior appreciation possibilities to this company's common stock.

Kuno B. Laren

Food Mart Inc. was taken over by its present management in 1950. At that time the company consisted of a 14-store chain located in El Paso and surrounding communities. Starting with a fiscal 1950 gross volume of $7.4 million, sales moved up to $9.5 million in 1951, $12.8 million in 1952, $13.8 million in 1953, $15.5 million in 1954 and $17.4 million in the year ended March 26, 1955. A part of this expansion may be attributed to the rapid growth of population in this region. U. S. census figures indicate that between 1940 and 1950 the population in the area from which Food Mart draws its customers increased by 43.4% vs. 20% for all Texas and 14.5% for the U. S. as a whole. The rise in sales volume was paralleled by increases in earnings, and as gross about doubled since 1951, net income rose from $156,000 to $328,000. For the last fiscal year, ended March 26, 1955, earnings amounted to $1.17 per share on the 280,100 shares of common outstanding. For the three months ended June, 1955, Food Mart showed sales of $5 million (a gain of 22% over the comparable figure last year) and profits of $105,000, or 37¢ per share (up 31%). The common shares, currently quoted around 19 in the Over-the-Counter Market, were first offered publicly in January of this year.

It would seem that Food Mart common, at present quotes, represents a desirable investment on the basis of its past record alone—even discounting the new acquisition. Its 20 stores are modern and attractive in appearance, all are air-conditioned and equipped with frozen food cases, and most of the stores (16) have parking facilites. Average sales per store run at about $1 million a year which compares favorably to the estimated national "norm" of $600,000 for supermarkets. Food Mart's net after-tax profit margin of 1.9% is better than for most food chains. With projected annual profits of $1.50 per share, the stock sells for about 11.3 times earnings—a ratio lower than that for most similar companies. Food Mart's growth record compares very favorably with that of the fastest expanding supermarket chains. Taking 1946 sales—the first postwar year—as equal to 100, Food Mart's sales index last year was equivalent to 610. This compares to an index level of about 483 for Thorofare markets and 387 for Winn & Lovett—both recognized growth companies in the food chain business.

However, the factor which seems to place Food Mart common far ahead of others as the "security we like best" is the recently completed acquisition of the Worth Food chain. Worth Food Markets operates about 21 stores in the City of Fort Worth, Texas. Reflecting rapidly rising population (60.2% between 1940 and 1950) the chain's sales increased from $4.9 million in 1946 to about $23 million current volume. Although Worth Food had some of the choicest store locations and did a larger volume of business in Fort Worth than any other chain, its profit picture was not satisfactory. The chain had been netting approximately $300,000 on considerably lower volume in previous years, but for about the last 1½ years operations have been in the red.

There does not appear to be anything inherently wrong with Worth Foods that improved operating procedures and new management cannot cure. It is believed that tangible savings of about $600,000 are available by simply cutting overhead, introducing better retail control and changing purchasing methods. The sales of the combined company would run at about $43-$45 million annually. Assuming that Food Mart's management, after a shake-out period of perhaps three to six months, can show the same 1.9% net-to-sales margin recorded on its own business, earnings from Worth Food would amount to about $435,000. This, together with projected earnings of roughly $420,000 for the El Paso operations, would translate into potential net income of $855,000, or about $3 per share on now outstanding common stock.

To finance this acquisition Food Mart added $1,975,000 net to its previous debt of $425,000. Presently $1.6 million of the debt is in long-term bank loans and $800,000 in convertible debentures. The latter debentures are convertible at $17.25 per share of common and thus would add somewhat less than 46,400 shares of new common when converted. Assuming our estimate of $855,000 in earnings for the fiscal year ending March, 1957, is correct, complete conversion would lower the per share figure to about $2.70. Should these earnings be evaluated by the market at ratios now prevailing for similar-sized grocery operations (12-15 times earnings for Fitzsimmons, Sunrise, Thorofare Markets), Food Mart common could trade in a price range of 32-40. It is not suggested that the stock would or should sell in this price range within the near future, but such a computation serves as a significant lever to an understanding of the potential appreciation in this stock.

Food Mart common stock is currently on a 60¢ dividend basis, a pay-out ratio of some 40% of present earnings and less than 25% of projected earnings. While capital needs in connection with debt repayment, revamping the operations of the recently acquired chain and for possible new store additions will be heavy, an increase in dividends might nevertheless be expected some time next year.

Traditionally, supermarket chain earnings have shown relatively good resistance to depression and slack periods in the general economy. The major investment criteria differentiating one chain from another have been management and rate of expansion. It is anticipated that the successful acquisition of Worth Food is the forerunner of other acquisitions and continued vigorous internal growth for Food Mart in the future. It would seem that the common equity of this aggressively managed and financially sound company offers excellent value for either long- or short-term investment.

ROBERT N. SAWYER

Resident Manager, Ann Arbor, Mich.,
Office of Smith, Hague, Noble & Co.,
Members N. Y. Stock Exchange

The Prophet Company

A security which returns a profit either through appreciation, high yield or both is usually on an investor's favored list. It is most unusual that my current favorite carries the label designating this classification—**The Prophet Company.**

Robert N. Sawyer

This fine service organization stands out as a leader in a highly specialized field in an age of specialization. It was not uncommon a few years back to explain specialization about as follows: "If you want to buy a pair of shoes to whom do you go—to the corner drug store or to the shoe store with its employees trained to fit your exact requirements. The answer is obvious, you go to the shoe store. Now applying this principle of specialization to the present industrial scene we find **The Prophet Company** is tailoring the feeding nation-wide of thousands of factory workers employed by over 130 clients to the exact needs of that individual client. Mass feeding as a business started in 1919 when Fred B. Prophet took on the unique task of providing hot meals, on the job, to 2,500 factory workers. Today these clients are located in 22 states from Georgia to California and Texas to Massachusetts, and include, in addition to others, such well known companies as American Metal Products, Budd Wheel, Chrysler, Douglas Aircraft, Firestone, General Motors, Hercules Powder, Houdaille Hershey, RCA, Sunshine Biscuit, Thompson Products and Western Electric.

The modern plant cafeteria operated by **The Prophet Company** has replaced the lunch pail with attractive well prepared menus and in so doing employee morale has been boosted and productive efficiency measurably increased. This is indeed a job best handled by specialists and in the field of industrial food service this company has not only pioneered but has continued to grow and serve so that **The Prophet Company** is now the oldest and largest firm in the world specializing in industrial and institutional food

Continued on page 17

Still Reaching

Proposed revision by SEC of regulations on small issues discussed. Would adversely affect the public interest, small business and promotional ventures and virtually abolish best efforts underwritings.

The Securities and Exchange Commission has issued its "Release No. 3555" which is a "Notice of Proposed Revision and Consolidation of Regulation A and Regulation D."

In issues of less than $300,000 Regulation A now provides a general exemption from the registration requirements of the Securities Act of 1933 for certain classes of domestic securities and Regulation D provides a similar exemption for certain Canadian securities.

The Release informs us that the proposal "would result in a single integrated exemptive regulation for both domestic and Canadian securities." To integration as such we can see no objection, and if the purpose is merely to consolidate the existing regulations under one heading and index, since both deal with substantially the same matters, we would support the proposal.

Another projected change would provide in "Reg A" offerings for the filing of consents to the service of process on non-residents similar to the requirements of the present Regulation D. That, too, makes sense.

However, the SEC has other plans.

It would make mandatory that "promotional companies" qualify their exempted securities for sale in the State in this country or Province in Canada in which the issuer has its principal operations, and offer such securities for sale in such State or Province concurrently with the offering in other jurisdictions.

What right has the Commission to dictate the market place or any part of it? If small business wants to raise capital for its operations, why may it not choose such state or states where it deems the sale of its securities will be best accomplished, and wherein it is advised to qualify? What is there about publicly held securities which calls for a mandamus to small business that it must at least in part seek a market place for its securities in the State or Province in which it has its "principal business operations"?

This the SEC seeks to realize through its rule making power. We can't see it. To us the change would be a fundamental turn about which should only result if it were deemed beneficial (which it is not) by Congress and specific legislation enacted.

Because similar considerations apply to them, two other proposed changes may be viewed together. These are that a provision be made by escrow or otherwise to assure the return to subscribers of the money paid in for securities unless at least 85% of the total offering is sold and paid for within six months after the commencement of the offering; and, no securities could be offered except for the account of the issuer; secondary offerings, "Bail-outs," and offerings of underwriters' shares and options, would not be permitted under the new proposal.

With these two changes we might as well consider a third and related one, that is, in computing the amount of securities which could be offered there would have to be included the amount of all securities issued or proposed to be issued, for assets or services or to directors, officers, promoters, underwriters, dealers or security salesmen, and held by them, except to the extent that such securities are escrowed or otherwise effectively held off the market for a period of one year after the commencement of the offering.

What is the SEC in effect trying to do by these three items?

As a rule promotional companies enlisting the benefits of Regulations A and D are controlled by small business

Continued on page 10

INDEX

Articles and News

Regular Features

*See article "Funds Like Motor and Oil Stocks" starting on cover page.

Published Twice Weekly

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Patent Office

WILLIAM B. DANA COMPANY, Publishers
25 Park Place, New York 7, N. Y.
REctor 2-9570 to 9576

HERBERT D. SEIBERT, Editor & Publisher
WILLIAM DANA SEIBERT, President

Thursday, August 11, 1955

Every Thursday (general news and advertising issue) and every Monday (complete statistical issue — market quotation records, corporation news, bank clearings, state and city news, etc.).

Other Offices: 135 South La Salle St., Chicago 3, Ill. (Telephone STate 2-0613); 1 Drapers' Gardens, London, E. C. England, c/o Edwards & Smith.

Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 8, 1879.

Subscription Rates

Subscriptions in United States, U. S. Possessions, Territories and Members of Pan-American Union, $55.00 per year; in Dominion of Canada, $58.00 per year. Other Countries, $62.00 per year.

Other Publications

Bank and Quotation Record — Monthly, $37.00 per year. (Foreign postage extra.)

Note—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

Dun & Bradstreet— A Favorable Report

By IRA U. COBLEIGH
Enterprise Economist

Some investor-slanted notes about a company with a famous motto, "Credit—Man's Confidence in Man."

When you talk about a person and say, sometime during the conversation, "You've got to give him credit" you're actually citing one of the most vital elements in our whole economic system — credit. And the extent of any credit accorded either to an individual, or a corporation, is determined by the amount of trust or confidence earned, or established, by prior performance. Well, probably nobody on earth is more renowned as a detective or appraiser of business and financial credit than Dun & Bradstreet, Inc. Their confidential reports, on a sage green letterhead, are the financial equivalent of a thorough life insurance examination. If you want to rent a warehouse in Roslyn, N. Y. to the Skypie Corp. (strictly mythical) from Kansas City, on a 3-year lease totaling $50,000, involving $4,000 in alterations (made by you before they move in) chances are you'll swiftly seek a Dun & Bradstreet report on the Kansas City firm. Then you'll really learn the anatomy of credit, if you never knew it before. The report will start off with the history of Skypie — when it was started, where it's done business, who are the principal officers and shareholders, how the business has been doing; and outline the way any previous business of the principals has been handled, listing any slovenly payments or history of bankruptcy lurking in the past.

Ira U. Cobleigh

Then the report will outline briskly the careers of the principal officers—age, previous business connections and personal financial status to the extent available.

Finally, there'll be a paragraph on payments—cash or credit? Fast or slow? Good or doubtful? By then you'll have a pretty good idea as to whether or not you should lease to Skypie Corp. of Kansas City.

That such a credit service is of vital value to businessmen all over the country is obvious. And that Dun & Bradstreet have gained such repute for thorough, prompt, and dependable credit information is a tribute not only to good management but to over a century of experience in assaying and appraising the varying degrees of corporate and personal solvency. The threads of D & B go way back to 1841 when one Lewis Tappan established a Mercantile Agency. Continued through a series of organizations the business was incorporated in 1930 as the R. G. Dun Corporation, merged the assets of Bradstreet Co. in 1933, and gained its present name in 1939.

To regard Dun & Bradstreet as merely a supplier of special credit reports would be but to describe one room in a house. It really runs a sort of business and financial Who's Who through its fabulous "Reference Book." This is quite a book, listing around three million concerns, describing the line of business and the type of credit rating it deems appropriate in each instance. As credit data gets rapidly outmoded, this massive book is revised every two months and has gained the honor of being the biggest regularly published book in the world. But there's a lot more.

One of the best magazines for businessmen is Dun's Review & Modern Industry, a monthy publication known as Dun's Review for 50 years, until it was merged with Modern Industry in 1953. It now carries the combined name, and had an average (1954) circulation of 118,027 copies each month.

Other periodicals include Dun's Statistical Review and Dun & Bradstreet's International Markets. There are also a specialized group of summaries of conditions in assorted industries such as Apparel Outlook; Compass Points of Business; and Trade Review of the Week. And there are a couple of somewhat related summaries, Businessmen's Expectations, a forward look at possible future trends, and Business Failures, a sort of necrological sheet recording the errors, misplays and losing games, in the boxscore of business. Also issued under the D & B banner are Latin American Sales indices, Wholesale Commodity Prices, and Wholesale Food price charts and indices. And there are pamphlets of an educational sort such as "Getting Ahead in Small Business," and "The Where and Why of Business Failures"; and two widely seen films "Man's Confidence in Man" and "Of Time and Salesman" (no connection with "Of Mice and Men!")

From the foregoing, you can easily perceive that Dun & Bradstreet is a big organization, and that because of the extensive coverage it has made of business activity, all over the world, for decades, and the vast store of credit information it has assembled, it is quite immune from competition. Ninety-Seven hundred employees devote their full time to gleaning, analyzing, summarizing and reporting, editing and printing the vital statistics of business. Headquarters are at the big new (1951) 11 story air conditioned building at 99 Church Street, New York, and there are over 200 branches scattered on every continent except Asia; plus New Zealand and the West Indies. Benefiting from a highly trained, specialized staff, recording each day the temperature and blood pressure of enterprise, from almost every corner of the globe, subscribers to D & B get a unique service. They need it when business is on the skids to see whom they can continue to trust; and they need it when times are good to get a line on the character and solvency of the newcomers.

For these reasons, it's quite understandable that D & B has been able to expand its gross income in the nine years ended Dec. 31, 1954 from $30.7 million to $60.4 million—virtually double.

In a company which devotes its entire time to coldly combing over credits, you woulld naturally expect management to stress balance sheet excellence. Well, Dun & Bradstreet does. At the 1954 year-end, the D & B current asset ratio was 3.4 to 1; and net working capital stood at $15 million. There was no debt, bank loan or long-term, the preferred was retired during 1954, and total book assets stood at $41,902,470. All this would entitle Dun & Bradstreet to a top credit rating — even by Dun & Bradstreet (if it is appropriate for a doctor to take his own temperature).

That brings us down to capitalization — it couldn't be simpler, merely 960,000 shares of common which earned $3.71 a share in 1954. It will pick up 14¢ a share this year, due to the retirement of the preferred; and this year's business is humming along at a pace to suggest a net of around $4 for 1955.

Dividends at D & B have been paid for 20 years in a row, and there was a 2-for-1 stock split in 1947. Last year vouchsafed the best cash dividend in history, $2.20 per share; and this year might provide further expansion in the payout department. For those attracted by this creditable equity, who note that D & B common is now selling (over the counter) at an all-time high at 53, let it be noted that earnings also

Continued on page 7

The State of Trade and Industry

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

Industrial production for the country-at-large in the period ended on Wednesday of last week continued to advance with operations set at or near capacity in many industries. According to reports, total output surpassed the year ago level by a very comfortable margin. This heightened activity in industry, construction and agriculture, in turn, helped to step up employment.

Claims for unemployment compensation, it is understood, were markedly fewer than a year ago.

Employment prospects for the next two months were pictured as good, according to reports of the U. S. Department of Labor. Employers in 75% of 149 job centers surveyed looked for "slight to moderate" gains in hiring between now and early autumn. Increased employment in the construction, steel, electrical machinery and furniture industries should more than offset any drop in auto jobs due to model changeovers, the Department noted. It also disclosed the fact that the number of areas with large labor surpluses dropped to an 18-month low in July.

The Commerce Department also noted that personal income in June declined slightly from May but was still well above the year-ago month. It was the first time since January the total failed to show a month-to-month rise. Work stoppages in the auto and associated industries, and lower farmers' income in the month accounted for the decline, the Department explained. Personal income in June was at an annual rate of $301,200,000,000, off from $301,400,000,000 in May but sharply higher than the $286,700,000,000 of June, 1954.

Steel producers are wielding a heavy blue pencil on customer allotments in a desperate effort to restore a semblance of order to the market. Both old and new customers are getting the treatment, states "The Iron Age," national metalworking weekly, this week.

The reason for this condition is that the steel companies were caught off-guard by the continued strength of a market they thought would ease during the summer. Incoming orders are still running 10 to 15% ahead of capacity, this trade weekly points out.

Meanwhile, they were hit by a short-lived strike over union contract demands, a maintenance problem of major proportions, a record-breaking heat wave and summer vacations in their own shops.

The ingot rate, since the strike, has reflected the cumulative effect of these problems. Operations this week are scheduled at 89% of capacity, while last week the mills produced at only 83.5%.

Maintenance losses extend beyond that of raw iron and steel. It has hit rolling and slabbing mills as well—to the point where some producers are attempting to borrow steel from other mills, and in some cases, have had slabs finished by other producers.

The seriousness of the steel market situation, evident as it is today, will be brought home with a bang after Labor Day when producers and consumers begin to shape up their fourth quarter production schedule, states "The Iron Age."

They will find previous steel promises were unrealistic; long time suppliers will be unable to satisfy old customers; warehouses, already in trouble themselves, will have more trouble obtaining their requirements from the mills and a tight steel situation rivaling the tough second quarter.

There has been no gray market of any consequence as yet, due largely to the close balance between steel ingot and finishing capacity. But if demand pressure continues, some conversion deals will enter the picture, concludes this trade authority.

Changeover operations at Lincoln, Chrysler and DeSoto, plus heat losses at most industry plants will contribute to an 11% decline in United States car and truck manufacture last week.

"Ward's Automotive Reports" estimated Aug. 1-6 production at 144,569 cars and 22,815 trucks, compared with 161,370 and 26,136 a week ago and 105,421 and 15,516 in the same 1954 week.

The statistical agency added that the past week's dip was in line with August programming, which is geared for 611,000 cars and 98,000 trucks or 8% under July totals of 659,808 and 107,207. Moreover, August has three extra work days than were available in July, indicating that the daily producton rate will taper even more in coming weeks.

General Motors car schedules showed a 17% decline the previous week, reflecting sharp drops at all divisions; Ford Motor Co. and Chrysler Corp. totals also declined, while Studebaker-Packard and American Motors were looking for increases over a week ago.

Saturday operations were expected to be at a minimum last week; Ford Division, for example, was the only producer reporting six-day schedules. The company had six final assembly plants working on Saturday, with the week's program aimed at 34,500 cars and 6,240 trucks. Chevrolet schedules called for 32,700 cars and 8,400 trucks the past week.

Elsewhere, Willys truck output had been halted for two weeks vacation. White Motor returned to action following inventory the week before. However, industry truck volume still

Continued on page 25

Our American Way of Life

By HERBERT HOOVER*
Ex-President of the United States

Ex-President Hoover, in replying to criticisms of our current American way of life, points to our recent advances in mechanical, cultural and spiritual fields as indications that the ideals we now possess mean no decline of American civilization.

During the last score of years our American way of life has been deluged with criticism. It comes from our own people who deplore our faults and genuinely wish to remedy them. Among these I myself have joined because of my anxieties over mistaken policies and especially the influence of Karl Marx on our way of life. Criticism comes daily from the habit of our political parties to deplore the opposition. It arises from the forthright refusal of the American people to wash their dirty linen in secret. It comes from our love of sensational incidents where villainy is pursued by law and virtue triumphs.

Herbert Hoover

And it comes from the fuzzy-minded totalitarian liberals who believe that our creeping collectivism can be adopted without destroying the safeguards of free men. It comes bitterly and daily from the Communists at home and abroad who would overthrow our American system. And it even comes from free nations whom we have tried to help.

Altogether, if we look at the criticisms alone, we seem to be in a very, very bad way and engaged in our decline and fall.

But we should lift our eyes unto the hills from whence cometh our help. We should occasionally mention something good about ourselves.

Highest Living Standard

We could point out that our American way of life has perfected the greatest productivity of any nation on earth; that our standard of living is the highest in the world. We could point to our constantly improving physical health and lengthening span of life. We could point out that the mechanical genius of our people has, by millions of labor-saving machines, taken the sweat from the backs of most of our people.

In the governmental field, we could suggest that our supposedly decadent people still rely upon the ballot and the legislative hall to settle their differences without a secret police with slave camps.

In the cultural field, we could point out that with only 6% of the world's population we have more youth in our institutions of higher learning than all the rest of the world put together. We could probably enumerate more libraries and more printed serious words than all other 94% of the earth put together.

On the moral and spiritual side, we have more hospitals and charitable institutions than all of them.

Our War Record

And we could suggest that we alone, of all nations, fought in two world wars and asked no indemnities, no acquisition of territory, no domination over other nations.

We could point to our advancement of the spirit of compassion. We could prove it by the billions of dollars we have made as gifts to save millions from famine and governments from collapse.

Much as I feel deeply the lag in giving an equal chance to our Negro population, yet I cannot refrain from mentioning that our 14 million American Negroes own more automobiles than all the 200 million Russians or the 300 million Negroes in Africa.

All of which is not boasting, but just fact. And we could say a good deal more.

What does all this mean? It means that freedom of mind, of spirit and of initiative still lives in America. It means that our people are strong in religious faith. Here alone are the open windows through which pours the sunlight of the human spirit. Here alone, even with all its defects, is human dignity not a dream but an accomplishment.

These ideals of freedom and religious faith guarantee there will be no decline and fall of American civilization.

*The concluding portion of an address by Mr. Hoover on the occasion of his 81st Birthday celebrated at Newberg, Ore., Aug. 10, 1955.

Observations . . .

By A. WILFRED MAY

PSYCHOANALYZING THE INVESTOR
(In One Volume)

Last weekend's hostess did not take longer than is now usual to get to "that" question ($164 billion): "Is the market too high to buy now?" But to her surprise, my reaction was directed not so much to the state of the market as the state of her mind. Do short-term paper losses cause her undue anguish? Does she suffer inordinately from recurrent news from Aunt Tillie or the manicurist about their get-rich-quick exploits in fast-moving issues? Would she become unduly anxious over a drop in a non-Blue Chip selection? Can she withstand that very greatest cause of market suffering: seeing a stock advance further after she has sold it?

A. Wilfred May

Agreeing with such recognition of the crucial importance of the individual's emotional makeup, along with financial factors, in achieving a sound investment program, Linhart Stearns, investment counsel, now comes through with a badly-needed book on the subject of the investor himself (**How To Live With Your Investments. by Linhart Stearns. N. Y. Simon and Schuster. 142 pp. $2.95**) "How much risk a man can stand is often a vastly more important question than the exact gambling odds involved in the risk." It is only after you have estimated the risk you are psychologically as well as economically prepared to take, that you should arrive at your investing rules.

Emotional and Pocketbook Health

Basic to the author's credo is the conclusion that dollar-and-cents success alone is no more important an aim than contentment; and, stressing realism, that there is no definite objection to investing for psychological ends if they reduce dissatisfaction, with the proviso that the investor understand his motives and does not let them interfere with a generally rational investment policy.

Thus, like the major premise in other phychiatric areas, achievement of self-knowledge can further the avoidance of pockbook misfortune.

Mass Psychology Vs. Statistics

Stearns reminds us that the economist's ability to anticipate such quantiative data as national income, savings, profits, etc., implies no concurrent ability to guess about the more specialized subject of how interested the public will be in the stock market. It is not the economist, but the psychologist and psyc iatrist, who are qualified to do the necessary job of reading its mass mind.

The author shows how it comes about that there is so little correlation between the stock market and business; how quotations reflect illusions which could be either bullish or bearish in their effects.

Realistic Futility of Timing

This gets to the roots of the difficulty of market timing: "In the stock market people vote not only their opinions of economic reality but also register their hope and despair. Consequently, there are times when the stock market emphasizes the trading in symbols—stocks against dollars — rather than the value of the participations in the underlying enterprises. The problem of timing, then, is concerned not only with general economics and its undertones, but also, and perhaps primarily, with the phychological influences which bear especially on security trading.

Interestingly and constructively, the author shows the psychological factors in various specific investing policies. For example, he shows the function of formula plans in eliminating the interference with judgment by either the individual's emotional instability or his psychological environment

Formula popularity rests on the controlling neurotically based compulsion to reduce the investor's anxiety by relieving him of responsibility.

Such *escapism* in the guise of the investor's evasion of responsibility likewise applies widely to other investor policies. Too many people religiously follow the line of buy-good-stocks-and-hold-them merely as a rationalization of their inertia, mental laziness or defeatism; with the theory too often used as a cloak for the inability to make a decision. On the other hand, the author points out that (conversely) undue concentration on the *special siauation* operation likewise reflects psychological foibles, dominated by the need aggressively to outsmart, manipulate and even exploit their fellows. "The profits are sought less for themselves than as rationally acceptable goals for ego-inspired, aggressive drives," says our "Doctor" Stearns.

* * *

And so the volume contains a wealth of self-revelation not only fascinating in the area of theory, but of practical dollar-and-cents value in enhancing the avoidance of practical investing pitfalls.

There is one major addendum that we offer to Mr. Stearns' invaluable contribution: Should not the investor bestir himself to change his psychological attitudes to the healthy and constructive; rather than merely to recognize and pander to them?

Some Uninhibited Remarks About the Stock Market

By FAYETTE B. SHAW
Undergraduate Division, University of Illinois

Noting that the current stock market is bewildering, Mr. Shaw comments on recent industrial and other developments which have or should affect the market value of securities. Questions whether we are in a new era, and thus past stock market experiences no longer count.

Take it from one who has missed the boat almost completely in this rising market since the fall of 1953, this stock market is bewildering. One wonders sometimes if **trying to be intelligent** isn't about the worst obstacle to getting ahead in this blasted market.

Fayette B. Shaw

Four years of war and shortages, then frantic efforts to catch up with pent-up demand; then approaching saturation of the markets; then Korea and renewed inflation; then another seeming approach to saturation with business tapering off, and the market starts rising. Then, as business declines, the market continues buoyant, accompanied by relaxation of credit conditions under which F.H.A. and V.A. can insure and guarantee mortgages, with renewed housing demands; frantic production of cars to anticipate a strike; then no strike due to settlement (the biggest sell-out of the American people to labor dictatorship in history?), and renewed confidence. With minor setbacks, the market forges ahead—at least the averages do—and booming optimism and booming business on a dangerous expansion of debt push the market ever ahead.

It only goes to show that what is isn't important, only what people think is is important. And if enough think that the market will rise, however flimsy or sound their reasoning is, it will rise. The man who gets ahead and makes his killing is not the one who sits down and figures out every possible factor, but he who correctly anticipates or guesses the public's mood, its feeling towards the market.

Not reason but emotion is the rule, and all the pointing with alarm to market declines in 1929, 1931, 1937, 1938, 1940, 1946, 1949, and maybe others, goes unseen in the roseate glow that overwhelms all suggestions of grayness in the picture.

But I still refuse to accept the idea that this market is a one-way street onward and upward forever. The market seems to have interpreted the settlements at Ford and General Motors as inevitably leading to higher prices and continued inflation. Maybe it will mean that. But let's look at other considerations. (There I go again, looking at other things rather than taking the emotional temper of the American people.) This certainly will lead to more inflationary pressures as demand continues unabated or rises.

But remember that not all of the people benefit evenly by inflation, and many are crowded out as prices rise. If the seemingly unabated demand for cars actually slows up because saturation is approaching, these labor leaders who are so high-handedly riding roughshod over the people, may find that they are pricing themselves out of the market. In a time of stable or declining demand, increased pay on this scale may lead to unemployment, not inflation.

Here are some of the things I would expect to flow from the Ford and G. M. settlements. Some are contradictory, some mutually strengthening, and all of them of unknown magnitude. There is no particular order of importance, but I must begin somewhere.

First, the manufacturers of capital equipment must find their orders increasing, as producers seek to buy labor-saving machinery. Hooray, machine tool orders will rise, and the market rises (joyous rubbing of hands).

Second, business men who may find business not as enthusiastic as before (there are some) may feel that they cannot come up to GAW with their present payrolls, so they quietly lay off men to have smaller working forces. When American Motors laid off several hundred men just before the Ford agreement in a downward adjustment of production, was there really a slowness in sales or was there a gripping fear that American Motors could not support GAW with the present staff?

Third, maybe this is the death knell of the independent producers, American Motors and Packard-Studebaker. It is regrettable that this is possible, for to see the car manufacturing go more and more into fewer hands is to see stronger oligopolies that have less incentive to reduce prices and pass along economies to the public. It was the latter policy that made the industry great in the 1920's and 1930's, but those days are gone forever, and business managements pass along any economies to labor—a favored few—and then congratulate each other on their amicable settlements. Can Chrysler survive? Right now it has 19% of the market, but recently that share was 12%, and in a period of declining sales, it could slip again.

We can thank the unions for giving the most powerful impetus towards oligopolies and monopolies in our history, and we can thank executives of the biggest businesses in America for abject surrender, step by step politely please, to every demand that labor leaders make. Stockholders are of no account, and giving in with good manners is easier than defending what is right. Besides what difference does it make to an executive (paid from $50,000 to $150,000 to give in—and does he earn his pay!) what the unions gain? He gets his salary anyway, and maybe he has as much as 100 shares—he has nothing to lose and his job to keep. But a decision like this could mean not only less employment but sharply reduced earnings and dividends — but of course no reductions in executive salaries, lush expense accounts, plush club membership, Cadillacs, or other perequisites. Heaven forbid!

Fourth, if business men must face GAW in years to come, how can venture capital be induced to start new enterprises? If gains are to be appropriated by labor and losses go to stockholders, where is the incentive to risk capital? Of course, their is always some risk venturing going on, but once this post-war joyride is over, it will be less easy to start and get ahead. Oh, I forgot, we're in a new era. We'll never have a depression again in our time! A thousand pardons, please.

Fifth, if the American car manufacturers must face up to GAW (and 52 weeks at 100% pay will be the goal eventually, with higher and higher pay, and executives will politely give in amid congratulations before newsreel cameras), then they will likely get the idea of making their own parts in slack time to a greater extent, and rely less on suppliers. So there is unemployment there too. But people seldom look beyond the immediate future, so that is no problem.

Then I cannot but be amazed at another reaction of the market. I must be stupid. I know I am—I'm not in the market. Twice the Federal Reserve has raised margin requirements to dampen down credit enthusiasm. So the market hesitates and resumes the rise. Pat explanation is easy. There isn't much credit in the market, so it won't have much effect. Very convincing indeed!

Here we have one of the most respected and powerful agencies in the world taking a stand. Its people are warning the American people. They are basing their judgment on a thorough study of all pertinent conditons conducted by men of great scholarship, matured wisdom, and unquestioned integrity. Its decisions may have been too little and too late, but it is nevertheless one of the greatest powers in the world and deserving of respect.

What are people thinking of to acquiesce in ever higher prices? Are they thumbing their noses at high authority for the sheer joy of defiance? This is immature. Are they thinking that this doesn't apply to them but only to others? Most people respect a competent doctor's diagnosis, though they may wish to have a consultation. Isn't this like a doctor's diagnosis or a consultation that deserves the greatest respect? Isn't this as important as a careful decision to go to the hospital and have surgery? So, stand and thumb your nose at the Federal Reserve. Who's the Fed? It's fun, you know. It doesn't mean anything, we're in a new era, the lessons of 1929, 1931, etc., etc. don't apply—and all that rot.

Another point interests me a lot. It is investment buying that is holding up this market. Investment managers don't panic. They have sound judgment and they take the long view. Besides, they are handling other peoples' money, not their own. If a stock is good, it's good to hold indefinitely. What if the market does go down some? In a few years, the stock will be higher than ever—we hope. But a stock that yields from .5% to 2.5% is discounting the future far ahead. It could be too high at its present price—but not for your staid, unemotional money managers. Yeh?

A young friend of mine in the investment department of a well known financial institution manageing millions of dollars of trust funds heard one of his older colleagues express the foregoing view at lunch. But nearby was another older colleague responsible for several million dollars worth of trust funds. He opined that when he thought that the American people had indicated that the market really had reached the top, and he sensed an impending downturn that was not just a minor setback in a rising market, he was prepared to sell millions of dollars worth of equities, clear them out wholesale. A rich man can afford to hold through a big decline, and no doubt many rich men plan to do so. Investment managers plan to hold through a decline (not their own, of course, but others').

But when the crisis really comes, or many of these think it has come, how many will sit by calmly and really let it happen without quivering an eyelash? Even if a man isn't losing his own money, he has his job to think of, his record to think of, pride in accomplishment, the desire to look his fellowman in the face, hold up his head, and take pride in his success. And he may reflect that in spite of the Full Employment Act of 1946, just maybe—judging by the failures of the New Deal in the 1930's—just maybe, now only just maybe, mind you, the Government won't find it as easy as people think, to maintain full employment and full production. After all, the housing boom should come to an end sometime, as should the automobile boom (at least taper off), and some day firms will find they have all the capital equipment they need for something even in an expanding economy. If investment managers begin to reflect on these things, how many of them will actually play golf calmly, etc., while they watch their equity values slide 10%, 15%, 25% or more?

Some stocks have doubled and tripled in two years. The reverse could happen. Of course, it couldn't really, don't you know, because we're in a new era, and all the experiences of 1920, 1929, 1931, etc. are just so much ancient history, and all that rot. But will investment managers really risk it and do nothing? Then when all want to sell, who is there to buy? And if people like money managers think the fall will go further,—why go on? It could happen. It has happened before. And our capitalistic system is still with us, with the God-given right of every man to repeat his own mistakes and others' mistakes and to make new ones.

Of course this won't happen. I've just been stupidly wrong all the time. The market will continue to go on up. Everything is fundamentally sound. There's been no speculation worthy of the name (only the piling up of debt at the greatest rate in history—for homes, cars, furniture, appliances, etc., in a massive speculation), so why worry?

Bulk of Stock Trades Made for Investment

N. Y. Stock Exchange's fifth "Public Transaction Study" shows reduced margin trading and a strong emphasis on long-term investment. Finds 70% of small investor transactions were on a cash basis.

Results of the New York Stock Exchange's fifth Public Transaction Study released on Aug. 10 by Keith Funston, Exchange President, showed a reasonable use of market credit through margin transactions, reduced margin trading, and a strong emphasis on long-term investment, particularly among small investors, as well as institutions.

G. Keith Funston

Commenting on the findings, which provide a detailed analysis of stock market activities on June 8 and 15, Mr. Funston said, "We see a picture that reflects the sound use of our market place by the American people. This is evidenced by the strong investment motive generally underlying the public's transactions, by the reasonable use of market credit through margin trading, and by the realistic approach the public is taking towards the purchase of securities listed on our Exchange.

"We would like to see the picture stay this way, and it will if the investing public seeks competent advice, gets the facts, periodically reviews its decisions, stays away from tips and rumors, and assumes only those risks it is capable of handling."

Mr. Funston said added meaning was given the findings because the study took place during two days when trading volume averaged about 3 million shares. This is a volume, he noted, the Exchange considers healthy in view of the large number of shares—3.4 billion — now listed, and in light of the size and growth of the economy. "It permits the present operations of the stock market," he added, "to mesh properly in the country's vast economic machine."

Among the highlights of the study were the following:

(1) Margin transactions by public individuals represented only 24% of total share volume. The June study revealed for the first time that a sizable portion of transactions reported as processed through margin accounts actually were on a cash basis, since they did not involve the use of credit. In the past, this factor was not determined and, as a result, figures describing margin transactions on June 8 and 15 are not comparable to those in the Exchange's previous studies. If the results of the previous study in December were calculated on the same basis as the current study, it is estimated that the proportion of shares traded on margin on June 8 and 15 would show a decline of about 10% from last December.

Margin transactions by public individuals accounted for 40% of their activity. Again, this figure—which excludes cash transactions processed through margin accounts — is not comparable to those in previous studies although a decline from last December is indicated.

(2) Regarding margin activity, the Exchange noted, "Since a margin transaction will not, on the surface, reflect the purpose for which the investment was made, the study makes a further inquiry into the investor's motives. We find a striking number of margin transactions—77%—were actually for long and short-term investment purposes. It is clear that the assumption so often made, that margin transactions are synonymous with trading transactions, is not warranted based on these facts."

(Under the terms of the study, a short-term investment is a transaction which has been or probably will be closed out between 30 days and 6 months. A long-term investment is a transaction which has been or probably will be closed out in not less than 6 months, or one in which income return was the principal reason for purchase. A trading transaction is one which has been or probably will be closed out within 30 days, plus all reported short sales and purchases to close out short sales.)

(3) Transactions of an investment character, two-thirds of all volume, set the tone of the market. Some 86% of activity by public individuals, for example, was for long and short-term investment. In addition, institutions and financial intermediaries—estates, investment clubs and personal holding companies—accounted for 16% of total volume. This was a rise from the 14% figure reported in December, though it is not as high as on some occasions in the past.

(4) The public's long-term, cash dealings were the largest single

source of volume on the Exchange —a factor that has held true since the first study was undertaken in September, 1952.

(5) The small investor—those with incomes under $5,000 a year —accounted for 6% of public individuals' volume. A breakdown of small investor activity shows that 87% of their transactions were for long and short-term investment, with the remaining 13% for trading activity.

(6) Most transactions by small investors—70%—were on a cash basis. Of the balance, devoted to margin activity, 70% was for long and short-term investment.

(7) Geographically, about 70% of total volume was accounted for outside of New York City with certain Mid-West areas—the state of Ohio and such major cities as Cleveland and Pittsburgh—showing a consistent steady growth. The Pacific Coast and California have shown a small but steady proportionate decline, although Los Angeles has moved upward, counter to the regional trend.

Mr. Funston stressed that the Public Transaction Studies cover only a two-day period, and as such are definitive only for the days studied. He added, however, "they are valuable in tracing the patterns of market activity, in analyzing who's who in the market and why, in throwing light on problems of current importance, and in developing data that will be helpful in understanding future developments."

The Study covered over 1,200 common and preferred stock issues traded each day, for a total of approximately 13.5 million shares that were bought and sold on June 8 and 15. It involved the preparation and processing of about 80,000 reports, each describing an individual purchase or sale made by the public.

Mr. Funston noted that a more detailed study of the role of banks and other institutions in the market is in preparation.

From Washington Ahead of the News

By CARLISLE BARGERON

Those who are close to the octogenarian, Herbert Hoover, say that he is quite philosophical about the treatment he had at the hands of the American people, and certainly his outward attitude bears this out. Yet the man must think occasionally about the commentary on men and affairs that there is a man now in the White House who got there through an amazing set of circumstances, who has very little of the knowledge of government which he had but is riding in high public favor, who is, indeed, looked upon rather generally as a great deliverer of American mankind from the uncertainties of life, from war. The Democrats with their Adlai Stevenson get sick in the stomach every time they think of the chances of beating him.

Carlisle Bargeron

It is interesting to look back over Hoover's Administration. He was not a chance President, one who came to the White House through any luck such as Calvin Coolidge did. He had for many years been an outstanding engineer—an engineer of world renown—and he had tremendous accomplishments behind him as the Food Administrator in World War I and as the Food Administrator of Europe subsequently. The build-up to make him President had progressed over a period of several years. No man ever won the Presidency with more gifts, with more talent, with more knowledge of how the American Government functions.

However, he was, politically, a dismal failure. He was a victim of the times and this is something our people should keep in mind when they go looking for heroes.

Hoover went through a bitter campaign with Al Smith. But notwithstanding the keen disappointment of the Smith followers, there came to be the realization among them that he had been extremely fortunate. For a depression was in the air. It was probably one of the many reasons that it came, but in those days there was a general feeling that what had gone up so high must come down. Wiseacres of the time used to say that "it's the law of gravity."

So, it was of no great shock to me and my fellow newspapermen when in late 1929 the stock market collapse occurred. There it was, we all agreed, right on time.

I do not mean to say that we anticipated how far this collapse would go. But we Washington press gallery experts of the time took the break in our stride, and we would have been miffed had it not occurred.

Anyway, Hoover went out of office a badly discredited man. And the Republicans went into an era of despondency.

Eventually another Republican gained the Presidency. The story of how he got there is one of the most interesting of our times. No disparagement is intended in the slightest when I say that Eisenhower, in the pre-Pearl Harbor days, was a lieutenant colonel playing golf at Washington's Burning Tree Club with Steve Early, then a devoted Secretary to Franklin Roosevelt, and Harry Butcher, head of the Washington Columbia Broadcasting office. With Harry's urging, Steve sold him to the President and he was made Commander of our troops overseas. He came to be our victorious general.

In these days and times there is no way of telling whether he was a brilliant General. Back in the Cival War you could measure the abilities of generals. In World War II about the only one you can get a line on was the Desert Fox, Rommel.

Our generals had everything in the world behind them, men and the materiel such as could come from the most powerful nation on earth. Whether they made bad decisions or good decisions they were bound to win and any analysis of their capabilities will probably defy historians.

Mr. Eisenhower, as a victorious American General, has reached the White House. He has made several bad appointments, he has made several unwise decisions. And the Democrats have made high glee over this. As a matter of fact, to hear them rave and rant you would think that Mr. Eisenhower should be impeached. But he won't be; he won't even be defeated.

The reason for that is that the country was never so prosperous and it is at peace.

On the score of peace, Mr. Eisenhower really deserves the thanks of the people. A military man himself, he has de-emphasized our foreign relations; he has unquestionably gone far to relieve world tensions.

He has done this largely through the realization that facts are facts. There is a Communist China, apparently here to stay, at least for a long time. There is a Communist Russia in charge of Eastern Europe. These things were brought about through our own imbecility in past Administrations. But there is no way, short of an all-out war, to undo them. So, Mr. Eisenhower, like the British, believes, apparently, in looking the situation in the face. He is not cocky like Roosevelt and Truman, given to shouting imprecations at foreign rulers. And apparently the weary American people have come around to his way of thinking.

Thomas S. Pierce

Thomas S. Pierce, associated with McCleary & Co. Incorporated, St. Petersburg, Fla., passed away at the age of 55.

Mr. Pierce was a past President of the Florida Security Dealers Association and a past commander of the St. Petersburg Yacht Club. He was also a past President of the Dragon's Club and a member of the Gasparilla Krew.

Robert W. Baird Adds

(Special to THE FINANCIAL CHRONICLE)

MILWAUKEE, Wis. — Ebe J. Jackson is now with Robert W. Baird & Co., Incorporated, 110 East Wisconsin Avenue.

Joins Baxter, Williams

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Loretta A. Brennan has joined the staff of Baxter, Williams & Co., Union Commerce Building, members of the Midwest Stock Exchange. Miss Brennan was previously with Olderman, Asbeck & Co.

With Coburn Middlebrook

(Special to THE FINANCIAL CHRONICLE)

HARTFORD, Conn. — Edw. P. Brady and Gladys J. Vauteux have joined the staff of Coburn & Middlebrook, Incorporated, 100 Trumbull Street.

Continued from page 4

Dun & Bradstreet— A Favorable Report

are at or near an historical peak, and trending higher. Moreover D & B presents depression-resistant qualities unique in character, and duplicated by no other common share.

On every hand today, we hear discussions about credit — mortgage debt at an all-time high, consumer credit, and national debt, ditto. We're getting to be a nation that lives on loans and likes it! Since burgeoning credit, therefore, is one of the basic economic facts of life, there seems to be a highly indispensable place in our scheme of things for an organization just like Dun & Bradstreet, to screen credit risks, to approve and extol the good ones, to play a yellow light on the slipping ones, and blow a whistle on the "turkeys". It's a swell idea to give a guy credit—but only if he deserves it! D & B is an excellent arbiter in such matters—a reliable sort of radar for sound financial navigation. Pay attention to Dun & Bradstreet and you may never need to dun!

With Mutual Fund Assoc.

(Special to THE FINANCIAL CHRONICLE)

SACRAMENTO, Calif.—Robert G. Lynch is now with Mutual Fund Associates, 2101 L. Street.

Joins Cunningham Cleland

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif. — Fred W. Braubach, Jr. is now connected with the Cunningham-Cleland Co., Orpheum Theatre Building.

Dealer-Broker Investment Recommendations & Literature

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

Atomic Energy Review—New booklet—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Atomic Reactor Diagram in four colors with portfolio information on Atomic Fund as of June 30, 1955—Atomic Development Securities Co., Inc., 1033 Thirtieth Street, N. W., Washington 7, D. C.

Bache Selected List—Booklet—Bache & Co., 36 Wall Street, New York 5, N. Y.

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

Chemicals—Discussion—Sutro Bros. & Co., 120 Broadway, New York 5, N. Y. Also in the same bulletin are discussions of **Copper, Retail Trade, Oil and Steel.**

Chemicals and Pharmaceuticals—Price indexes—Smith, Barney & Co., 14 Wall Street, New York 5, N. Y.

Debt Situation—Discussion—Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y.

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

Investment Suggestions—Monthly letter—J. R. Williston & Co., 115 Broadway, Neww York 6, N. Y.

Japanese-U. S. Taxation Conventions — Analysis — Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also in the same issue "Nomura's Investors Beacon" are discussions of **Bank Rates,** and analysis of **Business Results and Outlook,** and analyses of **Mitsui Chemical Industry Co., Ltd., Sumitomo Chemical Co., Ltd., Tokyo Gas Co., Ltd., and Tokyo Electric Power Co., Ltd.**

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.

"Stop and Think"—Bulletin on pros and cons of present market —Peter P. McDermott & Co., 44 Wall Street, New York 5, N. Y. Also available are bulletins on **Timken Roller Bearing** and **New Jersey Zinc Company.**

Uranium Stocks—Bulletin—Guss Securities Co., 165 Broadway, Salt Lake City, Utah.

* * *

American Alloys Corp.—Report—S. D. Fuller & Co., 39 Broadway, New York 6, N. Y. Also available are reports on **Holiday Plastics, Inc., Schmieg Industries, Inc.** and **Orradio Industries, Inc.**

American Brake Shoe Co.—Memorandum—McDonnell & Co., 120 Broadway, New York 5, N. Y.

American Viscose—Survey—Abraham & Co., 120 Broadway, New York 5, N. Y. Also in the same bulletin are data on **Bridgeport Brass, Robert Gair,** and **Kansas City Power & Light.**

Armstrong Rubber Company—Bulletin—Gartley & Associates, Inc., 68 William Street, New York 5, N. Y. Also available is a bulletin on **Mueller Brass Co.**

Bank of America—Analysis—Walston & Co., Dept. T, 120 Broadway, New York 5, N. Y.

Beaver Lodge Oil Corporation—Study—Price, McNeal & Co., 165 Broadway, New York 6, N. Y.

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

Central Maine Power Co. — Analysis — Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Consolidated Cement Corp.—Memorandum—Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y.

Diamond Match — Data — Bruns, Nordeman & Co., 52 Wall Street, New York 5, N. Y. Also in the same bulletin are data on **National Biscuit** and **Stone & Webster, Inc.**

Eastern Air Lines, Inc.—Study—Amott, Baker & Co., Incorporated, 150 Broadway, New York 38, N. Y.

Empire Petroleum Co, Inc.—Data—Julius Maier Co., Inc., 15 Exchange Place, Jersey City 2, N. J.

Gulf Coast Leaseholds Inc.—Analysis—Singer, Bean & Mackie, Inc., 40 Exchange Place, New York 5, N. Y.

Gulf Life Insurance Co.—Memorandum—Kidder, Peabody & Co., 17 Wall Street, New York 5, N. Y.

Irving Trust Company—Bulletin—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

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

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

New Jersey Natural Gas Company—Analysis—G. A. Saxton & Co., Inc., 70 Pine Street, New York 5, N. Y. Also available is a comparative tabulation of **Public Utility Common Stocks.**

New York Capital Fund of Canada Ltd.—Report—Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York 5, N. Y.

Northern Pacific Railway Company—Report—Thomson & McKinnon, 11 Wall Street, New York 5, N. Y.

Otis Elevator Company—Bulletin—Reynolds & Co., 120 Broadway, New York 5, N. Y.

Parish of Calcasieu, La.—Data—Ranson-Davidson Company, Incorporated, Beacon Building, Wichita 2, Kans.

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

Stewart Warner Corporation—Analysis—Glore, Forgan & Co., 40 Wall Street, New York 5, N. Y.

Temco Aircraft Corporation—Bulletin—De Witt Conklin Organization, 100 Broadway, New York 5, N. Y.

Transcontinental Oil Corporation — Report — Leslie Securities Corporation, 52 Wall Street, New York 5, N. Y.

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

Our Reporter's Report

Few observers will venture an opinion on whether or not the secondary market for top grade investment securities has fully discounted current developments in the money market. But the majority lean to the view that it probably will continue a "drifting" affair through the balance of this month.

Generally speaking the feeling is that, as usually happens, the drop in the Treasury list very likely was carried too far and that some recovery is in order from the recent low levels. The certainty is that the government list will be closely watched for a spell to see just where the new "peg" may be expected to hold.

Fortunately, the corporate new issue market is not burdened with anything in the way of formidable inventory. Quite the reverse, unsold stocks in dealers' hands are extremely light thanks to the rather slim outflow of new material in recent weeks.

But the same cannot be said of the municipal, or tax-exempt, market judging from comment in trade circles. Feeling is that the tax-exempt fraternity faces a real task in cleaning up its "warehoused" bonds. This end of the overall market ties in closely with the Treasury list and naturally to the extent that the latter recovers the dealers' task will be eased.

The situation is complicated by the fact that deliveries against sales in this division frequently span out for months and months with the result that if the market encounters a "blow" such as currently, dealers find that some of their individual customers dig up some reason or excuse for cancelling out their commitments to buy.

Stalemated

The corporate market has slowed down to a walk and not entirely by reason of an absence of buyers. Bargain-hunters are always around but they must have real attractions to turn them into buyers.

A big reason for the slow-down is the fact that, in the words of one observer, "no one is crazy to sell." They realize that if they were to dispose of any part of their holdings they would face the almost impossible task of getting such bonds back or even replacing them with comparable material at cheaper prices.

Meanwhile, the rank and file of institutional buyers are virtually out of the market for the duration of the month, drying up the remnants of what has not been a too enthusiastic buying contingent for a while back.

GMAC Debentures

Provided, of course, there is no change in plans the huge General Motors Acceptance Corp., financing is due on the market next Wednesday. This involves $200 mililon of 20-year debentures.

The last financing by this company, done several months ago, carried a 3½% for a similar amount of debentures to mature in 17 years. Simultaneously, the firm sold $50 million of five-year debentures with a 3% coupon.

A week ago, prior to the flare-up in money rates and the marking up of the rediscount rate, it had been figured that the current issue would carry the 3½% rate. At the moment, however, there is a tendency to wait and see what happens.

Few Large Offerings

In keeping the mid-summer pace, the flow of new issues has been light this week and, aside from GMAC's undertaking, will continue so next week. Bankers are slated to bring out $25,000,000 of 20-year, serial debentures for Rheem Manufacturing Co. on Thursday.

The company will apply the proceeds to the retirement of $14,000,000 of outstanding debs., with the balance being set aside for general corporate purposes.

The following week, on Aug. 23, Pacific Telephone & Telegraph will put its $67,000,000 of 36-year debentures up for sale unless there is a shift in plans. Funds from this undertaking would be used to reduce bank loans. Considering the size and maturity of this business it could prove a real test for the market.

McCleary Co. Elects New Officers

Arthur Knapp, Jr., has been elected President and a director of McCleary & Co., Inc. (St. Petersburg, Fla.), members of the New York Stock Exchange, succeeding George M. McCleary who died July 31, 1955. Mr. Knapp, a member of the New York Stock Exchange since 1933, has been with the firm since its inception in March, 1954.

Ronald A. Beaton, who succeeds Mr. Knapp as Executive Vice-President and Treasurer, was also elected a director of the firm. Other officers elected were: George E. Orr, Assistant Secretary; Miss Eleanor Wilson, Assistant Secretary-Treasurer; and A. F. Arcady, Controller. George O. Craig, Manager of their Leesburg office has been proposed as a director.

E. J. Davies, Jr. With Oppenheimer & Co.

Oppenheimer & Co., 25 Broad Street, New York City, members of the New York Stock Exchange, has announced the appointment of Edgar J. Davies, Jr. as manager of its newly-formed industrial department. Prior to his joining Oppenheimer & Co., Mr. Davies was Assistant Vice-President of First California Company Incorporated.

With Reynolds & Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif. — Spencer H. Van Gelder and Anthony R. Kyrk have become associated with Reynolds & Co., 425 Montgomery Street. Mr. Van Gelder formerly conducted his own investment business in San Francisco and prior thereto was with Hannaford & Talbot.

Two With Hemphill, Noyes

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—George E. Brown and George D. Buchanan have joined the staff of Hemphill, Noyes & Co., 510 West Sixth Street.

Clarke L. Cowan

Clarke L. Cowan, Vice-President and a director of Midland Securities Corp. Limited, Toronto, passed away suddenly on Aug. 1.

With Waldron & Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif. — Jim Louie has joined the staff of Waldron & Company, Russ Building.

With Hornblower & Weeks

(Special to The Financial Chronicle)

CLEVELAND, Ohio—Raymond J. Benko is now with Hornblower & Weeks, Union Commerce Bldg.

With D. J. Risser

(Special to The Financial Chronicle)

PEORIA, Ill.—Earl Heinrich is now with D. J. Risser Co., First National Bank Building.

London Stock Exchange Boom Checked

By PAUL EINZIG

Commenting on the recent check of the London Stock Market boom, Dr. Einzig ascribes it to the British Government's efforts to abate inflation. Holds the Stock Exchange boom increased consumer spending and aided rise in commodity prices. Sees as a cause of the boom the growing flight into equities. Says any substantial increase in Bank of England rediscount rate would set in an uncontrollable deflationary spiral.

LONDON, Eng.—Whether or not Mr. Butler, the British Chancellor of the Exchequer, will succeed in checking inflation in Britain, he has certainly succeeded already in checking the boom on the London Stock Exchange. That was one of the undeclared aims of the series of measures announced on July 25. Politically that boom was embarrassing to the government, as it provided material for "class war" propaganda. The government was accused by Socialists of having encouraged the boom by its refusal to take any measures to restrain dividend increases. Economically the boom, which was largely caused by inflation, tended, in turn, to accentuate inflation.

Paul Einzig

Admittedly, most of the hundreds of millions of pounds of capital appreciation, which was flung into the government's face by its opponents on every possible occasion, exists on paper only. In spite of the prevalance of speculation, the overwhelming majority of equities has been held firmly by investors, most of whom would not think of taking their profits which, in the circumstances, are mere bookkeeping profits.

Even so, it would be idle to deny that the Stock Exchange boom has increased the volume of consumer spending. Much of this increase was directed towards luxuries which do not form part of the cost of living of the working classes, and the increase of whose prices does not affect the cost of living index. But those familiar with the multiplier theory are aware that, once additional income is injected into the economy, it is spent again and again. Even if it is spent originally on luxuries, it may be re-spent on necessities, so that the indirect effects of luxury spending are liable to affect the prices of food and other essential goods. Moreover, it is argued, an increased demand for luxuries under conditions of overfull employment means a diversion of scarce labor from the production of essentials.

The psychological effects of the evidence of an increase in luxury spending are liable to affect the attitude of the Trade Unions. Exaggerated accounts of the extent of that spending made it easier for agitators to work up excessive wages demands. As Sir Anthony Eden is very anxious to establish better industrial relations, he found it inconvenient that there should be this disturbing element, and welcomed undoubtedly with relief the cessation of the Stock Exchange boom.

So far so good. But this alone will not check the inflation in Britain. The additional demand created by the rise in Stock Exchange values was a mere fraction of the additional demand created by wages increases and by the increase of bank advances which made it possible for employers to concede these increases and to outbid each other for labor. Unless the wages spiral can be checked, and unless bank advances can be deflated by some hundreds of millions of pounds, the rise in the price level is likely to continue. And in that case a resumption of the Stock Exchange boom would be a mere question of time. Profits would continue to expand, and, in the absence of statutory limitations, dividends would be increased.

A Flight Into Equities

The Stock Exchange boom has not been solely due to the increases of dividends, made by the majority of boards of directors after years of voluntary dividend restraint. The fundamental cause has been the growing flight into equities, due to the growing realization of the meaning of creeping inflation. More and more investors have come to the conclusion that the decline in the purchasing power of the currency is likely to continue, and that in the circumstances they have to employ hedges against this depreciation. While the wealthier classes may hold art treasures, jewelry, various collections, etc. as hedges, for the majority of small and medium-sized investors equities are the obvious choice. They invest in equities even if the yield is abnormally low, partly in the hope that the increase in profits would lead to dividend increases, but mainly on the assumption that the value of their holdings would keep pace with the rising trend of prices.

Reaction to Mr. Butler's Program

Mr. Butler's announcement of his various disinflationary measures made speculators and investors hesitate. Some of these measures are liable to affect specific industries, especially those affected by restrictions on instalment credits, and those that are liable to be affected by cuts in capital investment programs. What was much more important is the indication that this time Mr. Butler means to enforce credit restrictions. For five months he was awaiting patiently the results of the increase of the bank rate. But nothing, or virtually nothing, happened. Now he decided to adopt a more active line and called upon the banks, through the intermediary of the Bank of England, to reduce their advances.

This intervention caused much resentment in ultra-orthodox quarters which firmly believed in the all-curing effect of a high bank rate. These purists refuse to realize that amidst prevailing conditions of full employment and inflation, the 4½% bank rate, and even a 6% bank rate, does not deter firms from borrowing and expanding their production. The orthodox answer is that, if 4½% is not high enough, the bank rate should be raised to 6%, to 8%, to 10%, or even higher until it produces the desired effect. Beyond doubt, if it is raised high enough the bank rate would break the boom. But there is a danger that it would set in motion a deflationary spiral which might get out of control.

Won't Risk Major Slump

Although some economists and financial editors would evidently be quite willing to risk such a disaster, for the sake of upholding pure monetary principles, a responsible statesman, such as Mr. Butler undoubtedly is, cannot play such a game. To him a departure from the orthodox rules is infinitely preferable to jeopardizing the prosperity and economic welfare of the nation. He is not impressed by the argument that a sharp and brief setback, caused by a prohibitive bank rate, would be preferable to a prolonged if less acute recession caused by the enforcement of credit restrictions. There is no means of knowing whether the sharp setback could be checked and reversed when it has proceeded far enough. And too much is at stake, economically, politically and socially, to make it worth while to run the risk of a major slump.

The absence of a really pronounced setback on the Stock Exchange, following on the announcement of Mr. Butler's measures, was due to the fact that he made it plain that he had no immediate intentions of raising the bank rate but would prefer to await the results of his new measures. But there can be iltle doubt that, should the banks fail to comply with his request to cut advances, he would be prepared to go much further in order to check inflation and improve the balance of payments. The announcement of the figures of gold losses during July provided another reminder of the need for a firm policy in order to prevent the situation from getting out of hand. It is reasonable to assume that, after months of hesitation, Mr. Butler means business this time.

Yes, Of Course, We Can Hope!

"Our understanding of economic forces and our ability to influence them through properly conceived measures have increased to the point where we may hope to avoid extended periods of peacetime inflation or depression. But the economic world has no true equivalent to the thermostat; though greater reliance is placed in many countries on built-in economic stabilizers, there are no automatic devices for expanding or depressing demand to keep it in continuing balance with supply.

"So long as the possibility of even short periods of recession or inflation exists, the maintenance of international equilibrium cannot be taken for granted. Continued vigilance is necessary to check both inflationary and deflationary tendencies, the effects of which are not confined to national boundaries; rather, they tend to spill over to the world economy by upsetting the international balance. While the primary responsibility for checking inflationary or deflationary developments must rest with the country in which they originate, understanding and good will, mutual cooperation and international assistance can help to prevent unfavorable repercussions. Experience in western Europe in recent years has indicated possible lines of progress."—Dag Hammarskjold, Secretary General of the United Nations.

We can only hope—though we do not really believe—that the learned gentleman is right about what we know and can do about depressions, at least within the limits of political feasibility.

Joins A. M. Krensky

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—John J. Flynn is now with Arthur M. Krensky & Co., Inc., 141 West Jackson Boulevard, members of the New York and Midwest Stock Exchanges. Mr. Flynn was previously with Hornblower & Weeks.

With Daniel D. Weston

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Cal.—Jeanne T. Decker, Harold L. Epstein, Norman Feeney, George Murata and Alfred T. Weeks have been added to the staff of Daniel D. Weston & Co., 140 South Beverly Drive.

Continued from page 3

Still Reaching

men tendering a speculation to the public. Many of our great and leading industries initially evolved from just such conditions.

To get an underwriter who will handle a speculative issue by a firm commitment is rare. Nearly all of such issues are sold on a best efforts basis. This means the issuer must drive the best bargain that it can.

Sometimes an underwriter's compensation is fixed as a commission on gross sales; at others in addition he may subscribe for warrants at a nominal price, or for stock at less than the offering price, or all of these may exist concurrently.

Issuers go shopping and get the best deal they can.

With the increasing tendency to give the public more for its money many speculative deals are turned back for each one accepted, and never reach the offering stage.

By and large underwriters are on the lookout for the best situations and seek a satisfied clientele, for success in the securities business is a matter of mutual confidence, and not a hit and run proposition.

Out of his remuneration the underwriter must pay a sales force. This he does not only through sharing his commissions but also his bonus stock and warrants. This compensation to salesmen is made as the individual sales are made, usually on a weekly basis.

Along comes a Commission proposal that says in effect you must escrow all the proceeds of sales, and unless at least 85% of the issue is sold and paid for within six months you must return to the subscribers all the money paid in.

What does this mean?

As we see it, it means that not a dollar of the proceeds of the offering can be used by the issuer until 85% of the offering has been subscribed and fully paid for. As it stands now such proceeds are immediately available as and when realized, and the issuer can promptly apply them for its business purposes. The difference may spell the difference between the existence and non-existence of a company.

It means that an underwriter can't receive his commission on sales until 85% of the issue has been sold, and must in the meantime pay his help and sales force, and if an issue becomes sticky he, the underwriter, is out of pocket all this money which may amount to many, many thousands of dollars.

It means the virtual erasure of best efforts underwritings, and makes every underwriting a firm commitment.

It means that incentive to those who set up and sell these underwritings will be diminished or completely removed.

How will all this affect the public?

Small business, promotional companies will find it next to impossible to raise money through the sale of their securities to the public. The $300,000 exemption provided by Congress will become a mockery. Underwriters will shun "Regs" A and D, and the public will be deprived of the gains possibilities which flow in those instances where the issuer corporations flourish.

Of course, small business which is supposed to be a favored child of Congress will be the chief sufferer.

The Commission wants the following change among others:

"No sales literature, other than the prescribed offering circular and limited advertisements specifically permitted by the rules, could be used in connection with the offering of securities of promotional companies."

With respect to Regs "A" and "D" the SEC would set up a new form of control and make itself "Dictator of Advertising." What next?

Regardless of the laws, there always will be some "fringe" people in the securities field who until they are apprehended will make bilking the public a profession. These have and always will have our complete condemnation. Our unrelenting fight is against them as it is against over-regulation.

We can't see why, because of these limited few, the SEC should attempt to mete out so fatal a blow to small business, promotional companies and to the public interest.

This so-called tightening is equivalent to strangulation.

Once again we find the SEC at its old game of still reaching out for new powers, regardless of the public interest, creating dangers to our economy so that it may sit in judgment.

The Commission has invited all interested persons to submit data, views and comments on this proposed regulation on or before August 15, 1955.

It is customary for the SEC to draw from such data, views, comments and conclusions which suit its own purpose. Let us hope this will be the exception that will prove the rule. The proposal is so assinine it should never have been put forth in the first place and should now be entirely withdrawn by the Commission. It is akin to suggesting that a person's head be cut off to cure a toothache.

Corporate Profits Highest in Four Years

Securities and Exchange Commission, in its estimate of first quarter 1955 profits of manufacturing corporations, says figures indicate an advance of 9% over preceding quarter and 29% over the first quarter of 1954.

Profits after taxes of U. S. manufacturing corporations for the first quarter of 1955 reflected the high level of business activity that prevailed during the period, according to the Quarterly Financial Report just made public jointly by the Securities and Exchange Commission and the Federal Trade Commission.

Profits, the report showed, were at the highest quarterly level in four years. Earnings after taxes for the first three months of the year are estimated at $3.3 billion, up 9% over the preceding quarter and 29% over the first quarter of 1954. Sales and profits in the motor vehicle group were at a record high during the first quarter of this year and constituted a major factor in the high level of earnings.

Sales of manufacturing corporations in the first quarter of this year are estimated at $65.6 billion compared with $64.4 billion in the previous quarter and $60.9 billion for the first three months of 1954. Profits before taxes increased to $6.5 billion compared with $5.3 billion in the previous quarter. The provisions for Federal income tax increased $1.0 billion during the period and are estimated to be $3.2 billion for the first three months of 1955.

The principal financial statistics for all manufacturing corporations are summarized in the following table:

All Manufacturing Corporations
(Dollar amounts in billions)

	1954 1st Q	1954 2nd Q	1954 3rd Q	1954 4th Q	1955 1st Q
Sales	$60.9	$62.6	$60.6	$64.4	$65.6
Costs and expenses	55.7	57.1	55.7	59.4	59.3
Net operating profit	5.1	5.5	4.9	5.0	6.4
Other income—net	----	0.1	0.1	0.3	0.1
Net profit before Fed. taxes	5.1	5.6	5.0	5.3	6.5
Provision for Fed. income taxes	2.5	2.6	2.3	2.2	3.2
Net profit after taxes	2,6	2.9	2.7	3.1	3.3
Cash dividends	1.3	1.3	1.3	2.0	1.4
Retained earnings	1.3	1.6	1.3	1.1	1.9
Profits after taxes per dollar of sales	4.3c	4.7c	4.4c	4.7c	5.1c
Annual rate of profit after taxes on stockholders' equity	9.4%	10.4%	9.3%	10.6%	11.4%

The annual rate of return after taxes on stockholders' equity increased to 11.4%, compared with 10.6% for the previous quarter and 9.4% for the first quarter of last year. While the rate of return continued highest for the largest sized corporations, the sharpest improvement was noted in the rate of return for small and medium sized firms reflecting the effect of accounting adjustments on fourth quarter profits.

Industry Profits

Profits before income taxes showed improvement in most major groups during the first quarter. Of the 23 industry groups for which data are compiled, 18 were higher when compared with the preceding quarter while 20 indicated advances over the first quarter of last year.

As for profits after taxes, 20 of the 23 groups had higher earnings than in the comparable quarter of a year ago. The machinery and instruments groups were the only ones to indicate a drop in earnings from the comparable quarter of last year and these declines were small. The primary metal, motor vehicle, lumber, furniture, and stone, clay and glass groups were included among major durable goods industries that showed sizable gains for this period. All non-durable goods groups recorded increases in profits with textile, chemical, apparel, and leather companies making the largest increases.

Manufacturing Assets

At the end of March, 1955, manufacturing corporations had assets amounting to $176.4 billion compared with $175.1 billion at the end of December, 1954. Even though most corporations were required to make large Federal tax payments in the first quarter on last year's income tax liability, the level of cash and U. S. Government securities declined by only $700 million during the period. Inventories were little changed while total current assets were up by about $1 billion, due in most part to an increase of $1.4 billion in accounts receivable.

On the liability side, the increase in income tax accruals resulting from higher earnings during the quarter partially offset the large payments as the Federal income tax liability account dropped to $9.4 billion, down $1.3 billion for the quarter.

The net working capital position of manufacturing corporations increased by $1.7 billion in the first three months of 1955 and at the end of March was reported to be $59.8 billion, a record high.

Albert G. Woglom With Clayton Securities

Albert G. Woglom

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Albert G. Woglom has become associated with Clayton Securities Corp., 79 Milk Street, members of the Midwest Stock Exchange. Mr. Woglom was formerly Manager of the trading department of the local office of Goodbody & Co.

Edward E. Rosenberg has also been added to the firm's staff.

Livingston Oil Stock Offered at $2.75 a Sh.

Van Alstyne, Noel & Co. and associates on Aug. 8 publicly offered 742,000 shares of Livingston Oil Co. common stock at a price of $2.75 per share.

Net proceeds from the financing will be used by the company to repay certain notes and mortgages indebtedness and for the payment of properties. The balance of the proceeds will be used as working capital, to defray the cost of possible acquisition of additional oil and gas leases, expenses of exploratory drilling of non-producing properties and the cost of drilling and development of producing properties and for other corporate purposes.

Livingston Oil Co. is engaged in producing and selling oil and gas. The company's producing wells are located on oil and gas leases covering a total of 2,917 gross leasehold acres, of which it owns approximately 2,210 acres net, all located in two fields in Oklahoma and one field in Kansas. On these were located as of June 1, 1955, 80 producing wells (of which 12 are dual producers) and two natural gas wells, temporarily capped in, in which the company owns a full or partial interest. The company presently sells its crude oil production at posted field prices to various companies, and at May 15, 1955, the price ranged between $2.82 and $2.90 per barrel. Most of its production of gas is sold to Oklahoma Natural Gas Co. and Warren Petrolleum Co.

Private Placement by Household Finance

Household Finance Corp. has placed privately with a number of leading institutional purchasers $30,000,000 of 3⅜% serial debentures, $6,000,000 of which are due Aug. 1, 1961; $6,000,000 on Aug. 1, 1965, and $18,000,000 on Aug. 1, 1974.

Lee Higginson Corp. and William Blair & Co. acted as agents in negotiating the placement.

The proceeds will be used by Household Finance largely to retire short term borrowings and to provide additional working capital.

With Samuel Franklin

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Albert P. Fagerberg has been added to the staff of Samuel B. Franklin & Company, 215 West Seventh St. Mr. Fagerberg was previously with Coombs & Co.

Pros and Cons of Women in Business

By W. H. SEYMOUR*
Vice-President and Manager, Loss Prevention Department, Liberty Mutual Insurance Company, Boston, Mass.

Executive of large insurance company discusses various phases of women in business and the professions. Stresses changes in women's position in society during the last half century, but points out old prejudices still survive. Urges women to compete as men compete on strong points that make a contribution to business, and concludes that women have many traits, many strengths, many qualities that are needed and valued in industry.

We know that women are much better than men at jobs requiring care, routine and manual dexterity, but we sometimes forget this. We know that there are certain jobs that are "naturals" for women to a greater extent than for men. We know that women get much more sympathy from buyers, and by the same token, they can get more interviews than men. We feel, right or wrong, that the intuitiveness of women is stronger than that of men in those jobs where this quality is important. Yet we forget it, or other important influences are stronger.

Wm. Seymour

Despite the favorable things regarding women in administrative and executive positions, women often have difficulty in securing recognition. I think this is due to several facts and prejudices; for example, business men think of women as temporary employees. In two or three typical industries the maximum expectation regarding a woman's service is five years, while a man's may be 30 or 40. I believe also that when we come to make a selection of a man or a woman, that we consciously or unconsciously think of the position as having two values, one, the value of doing the immediate job, the other, the potential of the job should it expand. And the feeling is, right or wrong, that women cannot adapt themselves as well as men to a job that may have some changes in its responsibilities and environment.

This all seems to me to lead to the fact that in your group thinking as women, rather than as individuals, you are following the wrong track. There is nothing in the Constitution of the United States that says a woman may not be President of the country, though I doubt if it will happen right away. But, on the other hand, I do not doubt that it may happen someday.

What I wonder about is why you women continue to be so aggressive. It looks to me you've already scored a touchdown and are trying to carry the ball into the end zone stands.

Consider this:

You women live longer than men.

You already own more of the nation's wealth than men.

You are pampered by men.

There are a million five hundred thousand more women voters than men, so you can take over the U. S. A. anytime you want. And still you keep punching; why don't you relax. It's inevitable that you are going to get there.

There is nothing in our company by-laws that says that a woman cannot be president of Liberty Mutual, yet I doubt if it will happen for a long time. I think in that case our business would have to change from its present type of activity and its philosophies so that it would be crystal clear that women's leadership was more desirable.

Why is this? I believe that fundamentally it stems from considering women as the softer of the two sexes. They have been put on pedestals. Their strong points, although many times properly stated, have been overwhelmed by the exaggerations of their weaknesses.

So it seems to me that you are thinking incorrectly, if you think in terms of getting some understanding, some edict, some statement as to what jobs belong to women and — "men stay out." You are **competing** for jobs, irrespective of whether you are a man or woman. It is up to you to influence the decision-makers by your abilities and your good points to be selected rather than by any fiat.

I can find, after 35 years of watching from the sidelines, no traits, no tendencies in women that I haven't seen in men.

Women are supposed to be indecisive and lacking in judgment, but I have known plenty of muddle-head men. I have also know a number with swelled heads, both from personal vanity and from an inflated opinion of their own merits. Lack of sympathy for subordinates, another trait popularly ascribed to women, is scarcely a feminine prerogative; neither are jealousy unfairness, moodiness and emotional outbursts. When it comes to showing emotion, I'm afraid that women may have an edge over the men, who do not often burst into tears. But if popular psychology has anything to it, maybe some of us men would be better off for a good cry.

On reading over some of the literature about women in business, I observe that women are often damned for the same things for which they are praised. I find several cliches about women that strike me as being largely untrue. Bad personality traits, and lack of ability to get along with people, seem to be the most usual complaints. On the other hand, women are frequently commended for their ability to adjust themselves to a wide range of situations, and by some intuitive sense, to make the best of them.

I think that both these generalizations are probably wrong. Bad personality traits, and the same kind of personaliy traits, are shade by both men and women. And women by no means have an exclusive right to intuitive insights into situations.

This is my rational belief. It in my own **personal** belief, that women are more intuitive, but in expressing this belief I am making an **intuitive** judgment.

I think in considering the basic differences in male and female attitudes, if there are any, people generally overlook the question of motivation. Women are governed by the same drives, fears, anxieties, and frustrations as men. Granted the same background, I believe that both men and women will make roughly similar personality adjustments to any given situation.

A personality adjustment or the adjustment of an individual to the conflicts of his environment, is largely a matter of maturity. And the degree of maturity that an individual has reached is not dependent on sex. Some of us grow up part way, some of us most of the way, some of us remain perpetually adolescent or even infantile. The mature individual is able to make rational decisions and independent judgments. He can subordinate, for the most part, his own selfish interests to the larger interests of a group. He has a sense of values, and is able to see things with some perspective. As such, he is a valuable member of society. Both his own personal relationships with his family and friends and his dealings with his business associates have some sense of intelligent direction.

The perpetual adolescent, on the other hand, has all the personality traits we generally find objectionable. He can't make up his mind. He is haunted by self-doubt. He is hostile to some associates and overindulgent to others. His decisions, when finally arrived at, are apt to based on impulse. He feels that he is threatened on all sides, for no discernible reason. Because he is basically insecure, he communicates his insecurity to others, and both his personal and business relatinships suffer — sometimes disasterously.

The infantile personality is in such a minority that it is not worth discussing, although I am sure that most of us are familiar with those Peck's bad boys and girls who wouldn't grow up.

If you take either of the above examples of personality and try to fit them to the people you know, I believe that you'll find that they apply almost equally to women as to men.

The trouble is that since women are a minority group in business, a mistake in judgment by one of them is apt to be applied to the grop as a whole as something basically defective in feminine logic or personality. If a man makes the same mistake, it is thought of as an individual error.

Here we have men submitting to a so-called feminine characteristic—jealousy. Man the insider resents woman the outsider. He is afraid of the newcomer—in this case the woman in business—and what she may do to his own established order. This fear, which shows itself in various defensive hostilities, is the real basis of all prejudices against minorities. Although it is rather trivial in this particular situation, women are more often the victims of group prejudice than is generally recognized.

Another common charge against women in business is that they don't want to get ahead. This is superficially true, but no more true of women than men. How many people want to get ahead? How many people are actually ambitious? How many have that rare combination of energy, drive, personality and ability that makes a leader?

That this charge is often taken as dogma is, I believe, the fault more of management than of the working woman. An ambitious woman, placed in a routine job with no particular future or chance or advancement will naturally become disinterested and bored. If we place the same woman in work where she is given responsibility and must be depended on to take care of her responsibility, she will succeed. In a business and industrial climate that cries for leadership, some way must be found to develop new leaders from the very large reserve pool of woman-power that is now almost entirely unrecognized.

After considering the pros and cons of women in business, and the differences in behavior patterns and aptitudes, both real and imagined, I have come to the conclusion that they should generally be disregared. The only considerations which are useful are those of individual differences, regardless of whether the individual is a man or woman. The standards should be set by the job itself, regardless of sex.

Ideally this should be the attitude of the employer and of top management. However, whether we like it or not, we will have to accept the fact that opportunities for women in business are governed by emotional and not by rational standards. There is a complete folklore of preconceptions and misconceptions about women's place, function, responsibility and future—not only in business and industry but in society generally. This folklore is of recent origin. Until the industrial revolution about one hundred years ago, women's role was clearly defined. It was passive and completely dependent on the male as the head of a close-knit family group, which was in turn passive and dependent on an equally authoritative government.

This is oversimplification. But it is possible to re construct any social period before 1850, and be able to know almost exactly what woman's place was in it, and what she could expect from this society and what it would expect from her. Her expectations were security, protection, and, if she was lucky, a certain amount of veneration. Expected from her was a conventionalized performance as wife and mother, and a facility in all the domestic crafts such as cooking, sewing, and the like, plus a certain vague responsibility as the secondary head of the household.

The whole structure and focus of society have changed in the past fifty years, but popular opinions about women's status have not kept pace. Some of these opinions have been formalized into myths. It is surprising how strong a belief in this mythology still persists, not only with men, but with many women. Although society pays lip service to the idea of the enlightened and enfranchised female, and nominally recognizes her equal ability and value, the basic concept of woman's nature remains victorian.

We are struck with an irrational viewpoint that is at least fifty

Continued on page 17

*An address by Mr. Seymour to the Business and Professional Women's Club Meeting, Chatham, Mass.

Good Business Foreseen by Home Furnishings Leaders

Participants in International Home Furnishings Market in Chicago's Merchandise Mart anticipate healthy to excellent conditions, with new highs in Television.

Excerpts follow from a series of press conferences during the recent International Home Furnishings Market in the Merchandise Mart, Chicago, Ill.

By EDWARD R. TAYLOR
Vice-President for Marketing, Motorola Inc.

Radio-TV Business to set new highs. Television industry advancing to new era, with attention on styling.

The general economy is strong and healthy, and the radio-television business is going to reach either record heights or set new highs this year.

There is every indication that black and white television sales will be in the area of 7 to 7½ million sets for 1955, and radio sales will soar past the 12 million mark.

As for 1956, the television industry is advancing to a new era, with unprecedented attention being given to styling. This force will tap new markets by creating an atmosphere of obsolescence, making the consumer discontent with last year's model.

Certainly, price cannot be disregarded as a most important factor in the over-all television marketing picture, but it will not remain the all-important influence of the past. Styling and obsolescence will play an increasingly important role, thereby giving the dealers an opportunity to step up to high-end models where the profit is greater.

Speaking for television, there are about 2,300,000 sets in combined factory, distributors and dealer stocks, and while that is on the high side a little, it is not out of proportion to the expected volume for the year.

More and more manufacturers are going into the set production of color television; more companies are coming out with color television sets. There is going to be quite a substantial pickup in color programming this fall.

By R. M. SIMMONS
President, American of Martinsville

Both short- and long-term outlook excellent, without drastic price increases. 1955 expected to be banner year.

Most case goods factories are now running at maximum or near maximum capacity. The short-term outlook is excellent and the year 1955 should set a volume record.

The long-term outlook for our industry is also a bright one. The American people today are more conscious of their homes than ever before. More people own their homes and are spending more time in them. It is estimated that 60% of American families now own the homes in which they live. With the tendency towards even a shorter work week these people will have more leisure time to spend in and around their homes.

This increased emphasis on the home results in a realistic prospect of increasing furniture business, because the average homemaker has more money than ever to spend. Healthy incomes, increasing population and sound economy certainly do not assure success, but they do offer a challenge to the home furnishings industry to compete successfully for the increasing numbers of consumer dollars available. It is a challenge which will be met.

Relative Price Stability Expected

In regard to prices, costs in general at this time are increasing. Labor costs continue to increase as wages go up, and our material costs are increasing, because our raw materials are somebody else's finished product and of course reflect their higher labor costs. Prices have been adjusted moderately in many instances, just enough to cover certain additional costs already being felt. Although costs are continually inching up and prices must go with them in an orderly way over the long pull, we will not see any drastic price increase at this time.

By JOHN F. McDANIEL
Vice-President, Hotpoint Co.

Appliance business being revolutionized, with addition of built-in features and color. Attrition through stiffening competition foreseen.

On the basis of a 30% increase in factory shipments, a 23% increase in distributor sales, and a 14% increase in retail sales for the first five months of 1955 compared with the same 1954 period the outlook for the appliance industry is very healthy.

The appliance business is being revolutionized and broadened by the addition of built-in appliances and color. The overwhelming trend toward electrical living places manufacturers, distributors, and dealers in a good position to grow with the expanding national economy, if they are willing to fight for their position in the competitive market.

Appliance dealer ranks are being thinned by attrition brought about by stiffening competition. In 1940 there were approximately 51,000 appliance dealers in the United States This rose to a high in 1950 when there were more than 86,000. The number has steadily decrease to an estimated 67,000 in 1954. Studies show that a high percentage of failures were distress merchandizers, rather than sound reputable merchants

Acceptance of Built-In Equipment

A most significant development in appliances at this time is the rapid acceptance of built-in equipment At first confined largely to electric ranges, the trend is now expanding to refrigerators, dishwashers, and laundry equipment. Built-in equipment lends itself well to custom installation without high cost. It is ideally adapted to new houses where kitchen space is at a premium.

We believe that built-in equipment will become a more dominant factor each year. However, conventional appliances as we have known them for many years have an established future, particularly in rental units and low budget income brackets.

Built-in range sales now account for about 11% of total range sales for the industry. Builders are doing the bulk of the built-in appliances business because installation is involved in either new home building or remodeling. Most manufacturers recognize that while retailers are unable to compete for big housing development bids, many retailers have an excellent potential among the small builders building up to four houses a year. This accounts for approximately 80% of all builders.

The appliance industry expects the air-conditioning business to develop substantially in the future. Although industry sales in 1955 are expected to be 5% to 10% under those of 1954, due to excessive production last year, there will be steady increase over the years. Air conditioner unit sales should total 2,500,000 by 1964, as compared with 1,230,000 in 1954.

Evidence of strong industry growth is seen in these figures: in 1952, about 9,500,000 appliance units were sold. In 1954, there were 11,200,000; in 1955, estimated sales will be nearly 12,000,000 and in 1964 we expect sales to increase 80% over 1954.

By HARRY W. SCHACTER
President, Banner-Whirehill Corp.

Manufacturing and distribution of furniture still in horse-and-buggy stage, and must be modernized. Should prepare now for 1960 boom market.

The most important characteristic of modern retail distribution is a large aggregation of volume in a chain operation, as, for example, Sears Roebuck, A. & P., Allied Stores, Woolworth, J. C. Penney. Where there is mass distribution there must be mass production of goods with lower prices and increased volume as a result. There also is fierce competition for the consumer's dollar. There is constant emphasis on obsolescence. Another characteristic of modern distribution is intensive research in finding out what the customer wants, improvement of product, improvement of design, development of new products, efficient store layouts, and attractive store display and appearance. A further characteristic is great emphasis on brand names, and a final one is constant effort to lower costs of distribution.

How does the furniture business measure up to these standards? As for large aggregation of units and of volume, the 1948 Business Census of the Department of Commerce showed that there were 29,000 retail furniture stores in the U. S. Of those, 93% were individually owned, as against 10% for department stores. The largest department store chain—Sears Roebuck—did over $3 billion of volume. The largest furniture chain — Barker Brothers—did $30 million—1% as much as Sears Roebuck. Except for eating places and filling stations, the furniture business represented the largest single unit operation in all retailing.

Mass Production

As for mass production, Department of Commerce figures for 1953 indicate that in the manufacture of household furniture and bedding, there were 3,708 manufacturing units, doing a total of $2½ billion of volume. Of these, 1,862 manufacturing units, representing 50% of the total number, of units, did only 5% of the total business and averaged about $70,000 worth of business a year. The manufacturing of furniture is every bit as much in the horse and buggy days as is the distribution of furniture.

As for the share of the consumer's dollar, the figures are particularly interesting by comparison with Great Britain. In 1948, the home furnishings business here got 3 cents of the consumer's dollar. In Great Britain, this industry got 3 cents of the consumer's dollar in 1910; 5 cents in 1939; and 6 cents in 1954. In this respect, we, in America, have reached the place where Great Britain was 45 years ago.

In 1954, the retail furniture business in America totaled over $5 billion. If we could have gotten 5 cents of the consumer's dollar—which Great Britain did as far back as 1939 — we could have added 40%, or $2 billion to the volume of the retail furniture industry.

Distribution in Horse-and-Buggy Stage

The furniture business does not measure up in any appreciably way to the standards of modern distribution. It is the only form of retailing which has not kept in step with the times—it is indeed in the horse and buggy days.

In five years we should be on the threshold of the greatest home furnishings market in the history of the country. By 1960, the 1940 war babies will be 20 years old and will begin setting up their homes. In the meantime, the age of marriage has fallen, home construction is booming, and family income is steadily rising. These are the three important factors in the health of any home furnishings market. If we are to be ready for the 1960 boom market, the time for action is now.

We must launch a chain that would have as its immediate objective $100 million of annual volume. This would be less than 2% of the general market. We must aim to reach $500 million volume by 1960. Such a chain would engender mass production and lower costs, develop a national program of obsolescence, start broad research programs which are needed, develop brand name products to help meet the challenge of the discount houses, intensify their efforts to lower the cost of distribution of furniture, and develop new and unique ideas toward design.

If we do this, we will write a new chapter in the history of retail distribution. Above all, we will make an important contribution to raising the level of the standard of living and of taste of the American people, and thus add immeasurably to their well being and their happiness.

By ROBERT E. COOPER
Merchandise Manager of Home Furnishings, Montgomery Ward and Company

Home furnishings market unprecedentedly healthy, with Fall outlook good.

This market is in one of the healthiest conditions it has been in a long while. The backlog of orders, which is certainly a key to the health of an industry, is in good shape.

The upholstered people, for example, came to the market with somewhere between three and four weeks' back orders, which is good and healthy for them.

The case goods people came in an excellent position. They have perhaps 90 day back orders, which is very good for them.

The outlook in the furniture, floor covering business, home furnishings in general, is good for fall. We anticipate good business and so does the industry.

As far as pricing of upholstered furniture, the new styles offered by manufacturers are up probably about 2%. Old styles which they continued from the last market are about the same. But it would appear that with the increase in steel of $7 or $8 a ton, that those increases will be reflected in cost for reorders during the fall season.

The price increase in case goods industry averages somewhere around 3 to 4%, which indicates perhaps that case goods will have about a 5% increase during the fall, probably affected more by the minimum wage law in the event it is enacted, somewhere in the neighborhood of 90 cents or $1.

Occasional furniture is in very good shape. There is a normal backlog of orders. The juvenile end of the business is pretty static. The dinette business is a very competitive market.

Hard Surface Covering Stable

Hard surface floor covering is quite a stable industry. Prices are stable. The basic changes there are in color and patterns. The carpet industry announced price increases prior to the market of some 3%. Their basic emphasis seems to be on texture and multi color effects.

White Goods Material In for Change

In appliances the white goods material is going to have to be changed because there certainly has been a trend the last year or two toward color, not only interiors but exteriors. The predominant showing and trend is the built-in type appliance, not only ovens, surface cooking units, but refrigerators, freezers, and so forth, washing machines and combinations, etc. So far as the market is concerned on those, this type of merchandise lends itself to a somewhat limited market, basically, the builders' market of new homes, or where a customer is in the process of completely remodeling the kitchen. Business is good in appliances, but there is some consideration that profit margins are perhaps a little thin for everybody.

Somewhere in the neighborhood of 10 to 15% of market orders are for new merchandise.

Retailers have absorbed some price increases already, and the likelihood of them absorbing more is pretty much out of the question. There probably will be some changes in specifications so as to pretty much maintain retail price lines.

Los Angeles Exchange Appoints Public Relations Group

LOS ANGELES, Calif.—Lloyd C. Young, general partner of Lester, Ryons & Co., has been appointed 1955-56 Chairman of the Los Angeles Stock Exchange public relations committee by Exchange Governing Board Chairman Emerson B. Morgan.

Mr. Young is a past governor of the Los Angeles Exchange and is serving as a governor of the Association of Stock Exchange Firms.

Also named to the Exchange's public relations committee were J. Earle Jardine, Jr., partner, W. R. Staats & Co.; P. J. Shropshire, partner, Mitchum Jones & Templeton; Lewis J. Whitney, Jr., partner, Dempsey-Tegeler & Co.; and Phelps Witter, partner, Dean Witter & Co.

Herman Keller on Trip Abroad

BOSTON, Mass.—Herman Keller, Keller Brothers Securities Co., has left on the liner United States for a five-week business trip to England, France, Italy and Switzerland.

To Form NYSE Firm: Cortese, Kupsenel Co.

Cortese, Kupsenel & Co., members of the New York Stock Exchange, will be formed as of Aug. 12 with offices at 40 Wall Street, New York City. Partners will be Anthony J. Cortese and Samuel Kupsenel, who will acquire a membership in the New York Stock Exchange.

J. F. Nick Partner

J. F. Nick & Co., 50 Broadway, New York City, members of the New York Stock Exchange, on Aug. 11 will admit John W. Nick to partnership.

Thoughts on Statism in Monetary Affairs: U. S. and England

By JOSEPH M. HORNOR

Mr. Hornor urges that we reappraise our recurrent banking policies in the light of England's experience. Warns against complacency, pointing out comparative speed of Federal Reserve's arrival at domination over our banks and businesses. Maintains remedy, premised on State's return to honor via resumption of redeemability in gold, lies in liquidation of Federal Reserve System, and establishment of privately owned and managed Central Bank with its only connection with State as fiscal agent, and which would confine itself to ordinary functions of private banking.

A Necessity

In our land it behooves those in all walks of life to consider this matter of statism. As used throughout this paper, the word *statism* is intended to mean participation by a State in the management of a private business, or this word may mean total management of a business, such as, in Western Europe and in North and South America, usually has been privately managed. Obviously, a State's granting of a monopoly to a business would be participation.

J. M. Hornor

From the earliest organized State rule, of whatever kind, the good or bad effects of the policies governing the use of *media* of exchange have reached all of the people; but, until recently, only a small part of the population has been reminded daily of the principal instruments of these policies, namely, State bureaus and banks, or kindred concerns. Payments through bureaus, consumer credit and mortgage loans by commercial banks, savings accounts, bonds and stocks actively interest people in circles far more numerous than those wherein such interest was shown until comparatively recently. Helpful in weighing this subject is the following quotation:

"It is, of course, well known that many of these [VA guaranteed mortgages outstanding at the end of 1954 and amounting to nearly $3.4 billion] are now being written with no down payment at all.

". . . Something like 40% of all bank loans now consist of consumer credit and real estate loans."—*The Commercial & Financial Chronicle*, March 24, 1955, "As We See It."

Banking is affected by almost all policies in monetary affairs. This fact should induce us to heed the following:

"'As a distinct branch of commerce and a separate agent in the advancement of civilization, its [banking's] history scarcely extends over 300 years, but in a rude and undeveloped sort of way it has existed during some dozens of centuries. It began almost with the beginning of society.' Today it is the foundation on which is being built the great structure of modern civilization."—*Banking Through the Ages*, by Noble Forster Hoggson (1926), p. 10, the quotation within being from *Romance of Trade*, by H. R. F. Bourne.

We have seen other great states succumb to a mismanagement of monetary affairs. Self-satisfaction by our country is not warranted.

Under existing conditions bankers, to determine their chief policies, have to watch closely the policies and the many public pronouncements of one small group of men, the Board of Governors of the Federal Reserve System. We, the public, for an understanding of current vital monetary affairs, are limited greatly by these narrowing operations. Moreover, in a great monetary crisis, the Board is likely to find itself so isolated as to be unable to command such an understanding as would induce full cooperation from the privately managed banks.

All claims of the Reserve System's independence from the United States Treasury fall before the following fact:

When, in 1933, our Federal Government repudiated its promises to pay in gold, the Federal Advisory Council of the then Federal Reserve Board protested against this action. See "Why We Need An Honest and Sound Currency," by Walter E. Spahr, *The Commercial and Financial Chronicle*, Feb. 17, 1955. After 21 years of complete indifference to this protest by the Reserve Board and its successor, the Board of Governors, the Chairman of the latter advocated a continuance of this dishonesty solely on the grounds of expediency, and completely without reference to the immorality of the practice. See testimony before the subcommittee of the Banking and Currency Committee of the United States Senate, March 29, 1954, as reported by *Monetary Notes*, May 1, 1954. To date, the Board's position is unchanged.

The Council, we should remember, is composed of "twelve members, one from each Federal Reserve District, selected annually by the Federal Reserve Bank through its board of directors. Council members are usually selected from among representative bankers in each district."—*The Federal Reserve System, Purposes and Functions*. Prepared by the staff of the Board of Governors of the Federal Reserve System, Washington, D. C., 1954.

No obligor is independent of his guarantor until the obligation involved stands canceled. Placed under a legal obligation to pay every Federal Reserve Note it sends out is the Federal Reserve Bank doing so. Its guarantor is the federation called the United States of America.

What is to be our choice? Is it to be a continuance of dependence by every non-banking business upon some banker and a continuance of dependence by every banker upon the Federal Reserve System and additionally, therefore, upon the State? Or is it to be that banks shall depend upon intelligent self-interest, an activity which would make the public free to go far beyond the wisdom of *one* board of directors, "governors," we call them, and would enable it to expand its view from that of the wisdom of one small group to one comprehending the wisdom and the ignorance of many competitors. Exercise of the second choice would advance rather than move backward the natural dependence of every non-banking business upon some bank.

The dependence, to continue which would be the first choice, cost us dearly in 1929, a sure conclusion in the light of the following:

"It may be recalled that business and commodity prices were gradually slumping in the spring and early summer of 1924, and that in the last six months of that year, apparently with the object of supporting the price level, the Federal Reserve Banks purchased securities in the open market on a large scale. This created excess reserves for the member banks, and made it possible for them to invest and to loan far more than the savings at their disposal. In 1927, when business activity and prices had again begun to slump, another dose of credit inflation was injected into the banking system by the Federal Reserve open market purchase of securities. As in late 1924, nearly a quarter of a billion dollars was added to the reserves of the banking system.

"It is plain that the principal abnormalities of the New Era were made possible through credit inflation. To a large extent the difficulties of the present depression beginning in 1929 are directly traceable to the maladjustments thereby created in the economic system of the nation. In short, we are suffering the normal aftereffects of ill-judged attempts to manipulate the price level, and an enormous credit inflation. Is it too much to hope that the experience, so dearly bought, will eventually be used as a guide to future policies?"—*Who Killed Prosperity?—A Challenge to the New Deal*, by E. C. Harwood, *The Economist*, May 3, 1935.

The signs are many that "ill-judged attempts to manipulate the price level and an enormous credit inflation" since 1929 have been many times greater than they were before then. These will render profoundly regrettable our banks' dependence on *one* small group of men.

A Remedy

There is a remedy which, of course, cannot be applied unless the State returns to the path of honor, that is, resumes redeemability in gold of its promises to pay.

The remedy is to liquidate the Federal Reserve System, and to allow the establishment of a privately owned and privately managed Central bank whose only connection with the State would be an expressed willingness to act as its fiscal agent; and whose expressed disclaimer would be of any intention to go beyond facilitating the ordinary functions of private banking. For example, its most important service probably would be that of clearing bank paper "money." Such an institution, if, unhappily, it should become so inclined, would find it impossible to manipulate in support of absurdly low interest rates, as does the System.

This would make unnecessary, in the future, that violation of our Constitution consisting of the issuance of Bills of Credit such as our Federal Reserve Notes. Despite a one-time widespread prejudice to the issuance by private banks of circulating hand to hand promises to pay money, our history reveals that this was done very successfully in New England and in New York City, Philadelphia, and in certain other communities of our land for at least 30 years before our Civil War. Except during some periods of extreme national monetary disorder, some individual banks maintained specie redemption from the early days of our present federation of states.

Liquidation of the Federal Reserve System would involve getting out of it all Government securities, and also greatly reducing the amount of these in the banks. To do these two things is not impossible yet, although every day of postponement makes the process more difficult. Seven years ago the late Dr. Anderson, supported by other sound thinking economists, said:

"It is still possible to fund the vast floating debt of the Government at moderate rates of interest.

"If, however, we let the matter ride until violent inflation is upon us and until real question has arisen in the minds of the people as to the goodness of the dollar, then the Treasury will face a very difficult situation."—*Inflation, Interest Rate and Public Debt Management*, by Benjamin M. Anderson, *The Commercial and Financial Chronicle*, May 29, 1947.

The very name, "Reserve," indicates liquidity of the things of economic utility which compose it; yet many of our wasteful Federal Government's promises to pay are very illiquid. This fact alone should impel freeing from their present narrow dependence many great bankers who are among us.

Our great crisis in monetary affairs may come much sooner than can be foreseen at present. Often serious afflictions come when they seem to be remote, but, regardless of our expectations, the powerful lines below should be heeded by all:

"As the United States sinks deeper in the quicksand of strangling debt the annual interest now running into billions will go up. A crushing mortgage already placed on future generations will also increase. We have squandered the savings of our fathers, and we are now squandering the potential unearned income of our children and their children for generations to come. Shall we deliver our children to disaster to satisfy our own blind ignorance and greed?"—*Which Road America?*, by Fred A. Wirt (Industrial Management Institute, Carroll College, Waukesha, Wis., Publishers), p. 11.

In considering this matter, help can be gotten from the following account of some earlier statism which was employed by our cousins overseas.

A Remark by a Great Scholar And Statesman

In his *The Life of Richard Cobden*, on page 144, the late scholar and statesman John Morley said:

"Men are so engaged by the homely pressure of each day as it comes, and the natural solicitudes of common life are so instant, that a bad institution or a monstrous piece of misgovernment is always endured in patience for many years after the remedy has been urged on public attention."

In the past able men pointed to the evil here examined. By this time in has been "endured in patience for many years," so many, in fact, that fresh reminders of it may be given, and, because endurance has about gone, constructive action may arise.

The Dignity of England's Chancellorship of the Exchequer Is Elevated

The following by Lord Macaulay seems to support the thought expressed in the sub-title:

"Formerly, [that is, before 1694 when the Bank of England was started], when the Treasury was empty, when the taxes came in slowly, and when the pay of the soldiers and sailors was in arrears, it had been necessary for the Chancellor of the Exchequer to go, hat in hand, up and down Cheapside and Cornhill, attended by the Lord Mayor and the Aldermen, and to make up a sum by borrowing a hundred pounds from this hosier, and two hundred pounds from that ironmonger. Those times were over. The government, instead of laboriously scooping up supplies from numerous petty sources, could now draw whatever it required from one immense reser-

Continued on page 22

Securities Salesman's Corner

By JOHN DUTTON

See the Person Who Can Make the Decision

Many times the best sales presentations have been placed before a prospect, and due to the fact that the ability to come to a decision was determined after the request for action took place, all was lost. It is like having a fine gun, the right bullet, and the wrong target. You can't bring down a duck if you are shooting at clay pigeons.

I remember one of my earlier experiences in this respect and I think it is worth repeating as a good lesson in "what not to do." I had met a prospect through a customer who had a cash fund to invest and who needed income. This prospect was living 1,500 miles away from her closest relative who was an attorney and one in which she had great confidence. After suggesting certain investments she said to me, "That sounds fine. Now if you will be so kind as to send these suggestions to my brother and see what he thinks about it I will be very much interested." Of course, it was a waste of time since the brother didn't know my firm or know me, and he had his own ideas. I spent quite a few hours preparing this case and I wrote a very detailed letter of my proposition to him, but I never received the courtesy of a reply. This will happen I believe in 95 out of a 100 times when you try to sell a third party by mail, especially when there is a relative or a lawyer advisor.

What to Do

In order to understand what you should accomplish when you are attempting to convey the idea to your prospect that they should do what you suggest, it is first necessary to know what is going through his mind. What is his attitude? It is not one of uncertainty? Put yourself in your prospect's place. Either he is a person who has had some experience in investing or none at all. Assuming he has bought securities before, you are still a stranger to him the first time you meet, but your job is easier than if he has never invested in securities. In either case, there are doubts in his mind. Should he invest now—should he buy what you suggest—what if he makes a mistake—how does he know that you are the person in whom he should place confidence? There we have it. Should he place confidence in your suggestions — should he do what you suggest? Is not the answer, have you created sufficient confidence IN YOU to justify his making a decision.

It Is a Matter of Confidence

Don't try to close your sale until you have established this confidence. When your prospect suggests that you submit your proposal to another party he does so because he has not made up his mind that you should be the one to whom he will go for investment advice. Fancy words, trick phrases, or clever cliches will not create this atmosphere of confidence for you. What will do this however is entirely up to you —your attitude in other words. When a prospect says to you "Would you please submit this to my brother who is a lawyer," explain in your own words that you have no objections to doing this but, from the standpoint of your prospect's own welfare, if you are going to do the best job for him it is upon YOU that he should rely for advice regarding investments because that is your business. For legal advice go to a well qualified lawyer; for investment advice go to an experienced, qualified, investment advisor. The same holds true of other advisors that may be called in, the commercial banker, a friend, or any other person—none of these people are as well qualified as you are to help your prospect make the right investments, and also to continue to advise him during the years to come.

I am certain that if you help your prospect to understand the importance of the right relationship between an investor and his advisor, you will eliminate the needless, time wasting effort of submitting your proposals to a third party whom you have never met, and who will undoubtedly have preferences of his own as to investments, or friendship toward some other securities salesman he would like to see obtain the business you have initiated.

If you place a value upon your knowledge and ability, and you live each day with the thought in mind that your purpose in your business endeavors is to help other people to live better, have more peace of mind, and obtain a higher income and larger rewards from their saved capital, you will also help them to clearly understand that YOU are the person that is qualified to recommend the proper course of action to achieve these results. If you cannot do this after a serious effort on your part, eliminate those people who will not agree that you are their man, and go to others who will do so.

Don't waste your time trying to write letters to people whom you may never meet. You could leave circulars and investment literature with your card in every lawyer and commercial banker's office in your town and it would do you about as much good. You would not need to meet Mr. John Dokes and spend several hours with him discussing an investment in some bonds and then mail your offer to his lawyer for approval. Besides, the bonds you are offering already have the benefit of a legal opinion from one of the finest law firms in the country—you don't need another lawyer to study their legality. Isn't that a lawyer's business?

A lawyer when you need a contract drawn, or legal advice, a commercial banker when you want a business loan, a dentist for a toothache, a doctor when you are ill, but when it comes to an investment in securities, why go to these people? What is their training in investments? How many hours a day do they work at advising people on stocks and bonds, on reading and study in this specialized field? When it comes to investment securities who is qualified, THE LAWYER OR YOU?

If you don't believe this, live it, practice it every day of your business life, and if you are not willing to explain it in your own friendly, kindly, unemotional and understanding way to your prospect, then you are not for this business. Get yourself a boy to carry your literature, print some cards and drop them off in lawyer's offices and every bank in town. You might some day get a few orders but I doubt if you'll have many clients or any real satisfaction out of your work.

Doesn't that add up?

Two With Fairman Harris

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill. — Kelley R. Beach, Jr. and Albert H. Walters have been added to the staff of Fairman, Harris & Co., Inc., 209 South La Salle Street, members of the New York and Midwest Stock Exchanges.

LETTER TO THE EDITOR:

Frederick G. Shull Comments On Burgess' Monetary Views

Says, though expressing admiration for Alexander Hamilton, and the early national traditions on monetary policy, the Treasury official fails to follow out these principles.

Editor, Commercial and Financial Chronicle:

Your July 14 issue carries an address by Dr. W. Randolph Burgess, Under Secretary of the Treasury, delivered before the National Federation of Business and Professional Women's Clubs, Inc., Louisville, Ky. on July 2. The article is entitled: "Financial Roots of Dynamic Growth." Several points of the Burgess address will stand careful exploration.

Frederick G. Shull

Throughout that presentation Mr. Burgess displays great admiration for Alexander Hamilton —as well he might; for it was Hamilton who was instrumental in initiating the American Dollar on a sound "specie-backed" basis in 1792—a position it held, with minor exceptions, right down until the New Deal took over in 1933. What Mr. Burgess fails to mention, however, is the fact that there were many men besides Hamilton who contributed greatly to the maintenance of a Sound Dollar throughout the greater part of our history as a nation, namely: Daniel Webster; John Sherman; Andrew D. White; Henry Cabot Lodge (the elder); Andrew Carnegie; Andrew W. Mellon; and the late Professor Edwin W. Kemmerer of Princeton University.

Early in his address Mr. Burgess pays his respects to "our founding traditions in the field of finance," saying: "Every day in my office at the Treasury I am surrounded by these traditions. . . . This evening, I should like to remind you of the nature of the great financial traditions which we inherited along with our Declaration of Independence and Constitution . . ." Next, he said:

"Hamilton's most immediate and challenging problem was that the country had no money that could be trusted." And it is too bad that Mr. Burgess, right at that point, didn't explain to his audience that the first thing Hamilton did to instill "confidence" in the integrity of the Dollar was to give it a "value" of 371.25 grains of pure silver; and, likewise, a "value" of 24.75 grains of fine gold—which "values" were backed with the privilege of "redeemability," on demand, at those fixed values. Those are wonderful "financial traditions"; but the privilege of redemption in gold has been denied us ever since 1933, and the present Administration has not seen fit to restore that rightful privilege, although we have been promised in its 1952 Platform that our currency will be restored to "a dollar on a fully convertible gold basis."

It seems childish, therefore, for Mr. Burgess to try to create the impression that we are today operating with a Sound Dollar — which, of course, we are not. But don't take my word for it—take the word of the greatest statesman ever to grace the Congress of the United States, namely, Daniel Webster. Addressing the Senate on Feb. 22, 1834, Mr. Webster wisely said:

"I have already endeavored to warn the country against irredeemable paper; against the paper of banks which do not pay specie for their own notes; against that miserable, abominable, and fraudulent policy which attempts to give value to any paper, of any bank, one single moment longer than such paper is redeemable on demand in gold and silver."

The above quotation from the great Webster is also a good answer to another erroneous impression Mr. Burgess appears to hold with respect to our present-day money. He (Mr. Burgess) says:

"These policies of Alexander Hamilton, supported by the great moral force of George Washington, were adopted by a reluctant Congress and carried out under great difficulties. . . . The dollar today is a standard of value for the whole world. 'Sound as a dollar' has taken the place of 'not worth a continental'." But, according to Daniel Webster, "irredeemable" paper money is "miserable, abominable, and fraudulent"; and that is the type of money we are using in the United States today.

Actually, the only "standard of value" that the world accepts is gold—the commodity in which international balances of trade are brought into adjustment. The world still demands 13.71 grains of fine gold for each dollar we owe them—and they are perfectly right in that demand. It is, therefore, pure bunkum to call the dollar the "standard of value," for only Gold can perform that function.

Still claiming to be following in Hamilton's footsteps—and I sincerely wish Mr. Burgess were, but he isn't—he speaks of Hamilton's "tremendous determination to establish the country's money on a sound and reliable basis": that "the sound principles of finance on which this country was founded have been cherished during most of our history." And then, almost immediately, Mr. Burgess seems to deny that "sound principles of finance" have obtained "during most of our history," for he continues: "It was, indeed, not until 1914 that we had re-established in this country a sound central banking system (with evident reference to the founding of the Federal Reserve System, in 1913) and during this interim period we suffered from inadequate monetary policies." In just what respect we had "inadequate monetary policies" during some "interim period" prior to 1914, Mr. Burgess does not disclose. But he, of all people, must surely know that from Jan. 1, 1879 until March, 1933, there wasn't a time when any of our subsidiary currency (paper as well as silver) could not be converted into Gold, on demand, at $20.67 an ounce—with the exception of a few months during World War I. If that was an "inadequate monetary policy," it would be interesting to be given Mr. Burgess' conception of what would have constituted "adequate monetary policy" during that half-century of gold-backed Dollars.

While Mr. Burgess doesn't mention it, under the Federal Reserve System, established in 1913, it was clearly stipulated that all Federal Reserve Notes were to be redeemable in gold, on demand; but the New Deal threw that into the ash can in 1933, where it still reposes. For, according to the fine-print legend on today's Federal Reserve Notes, they are merely "redeemable in lawful money"; and for the past 20 years those notes themselves, not Gold, have been enjoying the status of "lawful money" — meaning that one is privileged to swap one piece of paper for another, and the public is supposed to accept that as "redeemability." That, according to Daniel Webster, is "fraudulent."

Mr. Burgess says that "the American people have clung to the concept of sound money and the dollar has been so secure in people's minds that the flow of trade and business could go on unimpeded by worry about the value of their money. This, of course, is one of the reasons for the great prosperity and economic growth of this country." That is merely an abbreviation of a statement made by Mr. Burgess on March 29, 1954, when he appeared before the Subcommittee on Federal Reserve Matters of the Banking and Currency Committee of the Senate as an opponent of return to the Gold Standard. Here are his words on that occasion, as reported:

"From the founding of our nation until 1933, with interruptions of serious war, the dollar was firmly attached to gold. The gold value of the dollar, established under Washington and Hamilton, was not changed, except fractionally, for over 140 years. The confidence in the value of the dollar which this helped instill in our people and the people of other countries was one of the foundations of the Nation's spectacular success."

Just how Mr. Burgess, holding in high esteem dollars "firmly attached to gold," could possibly have appeared before that committee as an "opponent" of return to the Gold Standard, is something that he ought to explain to the American people.

Under the sub-heading "Some Questions," Mr. Burgess continues:

"But in the past few years some voices have been raised to question these old principles." That is a curious statement; for there hasn't been a competent gold-standard monetary authority, past or present, that has questioned the "old principles" of Sound Money. But a growing number of "voices have been raised," and are continuing to be raised, "to question" the new principles set in motion by the New Deal, and still being followed by the present Administration. Why, the chief argument of those favoring return to the Gold Standard is that we should get back to the "old principles"—the very principles established by Washington and Hamilton, to which Mr. Burgess refers in such glowing terms.

Getting down to "Our Policies Today," as set forth in the July 14 "Chronicle" article, Mr. Burgess says: "We are, in fact, in the Treasury today, following policies which are closely parallel to those inaugurated by Hamilton 165 years ago." And he lists them by number, as follows:

1. "We believe in, and are working toward, a balanced budget. . . ." (He fails to explain, however, why it is necessary to balance the budget in terms of "printing press" dollars rather than in "honest" dollars of the gold-standard variety.)

2. "We have sought by many means to distribute the debt more widely among more people. . . ." (That, presumably, means that every effort is being made to encourage the public to buy Savings Bonds—and the public should be so encouraged. But the Administration should not overlook the fact that in buying those bonds people are "buying money for future delivery"; and if the purchases are made with dollars carrying a "value" of $35 per ounce of gold—as claimed for the quality of today's Dollar—the Government should guarantee payment in dollars of the same "quality."

That renders it imperative that we return to the Gold Standard, with the Dollar firmly fixed at $35 a fine ounce of Gold.)

3. "We have worked unceasingly to carry out Hamilton's policies of an effective central banking system as the core of a sound financial mechanism. . . . " (As one who has had considerable experience in the banking business, Mr. Burgess must be fully aware that "the core of a sound financial mechanism" is Gold—the one substance which Andrew Carnegie correctly said "cannot fall in value, because it is in itself the world's standard of value, . . . ").

Mr. Burgess goes on to say that "the dynamic growth of the United States has exceeded that of almost any other country in the world. The principle that good money is the best foundation for economic growth is supported by our economic history." While Mr. Burgess deserves applause for voicing those fundamental facts, it is difficult to understand why he can, at the same time, allow himself to be one of the main obstacles "to return" to the Gold Standard.

Again quoting Mr. Burgess: "The period from 1951 on, I would say, could be designated the period of revival of sound monetary policy throughout the world." His "sound monetary policy" presumably includes "sound money." But, with the possible exception of Switzerland, if there is any nation in the world today that is on a "sound money" basis, that is news to me. By no stretch of the imagination can the United States be said to be on a "sound money" basis; for we are continuing to operate with "irredeemable" paper—correctly described by Daniel Webster as "miserable, abominable, and fraudulent."

Near the end of his speech Mr. Burgess endorses "the education both of youth and of adults in this country. . . ." And he goes on to say: "Early youth may not be the time to teach the theory of sound money in the technical sense, but it is the time in which to inculcate an attitude of mind, an approach to life's problems." That is sound advice: but in finance, such "education" should not be limited to the monetary views of just one authority, Alexander Hamilton. It should include the views of other well-known Americans who have promoted "sound money" throughout our history, such as: Daniel Webster, John Sherman; Andrew D. White; Henry Cabot Lodge (the elder); Andrew Carnegie; Andrew W. Mellon; Edwin W. Kemmerer; and today's outstanding expert, Dr. Walter E. Spahr of New York University.

In conclusion, let me add this constructive recommendation: If Mr. Burgess really favors "sound money," let him give support to one of the gold-standard bills now pending in the Eighty-fourth Congress — for example, Senator Bridges' bill, S. 1491—instead of opposing such legislation, as he did on March 29, 1954, and has been doing ever since.

FREDFRICK G. SHULL
2009 Chapel Rd.,
New Haven 15,
Connecticut.
July 29, 1955.

Joins Dempsey-Tegeler

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Fred D. Miller, Jr. is now connected with Dempsey-Tegeler & Co., 10th and Locust, members of the New York and Midwest Stock Exchanges.

With Barrett Herrick

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — Eugene A. Miller has become associated with Barrett Herrick & Co., Inc., 418 Locust Street.

Public Utility Securities

By OWEN ELY

Southwestern Public Service

Southwestern Public Service is one of the fast-growing Texas utilities, with some service areas in adjoining states. It serves a territory of about 45,000 square miles in the Texas and Oklahoma Panhandles, the South Plains area in Texas, and the Pecos Valley in New Mexico, all these sections being interconnected.

These areas are quite well diversified as between farming, industry and commercial activity. Amarillo, the principal city served, is the center of a cattle-raising and grain area. It is also a substantial commercial center, as indicated by the fact that retail sales per family in the metropolitan area have been the highest in the country. The City also has a large number of firms engaged in light manufacturing, publishing, etc.

Oil and gas production are important in Southwestern's territory, and Phillips Petroleum has one of the largest refineries in the world at Borger. There is also considerable activity in carbon black, synthetic rubber, chemicals, etc. The South Plains region and the Pecos Valley are largely agricultural, mainly in cotton, alfalfa, sorghum, etc. Southwestern Public Service has over 3,000,000 acres of irrigated land in its territory, and many of the irrigation pumps are powered by electricity. New Mexico is the center of the potash industry.

The company has enjoyed very rapid growth, as indicated by a postwar increase in electric sales of 256% vs. 111% for all electric utilities, and 372% expansion in electric plant vs. the industry average of 130%. Share earnings increased rapidly from 56c in 1945 to $1.36 in 1949 (with dividends increasing from 34c to $1.00). In later years, however, the rate of growth has slowed, current earnings approximating $1.57-$1.60, with a current dividend rate of $1.32. During the first four years of the postwar period the stock advanced from 6 to 16, and it has recently been selling around 28½.

Earnings for the fiscal year ended Aug. 31, 1955 have been retarded by very bad weather. Much of the area has become a "mudhole" (there have been nearly 6 inches of rain recently) so that irrigation sales have decreased. The weather has also been cool so that the air-conditioning and refrigeration loads have been lower. While the company earlier had been running about 1c ahead of its budget estimate for the current year, July was 2-3c behind and August may also suffer unless the weather changes. It appears likely that the company may wind up at the end of August with about $1.57 or a little more.

The company has had a heavy construction schedule in recent years, with new construction costing $23 million in 1953 and $21 million in 1954. This year, however, with considerable excess generating capacity, the construction program has been cut to $13 million. The company used to do equity financing about once a year (there were six offerings during 1949-54) but the management now hopes to take a recess until March, 1957. Next spring the company may issue $10 million mortgage bonds and $3 million preferred.

Southwestern has enjoyed low-cost gas for use as boiler fuel, but the price has risen about 60% in the past three years, with the recent cost averaging about 9c per mcf. However, the company is fortunate in having fuel adjustment clauses for a substantial part of its sales. Moreover, the big new generating plants built in recent years permit increased efficiency, which has held the increased cost per kwh to around 15%. Production cost last year was still extremely low, only about 2.65 mills per kwh.

The company is now earning somewhat less than 6% on the rate base, although other Texas companies earn substantially more. In New Mexico less than 4% is being earned, on the rate base as determined by the Commission. Thus the company may decide to seek rate increases, and it has employed Electric Bond and Share to study the entire rate picture.

Capitalizattion as of April 30, 1955 was approximately as follows:

	Millions	%
Funded Debt	$100	60
Preferred Stock	14	9
Com. Stock Equity (4,087,470 shs.)	51	31
Total	$165	100

At the recent price around 28½ and paying $1.32, the stock yields 4.6% which is about average for all electric utility stocks. Assuming current earnings of close to $1.60, the price-earnings ratio is 17.8, which is above the general average of 15.7 but lower than for some of the growth companies such as Texas Utilities, Houston Lighting, Central & South West, Florida Power & Light, etc. The stock has a special feature in that slightly over half the dividend is estimated to be free of income tax as ordinary income. It seems probable that this factor will continue in 1956-7 though the proportion of the dividend which is tax-free will gradually decline. However, the non-taxable period could be extended well beyond 1957 if five-year amortization is obtained on additional property, as requested by the company.

Kidder Peabody & Co., 17 Wall St., New York 5, recently issued a comprehensive bulletin on the company, from which some of the above information has been summarized.

A. C. Karr Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Robert M. Solmitz has been added to the staff of A. C. Karr & Co., 3670 Wilshire Boulevard.

Joins Kidder Peabody

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—John H. Smith is with Kidder, Peabody & Co., Russ Building.

With Kerr & Bell

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Martin W. Urov is now connected with Kerr & Bell, 210 West Seventh St., members of the Los Angeles Stock Exchange.

With King Merritt

(Special to THE FINANCIAL CHRONICLE)

SPRINGFIELD, Mo. — Clifford B. Morris has joined the staff of King Merritt & Co., Woodruff Building.

Joins Bache Staff

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Theodore Stratton has become associated with Bache & Co., National City East Sixth Building.

With Paine, Webber

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Harold A. Woehrmann is now with Paine, Webber, Jackson & Curtis, Union Commerce Building.

W. G. Lightbowne Retires —With "Chronicle" 50 Years

A fluent writer himself, Mr. Lightbowne, who served as a proofreader in the composing room, contributed many articles on economics and other subjects to the "Chronicle."

It is with regret that the management of the *Chronicle* announces the retirement of William Garfield Lightbowne on the 50th anniversary of his service with this paper. During the past half century, Mr. Lightbowne has served as a proofreader and in other capacities in the *Chronicle's* composing room with an enviable record for accuracy and meticulous thought. Mr. Lightbowne has been faithful in all the tasks that it has been his duty to perform—original, conscientious and independent in his thinking and opinions and always dependable and mindful of the welfare of the paper of which he has been such an efficient employee. At various times in the past he has contributed articles of current interest to the *Chronicle* on economic subjects. Mr. Lightbowne was the recipient of a handsome remembrance gift at a farewell party tendered to him by his associates in the composing room and also received many tributes from members of the Herbert D. Seibert & Co. Chapel (Typographical Union No. 6).

Wm. G. Lightbowne

THE MARKET... AND YOU

By WALLACE STREETE

Technical considerations and money market maneuvers inspired a dour show in the stock market this week. At least one session, with well below 200 gainers and more than 800 losing issues, was a far more one-way market showing than has been the pattern since the mid-March selling prompted largely by the Fulbright market study.

* * *

The technical situation consisted of the breaching, on the downside, of various "support" levels as the market broke out of its trading range. The rails, far from inspiring a new advance, were prominent in this action and set the stage for pressure on any excuse.

Excuses for the Break

First of the handy excuses to come to hand was the further tightening of the brokers' loan rate, coupled with indications that Washington was not only still gravely concerned about the high level of consumer debt, but was contemplating new repressive action after consultation with commercial credit executives.

* * *

For the industrial average the cumulative burden was a loss of a score of points from the all-time peak reached a couple of weeks ago, erasing about half of the "summer rally" achievement of June and July. Both the swift advance and the sharp trims of this week and last were largely due to the abnormal preoccupation of investors with the blue chips which have an undue weight on the industrial average.

Defense, Copper and Food Shares Outperform the Market

Aircrafts, while somewhat erratic, were one of the better-acting groups in resisting the down pull, largely due to the oversold conditions into which they had plunged in the first easings of international tension. General Dynamics, apart from its work in atomic submarines, was able to carve out fat gains even in the face of selling elsewhere. The strength seemed to derive from somewhat vague new contracts for military training planes, although the company has been working on such projects right along.

* * *

Tobaccos were another group able to ignore heaviness and work higher in good style. One interesting tabulation on prospects of either an increase in the rate or an extra payment on American Tobacco, as against the comparable benefits of General Motors, showed 30% higher earnings and 79% more dividend for the same amount invested in the cigaret company. Even without a change in the dividend rate of Tobacco, the same comparison would show 35% more return than that of the mammoth motor maker on an equivalent investment.

* * *

The tightening copper supply situation also bolstered the copper shares which, while a bit more susceptible to selling waves, generally outperformed the general market. Phelps Dodge and Inspiration Copper were able to make the rather sharply reduced list of new highs for the week while Kennecott, without actually coming to grips with its previous peak only a point or so away, was able to put a couple of advancing sessions together with a bit more conviction than the others in the division.

* * *

With the firming in money rates aimed mostly at stifling sales of hard goods and residences, some attention was diverted to the supermarket and food companies which are more basic to existence and not affected directly by the money market. They were far from being among standout features, but did show superior action with such as Jewel Tea and Food Fair able to hold their ground or make limited progress in the face of overall heaviness.

* * *

Otherwise group action was either to slide with the majority or to offer an irregular pattern as individual issues swayed with their particular outlook.

* * *

Among other divergent notes were Ruppert Brewing which was able to nudge higher off its year's low while Pfeiffer Brewing was reappearing on the list of new lows. Melville Shoe continued to put on an above-average performance while others in the group were lackadaisical or worse. Heyden Chemical was an apparent favorite while others in its group were definitely easy. Some of the sugars also showed evidence of a bit of bargain-hunting despite the general trend of the market.

A Favored Oil Issue

Cities Service was favored at least in the market studies, including its selection as a "stock-of-the-month" by one service. It showed little pressure during the market's heavier periods but, like the other oils, was hardly a market feature on strength. The petroleum group was undistinguished for the most, with Ohio Oil repeating its appearances on the lists of new lows to rate it a sour note in its group.

* * *

Texas Instruments among the lower-priced issues was also the beneficiary of a bit of attention from the market analysts since the firm is in an expanding mood and is in the process of establishing nation-wide marketing facilities, backed by a rising sales chart and rather constant earnings improvement. But the recommendations had little influence market-wise and it, too, was among the issues that sought new low ground with some persistence.

* * *

The rail pattern was one of as much disinterest as outright pressure and Rock Island was the outstanding issue on weakness with appearances in new low territory. New York Central, which is either highly favored by the partisans or acutely libeled by those who view it with jaundice, had a somewhat better market experience than most in the group or the rail average, itself, for that matter. It was caught up in the general downtrend a times but usually managed to rebound with some conviction even in the course of a single session. Pennsylvania Railroad, however, despite a good earnings statement showed little appeal to rail followers and shrugged off the good report with some determination.

Market's Technically Corrective Stage

Technically, the market was generally credited with being in a corrective stage with the arguments raging over where, and when, a resistance level is to be encountered. The ominous signs included a marked pickup in volume on heaviness plus ascendency of new lows over new highs with many more issues poised on the brink of joining the ones that have already posted new low-water marks for the year. The anticipated good earnings reports are largely history. Also the surface indications are that the firming moves in the money market haven't been lost on corporate managers, leaving a bit less enthusiasm for imminent dividend hikes and stock splits that would be likely to rekindle a new advance without a period of consolidation.

[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.]

Mental Health and Vacations

By ROGER W. BABSON

Asserting "most of us are a little crazy," Mr. Babson hints that gravity may be factor in causing people to be unbalanced. Says Gravity Foundation at New Boston, N. H., has some evidences showing the effect of the moon on brains of hospital patients. Holds need for a vacation at a different place may mean a need of change in gravity pull. Lays present increase in mental upsets to neglect of religion.

According to statistics, one out of every 10 U. S. citizens will sometime be in a mental hospital. About one-half of our hospital beds are at present occupied by such cases. Probably every reader of this column has some relative or friend so afflicted.

Roger W. Babson

Most doctors believe that some drug may be discovered to cure mental disorders. For years, India's doctors have made a drug from "snakeroot." Now doctors are experimenting with a drug called L.S.D. This is made from a fungus which grows upon rye. I understand it is related to ergot, which many women have depended upon for years.

Perhaps many not now in hospitals should take chlorpromazine, reserpine, or some other tranquilizer (these drugs are to be taken only on the advice of a physician), because we are all unbalanced on some one or more subjects! With many people it is money, with others it is sex, with others it is abnormal ambition, or pride, or fear. If we all obeyed the Tenth Commandment (Exodus 20:17), there surely would be few "breakdowns." The fact is that those who are unbalanced about a majority of things, or about the more unpopular things, are called insane!

An Unsolved Question

A few days spent by me at the Gravity Research Foundation at New Boston, N. H., makes me wonder if gravity may be a factor in causing people to be unbalanced. Certainly if I were considered so afflicted, I would try different locations, climates, and altitudes; that is, **to change the gravity pull on my brain.** Some brains are surely more sensitive to gravity than the brains of others.

Here is an unsolved question which psychiatrists are asking: Why is it that some people can go to the edge of a high building without any discomfort or sense of danger, while other people are solely tempted to jump off? Two persons cannot necessarily withstand the same gravity pull. When a person jumps out of a high window of a hotel, is he truly insane or merely exposing an abnormally sensitive brain needlessly to a dangerous gravity pull?

What About the Moon?

I find that the Gravity Foundation has many evidences showing the effect of the moon on the brains of hospital patients. There seems to be a correlation between "full" or "no" moon periods and accidents, fires, and even crimes. Druggists will tell you that their sales of sedative pills (such as phenobarbital) vary with the phases of the moon. Since the "full moon" can lift millions of tons of water to cause "high tides," it must have an effect on certain sensitive human brains, which consist mostly of nerve tissue and water.

Why is it that vacations do some people so much good this time of year? Why do those who feel most in need of a vacation find it necessary to "take a trip somewhere" The answer may be that they need a change in their gravity pull. Taking a trip to some different place may be for them like coming down to the ground from the roof of a high building. Perhaps your brain is strong enough so that you can take your vacation resting at home; but perhaps not.

Importance of Religion

Personally, I believe that the main reason for the present increase in mental upsets, heart and other troubles, is the decrease in Sunday observance, family prayers, and practicing the Golden Rule. Newspapers tell how church "attendance" is increasing; but this is mainly a symptom of tension from or a reaction of careless living. It should help prevent nervous breakdowns, but is no cure of itself.

I forecast that when doctors finish their studies of insanity, heart diseases, aching limbs, ulcers, and many other ailments, they will conclude that Jesus is truly entitled to be called "The Great Physician." Instead of taking pills, it may do our health more good to sit quietly alone for half an hour a few days each week in an "Open Church."

Join King Merritt

(Special to THE FINANCIAL CHRONICLE)

SPRINGFIELD, Mo.—Darrell W. Gourley, James A. Gourley, Aaron C. Hailey, Enoch A. Johnson, Doril L. Leascher, John R. Marshall, Donald E. Teague, Canot S. Thrower and Simon R. Thrower have become affiliated with King Merritt & Co., Inc., Woodruff Building.

Now With Hill Brothers

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — Joseph G. Petersen, Jr. is now with Hill Brothers, Security Building, members of the New York Stock Exchange.

With Hall & Hall

(Special to THE FINANCIAL CHRONICLE)

FRESNO, Calif. John H. Adams has been added to the staff of Hall & Hall, Bank of America Building.

Joins W. L. Lyons

(Special to THE FINANCIAL CHRONICLE)

LOUISVILLE, Ky.—A. Craig Culbertson, Jr. has joined the staff of W. L. Lyons & Co., 235 South Fifth Street, members of the New York and Midwest Stock Exchanges.

Eastman, Dillon Appoints

CARLISLE, Pa.—Eastman, Dillon & Co., members of the New York Stock Exchange, announce the appointment of Edward Anderson Parsly as Manager and Kathleen M. Martin as Assistant Manager of their Carlisle, Pa., office at 100 West High Street.

Cady Elected Director

Everett W. Cady, senior partner of Cady, Roberts & Co., New York, N. Y., member of the New York Stock Exchange, has been elected a director of E. W. Bliss Company, Howard U. Herrick, President, announced today. Mr. Cady also is a director of the Budd Company.

Continued from page 11

Pros and Cons of Women in Business

years out of date. On one hand is an intensely mechanized and industrialized civilization; on the other a romantic legend. The economic and historic forces that created this legend are dead, but the legend is still very much alive. Not so clearly defined as it once was, and beginning to show encouraging signs of wear, but still kicking.

It is easy to rationalize this misconception out of existence. It is untrue. It is unfair. It is unrealistic. It is economically unsupportable.

It is all of these things. But until we recognize the basic conflict between women's potentialities and her actual possibilities of achieving them, we are being unrealistic and unfair ourselves.

Why are these influences with us so strongly today? One explanation is that when this country was younger, the business operations were of the frontier type and developed through heavy industry such as shipping, railroading, mining, logging, milling and steel production. The climate in which these businesses operated has been essentially masculine and women have been traditionally excluded from the beginning. The roughness of the work, the hard living conditions surrounding it, make this more or less inevitable. Some of the heads of these early industries could be described perhaps as "rugged individualists." Leaders such as J. L. Hill of the railroad organization and Andrew Carnegie of the steel industry might fit such a description. Incidentally, I believe it was Andrew Carnegie who attributed his success to the fact that he had better men than himself working for him—he didn't say women. Even the offices of the companies, geographically far removed from the woods, mine or mill sight, reflect this "men only" atmosphere. The top level administrative and executive positions have been filled from the lower ranks by men who have worked their way up from the bottom. Although due to changes in merchandising and servicing operations, these "hard" industries have softened somewhat, "the word has not got around yet" sufficiently to open the door to a large number of women. This avenue or advancement, already historically established in heavy industry, has stayed almost entirely closed to women.

Because business is often conducted in surroundings similar to a man's club, women find themselves unwelcome in any activity that depends on this kind of an environment. She can never become "one of the boys." A woman doesn't fit into the extra or more social negotiations surrounding business activity. She doesn't play golf with customers; neither does she go on fishing trips with them. Women not sharing these experiences are limited in the amount of business they handle.

This same limitation extends to companies who have to send representative to national sales meetings. Many organizations are not prepared to handle women guests, and when one has to be included the strain and irritations of this arrangement is apt to be obvious. One executive told me, "a woman has to be awfully good to make you want to bother with all the extra preparation that is necessary before you can send her as a representative of your company. With a man you just call up and say he is coming." Another executive remarked that in the selling end of his business a woman's chances were jeopardized by the fact that so much business is done over the lunch table in a man's club or bar.

In those very few instances where they have tried to become "one of the boys," they are simply caricatures. The situation would be similar to the story about the man who, for many years, could never get enough money together to buy a tailored suit. However, one day he did, etc. etc. . . . The logic of what I'm trying to say is that when you try to appear to be what you are not, and compete in that element, you are sure to be considered somewhat out of character.

Now, with all these statements about how had it is to accomplish what you are after, is it as hopeless as some of the writers have said? I certainly don't think so, because I made it my business to do a lot of reading on what many groups and writers have have said on this subject before I prepared my talk, and I find contradiction after contradiction throughout these great volumes. That is why I decided to talk as an individual and from my own personal observation, rather than quote some of the printed, mixed-up stuff that has been written. In my opinion, the field is open for women in business in what they want to do if they stress their natural strong points. And when some of the old prejudices and some of the old myths have been resolved I think that you will find the going much easier. But regardless: **You have got to compete as a man competes** on your strong points that make a contribution to the business. Actually, the type of thing that causes most of your problems might be summed up in the following example.

When women think as women about a job, and not as individuals, confusion begins. Here is a case in point—a large organization maintains a chain of branch offices throughout the country. The administrative set-up in these offices is more or less identical. One of the most important departments in each office is headed by a woman, and the feeling among company personnel is that this position has been earmarked by management as a woman's job.

One of these women department heads resigned suddenly, giving no reason. She was immediately replaced by a man. Women in other departments began to worry —is management changing its mind about us? Are we on the way out? Is this part of a general company reorganization, or only an isolated case?

At the end of the year, the man was replaced by a woman. Again no reason was given. The other women in the organization began to feel increasingly insecure, and their work reflected this insecurity. They spent a large part of their time corresponding with each other about the reasons back of this situation, and in trying to find some clue to it by means of the grapevine.

In a short time the women in in the entire organization were demoralized. Not only did their work suffer, but women candidates for the job refused to consider it because they were afraid it was temporary.

The whole situation was actually caused by poor communication. The first woman left her job because she had to go to another city to take care of some personal business. The man brought in was the most logical replacement available at the time. He was in turn replaced by a woman, again the most logical person available, when he was transferred to another office. I believe this is the type of thing that causes most of the worriment many of you are having. It isn't a matter of standards or rules or customs but rather a matter of how it is done.

It has been said (and I am inclined to agree) that there are certain significant traits, whether strong or weak, that can be thought of as having value in woman employment. Rather than list them, I would prefer to give a few examples of my experience with some of these people. I have had great success in the matter of intuitiveness with a group of 30 registered nurses who are able to visit a customer and after a study generally put their finger quickly on what is wrong with the loss situation. These situations have to do with health, sickness and accidents, and I have found that they are very able, even when men fail, in bringing this out into the open.

I also find that they have extreme patience particularly in the handling of detail and routine. In a job of this sort, I get a most excellent answer from a women employee, but I find the men, in general, are quite ineffective on this type of work. There seems to be no doubt in my mind that on a job requiring artistic sensitivity and creativeness as well as spiritual insight that the women far out-weigh the men—at least that has been my experience when similar opportunities are offered both sexes.

So to sum up, it seems to me that you have many traits, many strengths, many qualities that are need and valued in industry. You are having a difficult time in gaining recognition, and are trying to get around this by having certain jobs set aside for women exclusively, and/or certain standards set up. I think you shouldn't do this. I think you have a great deal to sell. Your trouble is that you are not stressing your values and getting them to the attention of the proper people.

This reminds me, in closing, of a story that I like to tell to sales people, about a Mexican fellow named Pedro, who, like most Mexicans, never had much success, very little money and not too much food. He did, however, own a mule, a wagon and a wife. He lived in the little, sleepy fishing town of Mazatlan. One day he got an order to do some hauling that was going to pay him more money than he knew was in the world, so he was very happy and he told his wife, Marie, and they were both overwhelmed. They did not sleep well that night, and he got up early to be sure the mule would be watered, fed and groomed for the task. And when he went to the shed where the mule was he found the mule had died. Of course, he was brokenhearted and his wife —she was brokenhearted, too. But after bemoaning their fate the proper length of time, he remembered he had a cousin, Tomas, who had a mule, and it seemed that this cousin had recently moved from the big, sophisticated city of G . . . . . . to Mazatlan. So he decided to ask his cousin if he could borrow his mule. His cousin readily assented, but explained to him, because he had come from a large, sophisticated city that this mule he had was most intelligent. Pedro must not abuse him—he understood everything you said—he must be reasoned with and he would do anything you wanted. Of course, Tomas felt quite superior because he had come from the large city of G . . . . . and he had studied something about mule psychology, etc., etc. . . .

Now, I like to end my talk with this story because it seems to me that it illustrates your problem and what you have got to do. Your have got to get the attention of the people that have the responsibility for the placing of women in certain jobs—jobs that require your particular skills, knowledge and abilities—before you can get anywhere. Of course, you must still use reasoning, you must explain, you must be kind, etc., etc., but if you do not get the boss's attention, you will succeed but little.

Continued from page 2

The Security I Like Best

management. **Prophet** has kept up with the changing times by providing "automation" to better food services. For many years vending machines have been located in plants throughout the country dispensing cigarettes, candies, soft drinks, etc. Now, however, a new and important trend has been inaugurated for bringing food services nearer to workers through the means of these vending machines. Here is a romantic story of growth in an area where annual expenditures by workers for hot meals on the job has grown from the slim food bill of that first cafeteria into millions of dollars annually.

As a management and service organization **The Prophet Company** is necessarily dependent on its ability to secure top level executives from area managers, regional supervisors, field supervisory staff to executive office personnel. Advancements have been made in accordance with the company's policy of promoting qualified and deserving individuals within the organization whenever possible and additional specialists have been brought into the organization from allied fields. This insistence on specialization and training has resulted naturally in an increase in the number of clients and the highest degree of satisfaction on the part of the clients with the service rendered.

Pointing up my interest in the common stock of **The Prophet Company,** the shares of which are traded on the Detroit Stock Exchange, is the obviously recurring appetite of the American working man and woman for good food properly prepared and served. Then too with the guaranteed annual wage already instigated with some of the **Prophet** clients and in all probability more to follow, the good earnings should continue with the prospects of fewer layoff periods in industry. To the extent that the company does a good job, today's customers will be tomorrow's customers day in and day out, shift after shift. It is small wonder then that the experience gained by this company by more than 35 years devoted to the feeding problems of industry, institutions and the public is the specialized experience which I want to buy and hold indirectly through my purchase of stock in the company. All of these things accounted for and contributed to sales in 1954 of almost $18 million and profits in the same period of $1.17 per share. Increased volume which made its impact on first quarter 1955 earnings led to sales of $5.15 million reflecting per share earnings of 47½c. This compares with $4.20 million sales and per share earnings of 28c for the same period of 1954. Second quarter earnings were equally good at 95½¢ for the six months as against 55¾¢ for the same period of 1954. Projecting these figures in view of indicated business prospects during 1955 leads to the logical conclusion that the earnings can approximate $2 a share.

With no funded or long term indebtedness, with the common stock of 496,000 shares being the only outstanding security, and with operations of the company carried on in facilities owned and provided by clients, the capital requirements of the company are limited. As a result the shareholder can anticipate generous income from earnings. Dividends have been paid without interruption since 1945. The rate has been increased from 10c in that year so that last year 75c per share was paid. In view of the fact that the company has a liberal pay-out policy, the realization of 1955 profit expectations could easily lead to further dividend increases. With the stock currently selling around $14 per share, dividend return of better than 5.3% would result from dividend declarations based on last year's rate. I like this yield. I like the feeling that it is going to be higher, and if it is higher I will enjoy the accompanying appreciation in value.

This investment which I like best is bringing me **Profit** from **Prophet.**

Everett Stiles Opens

(Special to THE FINANCIAL CHRONICLE)

ARCADIA, Calif. — Everett W. Stiles is conducting a securities business from offices at 601 South First Avenue.

With Hannaford Talbot

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—John P. Talbot is now with Hannaford & Talbot, 519 California Street.

News About Banks and Bankers

CONSOLIDATIONS
NEW BRANCHES
NEW OFFICERS, ETC.
REVISED
CAPITALIZATIONS

The appointment of Byron J. Moger as an Assistant Treasurer and Fred A. Schmidt as an Assistant Secretary of **Manufacturers Trust Company of New York** was announced on Aug. 4 by Horace C. Flanigan, President. Mr. Moger is a graduate of the University of Miami and came to the Trust Company in 1952. He is assigned to the Out-of-Town Division of the Domestic Department and will travel in the States of Louisiana, Oklahoma and Texas. In 1922 Mr. Schmidt joined the **State Bank and Trust Company** which merged with Manufacturers Trust in 1929. He is assigned to the Loan Department at the bank's Main Office.

* * *

Robert Emmet Allen, formerly a banker in New York, died on Aug. 7 at his home in Greenville, S. C. He was 65 years old. For 28 years Mr. Allen had been a Vice-President of the **Central Hanover Bank & Trust Co. of New York** (now **the Hanover Bank of New York**). Born in Greenville, Mr. Allen returned to that city in 1947 following his retirement from the Hanover Bank. He had joined **Central Union Trust Company of New York**, a Hanover predecessor bank, in 1919. He was elected a Vice-President in 1925 and became head of the bank's Southern Division in 1938.

He was past Treasurer, a board member and Chairman of the Josiah Macy Jr. Foundation, a philanthropic organization for medical research. A former President of the Uptown Bankers Association in New York, Mr. Allen had been Treasurer and Finance Committee Chairman of the New York Post-Graduate Medical School and Hospital.

A graduate of Furman University in 1909, he received an M. A. degree there in 1914 and an honorary LL. D. in 1937. For a number of years he was Chairman of the New York Chapter of the Furman University Alumni Association.

* * *

As of July 25, the **Meadow Brook National Bank of Freeport, Long Island, N. Y.**, increased its capital from $5,671,454 to $5,784,880, by a stock dividend of $113,426.

* * *

The New York State Banking Department on June 20 approved the application of the **Bank of Northern Brookhaven, at Port Jefferson, Long Island, N. Y.**, for a certificate authorizing the bank to increase its capital stock from $400,000 consisting of 20,000 shares, par $20 per share, to $412,500 in 20,625 shares of the same par value.

* * *

Under date of June 30 the capital of the **Suffolk County National Bank of Riverhead, Long Island, N.Y.**, became $300,000, increased from $150,000 by a stock dividend of $150,000.

* * *

Kieran J. Duffy, Jr. of Ossining, Irving G. Harring, Jr. of Croton, and Kirby J. Schall of North Tarrytown have been elected Assistant Treasurers of **The County Trust Company of White Plains, N. Y.** Mr. Duffy is in charge of the trust company's Ossining office, while Mr. Harring and Mr. Schall hold similar positions in the Croton and County Center, White Plains, offices. Mr. Duffy has been with The County Trust since 1946 and previously managed the South Fulton Avenue office in Mount Vernon. Mr. Duffy is a director of the Ossining Chamber of Commerce. Mr. Harring, joined The County Trust Company staff in 1946 and has been in charge of the Croton office since 1953. He had previously been with the Scarsdale office. Mr. Harring is Treasurer and a director of the Croton Chamber of Commerce. Employed with The County Trust Company since 1932, Mr. Schall was associated with the main office and branches in Tarrytown and Hartsdale before he was assigned to manage the County Center office in January of this year.

* * *

The Dobbs Ferry Bank of Dobbs Ferry, N. Y., will merge with **The County Trust Company of White Plains, N. Y.**, perhaps within six weeks, according to a joint statement released Aug. 5 by Col. Franklin Q. Brown, President of the Dobbs Ferry Bank, and Andrew Wilson, Chairman of County Trust. Directors of both banks have approved a merger agreement signed by David Ravekes, Vice-President and Cashier of the 65 year old Dobbs Ferry institution, and officials of The County Trust Company which calls for consolidation under The County Trust Company name and charter and an exchange of 2¾ shares of County Trust stock for each of the Dobbs Ferry Bank's 10,000 shares. The agreement is subject to approval by State and Federal banking authorities and stockholders of both banks. Upon completion of the proposed merger, Mr. Ravekes who has been identified with the Dobbs Ferry bank for about 55 years, will remain in charge of the Dobbs Ferry office as Vice-President of The County Trust Company. Col. John Eugene Baker, George P. Booth, William Riolo, Thornton H. Secor, Herbert J. Springsteel, and Franklin Q. Brown, Jr., currently directors of the Dobbs Ferry Bank, will comprise County Trust's local board in Dobbs Ferry. On June 30, 1955, the Dobbs Ferry Bank reported total assets of $3,459,209 and deposits of $3,111,936. The County Trust Company, on the same date, showed total assets of $323,370,550 and deposits of $297,453,536.

* * *

Shareholders of **The First Nationl Bank of Yarmouth, Mass.**, voted approval July 20 to split the present outstanding stock four to one and to declare a 25% stock dividend. The holder of one present $100 par share will thereby receive a total of five new $25 par shares. In addition holders are being issued warrants to purchase on or before Aug. 12 one additional share at $50 for each five new shares presently held. After these funds are available the new shares presently held. After these funds are available the First National Bank will have total capital funds of $360,000 consisting of $150,000 capital, $150,000 surplus and approximately $60,000 undivided profits. This will give the new stock an indicated book value of $60 a share. The bank is planning to enlarge its South Yarmouth Office this fall and to improve its facilities. The First National Bank is a direct successor of the **Barnstable Bank** which commenced business in 1825 and received a National charter and its present name on May 10, 1864. The bank has paid dividends continuously for 130 years.

* * *

Effective July 21 the **Tradesmens National Bank of New Haven, Conn.**, made an addition of $35,000 to its capital in the form of a stock dividend of that amount, the capital having thereby been increased from $385,000 to $420,000.

* * *

The First National Bank of Highland Park, N. J., reports a capital of $575,000 as of July 19, increased from $350,000, both by a stock dividend of $100,000 and $125,000 resulting from the sale of new stock.

* * *

A stock dividend of $200,000 has brought about an increase in the capital of the **First National Bank of Princeton, N. J.**, from $200,000 to $400,000. The enlarged capital became effective July 7.

* * *

The directors of the **County Bank & Trust Company of Paterson, N. J.** and the **Little Falls National Bank of Little Falls, N. J.** have announced plans to consolidate operations of the two banks subject to approval of stockholders and supervisory authorities. A stockholders meeting of the Little Falls National Bank will be held shortly to act on the proposal. Under the plan, the County Bank will purchase the assets and assume the liabilities of the Little Falls National Bank.

After the consolidation it is contemplated that directors of the Little Falls National Bank will become members of the Advisory Committee of the Little Falls Office. The County Bank & Trust Company, established in 1869, at the present time has total resources of approximately $96,000,000 and five offices in Paterson and Passaic. Recently plans for the establishment of a new Southside Office in Paterson were announced. The Little Falls National Bank, with total resources of approximately $12 million was established in 1907. An increase in the capital of the Little Falls National to $260,000 was referred to in our issue of August 4, page 481.

* * *

Alterations and additions for the former **First National Bank of Perkasie, Pa.** to house the newly formed **Bucks County Bank and Trust Co.** were begun July 7, Howell Lewis Shay and Associates, Philadelphia architects and engineers, announced. The existing structure at 7th and Chestnut Streets, will get a second floor; a 30 by 58 ft. addition sheathed in brick and cast stone; a bigger vault; central air conditioning, and other facilities.

Business transactions will be carried on without interruption throughout the construction period, bank President Daniel Erdman said. John J. Brennan, of Langhorne, Pa., the general contractor, said his schedule calls for completion of the work July 1, 1956. Bucks County Bank and Trust Co. represents a recent consolidation of **Quakertown Trust Co. of Quakertown, Pa.; First National Bank of Perkasie; Perkasie Trust Co., and Dublin National Bank, of Dublin, Pa.**

An item with respect to the consolidation appeared in our May 5 issue, page 2089.

* * *

William H. Barwig has been appointed Assistant Vice-President in the Trust Department of the **Tradesmens Bank and Trust Company of Philadelphia, Pa.**, it is announced by James M. Large, President. Mr. Barwig became associated with the bank in 1928, was appointed Assistant Trust Officer in 1934 and Trust Officer in 1946.

* * *

Promotions of three executives, election of three new officers and one retirement were announced in July by **The Pennsylvania Company for Banking and Trusts of Philadelphia, Pa.** James F. Bodine, Ralph M. Henry and Norman F. S. Russell, Jr., were advanced from Assistant Treasurer to Assistant Vice-President. Thomas W. Snedeker, George A. Butler and Bruno A. Grentz, Jr., were elected Assistant Treasurers. Albert N. Gray retired as Assistant Treasurer and head of the Wire Transfer Department of The Pennsylvania Company for Banking and Trusts. He began his business career in 1915 with the Peoples Bank and Trust Company of Philadelphia. He is succeeded as head of the Wire Transfer Department by Mr. Grentz.

* * *

The First National Bank in Sharon, Pa., reports a capital as of June 30 of $480,000, increased from $240,000, the enlarged amount having been brought about by a stock dividend of $240,000.

* * *

Both by a stock dividend of $500,000 and the sale of new stock, also to the amount of $500,000, the **National Bank of Toledo, at Toledo, Ohio**, increased its capital effective June 30 from $1,500,000 to $2,500,000.

* * *

An addition of $250,000 has been made to the capital of the **Merchants National Bank & Trust Company of Fargo, N. D.**, as a result of which the bank, as of July 26, reported a capital of $500,000 compared with $250,000 previously. Of the enlarged capital $150,000 represented a stock dividend, while the further amount of $100,000 resulted from the sale of new stock.

* * *

An increase in the capital of the **First National Bank & Trust Co. of Lexington, Ky.** from $1,000,000 to $1,250,000 was made effective July 1, the capital having been thus enlarged as a result of a stock dividend of $250,000.

* * *

Under the charter and title of the **Liberty National Bank & Trust Company of Louisville, Ky.**, with common stock of $2,500,000 that institution and the **United States Trust Company of Louisville**, with common stock of $500,000, were consolidated at the close of business July 22. At the effective date of the consolidation the enlarged bank had a capital stock of $3,250,000, in 130,000 shares of common stock, par $25 each, surplus of $2,900,000 and undivided profits of not less than $350,000.

* * *

The Citizens & Southern National Bank of Atlanta, Ga., which claims to be Georgia's largest bank, will open an office in **New York City** around Jan. 1, it was announced in Atlanta on Aug. 8, by President Mills B. Lane, Jr. The office will be a "new and needed financial link" between financial capital of the United States and the expanding markets of the Southeast, Mr. Lane said. Robert F. Adamson, Executive Vice-President in Atlanta and a key officer of the bank, will head up the New York operation during its first year. He will be assisted by another Citizens & Southern officer and other personnel to be named later. According to Mr. Lane, more and more businesses centered around New York have expanding investments in the South, both from marketing and production standpoints. The Citizens & Southern National Bank has $25,000,000 in capital and surplus, largest it is said of any Southeastern bank. With $384,000,000 in deposits, it claims to rank fifty-seventh in the nation. Combined deposits of its 22 offices and Georgia affiliate banks are $461,000,000 with capital funds of over $35,000,000. Active in banking and civic affairs, Mr. Adamson is past President of the Atlanta conference of the National Association of Bank Auditors and Comptrollers, former Secretary and member of the operating committee of the Atlanta Clearing House Association, and member of the Committee on Savings Management and Operations of the American Bankers Association.

* * *

The Comptroller of the Currency at Washington, D. C. reports the issuance of a charter as of July 1 for the **Central National Bank of Jacksonville, Fla.** with a capital of $200,000 and surplus of $208,419. The bank represents a conversion to the national system of the **Central Savings Bank of Florida at Jacksonville.** The President is E. G. Breedlove, and C. H. Williams is Cashier.

* * *

A capital of $650,000 was reported by the **First National Bank of Dothan, Ala.** as of July 7, the amount having been increased from $600,000 by the sale of $50,000 of new stock.

* * *

The capital of the **Capital National Bank in Austin, Texas**, was increased effective July 15 from $1,500,000 to $1,550,000 as a result of a stock dividend of $50,000.

* * *

Vern C. Richards, Vice-President at **Bank of America's San Francisco** headquarters, has been named as the bank's New York Representative, it is announced by President S. Clark Beise. Mr. Richards, who has been with the Bank's Corporation and Bank Relations department since 1950 and a Vice-President since 1951, will leave for New York shortly to take over the post left vacant by the death of Arnold Tschudy last spring. Mr. Tschudy died on March 12, and his death was referred to in our March 17 issue page 1285. A native of California, Mr. Richards began his banking career in the Orient where he was affiliated with the Chinese American Bank in Manila from 1919 to 1923. In 1923 he joined Bank of America as an exchange teller and subsequently was named manager of the Raight-Clayton branch of the bank in San Francisco. In 1937 he became an Assistant Vice-President at the bank's headquarters and from 1946 to 1950 was Director of the Staff Training Program.

* * *

The Bank of California at San Francisco added its eighth office on Aug. 1 with **Bank of Berkeley** joining The Bank of California system. The merger, for which negotiations were announced July 6, has been approved by the directors and stockholders of both banks and by supervisory authorities. Richard E. Johnston, formerly President of Bank of Berkeley, has been elected Vice-President of The Bank of California and Manager of the Berkeley Office. Walter D. Harrison of the Berkeley staff was also named a Vice-President. All employees of Bank of Berkeley have been retained, and will participate in The Bank of California's retirement plan, group insurance, and other employee benefits. The present merger brings the resources of the Bank of California it is stated to approximately $496,000,000. President of The Bank of California is Elliott McAllister. Executive Vice-President is Edwin E. Adams.

* * *

A new branch in Paris, France has been authorized by the Federal Reserve Board for **Bank of America (International)**, wholly owned subsidiary of **Bank of America, of San Francisco**, it was announced in San Francisco on Aug. 2 by Russell G. Smith, Executive Vice-President in charge of International Banking activities for the parent bank. In addition, Mr. Smith stated, the United States Treasury Department has directed Bank of America (International) to open two offices in France for the convenience and service of units of the Air Force stationed there. These two offices will be located at Dreux and Evereux in Normandy, approximately 60 miles west and northwest of Paris. They will operate as agencies of the new Paris branch. The Paris branch will be located at 9 Boulevard de la Madeline. Present plans call for opening the branch and two offices approximately Oct. 15 Mr. Smith said. Bank of America (International) a New York Corporation, was organized in 1950 to engage in International banking activities. In 1953 it opened its first branch in Dusseldorf in Germany's industrial Ruhr Valley.

* * *

The directors of **Westminster Bank Limited of London** announced about July 19 that D. V. Phelps, J.P. and J. F. Prideaux, O.B.E. have been elected members of the board of the bank.

American Natural Gas Common Stock Offered

The American Natural Gas Co. is offering to common stockholders of record on Aug. 9, 1955, rights to subscribe for 736,856 shares of additional common stock at $48.50 per share, on the basis of one new share for each five shares then held. The total offering price is $35,737,516. White-Weld & Co. and Drexel & Co. are joint managers of a nation-wide group of 179 underwriters that will purchase any shares unsubscribed at the expiration of the offer on Aug. 23, 1955. The group won the underwriting at competitive bidding on a bid of 10.6 cents a share.

Proceeds from the sale of this new common stock will be applied to the purchase of equity securities of subsidiaries. A portion of the proceeds so raised will be used by American Louisiana Pipe Line Co., a subsidiary, in the construction of a 30-inch pipe line which will carry natural gas from the Louisiana Gulf Goast to Michigan. The American Louisiana Pipe Line Co. also proposes to raise an additional $97,500,000 from the issuance of first mortgage pipe line bonds to institutional investors and an additional $12,000,000 from other sources. The estimated cost of the pipe line is $130,000,000. For the entire American Natural system construction expenditures during the remainder of 1955 and 1956 are expected to be $190,000,000.

The American Natural Gas Co. is a registered public utility holding company. Its utility subsidiaries constitute an integrated natural gas system, comprising distribution properties in Michigan and Wisconsin and pipe line facilities serving these properties as well as certain other markets. Since the demand in market areas served by the American Natural system greatly exceeds the available supply of natural gas, the company, through its subsidiary, American Louisiana, is constructing the new 30-inch natural gas pipe line system from the Louisiana Gulf Coast to Michigan.

For the 12 months ended June 30, 1955, operating revenues of the company amounted to $119,945,075 and net income to $12,596,804.

Giving effect to the sale of the new common stock, capitalization will consist of $257,358,000 in long- and short-term debt, 30,301 shares of 6% non-callable preferred stock, par $25, and 4,421,132 shares of common stock.

Associated in the underwriting of the offer are: Allen & Co.; Alex. Brown & Sons; R. S. Dickson & Co., Inc.; Ladenburg, Thalmann & Co.; R. W. Pressprich & Co.; Salomon Bros. & Hutzler, and Dean Witter & Co.

E. M. Newton & Co. Joins Hayden, Stone

BOSTON, Mass.—Hayden, Stone & Co., members of principal security and commodity exchanges, announce that Edwin M. Newton has been admitted as a limited partner. Mr. Newton formerly was senior partner of E. M. Newton & Company.

Ten other associates of the Newton firm have joined the Boston office of Hayden, Stone at 10 Post Office Square, as registered representatives in the new and enlarged quarters of the investment department.

Carleton H. Simmons, general partner in the Newton firm, becomes New England manager of the investment department. Philip F. Kenney will specialize in corporate securities, and Albert J. T. Woll in municipal securities.

Other E. M. Newton associates joining Hayden, Stone are: G. Clark Brooks, Carl E. Bryant, Wilfred F. Burr, James H. Cleaves, Newton P. Darling, H. Wadsworth Hight and George A. Stockemer.

Founder of his own firm in 1931, Mr. Newton has been in the investment business for more than 30 years.

Corporate Trust Co. Opens

DALLAS, Texas—J. Eppler Nehaffey is engaging in a securities business from offices at 2501 Cedar Springs under the name of Corporate Trust Company, Inc.

Joins Daniel Weston

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—William R. Stow, Jr., has been added to the staff of Daniel D. Weston & Co., 140 South Beverly Drive.

Calif. Investors Add

(Special to THE FINANCIAL CHRONICLE)

Chester H. Baker, Fred E. Moore, Henry E. Schimberg and Carl V. Stein are now with California Investors, 3924 Wilshire Boulevard.

New Plan for Foreign Investors in U. S. Co.'s

Guaranty Trust Company of New York will issue abroad Bearer Depositary Receipts for American securities to be held at its head office in New York.

Guaranty Trust Company of New York reports it is initiating a new plan whereby foreign investors may hold shares of American companies in the form of Bearer Depositary Receipts. Guaranty was the originator nearly 30 years ago of the system for trading in foreign securities in the New York market through the medium of American Depositary Receipts. In effect the new plan is the reverse of the American Depositary Receipt system. The actual American securities will be held at Guaranty's head office in New York and the Bearer Depositary Receipts will be issued abroad.

The plan provides a mechanism through which foreign investors may trade in the securities of American companies in a form adapted to their needs, usages and customs. The underlying American securities will remain on deposit in New York and against them will be issued Bearer Depositary Receipts. Investors in many foreign countries prefer their security holdings to be in bearer form and thus it is believed the newly created Bearer Receipts of Guaranty Trust Company should be welcomed by foreign investors. Bearer Depositary Receipts may eventually be dealt in on foreign stock exchanges where most of the securities admitted to listing are in bearer form.

At the request of investors and brokers abroad, Guaranty Trust Company of New York in the beginning will issue Bearer Depositary Receipts abroad against the deposit in New York of the shares of the following companies: Aluminum Company of America, American Telephone & Telegraph Company, Consolidated Edison Company of New York, Inc., Consolidated Natural Gas Company, E. I. du Pont de Nemours & Company, Eastman Kodak Company, General Electric Company, The Goodyear Tire & Rubber Company, International Harvester Company, Kennecott Copper Corporation, Standard Oil Company (New Jersey), Union Pacific Railroad Company, and United States Steel Corporation. It is anticipated that shares of other American companies will be included later in the list as demand from foreign investors may require.

Continued from first page

Grounds for Favorable Stock Market Outlook

ing relief from war worries, from excess profits taxes, and from other governmental interference with free enterprise.

The current upswing in the stock market has been under way almost two years, or since September, 1953. To illustrate the contrariness of the market, it had been falling since the end of 1952, yet during most of that nine months' period industrial production had been on the upgrade. Again, although the market began its upturn in September, 1953, business proceeded to swing lower for just a year. In that 12 months' period, industrial stock prices rose 27% while production fell 10%.

How do we explain that contrary movement? Well, I think that one is fairly easy to explain. First, the preceding decline in stocks was an accurate forecast of an impending business recession. The ability of stocks to turn about and move upward through that recession reflected the growing confidence of investors in the ability of the Washington Administration to keep the recession from degenerating into a depression. The accuracy of the market in forecasting what would happen in business last year and in 1955 is now a matter of history. The monetary managers were able not only to turn the business index upward but to so increase the confidence of businessmen that the index of production recently moved into new high ground for the post-war period.

A Big Boom in Business

Business in this country has just finished the best half-year in history. The second half-year has begun with production, employment, consumer buying-power and consumption at record levels. Also, bullishness and confidence in the business outlook is probably more widespread than at any time in the postwar recovery.

Earlier this year, many of us thought that the boom in certain large industries such as steel, automobiles and building construction was too strong to last. That feeling is not entirely absent in current forecasts by competent observers. But the majority now seem to agree that their earlier fears in that direction were exaggerated.

Sentiment has been improved by the settlement of the automobile wage demands without the disrupting effects of a costly strike. The same is true in the steel industry, and the figures on building construction continue to hold up well. This year will be the seventh in which new dwelling units topped the one million mark. A noted real estate forecaster predicts that 1955 will top all other years except 1950 in number of new homes constructed.

Looking ahead a number of years it is reasonable to assume that the average American family will have real purchasing power far greater than now. Of course, the upward trend of consumers' incomes will not proceed in a straight line. There will probably be larger increases in some years than in others. And, under conditions of readjustment in the general economy there may be some years of decline. But, all in all, over the years the outlook for consumers' incomes and their demand for shelter, food, clothing and the luxuries of life is very bright.

In gauging the outlook for business. I want to stress that *new building, steel* and *automobiles* represent key industries. As they go, so will general business. In the past these industries have had some rather wide swings. They have been almost dominant in determining the trend of the business cycle.

The business cycle itself has been the subject of a lot of study and I think we know more about it and how to cope with it, how even to moderate it, than we ever did before. One might even be tempted to go so far as to say that there can't be a business depression because we have a Federal law against it. That law is the Employment Act of 1946. That act of Congress pledges the entire resources of the nation to combat a slide-off in business, and adopts a national policy of full employment and a steady rise in the standard of living.

President Eisenhower and his chief economic adviser, Dr. Arthur F. Burns, are said to share the conviction that to prevent a severe depression in the United States is more important than anything else. They believe the government must stand ready to intervene at any time, at decisive points in the productive process.

Behind these views are three basic propositions:

(1) The contest between freedom and totalitarianism is largely a competition between the efficiency of two opposing systems of life, our own and communism.

(2) The American people must never again suffer the human and material wastes of needless idleness of men and machines.

(3) The rest of the free world depends upon trade with us to such an extent that any slump here would have serious results abroad and that would interact on our own economy.

Few observers doubt the enormous powers available to the Federal government in its attempts to direct or influence the speed and direction of the economic machine. There are many fields in which the Washington authorities can pull control levers. The principal ones are:

(1) Taxation and public finance.

(2) Money and credit, which includes margin requirements on stocks.

(3) Defense expenditures.

(4) Public works.

(5) Price supports and subsidies.

(6) General encouragement to industry.

The really big worries have been that the government would not know when to act, or would act too late. You see, a very large element in this picture is psychology, which means just human nature. If a slump is allowed to get going, it gathers momentum by feeding on itself and it then may be impossible to apply the brakes without the danger of a skid or nose-dive. That is a delicate situation which must be handled with great care. It was with all of these thoughts in mind that the Washington authorities stepped in and turned the recession around last year by quickly reversing the previous policy of tightening credit.

Right here I would like to emphasize that I believe to achieve the goal set by the Employment Act of 1946 spells continued inflation. Someone (I believe it was Prof. Schlichter of Harvard) has said that inflation is nine-tenths of any full employment program. No one knows for sure where this program will take us, if it is seriously pursued. And apparently it will be political suicide for any party which does *not* succeed in preventing a serious depression. The plain fact, whether we like it or not, is that the people have rebelled against the idea that we must periodically be victimized by Old Man Depression. A gigantic attempt will be made by the government and business leaders to minimize the depth of any business slumps and to iron out some of the kinks in the business cycle. This will be a great accomplishment, if performed. Anyhow, the end seems to justify the means.

For my own part, I believe the means that will be used spell inflation. Please do not misunderstand me. I am not advocating inflation as a cure-all. I am merely pointing out that in my opinion governmental attempts to maintain full employment will prove to be inflationary in their long-range effects. But if our economic managers can keep the inflation within modest bounds, it may be that the public will be getting a bargain. The net benefits and gains through steady jobs, expanding industrial output, the resulting technological advances, and rising standard of living, may far outweigh the accompanying losses suffered by individual workers through the erosion of the value of money and of all standard forms of savings.

At present, the problem facing Washington is how to check the boom from overdoing itself. Next year is an election year, and the party in power will naturally want to keep prosperity here. The big question is, "Will Washington dare to take any steps soon to check the rising tide of business?" A flattening out or some actual letdown within the next 8 or 10 months might place the economy in stronger position when the election campaign gets under way than would be the case if things are allowed to blow the top off now and be in recessionary phase in the fall of 1956.

In summary on the Business outlook, *1955 will be a banner year, barring a new war.* As to 1956, the outlook is not so clear, yet several visible factors are very favorable, such as tax reduction, a large national highway program, continued large expenditures for plant and equipment by industry and probably new progress by the Free World. Of these forces, tax reduction is perhaps the most important in its direct effect on public psychology. It was the reduction of taxes and elimination of excess profits taxes which spurred the confidence of investors so greatly in 1954.

The Stock Market

As to the stock market, first it should be noted that average prices of industrials which are the market's backbone, now stand at *an all-time high in terms of dollars.* Using Standard & Poor's daily index of 50 Industrials they are some 80% above the 1929 peak. That comparison doesn't mean much, however, because *stocks are now much better than they were in 1929,* as to both *earning-power* and *cash dividends.* For these 50 industrial leaders, this year's earnings per share are going to be more than 2½ times what they were in 1929. Dividends are going to be fully double those of a quarter century ago.

In relation to earnings stock prices, on average, cannot be considered dangerously high. Industrials are now selling at only 13 times earnings which contrasts with a ratio of 23 as recently as 1946, and with a ratio of about 20 at the peak of priees in 1929.

For stocks to sell on a basis comparable to the 1946 peak they would need to rise 75%. To duplicate the 1929 price-earnings relationship they would need to rise over 50%.

Another way of justifying the present level of stock prices is to recall that for over 20 years the stock market lagged way behind in the economic and inflation parade. The upsurge of over 100% in the past two years thus can be looked upon as merely an attempt on the part of the market to catch up. Even now it is behind most other segments of the economy, especially national income, wages and bank deposits. This "catching up" process has been accelerated in the last year or two by a resurgence of public confidence, the result of governmental policies and improved prospects for world peace. Also, the process was speeded by the imbalance created in the market by the tax on capital gains. That tax makes stockholders unwilling to sell because of the heavy tax involved. As a result of their reluctance to sell, the supply available in the market remains small even after a huge rise in prices.

Value of Stocks Lies in Dividends

Basically, the value of a common stock is due to the dividends it is now paying and the dividends it may pay in the future. Except in the liquidation of a company, the only portion of earnings which a stockholder actually gets his hands on are those earnings that are paid to him as dividends. Here is a formula for determining the future value of any stock. The formula is oversimplified to emphasize the nature of our problem. All we need to know about a stock in order to foresee its price next year is (1) next year's dividend and (2) the rate at which the market will choose to capitalize that dividend. All of the thousands of different forces pulling and pushing in opposite directions can be placed in one or the other of these two categories.

This year's dividends on typical industrials are going to be up rather sharply from last year—up some 12% to 15%. The current rate of capitalization is on a yield basis just under 4%. *As to next year's* dividends, my present estimate calls for a *continuation of the uptrend.* Many companies have been paying out only about half of their earnings. They are in very strong financial position and could increase dividend rates even if earnings should stand still or if they should dip a little, instead of rise.

Forecasting the *rate of capitalization next year is a much more difficult job.* Historically, a dividend return of 4% or just under is not especially attractive. It contrasts with a yield of 3¼% in 1929 and 3½% in 1946. A complicating factor now is the matter of higher income taxes than in those earlier years. In comparison with bond yields, stocks are no longer so widely favored on an income basis as they were some months or years ago. Moreover, interest rates are rising slowly and seem bound to gradually extend their rise.

Of great importance, also, is the more favorable underlying growth trend of our economy. Over a long period of years that growth had been about 2% per year in manufacturing industries. Many economists believe the true figure is now nearly 3%. That means that former concepts of normal growth both in business and in the stock market must be revised upward by something approaching 50% in the annual rate.

Last but not least, one of the main reasons for the recent strength in the stock market and also a reason for optimism over the long-term future is the confidence inspired by Washington that old-time depressions are a thing of the past. What Washington does will be watched carefully in the next few months. Top officials now realize they may have succeeded too well in building up confidence—public confidence that the business cycle has been conquered, especially the down-phase.

On the subject of cycles, some of the strongest stock groups in the past year or so have been the former cyclical groups, such as *Steels, Coppers, Machinery* issues, and *General Motors.* As a result of the government's success in its policy of full employment these stocks are gaining in investment quality. They are shaking off their former feast or famine reputation, especially the steels and the building stocks.

Looking ahead into next year and further, however, I think we must face the fact that *investors in common stocks will have to become accustomed to lower yields than they enjoyed in recent years.* That is part of the price they must pay in order to own equities, which not only serve as inflation hedges but also will be in a position to raise their dividend rates. Another important influence on a future low rate of capitalization is the large volume of buying-power accumulating steadily in pension funds and the growing interest of the American public in stock ownership.

The current *low yield basis* for stocks means that American investors have increased confidence in the long-term outlook for free enterprise. In Switzerland, where the citizens are extremely stock-minded and capital-gains conscious, stocks yield considerably less than in America. In West Germany, the average yield on stocks was recently 2½%.

In our longer range projections I believe we must make allowance for *lower yields on stocks* in America. Therefore, I do not accept the theory that the present yield figure of say 3.9% is a danger signal of long-term importance. That theory overlooks, it seems to me, the factors I have just referred to which point to a still lower yield basis in this country.

So the forecast calls for higher dividends and a lower yield basis. *Both factors point to higher stock prices in the next year or so.* That does not mean that the market must rush on up steadily. The stock market is always subject to setbacks or reversals. But the underlying factors favoring a continuation of prosperity are so strong that any general decline in stocks is likely to be of modest dimensions and temporary. Also, the fact that next year is an election year is important.

The chief hazards now to guard against are *excessive optimism, over-borrowing, sudden contractions of credit, too sharp a rise in interest rates,* and *excessive speculation.*

In the market's favor it should be added that its internal condition is sound. It is mainly a cash market. Margin requirements are already strict at 70%. This year there have been many substantial readjustments in individual stocks which are concealed by the market averages. There has been a healthy rotation from group to group, and few, if any, outstanding excesses that need correcting.

One of the main reasons why I do not believe that a major bear market is close at hand is this matter of speculative excesses. A bear market is always the process of unwinding previous excesses. Before this bull market comes to a final end I would expect the traditional experience of a big tide of speculation in low-grade and marginal stocks. The fact that such issues still lag behind the blue chips is a basic reason for optimism.

True, the blue chips have had a big rise, by way of trying to catch up with the economic procession and of forecasting good news still ahead in business. The market needs a continuation of that good news, and I believe it is going to get it.

In conclusion, I again remind you that the stock market has been behind the economic parade for over 20 years and is still not caught up. The economic parade itself is swinging into high gear as we face a future world prosperity unknown in the past. *Let us all hope and pray for world peace so that the people of the world shall prosper.*

Tifft Adds to Staff

(Special to The Financial Chronicle)

SPRINGFIELD, Mass. — Donald R. Bruder has been added to the staff of Tifft Brothers, 1387 Main Street, members of the New York and Boston Stock Exchanges.

Taussig, Day Adds

(Special to The Financial Chronicle)

ST. LOUIS, Mo. — William E. Fretwell is now with Taussig, Day & Co., Inc., 509 Olive Street, members of the Midwest Stock Exchange.

With MacBoyle Lewis

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—Mark A. O'Leary has joined the staff of MacBoyle Lewis, Russ Building, San Francisco, representative of the Harris Trust & Savings Bank.

Merrill Lynch Group Underwrite Maule Industries Offering

Maule Industries, Inc. is offering its common shareholders of record Aug. 5, 1955 rights to subscribe to 638,532 additional common shares at $5.87½ per share on the basis of one share for each 2½ shares held. The subscription offer will expire at 3 p.m. (EDT) on Aug. 22, 1955.

An underwriting group headed by Merrill Lynch, Pierce, Fenner & Beane will purchase any unsubscribed shares.

Part of the proceeds from the sale of these common shares will be used to repay about $3,000,000 of purchase money and real estate mortgages and the balance will be added to the company's general funds.

Maule Industries is engaged primarily in the production and sale in South Florida of concrete aggregates (rock and sand), concrete blocks, and ready-mix concrete. In addition it sells reinforcing steel, lumber, millwork, cement, precast concrete products and various other building materials. The company believes it is the largest producer of concrete aggregates, concrete blocks and ready-mix concrete in the southeast.

Other members of the underwriting group are — Central Republic Co. (Inc.); Estabrook & Co.; Hornblower & Weeks; Kidder Peabody & Co.; W. C. Langley & Co.; Lee Higginson Corp.; Paine, Webber, Jackson & Curtis; L. F. Rothschild & Co.; Shields & Company; G. H. Walker & Co.; Courts & Co.; Johnston, Lemon & Co.; and The Robinson-Humphrey Co., Inc.

With Emmett Powers

(Special to The Financial Chronicle)

DENVER, Colo. — Ronald J. Chitwood is now with Emmett Powers, 619 Twenty-Second St.

Continued from page 13

Thoughts on Statism in Monetary Affairs: U. S. and England

voir, which all those petty sources kept constantly replenished. It is hardly too much to say that, during many years, the weight of the Bank, which was constantly in the scale of the Whigs, almost counterbalanced the weight of the Church, which was constantly in the scale of the Tories."—*History of England from the Accession of James IInd*, Firth Ed'n, Vol. V, p. 2439.

Moreover, it afforded an immediate and powerful support to the inland trade of the country.

The original authorizations for the Bank's establishment show no intention by the State to include any privilege for it to operate monopolistically.

"It [the Bank] was authorized to deal in bullion and bills, to issue notes, and to make advances on merchandise." — *Dictionary of Political Economy*, by R. H. Ingalls Palgrave (Ed'n., 1901), Vol. I, p. 92.

"There is no doubt that the intention from the commencement was that the Bank should do an ordinary banking business, that is to say, that it should receive deposits and create a credit currency.

"The Bank from the first was essentially a bank of issue and not merely of deposit." — *The Pound Sterling*, by A. E. Feaveryear, Oxford University Press; Humphrey Mulford, 1931, p. 85.

Our only concern here with the Recoinage of 1696-97-98 is to observe that during this eventful time the Bank continued its original practice of inflating the currency, and, until after 1698, made almost negligible advances to ordinary commercial business — *See Feaveryear*, Op. cited, p. 133.

Statism in England's Banking

Strong opposition to chartering the Bank prevailed. Despite opponents' strong but losing fight against starting a Joint Stock bank, no record appears of their having contended for a limitation in the number of such institutions. No measure of 1694 contains an expressed or implied intention to withhold from others a charter for a Joint Stock bank. There was no movement to restrict the number of partners in an unincorporated bank of issue. These facts lend interest to certain history beginning a few years after 1694.

The Pound Sterling, here greatly relied upon, shows on page 155 that only three years after the Bank was founded the State began participating in the banking business by undertaking to give to the Bank a monopoly in operating as a bank of issue. For this purpose an act was passed in 1697. This was supplemented by a clause in an act of 1708, and this clause was repeated in 1716. These two were combined in an act of 1742.

"The value ascribed to the power of issuing notes led to the act of 1708, which restricted the number of partners in banks of issue, and virtually in all banks, to a number not exceeding six during the continuance of the Bank of England. This restriction lasted to the year 1826, when the establishment of joint-stock banks of issue was permitted; it was further modified by the act of 1862, which allowed private partnerships, not being banks of issue, to have ten members. . . . The main object of the early legislation was to secure a monopoly of issue to the Bank of England. Incidentally, it has served to prevent English banking from taking its proper development."—*Palgrave, Op. and Vol. cited, p. 93.*

On page 152 of his work cited, Mr. Feaveryear said:

"Burke's oft-quoted remark is certainly true, that when he came to England in 1750 there were not 12 bankers' shops outside London. By the year 1793 there were nearly 400."

By 1760 the increase was considerable and the Bank's operations as a monopoly, continuing, were inducing most of these new concerns to lean upon it for assistance.

In the years intervening until 1797, many incidents arose which, in passing, it must be said, served to show that private firms depended on this "great engine of State."* Throughout this time, Statism prevented other banks from developing into concerns which, in national financial crises, would be able to cooperate with the Bank instead of having to operate on a different level.

This year, marking the close of the first century of England's pronounced statism in banking, marks also the first occasion of the State's forbidding the Bank's redemption of its notes in metallic coin. The resumption of such a practice did not take place until 1821.

Certain things additional to the community's departure from the path of honor seem worthy of note. Both the State and the Bank subordinated moral principle to the ends desired. During the year when this breach of faith called the Bank Restriction was committed the Bank's directors offered to resume cash payments, and through the next year or two expressed their readiness to do so; but they wished to avoid such a step if the State should consider it to be inexpedient. In 1817, Parliament desiring resumption, found the Bank wavering back and forth on the matter, and resumption came only in 1821, when, after four years, the Bank's directors thought resumption would be expedient.—See *"The Bank Restriction,"* by Henry Adams, *Essays*, pp. 189-190, and *Feaveryear*, Op. cited, pp. 177-178, and 229.

We cannot doubt the gravity of the crisis of 1797, the fourth year after France had declared war on England; but, in monetary affairs, one thing which the war had not induced did great harm. The artificial banking reported on here caused the small group who managed the monopoly, the Bank, to become so isolated as to have the entire weight of meeting the State's bank needs, the result being that, during the years immediately preceding 1797, and at that time, this institution could not command a sympathetic understanding of its difficulties. Still worse, the bankers, especially, and businessmen, generally, were likely to misinterpret a refusal to accommodate the Treasury and thus to become so alarmed as to precipitate greater monetary troubles.

Above, mentioned was the permission made in 1826 for establishing Joint Stock banks additional to the Bank of England. Some necessary supplemental legislation to this end was passed in 1833.—*Feaveryear*, Op. cited, pp. 224, 233 and 235. Despite certain unfair restrictions put upon them for the benefit of the Bank, as is well known, these additional Joint Stock banks added immensely to England's banking facilities.

Some Observations by the Lamented Walter Bagehot

Mr. Bagehot presented his useful study of England's banking in 1874, the second year of the seven when the great William Ewart Gladstone was Chancellor of the Exchequer. For the past 81 years *Lombard Street* has endured because of its great merit. The following observations by its distinguished author should broaden our reflections on what, up to this point, has been gathered into this little paper.

"On the wisdom of that one joint-stock company, the Bank of England, it depends whether *England shall be solvent or insolvent*. This may seem too strong, but it is not. All banks depend on the Bank of England and all merchants depend on some banker."—*P. 36.*

"We are so accustomed to a system of banking, depending for its cardinal function on a single bank, that we can hardly conceive of any other. But the natural system — that which would have sprung up if Government had let banking alone—is that of many banks of equal size. In all other trades competition brings the traders to a rough approximate equality. . . . A republic with many competitors of a size or sizes suitable to the business is the constitution of every trade, if left to itself, and of banking as much as any other. A monarchy in any trade is a sign of some anomalous advantage and of some intervention from without."—*P. 69.*

". . . Our one reserve is, by the necessity of its nature, given over to *one* board of directors, and we are therefore dependent on the wisdom of that one only; and cannot, as in most trades, strike an average of the wisdom and the folly, the discretion and the indiscretion of many competitors. . . .

". . . For a long period, it [the Bank] was in wholesome dread of public opinion, and the necessity of maintaining public confidence made it cautious. But the English Government removed that necessity. In 1797, Mr. Pitt . . . required the Bank not to pay in cash. He removed the preservative apprehension which is the best security of all banks."—*P. 110.*

The Chancellor of the Exchequer "is, on finance, the natural exponent of public opinion of England. And it is by that opinion that we wish the Bank of England to be guided. Under a natural system of banking we should have relied on self-interest but the State prevented that; we now rely only on opinion instead; the public opinion is a reward, its disapproval, a severe penalty on the Bank's directors; and of these it is most important that the Financial Minister should be a sound and felicitous exponent."—*P. 114.*

Some Observations on the Eventful Summer and Fall of 1914

The alarm of World War I sounded upon the assassination of Archduke Francis Ferdinand and his consort at Sarajevo, June 28, 1914.

On July 30 in London a financial panic began. The last London stock exchange to close did so on July 31. On Aug. 3 a moratorium was decreed. It was to expire at the end of one month, but by subsequent legislation was extended to Nov. 4.

Perhaps here we should look at the definition of *moratorium*. In his *War and Lombard Street* (John Murray, Publisher, 1918) on page 4, the author, Mr. Hartley Withers wrote:

"A moratorium may be defined as an arrangement under which it is legally enacted that creditors cannot for a certain specified time claim payment of what is due them. It postpones the dates on which debts have to be met. It may be general or special."

The moratorium mentioned was entitled "General Moratorium." The Act effecting this was cited as the "Postponement of Payments Act, 1914." It suspended principally payment of Bills of Exchange and thus temporarily relieved those who were liable for their payment. Subsequent legislation specially exempted from its provisions a large variety of debts, although it added all negotiable instruments, and extended the moratorium from the original time of 30 days to Nov. 4.—*See op. cited, Appendices B and E.*

Mr. Feaveryear, on page 301 of his *The Pound Sterling*, seems correctly to have interpreted the statutes when he described the plan of the moratorium as one "which left one-half of the people's debts enforceable while payment of the others could be postponed." At this point he expressed doubt as to the good done by these postponing measures and by those of the other important countries, the latter having followed the great "John Bull's" example. On page 53 of his book afore-mentioned, Mr. Withers said:

"All over the world the bill on England is well known and welcome chiefly owing to England's mighty world-wide trade and the fact that a claim on London can always be turned into gold except when we have a moratorium, which has only happened once, and then it was not necessary."

The late J. Laurence Laughlin believed there was no reason for the moratorium. — See *Credit of the Nations*, by J. Laurence Laughlin (Charles Scribner's Sons, 1918), *p. 91.*

The heavy price of England's unnatural banking system, whose defects were shown by Mr. Bagehot 41 years before World War I, was paid in the summer of 1914. In his work mentioned, Chapter III, Mr. Laughlin said that the banks other than the Bank were scared, and that, without employing the constructive measures possible, they turned to the Bank and to the State.

As Bagehot had seen, the public could not "strike an average of the wisdom and the folly, the discretion and the indiscretion of many competitors." Proven was his statement: "We are therefore dependent on the wisdom of that one [board of directors] only."

Chance afforded the writer the following related somewhat revealing experience. When reading in Appendix II of *Lombard Street and the War*, p. 152, he happened upon a portion of a statement of the Treasury, published Sept. 5, 1914 concerning advances to acceptors by the Bank of England, etc. The sentence containing this portion is:

"To ascertain the causes and to find a remedy for the difficulties in obtaining international exchange the Chancellor of the Exchequer consulted a large number of leading traders, members of accepting houses, and bankers."

How can one resist turning that around to mean that the bankers and many businessmen not only put their burden in the lap of the Bank, but that they rushed also to the State itself. Surely, this time, Bagehot's view as to the English people's reliance on opinion was sustained. Soon fallacious thinking that more "money" instead of a rational policy of credit was needed had its ugly effect.

Here was a degrading spectacle of seasoned bankers and other trained businessmen. The sight was of these men, accustomed to great self-reliance on momentous occasions in their usual dealings, surrendering their independence at a cost to the whole world which, even yet, almost defies measurement.

From this and other causes the issue of Paper currency by the State took place. Such temporary help as may have been afforded by that of the first issue was totally eclipsed by the rapidly developed policy of the State to cause Currency Notes, paper without a reserve or support, to supplant, largely, Bank of England notes, which, as we know, had a reserve; and thus to employ and ancient and wretched method of forcing loans. In his work previously cited, Mr. Laughlin, P. 99, said the English credit system did not need more money.

Sometimes a single word may be revealing, even though not emphasized where it appears. Consider the word "coin" as used in the following passage from the Currency and Bank Notes Act, 1914, (4 & 5 Geo. 5):

"(5) Currency notes under this Act shall be deemed to be . . . current coin of the realm for the purpose of the Acts relating to truck and any like enactment." — Appendix, *War and Lombard Street*, p. 155.

In his work cited, on page 306, Mr. Feaveryear said:

"There was no definite abandonment of the gold standard, no stoppage of payment, while the war was in progress. The effectiveness of the link with gold was destroyed insiduously, and few people realized at first what was happening."

On his page 319, Mr. Feaveryear reported that, in 1918, anticipating the war's close, the powerful Cunliffe Committee said that the convertibility of the note should be maintained, but every effort should be made to prevent gold from circulating. For accuracy's sake, the reader is reminded of a provision (3) A — The Currency and Bank Notes Act, 1914 (4 & 5 Geo. 5). This reads:

"The holder of a currency note shall be entitled to obtain on demand, during office hours at the Bank of England, payment for the note at its face value in gold coin which is for the time being legal tender in the United Kingdom."—*War and Lombard Street*, author previously cited, Appendix III, p. 155.

In his work cited, on page 304, Feaveryear shows that a controlling sentiment was developed to prevent virtually the conversion of Currency Notes.

A most significant happening was the complete blindness to a certain single moral responsibility which was suffered by the banks, the Bank, and the State. Among all of the numerous explanations of forsaking the path of honor in that memorable first year of World War I nothing like general regret appears over the actual, though not formalized, stoppage of paying money—gold coin, that is—at a time when it has been shown to have been unnecessary. Certainly, this attitude could not have been recalled with pride either in 1925 or in 1928-31 when re-entrance to this path was tried unsuccessfully.

It is sad to realize that this once greatest of all banking communities suffers from having ignored the following advice from their wise Walter Bagehot:

"Those who live under a great and firm system of credit must consider that if they break up that one they will never see another, for it will take years upon years to make a successor to it." —*Op. cited, p. 71.*

The moratorium's effects amount to a great monument to gross statism, which, beginning when the Bank was three years old, deprived the British of a natural system of banking, and on at least two great occasions caused the banks and businessmen to appear as helpless dependents on the Bank and the State. The evil was vigorous, for it showed great strength as the 18th Century drew to a close and as its successor began. Yet, when a decade and a half of the 20th Century had passed, this force gave a blow to the Isles, a re-

*The Wealth of Nations, by Adam Smith (Collier) Vol. I, P. 441, B'k II.

covery from which, up to the present time, has not been indicated in any way. A recent shocking consequence for "The Old Lady of Threadneedle Street" was her transformation from a bank proudly boasting private ownership for two and a half centuries to a bank owned by the State.

Mr. Feaveryear ventures to offer as his personal opinion that without another cause than repudiation, Great Britain would have lost, as she did after such refusal to pay, her powerful and, in most particulars, beneficial control of her greatest dependencies. Mr. Bagehot defined credit as "the disposition of one man to trust another."—*Op. cited, p. 120.*

Conclusion

We should reappraise our present banking policies; and a big help in doing this would be a study of England's experience. Without doubt, this showed that the reasoning as to banking relations to the State should be identical with that which, as to all other businesses, until recently, was approved widely.

Let us not be contented because the older country's great misfortune was more than two centuries in coming. During about 32 years of its approximately 42 years of life our Federal Reserve System's dominance over our banks and businesses has been far greater than was that of the Bank of England over England's banks and businesses during many, many years preceding 1914. Through such tracing of the older history as has been done here we see contentment over certain monetary affairs throughout a very long time in the place of the disquiet which would have arisen from reliance on self-interest.

For the sake of our future let us immediately apply the remedy outlined in the first part of this article.

Continued from first page

As We See It

discerned somewhere in the price structure, but most of the warnings about "inflation" at present make slight, if any, reference to prices.

Inflation Rampant

The fact of the matter is that inflation is present—we had almost said rampant—and has been in this country since the New Deal got under way in the 'Thirties. The vast over-expansion of bank credit which results in greatly swollen bank deposits and currency in circulation is the essence of inflation, and that we have had with us for a long, long while past. Rising prices has tended to "soak up" some of it, so that that part of it has actually registered itself in a form which is commonly termed inflation, but the process has continued through thick and thin, while prices were rising and when prices were not rising, when the volume of business was increasing and when it was not increasing. A look at this record of persistent inflation quickly reveals the puny nature of what is now being done to "check inflation."

Let us take a look at that record. Total loans of all commercial banks stood at about $26 billion when the war was over in 1945. No year has elapsed since that time when there was not an increase in this figure. At the end of last year it stood at more than $70 billion. Commercial bank investment in corporate bonds totaled some $7.3 billion at the end of 1945. It has grown in each and every year since that date, and closed last year over $16 billion. Variation in the holdings of government obligations, which still account for a very large part of the earning assets of commercial banks, caused some slight fluctuation in the total volume of loans and investments from year to year, but the trend in this figure, too, is definitely upward, and by the end of last year stood at over $155 billion against $124 billion at the end of the war or, in this instance, $114 billion at the end of 1946 when the Treasury had retired an enormous volume of debt carried during the war against an emergency.

The story is equally as impressive when we turn to that much quoted figure, total "money supply." This amount, too, was naturally, not to say inevitably, affected by the action of the Treasury in "cleaning up" its war position. But when that was over, the total of deposits and currency outside the banks stood at about $167.5 billion. It has not failed to increase in any year since then. In 1954 the rise was almost $10 billion, an increase which was approached (but not greatly surpassed) only in the year 1952. At the end of last year the figure stood at upwards of $215 billion. Less than $2 billion of this increase was due to enlargement of the deposits of the Federal government. It may be of some interest to observe that the total money supply of the country was less than $55 billion at the end of 1929.

Other Figures, Too

Certain other figures are in point. The gross public debt of the Federal government has increased some $20 billion since the fighting in World War II ended and the early postwar readjustment of the position of the Treasury was completed. These are, of course, merely the formal obligations of the Treasury. Various contingent debts, insurance contracts and the like, are difficult to estimate, while the present value of the government's assumed liabilities under the social security program run to about as much as the formal debt.

Such facts as these, we submit, supply a much better measure of "inflation"—if that overworked word is to have any specific meaning—than any price index. This continuous increase in credit and in "money supply" is the more significant when it is compared with a fluctuating volume of output (with price changes eliminated). Here, of course, we find no continuous rise, but rather a very appreciable variation from year to year — a fact which seems to do injury to the rather naive notion of increases in money supply to match the "growth" of the economy of the country.

The cold fact is that we have been living in an inflationary economy, or in one which was definitely affected by past inflationary activity, for at least two decades. Moreover, the steps now taken can be shown to be picayune. The recent small increase in the rediscount rate leaves the cost of borrowing at the Reserve banks far, far below the rates at which banks lend to their customers—and less, for that matter than they can obtain on many types of investment. The new "prime rate," so-called, would during the most of our history have been regarded as very, very low. There has been a great deal of talk lately about firmness in the bond market. Yields, of course, have improved, but remember that in 1929, for example, triple A bonds yielded around 4.75%, or nearly that. And so it is throughout all these areas. Let no one suppose that any real tightness has yet developed in the money market.

J. H. Kaplan to Admit Two New Partners

Joseph R. Lasser

(Special to THE FINANCIAL CHRONICLE)

John H. Kaplan & Co., 60 Beaver Street, New York City, members of the New York Stock Exchange have admitted Joseph R. Lasser and Carlyn Ring to partnership.

Joins Waddell & Reed

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif.—Howard T. Snedicor has become associated with Waddell & Reed, Inc., 2544 Fifth Avenue. Mr. Snedicor, who has been in the investment business for many years, was previously with J. W. Malmberg & Co. and Fairman & Co.

Joins Powell Johnson

(Special to THE FINANCIAL CHRONICLE)

PASADENA, Calif.—Douglas S. Powers is now connected with Powell, Johnson & Powell, Security Building.

Cunningham Cleland Adds

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif.—Frans ter Horst has joined the staff of Cunningham-Cleland Company, Orepheum Theatre Buillding. Mr. ter Horst was previously with J. W. Malmberg & Co.

With Hannaford Talbot

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — James R. Zuur is now connected with Hannaford & Talbot, 519 California Street.

With Mutual Fund Assoc.

(Special to THE FINANCIAL CHRONICLE)

OAKLAND, Calif.—Edward O. Beine has become affiliated with Mutual Fund Associates, 1736 Franklin Street.

First Calif. Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

PASADENA, Calif. — David B. Earhart has become associated with First California Company, 112 South Los Robles Avenue. He was previously with J. Logan & Co.

Reinholdt Gardner Adds

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—John F. Koch is now with Reinholdt & Gardner, 400 Locust Street, members of the New York and Midwest Stock Exchanges.

Norris & Kenly Add

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill.—Adour E. Anderson is now connected with Norris & Kenly, 209 South La Salle Street, members of the New York and Midwest Stock Exchanges.

Bank and Insurance Stocks

By ARTHUR B. WALLACE

This Week—Insurance Stocks

One of the ways in which strong movements in the securities markets affect fire and casualty insurance stocks is in the impact they have on an insurance company's exposure. The degree of exposure of a company lies in the relationship of its unearned premium reserve to its capital funds, or, as designated in the industry, the policyholders' surplus. The item of unearned premium reserve is, of course, a liability. When a policy is taken out the premium must go into a reserve, as the policyholder at any time may, at his option, cancel the policy and be paid off for the unexpired time for which he originally bought the coverage.

Under conditions of relatively quiet securities markets the principal influence on the ratio of unearned premium reserve to capital funds is the avidity with which the management of a company goes after business. Some managements seek volume of business, at times at the expense of quality of writings. Others are "choosy" about the risks that they cover, and hence write less business and assume less exposure. One advantage of the latter course is to be in a position to expand the volume of writings if management deems it to be prudent to increase writings. Another is to be in a more secure position if the general economy experiences depression, and such factors as the "moral hazard" come into play to plague the companies. On the other hand, the company that seeks volume, while it profits during favorable economic conditions, does assume increased exposure when business developments become adverse.

With one factor in the unearned premium reserve, capital funds ratio being capital funds, it is obvious that a strong securities market, increasing the market values of the company's holdings, will bolster surplus account correspondingly and affect the ratio favorably. It will, in other words, lessen the company's exposure. The accompanying table (based on consolidated data where fleets are involved) brings this out very clearly, for a comparison with one year earlier has been made, a time when general market securities values were a long way below the 1954 year-end prices.

It is to be noted that the 1954 ratio of the most outstanding adherent of a high grade bond portfolio in this list is 7½% less exposed than a year earlier. The company with perhaps the largest stake in "blue chip" equities has seen a 24½% improvement in its exposure. To be sure, other factors are present in the shift, particularly among multiple-line casualty companies; but the big moves in the types of equities that are favored by the common stock followers among these units have been the outstanding influence in this change in exposure.

RATIO OF UNEARNED PREMIUM RESERVE: CAPITAL FUNDS

	12/31/53	12/31/54
Aetna Casualty	1.10:1	0.85:1
Aetna Insurance	1.31:1	1.14:1
Agricultural	1.03:1	0.81:1
American Insurance	1.21:1	0.90.1
American Re Insurance	0.56:1	0.70:1
American Surety	1.08:1	0.97:1
Bankers & Shippers	1.22:1	0.90:1
Boston Insurance	0.79:1	0.62:1
Continental Casualty	0.76:1	0.63:1
Continental Insurance	0.35:1	0.26:1
Federal Insurance	0.53:1	0.42:1
Fidelity & Deposit	0.54:1	0.47:1
Fidelity Phenix	0.29:1	0.20:1
Fire Association	1.11:1	0.72:1
Fireman's Fund	0.81:1	0.57:1
Firemen's Insurance	1.01:1	0.65:1
Glens Falls	0.99:1	0.78:1
Great American	0.65:1	0.45:1
Hanover Fire	1.28:1	0.98:1
Hartford Fire	0.74:1	0.56:1
Home Insurance	1.04:1	0.79:1
Insurance Co. N. Amer.	0.49:1	0.37:1
Massachusetts Bonding	0.94:1	0.80:1
National Fire	1.26:1	1.03:1
National Union	1.59:1	0.99:1
New Hampshire	1.05:1	0.84:1
Northern Insurance	1.39:1	1.08:1
North River	0.67:1	0.54:1
Pacific Fire	0.99:1	0.73:1
Phoenix Insurance	0.50:1	0.40:1
Providence Washington	1.58:1	1.66:1
St. Paul Fire	0.53:1	0.49:1
Seaboard Surety	0.53:1	0.44:1
Security Insurance	1.26:1	1.03:1
Springfield	1.12:1	0.85:1
U. S. Fid. & Sty.	1.26:1	1.08:1
United States Fire	0.76:1	0.63:1
Westchester	0.74:1	0.59:1

Firm Name to Be Ranson & Company

WICHITA, Kans. — Effective Aug. 15, the firm name of The Ranson-Davidson Co., Incorporated, Beacon Building, will be changed to Ranson & Company, Inc. The firm maintains branch offices in San Antonio and McAllen, Texas.

F. I. du Pont to Admit H. A. Rousselot

On Sept. 1, Harold A. Rousselot will become a partner in Francis I. du Pont & Co., 1 Wall Street, New York City, members of the New York Stock Exchange. Mr. Rousselot will retire from partnership in Orvis Brothers & Co. Aug. 31.

With Quincy Cass

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Daniel F. Gallivan is now connected with Quincy Cass Associates, 523 West Sixth Street, members of the Los Angeles Stock Exchange.

Two Join Harris Upham

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Edward H. Van Cott and William D. Rains have become associated with Harris, Upham & Co., 523 West Sixth Street. Mr. Van Cott was formerly with Daniel Reeves & Co. and Crowell Weeden & Co. Mr. Rains was with J. A. Hogle & Co.

W. H. Crowell Elected Governor of IBA

LOS ANGELES, Calif.—Warren H. Crowell, partner in the investment banking firm of Crowell, Weedon & Co., Los Angeles, has been elected to a three-year term on the Board of Governors of the Investment Bankers Association of America, according to an announcement by D. H. McCarthy, Secretary-Treasurer of the California Group. Mr. Crowell's term will become effective at the close of the National Convention to be held in November of this year.

Warren H. Crowell

Other members of the Board of Governors of the National Association from California include Lester H. Empey, American Trust Company, San Francisco, J. Earle Jardine, Jr., William R. Staats & Co., Los Angeles and Eaton Taylor, Dean Witter & Co., San Francisco.

Mr. Crowell, a native Californian, is well-known in California investment banking circles. He is a graduate of the University of California at Los Angeles and a past President of the U.C.L.A. Alumni Association.

He, together with George W. Weedon, formed the investment banking firm bearing their names in 1932. Since that time, he has served on various committees in the investment banking field and is a former Vice-Chairman of the NASSD and a past Chairman of the Board of Governors of the Los Angeles Stock Exchange. He is a director of Seaboard Finance Corporation and the New Idria Mining and Chemical Company.

Saunders, Stiver Co. Appoints Officials

CLEVELAND, Ohio — A. J. Stiver, President of Saunders, Stiver & Co., Terminal Tower, announces the appointment of Jack O. Doerge to Executive Vice-President. Mr. Doerge has been a partner and Vice-President in Charge of Sales since 1951. He is a member of the Cleveland Bond Club and the Cleveland Security Traders Association.

Mr. Stiver also announces the appointment of William H. Stanley to Vice-President and Sales Manager of Saunders, Stiver & Co. Mr. Stanley was formerly Assistant Vice-President. He is a member of the Cleveland Bond Club and the Cleveland Propeller Club.

Two With Coombs

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Norman P. Greene and Oscar H. Wilson have become connected with Coombs and Company, 602 West Sixth Street.

F. I. Du Pont Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — John Bohls is now affiliated with Francis I. du Pont & Co., 677 South Figueroa Street.

With Samuel B. Franklin

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Morris M. Blumenthal and Bertram I. Hackel have become associated with Samuel B. Franklin & Company, 215 West Seventh Street.

Joins L. A. Love

(Special to THE FINANCIAL CHRONICLE)

MENLO PARK, Calif.—Merrill M. Vanderpool is now with Louis A. Love, Co.

Our Reporter on Governments

By JOHN T. CHIPPENDALE, JR.

The government bond market appears to have been pretty well prepared for the increase in the rediscount rate, and the upping of the "prime bank rate." It is not unusual that the good or bad news is fully discounted by markets when it finally comes out. Whether the longer government bonds have made a bottom already is purely a matter of guesswork and future records. However, it is the belief of quite a few followers of the money market that investors should be looking for a bottom in these obligations. This will most likely be carried out by putting orders in under the market for specific maturities, with certain of the intermediate and longer terms being watched most closely at this time.

The seasonal demand for money and credit is very sizable and this, along with the pressure which is being kept on the money markets by the powers that be, is keeping interest rates on the firm side. Short-term rates, as expressed by the yield on Treasury bills, reflects the tight money picture.

Recent Rate Increases Analyzed

The long awaited and much expected rise in the rediscount rate finally came along, even though the timing of the change in the charge which the Central Banks make of the member banks for borrowings on eligible collateral was not entirely anticipated. The upward swing in the yield on Treasury bills to levels above the then existing rediscount rate, along with the steady and consistent increase in rates paid on commercial paper which also carried the return on this type of short-term collateral above the rediscount rate then in effect, made an increase in the rediscount rate purely a matter of time. The credit-limiting policies of the monetary authorities made an increase in the rediscount rate very imminent, because the other rates in the money market had gotten out of line with the borrowing rate at the Federal Reserve Banks.

The rise in the "prime bank rate" was not fully expected at this time either, in spite of the seasonal upswing in loans which is getting underway about a month earlier than was the case in 1954. It was evident that an increase was in the making for the "prime bank rate" when the banks pushed up the rate of interest on brokers' loans from 3% to 3¼%. The hike in the "call loan" rate, which applies to brokers' and dealers' and borrowings for their own account or against securities held for customers margin buying, indicated that the "prime bank rate" would not be held too long at the 3% area since the "call loan" rate and the "prime bank rate" have traditionally remained at the same level.

Tight Money Policy

The increase in the rediscount rate from 1¾% to 2% in most instances, and the increase from 1¾% to 2¼% by the Cleveland Central Bank, indicates the monetary authorities are going to keep credit tight and make it more costly for borrowers to get funds. The financing of the needs of business and the farmers as well as the fall and Christmas trade will tend to keep the money markets tight.

However, it is not expected that the monetary authorities will let the money markets get too much on the defensive, since it is believed by not a few money market specialists that the hardening process will not be carried too much further, unless inflationary tendencies become much more pronounced than they are now.

Price Enhancement on Bonds Anticipated

The government bond market has been on the defensive for quite some time and it is believed in some quarters that the change in the rediscount rate and the upping of the various other rates by the deposit banks has been pretty well taken into consideration. Quotations have been going down in an orderly fashion, even though at times some of the price declines for these securities have been fairly sharp. The thinness of the market, along with a rather sizable amount of "professional operations," has been mainly responsible for the occasional wide price gyrations which have taken place. To be sure, sight must not be lost of the fact that the really important buyer of government securities, the institutional investor, has not been in the government market for a long period of time. It is not expected that there will be any sudden change in the attitude of the large investors toward government securities.

However, it would not take too much more of an adjustment in prices of Treasury obligations, in the opinion of certain money market specialists, before the demand will be picking up in selected maturities of the governments. The 2½% bonds are among the ones being looked at in certain quarters, since the prospects of price appreciation appear to be better in these bonds.

Shearson, Hammill Adds

(Special to THE FINANCIAL CHRONICLE)

HARTFORD, Conn.—Mrs. Mary C. Dower has joined the staff of Shearson, Hammill & Co., 9 Lewis Street.

With Sheffield & Co.

(Special to THE FINANCIAL CHRONICLE)

NEW LONDON, Conn. William C. Petty has become affiliated with Sheffield & Company, 325 State Street.

With Renyx, Field

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — William N. Lyons has become affiliated with Renyx, Field & Co., Inc.

Joins A. G. Edwards Staff

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — Frank C. Stiers is now with A. G. Edwards & Sons, 400 North Eighth Street, members of the New York and Midwest Stock Exchanges.

With J. Vander Moere

(Special to THE FINANCIAL CHRONICLE)

GRAND RAPIDS, Mich.—Henry Cassee has been added to the staff of J. Vander Moere & Co., Peoples National Bank Building.

With Federated Mgmt.

(Special to THE FINANCIAL CHRONICLE)

WORCESTSER, Mass.—Philip Savy is now with Federated Management Corporation, 21 Elm St.

Continued from page 4

The State of Trade and Industry

dropped almost 13% during Aug. 1-6 as key producers Dodge, GMC and Chevrolet lowered their programs.

Canadian car and truck manufacture plunged almost 48% the past week due to reduced slates at Chrysler and Ford of Canada, plus General Motors shutdown for two weeks annual leave. Hudson, Nash and Studebaker and International plants in Canada were also shut down for vacation last week, but these facilities were set for normal operation on Monday, Aug. 8.

Steel Operation Scheduled at 90.8% of Capacity This Week

This year's steel business is practically wrapped up, says "Steel," the metalworking weekly, the current week. Order books for some products have been closed for the rest of 1955 by some producers and on other products, some steel mills have only six weeks of space left.

Proof of the strength of demand is a couple of price increases. Phoenix Iron & Steel Co., Phoenixville, Pa., raised standard and wide flange structural sections above its competitors' prices, while Central Iron & Steel Co. of Harrisburg, Pa., did likewise on carbon plates. Both companies, subsidiaries of Barium Steel Corp., sell below their competitors' prices when business is soft and above when it is strong, this trade journal notes.

The construction industry is the big customer of the products of Phoenix and Central and that industry is booming. The American Institute of Steel Construction reports June bookings of orders for fabricated structural steel were the highest since those of April, 1951, when the Korean war was a strong stimulant. And orders still are rolling in, continues this trade weekly, such as the two new plants for the Fisher Body Division of General Motors Corp. The orders for these plants are equivalent to about 20% of one month's bookings in the fabricated structural steel industry.

Steel producers, comments "Steel," are not afraid of the future. They're charting expansions. One of the industries counted on as a growing outlet for steel is air conditioning. National Steel Corp. of Pittsburgh, says that by 1960, air conditioning will be in half of all new homes in the United States, in one-fourth of all new automobiles, buses, office buildings and in most hospitals. More than 200 industries use air conditioning for almost as many reasons, it states.

Prices are still climbing. The increases by Phoenix and Central pushed "Steel's" price composite on finished steel up to $127.41 a net ton, a 77-cent rise. Also up is "Steel's" price composite on steelmaking scrap to $42.83 a gross ton, highest since August, 1953.

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 verage of 90.8% of capacity for the week beginning Aug. 8, 1955, equivalent to 2,192,000 tons of ingots and steel for castings as compared with 86.9% (revised) and 2,098,000 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 91.2% and production 2,202,000 tons. A year go the actual weekly production was placed at 1,525,000 tons, or 64.0%. 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 Scores a New All-Time High Record For the Fourth Consecutive Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Aug. 6, 1955, was estimated at 10,925,000,000 kwh., a new all-time high record for the fourth consecutive week. The previous high levei at 10,727,000,000 kwh. was attained in the preceding week, according to the Edison Electric Institute.

This week's output advanced 198,000,000 kwh. above that of the previous week, when the actual output stood at 10,727,000,000 kwh. It increased 1,866,000,000 kwh., or 20.6% above the comparable 1954 week and 2,461,000,000 kwh. over the like week in 1953.

Car Loadings Rise 1.2% Above Previous Week and 16.4% Over Like Week in 1954

Loadings of revenue freight for the week ended July 30, 1955, increased 9,338 cars or 1.2% above the preceding week, according to the Association of American Railroads.

Loadings for the week ended July 30, 1955, totaled 795,771 cars, an increase of 112,154 cars, or 16.4% above the corresponding 1954 week, and an increase of 2,017 cars, or 0.3% above the corresponding week in 1953.

U. S. Automotive Output Last Week Dropped 11% Due To Changeover Operations and Heat Losses

The automotive industry for the latest week, ended Aug. 5, 1955, according to "Ward's Automotive Reports," assembled an estimated 144,569 cars, compared with 161,370 (revised) in the previous week. The past week's production total of cars and trucks amounted to 167,384 units, or a decrease of 20,122 units below that of the preceding week. It was about 11% under the preceding week due to changeover operations and heat losses. A total of 120,937 units was reported for the same week a year ago, states "Ward's."

Last week's car output fell below that of the previous week by 16,801 cars, while truck output declined by 3,321 vehicles during the week. In the corresponding week last year 105,421 cars and 15,516 trucks were assembled.

Last week the agency reported there were 22,815 trucks made in the United States. This compared with 26,136 in the previous week and 15,516 a year ago.

Canadian output last week was placed at 5,380 cars and 1,017 trucks. In the previous week Dominion plants built 10,095 cars and 2,187 trucks, and for the comparable 1954 week 2,937 cars and 294 trucks.

Business Failures Hold to Upward Trend In Latest Week

Commercial and industrial failures rose to 213 in the week ended Aug. 4 from 201 in the preceding week, according to Dun & Bradstreet, Inc. Although failures exceeded slightly the 207 which occurred a year ago and the 195 in 1953, they continued 23% below the prewar toll of 277 in the comparable week of 1939.

Failures involving liabilities of $5,000 or more edged up to 175 from 160 last week, but they were not as high as in the similar week of 1954 when 184 of this size were recorded. While small failures with liabilities under $5,000 dipped to 38 from 41 a week ago, they exceeded their last year's toll of 23. Thirteen of the failing concerns had liabilities of $100,000 or more as compared with 14 in the previous week.

Wholesale Food Price Index Moves Moderately Upward In Past Week

Following the steadying movement of the previous week, the wholesale food price index, compiled by Dun & Bradstreet, Inc., rose moderately to $6.21 on Aug. 2, from $6.17 a week earlier. The current number reflects a drop of 12.5% from $7.10 on the corresponding date last year.

Higher in wholesale cost last week were corn, rye, oats, butter, milk, coffee, tea, cocoa, eggs, raisins and lambs. On the down side were flour, wheat, barley, bellies, lard, potatoes, rice, steers 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 Made Further Slight Advances In Latest Week

There was a further slight strengthening in the general commodity price level the past week. The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., finished at 275.31 on Aug. 2, as compared with 274.80 a week previous, and with 271.37 on the corresponding date last year.

Grain markets were irregular with wheat moving lower for the third successive week. Demand for the bread cereal continued slow as hedging pressure mounted with the start of the Spring wheat harvest in the Northwest. Reports of extensive rust development had little effect on the market.

The Department of Agriculture estimated supplies of wheat for 1955-56 will be slightly more than the record for last season, based on July 1 crop prospects.

Prices for corn were stronger, reflecting concern over the lack of important moisture and the continued hot weather over the belt. Oats were harvested under excellent conditions and the quality of the crop was said to be unusually good.

Trading in grain and soybean futures on the Chicago Board of Trade was less active last week. Daily average sales totalled 40,100,000 bushels against 52,300,000 the previous week and 55,000,000 a year ago.

With the absence of any new price incentives, domestic flour business was small last week. Some inquiry developed for new crop Spring wheat bakery flour but failed to result in bookings as prices sought by mills were well above levels at which most makers and jobbers hoped to buy. Coffee prices were firm most of the week and rose sharply at the close in both the spot and futures markets.

The rise was influenced by reports over the week-end of severe frost in the coffee growing belt in Brazil and fears of heavy damage to the crop if the freeze continues.

Trading in cocoa was more active with prices turning firmer as the week closed. Warehouse stocks of cocoa were reported at 258,229 bags, up from 247,582 a week earlier, and comparing with 115,654 bags a year ago. The raw sugar market remained firm throughout the week, reflecting continuing good demand for granulated from the distributing trade and the expectation of additional refiner covering in spot raws. Lard displayed early strength, reflecting reports of expanding export trade but prices failed to hold as demand slackened following a sharp drop in hog prices, accompanied by a further decline in wholesale fresh pork cuts, attributable to the hot weather.

Following early weakness, cotton values turned upward to register moderate net gains for the week.

The advance reflected buying influenced by Washington advices indicating that there would be no cotton legislation at this session of Congress, that there would be no export subsidy, at least for the next several months, and that present restrictions on CCC selling would be continued.

Reported sales of the staple in the 14 markets were larger and totalled 69,400 bales, against 46,400 bales in the preceding week. The carry-over of cotton in the United States on Aug. 1 was reported at about 11,000,000 bales, the largest in 10 years.

Trade Volume the Past Week Rose to the Highest Level Ever Attained at This Period of the Year

Despite the torrid temperatures in many sections, shoppers spent about as much money in the period ended on Wednesday of last week as during the prior week. The total volume of retail trade was at the highest level ever attained at this time of the year.

If the present sales pace continues, retail merchants will probably chalk up about $15,000,000,000 in sales receipts for August, a new record for the month.

Suburban stores were busier than large city department stores. Resort areas generally enjoyed the largest tourist business on record.

The total dollar volume of retail trade in the week was 5 to 9% higher than a year ago, according to estimates by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1954 levels by the following percentages: New England and Northwest +2 to +6; East +3 to +7; South +4 to +8; Pacific Coast +5 to +9; Southwest +6 to +10 and Midwest +7 to +11.

Housewives continued to spend slightly more in food stores than they did a year ago. Beverages, frozen foods, canned goods and cold cuts were in high seasonal demand.

The activity of buyers in the major wholesale centers quickened noticeably last week. The dollar volume of wholesale trade rose moderately above the previous week's level and remained higher than a year ago.

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended July 30, 1955, advanced 13% from the like period of last year. In the preceding week, July 23, 1955, a rise of 12% was registered from that of the similar period of 1954, while for the four weeks ended July 30, 1955, an increase of 12% was recorded. For the period Jan. 1, 1955 to July 30, 1955, a gain of 7% was registered above that of 1954.

Hot and humid weather finally arrested the forward progress of retail trade in New York last week as sales volume decreased about 5% under that of the comparable week a year ago.

According to the Federal Reserve Board's index, department store sales in New York City for the weekly period ended July 30, 1955 advanced 10% above that of the like period of last year. In the preceding week, July 23, 1955, a rise of 5% was noted from that of the previous week. For the four weeks ended July 30, 1955, an increase of 7% occurred. For the period Jan. 1, 1955, to July 30, 1955, the index recorded a rise of 2% from that of the corresponding period of 1954.

Irving Lundborg Adds

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—William J. Swanson has been added to the staff of Irving Lundborg & Co., 310 Sansome Street, members of the New York and San Francisco Stock Exchanges.

Joins Fahnestock Co.

(Special to The Financial Chronicle)

KALAMAZOO, Mich. — Margaret B. Newhouse has joined the staff of Fahnestock & Co., Peoples National Bank Building. Miss Newhouse was previously with Hulburd, Warren & Chandler.

With Bache & Co.

(Special to The Financial Chronicle)

KANSAS CITY, Mo.—Allen L. Newton has joined the staff of Bache & Co., 1000 Baltimore Avenue. Mr. Newton was previously with B. C. Christopher & Co. and Waddell & Reed, Inc.

Joins Harris, Upham

(Special to The Financial Chronicle)

CHICAGO, Ill. — William H. Wright has become associated with Harris, Upham & Co., 135 South La Salle Street. Mr. Wright was formerly connected with the Los Angeles office of E. F. Hutton & Company.

Continued from first page

Funds Like Motor and Oil Stocks

two major factors—C. I. T. Financial and Commercial Credit.

Buyers about matched sellers in the chemical shares, as earlier in the year; while a bearish outlook carried over on the electrical equipments, aircrafts and textiles. Food shares reflected a shift in opinion from the March quarter and were sold on balance. But a change in sentiment also resulted in a predilection for the agricultural equipments and a nibbling at the tobaccos.

Over-All Retrenchment Negligible

With indicated over-all preference continuing for stocks of a more or less cyclical nature—although some of our economic observers would have us believe that the former classical business cycles are gone with this new "golden era"—little general disposition towards caution seems in evidence. Opinion even is divided on the utilities, and the food shares have also been lightened in portfolios, although not in any volume. Purchase transactions continue at almost the same tempo as during the first three months of the year, maintaining about an equal margin over sales. The companion table indicates that the number of funds increasing their percentage of assets in common stocks and equivalents during the quarter slightly outnumbered those retrenching, although, of course the generally rising market for equities would have necessitated some selling merely to maintain a fixed percentage during the period.

The summary tables show a slight trend toward a more cautious attitude, but scarcely sufficient to be significant. For example, 28 funds increased liquid balances during the period under review, while only 21 upped reserves during the previous three months. Approximately one-quarter lessened these reserves during the current June quarter, one-half drew down these balances in the March quarter (although dividend payments may have been a factor in this difference). The summary of excess of net portfolio purchases or sales might give another clue toward a growing feeling of caution. For example, only eight balanced funds purchased common stocks in excess of sales during the June quarter; during the previous period a dozen funds increased their junior equity holdings. But to grasp the picture fully we must turn to several individual company reports, while at the same time presenting contrasting points of view where the opportunity presents itself.

Notes of Caution

Francis F. Randolph, Chairman of the Board of Tri-Continental Corporation (largest closed-end fund), notes in the June 30 quarterly report to shareholders that "near the end of the second quarter common stock holdings were reduced to about 80% of net investment assets. This moderate reduction was made in view of the extent to which recovery in general business has progressed and the further increase in common stock prices that has taken place. Proceeds from sales were reinvested in bonds and preferred stocks of good quality. It is interesting to note that this shift in holdings was made without sacrifice of current income." In the June 30 report of Broad Street Investing Corporation, (an open-end Fund), of which board he is also chairman, Mr. Randolph further states that ". . . both institutional and public buying interest has centered on the stocks of leading, well-known companies and these have been leaders in the market's advance. As a result, many such stocks are far removed from the bargain counter prices of a few years ago and yields have declined to historically low levels. . . . Common stocks accounted for 87% of net assets on June 30, as compared with 89% three months earlier. This modest reduction in the common stock percentage resulted from the acquisition of senior securities with money received from the sale of new shares rather than from the sale on balance of common stock investments." It is interesting to note how a moderate shift in balance can be accomplished in an open-end fund, whereas a closed-end company like Tri-Continental must as a rule actually sell off some securities as well as make purchases.

Galvin H. Watson, Vice-President, reporting for Arnold Bernhard's Value Line Fund at the half year, declares unequivocally that "although the business outlook is favorable, the stock market in general appears too high. The ratings of normal value developed by the managers reveal that 66% of all stocks are fully priced or overpriced at present. The spread between yields on preferred stocks and common stocks which was three full percentage points in 1949, has been steadily narrowed by the advance in common stock prices until it is less than half a percentage point at present. After-tax yields on the Dow Jones Industrials for the average individual investor are now no better than the return on tax-exempt municipal bonds. . . . The most striking feature of the wide advance has developed between the trend of stocks that are recognized as the market leaders and the stocks of smaller, less well known companies. The divergence has gone so far that "blue chip" or "bank quality" stocks sell in some instances on a yield basis of less than 3%. . . ."

But Distributors Group in a memorandum dated July 28 titled "Blue Chips at a Discount," which discusses the portfolio of the Common Stock Fund of Group Securities, apparently disagrees with the Bernhard interpretation. You don't have to " 'down-grade' to find values and a satisfactory current return" these managers say. Noting that all but two of the issues in this portfolio are considered eligible for purchase for their own account by New York Savings Banks, the memo points out that "as to price, on July 1, the stocks held were selling but one-third above their average 1946 highs, as contrasted with the 112% rise in the D. J. Industrial Average. About 30% of the Fund is represented by stocks actually selling **below** their 1946 highs. Value? Estimated 1955 earnings and dividends are both more than 90% greater than in 1946. . . ." Four groups make up over 40% of the fund's assets as of July 1 this year: Mining, 11.4%; rails, 11.18%; steels, 10.8% and oils, 10.8%.

Other managements to express caution included the Trustees of the Shareholders Trust of Boston —"The stock market as a whole can no longer be regarded as being undervalued in relation to other segments of the economy. . . . A larger proportion of new funds was invested in fixed-income-bearing securities, in conformance with the policy previously reported to shareholders of solidifying the substantial gains recorded in the Trust's investments by the gradual restoration of a more conservatively balanced portfolio." Stein Roe and Farnham Fund's President, Harry H. Hagey, Jr., states in the June 30 report: "The stock market has risen to a level where a great many individual issues are selling at high multiples of earnings, and yields are low even allowing for expected dividend increases. If optimistic expectations are fulfilled, the present level is perhaps warranted, but if economic developments should be disappointing, the market is undoubtedly quite vulnerable." Scudder, Stevens and Clark Fund's James N. White adds a further note of caution "Business . . . is at a point from which the possibility of troublesome maladjustments is increasing and from which the likelihood of much higher earnings except as a result of gradual long term growth is diminishing. These factors in the opinion of your management introduce an element of caution and a modest change toward less emphasis on common stocks."

Opportunity Abroad

One solution to the dilemma presented by present stock prices, gaining more recognition where investment restrictions are no obstacle, is noted by Imrie deVegh in his letter accompanying the deVegh Mutual Fund's June 30 report:

"In recognition of the greater opportunities for growth and lower price-earnings ratios that prevailed abroad, at the end of the quarter more than one-third of net assets was invested outside the United States." Growing interest of other new and established investment companies in worldwide operations point to a trend in the direction of the original British investment trusts of global diversification.

DeVegh Mutual also found some interesting new investments recently which are not too familiar to the investing public, such as Great-West Life Assurance Co. and McLouth Steel. The latter was likewise acquired by Axe-Houghton Fund "A" and General American Investors. Other not too well-known companies purchased during the second quarter of the year were Bowater Paper by Axe-Houghton "A"; Murray Ohio Manufacturing Co. and Riegel Paper Corp. by Axe-Houghton "B"; Gustin-Bacon Manufacturing by George Putnam Fund of Boston; Topp Industries, Inc. by the Value Line Fund; Pioneer Natural Gas by Tri-Continental Corp.; Whitehall Fund, National Investors, Fidelity Fund and George Putnam Fund; Automatic Canteen, the Rowe Corporation, and California Water and Telephone by the Delaware Fund; Western

Light and Telephone by Institutional Foundation Fund; Manufacturers Life Insurance Company of Canada by American European Securities; and Powell River Company, Ltd. by Lehman Corporation.

Oils Most Popular

The oil issues were especially well-liked during the quarter under review by the Scudder Stevens and Clark Common Stock Fund, Selected American Shares and the Knickerbocker Fund. On the other hand, both Dreyfus and Wellington lightened commitments. Socony Mobil Oil was the favorite in the group as it had been for each of the two previous periods. Six funds purchased a total of 20,300 shares, two making new commitments. 21,000 shares were lightened in two other portfolios. Sinclair Oil and Texas Company were the next most popular issues, five purchases of each amounting to 42,400 shares of the former and 7,000 of the latter. In the first quarter of the year Sinclair had shared first ranking position with Socony while Texas Company vied with Royal Dutch for third position. Third ranking most popular oils during the current period, each purchased by four trusts, were Atlantic Refining, Cities Service and Standard of California. Acquisitions of the latter totaled 23,900 shares, of Atlantic Refining 3,200 shares, and of Cities Service, 9,625. Three funds each bought a total of 2,000 shares of Richfield, 24,000 Standard Oil Co. (Indiana) 35,000 Pacific Coal and Oil, and 12,000 Sunray Mid-Continent Oil. Two of the latter were initial commitments while a third purchase represented additions to shares received in the merger. Acquisitions were made of new shares received as a result of the two-for-one split-ups of Pure Oil and Union Oil and Gas "A" and "B." Little concentrated selling was in evidence among the petroleum issues although total transactions almost matched those of the first three months of the year. Three managements sold a total of 10,500 shares of Anderson-Prichard Oil, two completely eliminating this stock from their portfolios. A like number of trusts lightened 14,819 shares of Gulf Oil with one small offsetting purchase of 300 shares. Two investment companies eliminated the old stock of Ohio Oil, while two others lightened a portion of the new shares received in the two-for-one split-up. Two funds also sold the old Mid-Continent Oil stock, offerings totaling 7,500 shares. Opinion was fairly well divided on Standard Oil of New Jersey, seven purchases equaling 17,800 shares offsetting six sales amounting to 11,990; two of the latter represented complete eliminations.

Acquisitions of both General Motors and Chrysler featured the auto and parts division. Buying of the former represented over one-third of the purchase transactions and additions of the latter, 20% of the acquisitions in the group. 95,800 shares of Motors were added to 15 portfolios and

Continued on page 29

Balance Between Cash and Investments of 63 Investment Companies

End of Quarterly Periods March and June, 1955

	Net Cash & Governments Thousands of Dollars —End of— March	June	Net Cash & Governments Per Cent —End of— March	June	Investment Bonds and Preferred Stocks Per Cent * —End of— March	June	Com. Stks. Plus Lower Grade Bonds & Pfds. Per Cent —End of— March	June
Open-End Balanced Funds:								
American Business Shares	7,033	7,060	21.2	21.8	22.2	22.1	56.6	56.1
Axe-Houghton Fund "A"	3,254	3,088	7.4	6.7	29.1	30.9	63.5	62.4
Axe-Houghton Fund "B"	811	1,652	1.8	3.4	24.1	22.2	74.1	74.4
§Boston Fund	2,343	2,541	1.9	1.8	24.8	24.6	73.3	73.6
Commonwealth Investment	6,730	8,690	7.2	8.7	16.7	15.3	76.1	76.0
Diversified Investment Fund, Inc.	1,002	592	1.9	1.0	25.8	25.8	72.3	73.2
Dodge and Cox Fund	338	294	8.5	6.7	22.6	22.9	68.9	70.4
†Dreyfus Fund	315	20	10.4	0.5	None	4.3	89.6	95.2
Eaton & Howard Balanced	8,367	9,135	5.7	5.8	26.0	24.5	68.3	69.7
Fully Administered Fund—Group Securities	898	1,099	12.1	15.4	9.9	9.4	78.0	75.2
General Investors Trust	206	329	6.9	10.4	11.2	12.3	81.9	75.3
Investors Mutual	29,207	23,726	3.8	2.9	27.1	28.1	69.1	69.0
Johnston Mutual Fund	229	259	6.2	6.2	25.6	21.0	68.2	72.8
National Securities—Income	2,076	1,040	4.2	2.0	13.8	12.9	82.0	85.1
§Nation-Wide Securities	3,093	3,467	13.0	13.7	31.9	30.1	55.1	56.2
George Putnam Fund	2,167	1,726	2.1	1.5	25.4	26.6	72.5	71.9
Scudder, Stevens & Clark	1,420	2,478	2.8	4.7	36.3	32.6	60.9	62.7
§Shareholders Trust of Boston	[illegible]	1,040	5.6	6.0	17.9	19.1	76.5	74.9
Stein Roe and Farnham Fund	2,778	2,513	23.0	19.2	26.5	27.0	50.5	53.8
§Value Line Fund	1,632	1,589	15.1	14.8	9.5	9.6	75.4	75.6
Wellington Fund	42,385	43,793	10.1	9.5	21.8	22.0	68.1	68.5
Whitehall Fund	175	243	3.0	3.8	39.9	42.5	57.1	53.7
Wisconsin Fund, Inc.	391	366	4.5	3.8	None	None	95.5	96.2
Open-End Stock Funds:								
Affiliated Fund	8,156	32,248	2.5	9.7	None	None	97.5	90.3
Axe Houghton Stock Fund	292	111	4.6	1.6	21.0	19.4	74.4	79.0
Bowling Green Fund	13	24	2.0	3.3	15.3	17.2	82.7	79.5
Blue Ridge Mutual Fund	1,548	1,589	6.2	6.0	None	None	93.8	94.0
Broad Street Investing	1,113	1,859	1.6	2.4	8.8	10.1	89.6	87.5
§Bullock Fund	3,152	3,230	13.2	12.3	None	0.6	86.8	87.1
Delaware Fund	438	2,365	1.6	7.7	4.7	2.9	93.7	89.4
de Vegh Mutual Fund	1,056	1,113	14.2	11.6	2.5	None	83.3	88.4
Dividend Shares	28,679	29,094	16.5	15.3	0.2	0.3	83.3	84.4
Eaton & Howard Stock	2,923	4,770	7.0	9.9	0.9	None	92.1	90.1
Fidelity Fund	3,862	4,147	2.2	2.1	0.1	3.2	97.7	94.7
Fundamental Investors	5,455	5,583	2.0	1.8	None	None	98.0	98.2
General Capital Corp.	3,663	3,925	19.5	19.4	None	0.4	80.5	80.2
Group Securities—Common Stock Fund	240	604	1.5	3.4	None	None	98.5	96.6
Incorporated Investors	3,739	6,494	1.8	2.9	None	None	98.2	97.1
Institutional Foundation Fund	166	242	3.5	4.3	9.9	11.3	86.6	84.4
Investment Co. of America	3,810	3,686	7.0	5.8	None	None	93.0	94.2
Knickerbocker Fund	1,235	202	8.3	1.4	5.2	5.0	86.5	93.6
Loomis-Sayles Mutual Fund	8,553	9,125	19.6	19.6	23.7	26.2	56.7	54.2
Massachusetts Investors Trust	13,292	12,550	1.6	1.4	None	None	98.4	98.6
Massachusetts Investors Growth Stock	742	884	1.1	1.1	None	None	98.9	98.9
Mutual Investment Fund	630	1,028	10.4	15.2	13.2	13.6	76.4	71.2
National Investors	650	1,095	1.3	2.0	None	None	98.7	98.0
National Securities—Stock	5,008	1,617	4.3	1.3	None	None	95.7	98.7
‡New England Fund	652	518	5.7	4.3	32.1	32.5	62.2	63.2
Scudder, Stevens & Clark Common Stock Fund	170	96	1.9	0.9	None	None	98.1	99.1
Selected American Shares	3,934	2,871	9.6	6.2	None	None	90.4	93.8
Sovereign Investors	9	13	0.6	0.9	2.0	3.6	97.4	95.5
State Street Investment Corporation	23,902	17,108	15.8	10.6	None	0.8	84.2	88.6
Wall Street Investing Corporation	1,201	1,218	19.7	18.8	0.9	None	79.4	81.2
Closed-End Companies:								
Adams Express	3,464	4,190	4.9	5.4	0.5	0.6	94.6	94.0
American European Securities	413	467	3.0	3.1	5.4	4.7	91.6	92.2
American International	932	1,341	3.0	3.9	0.8	1.0	96.2	95.1
General American Investors	6,966	6,384	11.2	10.0	None	None	88.8	90.0
General Public Service	1,237	1,233	6.7	6.2	None	None	93.3	93.8
Lehman Corporation	23,145	16,785	10.6	7.5	None	0.2	89.4	92.3
National Shares Corporation	1,245	3,764	7.2	16.0	1.1	0.8	91.7	83.2
Overseas Securities	62	256	1.6	7.5	None	None	98.4	92.5
Tri-Continental Corporation	160	4,662	0.1	1.8	12.7	14.8	87.2	83.4
¶U. S. & Foreign Securities	10,335	8,937	13.5	6.7	None	None	86.5	93.3

*Investment bonds and preferred stocks: Moody's Aaa through Ba for bonds; Fitch's AAA through BB and approximate equivalents for preferreds. †Formerly Nesbett Fund; flexible fund with current stock policy. ‡Flexible fund with current balanced policy. §March 1955 figures corrected. ¶U. S. and International Securities merged into U. S. & Foreign Securities.

SUMMARY

Changes in Cash Position of 62 Investment Companies

	Plus	Minus	Unchanged	Total
Open-End Companies:				
Balanced Funds	10	7	6	23
Stock Funds	12	7	11	30
Closed-End Companies	6	1	3	10
Totals	28	15	20	63

Changes in Common Stock Holdings of 47 Investment Management Groups

(March 31 — June 30, 1955)

Transactions in which buyers exceed sellers—or sellers exceed buyers—by two or more management groups. Issues which more managements sold than bought are in italics. Numerals in parentheses indicate number of managements making entirely new purchases or completely eliminating the stock from their portfolios.

—Bought— No. of Trusts	No. of Shares		—Sold— No. of Shares	No. of Trusts
		Agricultural Equipment		
6	27,750	Deere and Co.	13,500	3(2)
7	31,600	International Harvester	11,100	1
None	*None*	*Oliver Corporation*	*25,500*	*2(1)*
		Auto and Auto Parts		
10(6)	166,400	Chrysler	None	None
2(2)	5,400	Electric Auto-Lite	None	None
2	900	Ford Motor of Canada, Ltd.	None	None
18(3)	95,800	General Motors	None	None
2	9,200	Rockwell Spring and Axle	None	None
		Aviation		
6(6)	15,100	North American Aviation	23,000	4(2)
6(1)	29,750	United Airlines	3,500	2
1	*1,900*	*American Airlines*	*24,000*	*3*
1(1)	*4,000*	*Boeing Airplane*	*6,700*	*5(2)*
2(1)	*400*	*Douglas Aircraft*	*11,600*	*4(2)*
None	*None*	*Lockheed Aircraft*	*2,260*	*3*
1(1)	*2,000*	*Sperry Corp.*	*29,630*	*6(4)*
		Building Construction and Equipment		
3	5,900	American Radiator	3,000	1
3(1)	11,800	Bridgeport Brass	None	None
2(1)	3,000	Dragon Cement	None	None
2(1)	1,300	Flintkote	None	None
3(2)	22,000	Glidden Co.	None	None
2(1)	9,600	Lone Star Cement	None	None
2(2)	30,000	Masonite Corp.	None	None
2(1)	11,000	Merritt-Chapman and Scott	None	None
2(1)	10,000	United States Plywood	None	None
None	*None*	*National Lead*	*8,000*	*2*
None	*None*	*Pabco Products*	*22,500*	*2(1)*
		Chemicals		
2(1)	11,700	Hercules Powder	None	None
3(1)	1,600	Interchemical	None	None
2(2)	8,500	Tennessee Corp.	None	None
None	*None*	*Blockson Chemical*	*3,900*	*2(1)*
None	*None*	*duPont*	*2,800*	*3(1)*
None	*None*	*Eastman Kodak*	*270*	*2*
None	*None*	*Spencer Chemical*	*17,100*	*4(2)*
None	*None*	*Victor Chemical*	*72,000*	*2(2)*
		Containers and Glass		
4(3)	37,800	American Can	20,000	1(1)
None	*None*	*Corning Glass Works*	*11,600*	*3*
None	*None*	*Hazel-Atlas Glass*	*12,200*	*2*
		Drug Products		
2(1)	15,000	Eli Lilly "B"	None	None
2	2,450	McKesson and Robbins	None	None
4(1)	25,800	Pfizer	None	None
2	2,000	Sterling Drug	None	None
1	*900*	*Colgate-Palmolive*	*16,855*	*4(4)*
1	*1,000*	*Merck and Co.*	*16,400*	*3*
None	*None*	*Smith, Kline and French*	*4,800*	*3*
		Electrical Equipment		
4(1)	11,500	Motorola	4,000	1
6(1)	23,700	Radio Corporation	10,300	4(1)
4(1)	5,700	Sprague Electric	2,200	1(1)
None	*None*	*Consolidated Engineering*	*18,400*	*2(1)*
2(2)	*3,500*	*General Electric*	*34,500*	*4(1)*
None	*None*	*Hazeltine Corp.*	*2,800*	*2(2)*
None	*None*	*Minneapolis-Honeywell*[1]	*6,400*(new)	*2*
1	*900*	*Philco*	*26,000*	*4(3)*
1	*500*	*Stromberg-Carlson*	*10,000*	*3(1)*
2	*5,500*	*Westinghouse Electric*	*57,700*	*10(3)*
		Financial, Banking and Insurance		
2	11,000	Beneficial Finance Co.	None	None
2	2,834	Boston Insurance Co.	None	None
2	300	Connecticut General Life	None	None
2	1,500	Fidelity-Phenix Fire Insurance	None	None
2(1)	29,700	Guaranty Trust Co.	None	None
4(3)	1,860	Lincoln National Life	None	None
2(1)	800	Manufacturers Life Ins. of Can.	None	None
2	1,500	Northwest Bancorporation	None	None
3	7,100	Pacific Finance Corp.	None	None
2(1)	7,500	Seaboard Finance	None	None
2	5,500	Traders Finance Corp., Ltd. "A"	None	None
5(2)	104,000	Transamerica Corp.	None	None
None	*None*	*Maryland Casualty*	*3,000*	*2*
None	*None*	*National City Bank of Cleveland*	*10,557*	*3(2)*
None	*None*	*Travelers Insurance*	*285*	*2(1)*
		Food Products		
2	1,450	Gerber Products	None	None
2(1)	1,100	Swift and Co.	None	None
		Machinery and Industrial Equipment		
3(1)	6,800(new)	Caterpillar Tractor[1]	None	None
4(4)	20,500	Halliburton Oil Well Cementing	4,100	2
2(1)	1,800	Thew Shovel	None	None
None	*None*	*Combustion Engineering*	*1,400*	*3*
None	*None*	*United Shoe Machinery*	*3,100*	*3(3)*
None	*None*	*Worthington Corp.*	*11,500*	*2(1)*
		Metals and Mining		
4	8,970	Aluminium, Ltd.	5,500	2(2)
5(3)	14,900	Cerro de Pasco	None	None
2(2)	3,400	Hudson Bay Mining & Smelting	None	None
2	15,500	Kennecott Copper	None	None
1	*500*	*International Nickel*	*60,600*	*4(2)*
None	*None*	*McIntyre Porcupine Mines*	*2,000*	*2(1)*
1	*500*	*Reynolds Metals*	*4,950*	*3*
		Office Equipment		
3(1)	37,000	Burroughs Corporation	2,000	1
6(3)	3,200	Internat'l Business Machines	3,600	3
1	*1,000*	*Remington Rand*	*15,000*	*4(2)*
		Paper, Pulp and Printing		
3(2)	18,000	Marathon Corporation	14,500	1(1)
3(1)	19,000	Mead Corporation	8,000	1
2(1)	15,000	St. Regis Paper	None	None
1	*300*	*International Paper*	*8,800*	*6*
None	*None*	*St. Lawrence Corporation, Ltd.*	*6,000*	*2(1)*
		Petroleum		
4(1)	3,200	Atlantic Refining	1,500	1(1)
4(1)	9,625	Cities Service	1,150	2
2	2,200	Continental Oil (Del.)	None	None
2(1)	8,900	Mission Development Co.	None	None
4(1)	(new)23,200	Pure Oil[1]	10,300(new)	2
3	2,000	Richfield Oil	10,000	1(1)
5	42,400	Sinclair Oil Corp.	1,000	1(1)
6(1½)	20,300	Socony Mobil Oil	21,000	2
2(1)	4,800	Southland Royalty Co.	None	None
4	23,900	Standard Oil of California	200	1
3	24,000	Standard Oil (Indiana)	15,500	1(1)
3(3)	12,000	Sunray Mid-Continent Oil[2]	None	None
5	7,000	Texas Company	3,000	1
3(1)	35,000	Texas Pacific Coal and Oil	19,000	1(1)
6(1)	(new)15,200	Union Oil and Gas Corp. "A"[3]	None	None
1	(new) 1,300	Union Oil and Gas Corp. "B"	None	None
None	*None*	*Anderson-Prichard Oil*	*10,500*	*3(2)*
1	*300*	*Gulf Oil Corp.*	*14,819*	*3*
None	*None*	*Mid-Continent Petroleum*[2]	*7,500*	*2(2)*
1	*(new)500*	*Ohio Oil*[1]	*30,000*(new) *6,200*(old)	*2* *2(2)*
		Natural Gas		
4	26,800	Colorado Interstate Gas	None	None
3	9,500	Columbia Gas System	30,700	1(1)
4	35,600	Consolidated Natural Gas[4]	15,000	1
4(3)	19,000	Lone Star Gas	10,500	1
2(2)	6,000	Pacific Lighting	None	None
6	3,804	Peoples Gas Light[5]	1,000	1
3(3)	105,000	Pioneer Natural Gas	None	None
4(4)	22,500	Republic Natural Gas	5,000	1
2(1)	14,600	Tennessee Gas Transmission	None	None
None	*None*	*Brooklyn Union Gas*	*25,400*	*3(2)*
None	*None*	*Northern Illinois Gas*	*11,270*	*2(2)*
None	*None*	*Northern Natural Gas*	*7,000*	*2*
None	*None*	*Oklahoma Natural Gas*	*6,500*	*2(1)*
		Public Utilities		
2	1,500	American Tel. & Tel.	None	None
4(1)	29,200	Central and Southwest Corp.	None	None
4	17,500	Florida Power Corporation[6]	None	None
2(1)	27,000	General Public Utilities	None	None
3	28,645	Kansas City Power and Light[5]	6,400	1(1)
4(1)	4,300	Middle South Utilities	None	None
3	1,480	Public Service of Colorado[6]	None	None
3	4,700	Puget Sound Power and Light	1,400	1
2(2)	8,950	Savannah Electric and Power	None	None
1	*10,300*	*Consumers Power*	*31,000*	*4(3)*
1	*(old) 9,000*	*Florida Power and Light*[1]	*22,000*(new) *1,600*(old)	*2* *1(1)*
None	*None*	*Gulf States Utilities*	*16,950*	*2(1)*
None	*None*	*Kansas Power and Light*	*14,900*	*3(1)*
None	*None*	*Louisville Gas & Electric*	*27,600*	*2(1)*
1	*29,000*	*Virginia Electric & Power*	*38,000*	*4*
None	*None*	*West Penn Electric*	*16,000*	*3(1)*
		Radio and Amusement		
2	8,800	Technicolor	None	None
2(2)	9,000	Twentieth Century-Fox	None	None
1(1)	*1,000*	*American Broadcasting-Paramount Theatres*	*18,600*	*4(2)*
None	*None*	*Loew's*	*11,100*	*2(1)*
		Railroads		
6(2)	13,300	Chesapeake and Ohio	None	None
4(1)	6,000	Great Northern Railway	600	1(1)
4(1)	10,000	Norfolk and Western	None	None
3(1½)	12,800	Seaboard Air Line	None	None
6(1)	15,400	Southern Pacific	24,100	3(1½)
5(1)	22,100	Southern Railway	None	None
2(1)	10,100	Union Pacific	None	None
2	3,500	Western Pacific	None	None
None	*None*	*Canadian Pacific*	*22,800*	*2(1)*
None	*None*	*Chicago, Rock Island & Pacific*	*27,900*	*4(½)*
None	*None*	*Louisville and Nashville*	*60,300*	*2(2)*
None	*None*	*Pennsylvania Railroad*	*32,000*	*2*

Bought: No. of Trusts	Bought: No. of Shares		Sold: No. of Shares	Sold: No. of Trusts
		Railroad Equipment		
3(1)	33,000	A.C.F. Industries	None	None
3	5,500	American Brake Shoe	None	None
4(2)	11,700	Pullman, Inc.	None	None
		Retail Trade		
4	2,200	Allied Stores	None	None
4(1)	5,500	Associated Dry Goods	None	None
2(1)	7,500	Gimbel Brothers	None	None
3(2)	9,000	May Department Stores	None	None
6(2)	17,700	Montgomery Ward	14,900	2(1)
None	*None*	*American Stores Corp.*	*14,400*	*2(2)*
None	*None*	*W. T. Grant*	*12,900*	*3(2)*
None	*None*	*Safeway Stores*	*13,400*	*4(1)*
		Rubber and Tires		
1	*500*	*Goodrich*	*33,500*	*6*
		Steels		
3(2)	19,500	Cleveland-Cliffs Iron	None	None
3	2,462	Harbison-Walker Refractories	80	1
3(2)	19,700	Inland Steel	None	None
2	13,000	Interlake Iron	None	None
3(3)	22,500	Jones and Laughlin	300	1
3(3)	10,700	McLouth Steel	None	None
4(2)	19,700	Youngstown Sheet and Tube	2,300	2(1½)
5	*21,300*	*Bethlehem Steel*	*12,300*	*8(2)*
None	*None*	*Republic Steel* [1]	*17,200*	*4*
		Textiles		
2(1)	*4,300*	*American Viscose*	*47,100*	*4(1½)*
None	*None*	*Celanese Corporation*	*27,300*	*3(2)*
None	*None*	*Cone Mills*	*3,800*	*2(2)*
None	*None*	*Textron American Inc.*	*2,000*	*2(1)*
		Tobacco		
3(2)	7,000	American Tobacco	10,000	1
		Misscellaneous		
3(1)	17,000	Gillette	None	None
1(1)	*5,000*	*Newport News Shipbuilding*	*26,700*	*3(½)*

FOOTNOTES

1 Excludes shares received in 2 for 1 split-up.
2 Excludes shares exchanged in merger.
3 Shares received in 2 for 1 split-up excluded; name changed from Union Sulphur and Oil
4 27,600 shares purchased through rights. Basis: 1 for 10.
5 Part purchased through rights. Basis: 1 for 10.
6 Purchased with rights. Basis: 1 for 10.

NOTE—This survey covers 63 investment companies, but purchases or sales of funds sponsored by the same management are treated as a unit. For example the four funds sponsored by J. and W. Seligman and Co. are considered as having the weight of one manager. Individual portfolio changes in the Loomis-Sayles Fund are not surveyed.

SUMMARY

Excess of Net Portfolio Purchases or Sales of 63 Investment Companies

	Bought	Sold	Matched	Total
Open-End Companies:				
Balanced Funds	8	5	10	23
Stocks Funds	18	3	9	30
Closed-End Companies	3	6	1	10
Totals	29	14	20	63

Continued from page 27

Funds Like Motor And Oil Stocks

initially committed to three others, while six new holdings and four portfolio additions of Chrysler totaled 166,400 shares. Ford Motor of Canada was also acquired by two trusts and the same number of funds each made initial commitments in Electric Auto-Lite and additions to Rockwell Spring and Axle. Over-all selling was unusually light, represented by only six transactions.

Favored Rails

Chesapeake and Ohio and Southern Pacific were the favorite rails, six purchases of the former totaling 13,300 shares (two of which represented initial acquisitions) and a like number of Sopac amounting to 15,400 shares; there were three offsetting sales of the latter which had been the favorite carrier also during the first three months of the year. A total of 22,100 shares of Southern Railway was acquired by five trusts while four each bought Norfolk and Western and Great Northern. Seaboard Air Line was liked by three managements, purchases totaling 12,800 shares. Four trusts were responsible for the liquidation of 27,900 shares of Rock Island. Other rails sold, each by two funds, were Louisville and Nashville, Pennsylvania and Canadian Pacific. Union Pacific and Western Pacific were both sold by a couple of investment companies. Opinion was split on Santa Fe.

Cerro de Pasco was the nonferrous metal favorite, five purchases totaling 14,900 shares, two representing initial acquisitions; there was a complete absence of selling. Aluminium, Ltd., which had been rather heavily purchased with rights earlier in the year, interested four new buyers with a total of 8,970 shares. Two sales equaled 5,500 shares. Hudson Bay Mining and Smelting and Kennecott each were bought by two funds. International Nickel bore the brunt of concentrated selling, two portfolio decreases and two eliminations equaling 60,600 shares. It is of interest to note that the dividend return of Nickel to the shareholder in an ordinary regulated investment company (investing primarily in domestic companies) is less than if he held this stock outright since the 15% tax withheld by the Canadian Government cannot be offset by the investment company nor can the credit be passed through to the fund investor. Reynolds Metals also was sold on balance by three managements, while McIntyre Porcupine was eliminated from two portfolios.

Purchase transactions in the building and construction shares were fairly well scattered as they were generally throughout the list during the second quarter of this year. The same might be said of the lightness of group concentration as of individual purchases or sales. Three trusts bought a total of 5,900 shares of American Radiator, 22,000 shares of Glidden (two of which made new commitments) and 11,800 shares of Bridgeport Brass. A couple of purchases were made also of Dragon Cement, Flintkote, Lone Star Cement, Masonite Corporation and Merritt-Chapman and Scott. The same number of funds sold National Lead and Pabco Products.

With over a 50% increase in purchase transactions, natural gas issues once again appeared to meet with management favor, although uncertainty over the regulatory status of independent producers was still one of the major factors in restraining the pronounced enthusiasm displayed a few years ago. Nevertheless several initial commitments were made in the quarter's favorites. Four purchases totaling 22,500 shares — all new acquisitions — were made in Republic Natural Gas, while three of the four additions to Lone Star Gas were also portfolio newcomers. Four managements also added a total of 26,800 shares of Colorado Interstate Gas. Pioneer on an offering was new all around, as previously mentioned in this survey, while three managements also acquired 9,500 shares of Columbia Gas System. Pacific Lighting and Tennessee Gas Transmission were each liked by a couple of trusts while purchases of Peoples Gas Light and Coke and Consolidated Natural Gas were stimulated by the issuance of rights. Brooklyn Union Gas was the least popular issue in the natural gas group, two portfolio eliminations and one decrease equaling 25,400 shares. Also sold on balance, each by two funds were Oklahoma Natural Gas, Northern Natural Gas and Northern Illinois Gas, the last issue, of course, having been spun off by Commonwealth Edison.

Renewed Interest In Merchandisers

Montgomery Ward was the favorite merchandiser with six managements adding a total of 17,700 shares, two making new commitments. A couple of sales equaled 14,900 shares. Anticipation of new blood and new policies has apparently whetted management appetite. Affiliated Fund, which should be somewhat in "the know" with a total of 110,000 shares, had been adding to its substantial block during each of the current year's quarters. Allied Stores, a persistent fund favorite, and Associated Dry Goods were each acquired by four investment companies. May Department Stores was also liked by three trusts, two making new acquisitions, and Gimbel Brothers found two purchasers. As during the previous

Continued on page 30

Continued from page 29

Funds Like Motor And Oil Stocks

period, Safeway was the least popular issue among the store stocks, four sales totaling 13,400 shares, one of which represented a portfolio elimination. W. T. Grant was sold by three trusts and American Stores by two.

Purchase of steels continued at almost the same pace as during the first quarter of the year with buying concentrated in other issues than the big three. Three new commitments totaling 22,500 shares were made in Jones and Laughlin and a like number of initial purchases of McLough Steel equaled 10,700 shares. Two first-time acquisitions and two additions of Youngstown Sheet and Tube amounted to 19,700 shares while three purchases each were made of Cleveland-Cliffs Iron, Harbison-Walker Refractories and Inland Steel. Two funds liked Interlake Iron. Profit taking in Bethlehem in eight portfolios totaled 12,300 shares, but five offsetting purchases equaled 21,300 shares. Four trusts lightened 17,200 shares of Republic's new split shares, while transaction in Big Steel were fairly evenly divided.

Although paper and pulp issues continued to be favored on balance, selling transactions picked up 40% over the previous quarter. Transactions were well scattered with three purchases each of Marathon and Mead Corporation and two of St. Regis Paper. Selling centered on International Paper, six portfolio decreases totaling 8,800 shares. St. Lawrence Corporation also was sold by a couple of trusts. Among the machinery and industrial equipment shares, buyers had the slight edge with four managements making new commitments in Halliburton Oil Well Cementing, for a total of 20,500 shares. An initial purchase and two portfolio additions were also made in the new split shares of Caterpillar Tractor. Thew Shovel was liked by two trusts. United Shoe Machinery was eliminated from three portfolios while Combustion Engineering was lightened in a like number of lists. Worthington was eliminated from one portfolio and decreased in another.

Pfizer was the standout in the drug division, four managements acquiring a total of 25,800 shares, one making a first-time purchase. Eli Lilly "B," McKesson and Robbins and Sterling Drug each found two purchasers. Eliminations of Colgate-Palmolive from four portfolios equaled 16,855 shares while there were three sales each of Merck and Smith, Kline and French. Rail equipments were bought with some conviction, a total of 16 purchase transactions stacking up against two lone sales. Pullman was the favorite, two initial commitments and two portfolio additions totaling 11,700 shares. Three purchases were made of A.C.F. Industries and American Brake Shoe. The office equipment group was featured by three new purchases and three additions of International Business Machines. Three acquisitions of Burroughs Corporation equaled 37,000 shares. Selling was concentrated on Remington Rand, two portfolio eliminations and a like number of decreases totaling 15,000 shares.

Bank and Insurance Activity

Transamerica was the popular issue in the banking group, five purchases amounting to 104,000 shares, two of which were portfolio newcomers. Guaranty Trust of New York and Northwest Bancorporation were each liked also by two managements. Not so popular was the National City Bank of Cleveland, which was dropped from two lists and lightened in another. The insurance feature of the quarter was Lincoln National Life, three initial commitments and one addition equaling 1,860 shares. Also thought well of, each by a couple of managements, were the Boston Insurance Company, Connecticut General Life, Manufacturers Life Insurance Company of Canada (mentioned earlier as a newcomer to portfolios) and Fidelity-Phenix Fire Insurance Company.

United Airlines was the only air transport favored by the trusts during the quarter, six purchases equaling 29,750 shares. American Airlines, which had been the most popular issue for several quarters, was currently sold on balance, three sales equaling 24,000 shares. Opinion was divided on Eastern as it was for the group as a whole.

Selling In Aircrafts

Aircrafts were sold on balance as they had been during the previous three months. Sperry (some placed it before the merger with Remington Rand in the electronics classification) was eliminated from four portfolios and lightened in two others. Boeing was sold by five managements, Douglas by four and Lockheed by three. Purchasing was concentrated on one issue—North American Aviation—six new acquisitions amounting to 15,100 shares.

But by far the least popular group during the quarter, as it had been during the first three months of the year, was the electrical equipments. Westinghouse Electric with 10 sales displaced General Electric's distinction for the first quarter as the most heavily liquidated issue in the classification. Total shares sold equaled 57,700 shares, three blocks of which represented portfolio eliminations. General Electric and Philco each were disposed of by four trusts, Stromberg-Carlson by three and Consolidated Engineering, Hazeltine Corporation and Minneapolis - Honeywell (new split shares) each by two. Radio Corporation was the best-liked issue in the group, six purchases equaling 23,700 shares; partially offsetting were four sales totaling 10,300 shares. Four funds were also kindly disposed toward Motorola and Sprague Electric.

Although sellers held the ascendant in the food stocks, liquidation was well distributed throughout the group with selling concentrated on no one individual issue. By contrast two funds bought Swift on balance, one making a new purchase.

American Viscose was the unpopular textile issue in an unpopular group, four managements selling 47,100 shares. Celanese was eliminated by two trusts and lightened by another while Cone Mills was also dropped from two portfolios. Textron American was completely disposed of by one management and decreased in the holdings of another. Rubbers, upon which opinion had been divided earlier in the year, were currently sold on balance. Concentrated selling centered on Goodrich, six trusts lightening 33,500 shares.

Both agricultural equipments and tobaccos, which had been sold on balance during the March quarter, now found some buying favor, as mentioned previously. Seven funds added a total of 31,600 shares of International Harvester and six bought 27,750 shares of Deere. A couple of others sold Oliver Corporation. Buying of tobaccos was concentrated on American Tobacco, three managements purchasing a total of 7,000 shares, two making new commitments.

Divided opinion on the electric utilities found the buyers favoring Central and Southwest Corporation and Middle South Utilities, four purchases being made of each. Puget Sound Power and Light was liked by three funds, while Savannah Electric and Power, General Public Utilities and American Telephone and Telegraph each were acquired by two managements. Florida Power Corporation, Kansas City Power and Light and Public Service Company of Colorado were purchased through rights. Three trusts eliminated Consumers Power from their portfolios while a fourth lightened holdings. Virginia Electric and Power was also out of favor with four managements. Three funds sold shares of Kansas Power and Light and West Penn Electric; two disposed of stock of Gulf States Utilities and Louisville Gas and Electric.

Chemical Interest Ebbs

Interest in the chemicals decreased somewhat from that during the first three months of the year with management opinion divided. Interchemical (formerly classified under printing) was purchased by three funds and Hercules Powder and Tennessee Corporation each by two. Spencer Chemical was the least popular issue in the group, two portfolio eliminations and a like number of decreases equaling 17,100 shares. Three trusts sold 2,800 shares of duPont and Blockson, Kodak and Victor were each disposed of by two companies, the last named issue being completely eliminated from holdings. Although over-all transactions about evened out in the container and glass division, American Can was well bought, three initial commitments and one addition to holdings totaling 37,800 shares. Continental Can, however, found only one purchaser who acquired a 10,000 share block. Corning Glass Works was sold by three managements, sales equaling 11,600 shares. Opinion was mixed on the beverage and liquor stocks, with no concentrated buying nor selling on balance. On the other hand, concentration was apparent in some amusement shares. American Broadcasting - Paramount Theatre was lightened in two portfolios and eliminated from two others with sales equaling 18,600 shares. A couple of funds also sold Loew's but two new purchases were made of Twentieth Century-Fox. Technicolor also was liked by two managements.

Railroad Securities

Chesapeake & Ohio Railway

The recovery in the bituminous coal industry over the last nine months or so, with consequent higher traffic, revenues and earnings for railroads heavily dependent upon this commodity, has been highly encouraging to stockholders of such carriers. Production of bituminous coal has been in a declining trend since 1947, when output reached a peak of 630.6 million tons. In 1954, production receded to only 392 million tons, not much above the 1938 level of only 348.5 million. The downtrend in usage of the "black diamond" has been due to a combination of circumstances, such as steady growth of competitive fuels, importations of cheap Venezuelan fuel oil for Atlantic Seaboard markets, replacement of railroad steam power with the more efficient diesel engine, and the tremendous improvement in boiler efficiency. Over the years, engineers of the manufacturers of electric power turbines, such as General Electric, have improved the design and boiler efficiency of these massive engines so that the electric utility industry today can obtain greater efficiency out of one-quarter of a ton of soft coal than they formerly got out of a ton of coal.

Because of the downward trend of coal and the new threat of power reactors using nuclear energy, railroads whose traffic has been heavily weighted with this commodity have increased their efforts to obtain greater diversity of traffic. Chesapeake & Ohio has been especially successful in this connection, even though it still is the nation's leading originator of soft coal. For the first time in its history, revenues from merchandise traffic exceeded receipts from coal and coke. It is true that demand and consumption of bituminous coal declined more sharply in 1954 than most commodities, because of the contraction in steel activity, heavy stockpiles of coal and the scrapping of some 3,253 steam locomotives last year. Even so, management of C.&O. for a long time has been attempting to broaden the road's traffic base. According to the supplement to the company's 1954 annual report (an interesting document which contains a virtual mine of information about the affairs of the road) . . . "While continuing to hold its position as the nation's leading carrier of bituminous, C.&O. also has pursued vigorously a policy of traffic diversification. The Pere Marquette merger in 1947 brought to the enlarged company the already extensive merchandise traffic of the Pere Marquette and spurred development of merchandise business throughout the system. Territory served by C.&O. is growing steadily in population and industry. This growth has meant an expanding source of non-coal revenues for C.&O. Of particular importance in the growth of merchandise traffic is C.&O.'s fleet of seven modern Lake Michigan ferries." Establishment of 977 new industries on system lines since 1945 has also been an important factor in the growth of merchandise tonnage.

Over the years, C.&O. has managed to show higher-than-average profit margins. In 1954, the road brought down to net railway operating income, before income taxes, 21.1% of each revenue $1, vs. 11.7% for Class I railroads. A contributing factor to the road's high profit margins is the expenditure of $483 million for diesels and other improvements in the 10 years 1946-1955. Earnings in recent years have reflected somewhat the influence of tax deferments resulting from five-year amortization of part of the cost of certain facilities certified as vital to the national defense. In the five years 1950-54, such tax deferments have aggregated $3.76 per share, out of total share earnings of $25.77. In order to offset the benefits of these tax deferments in early future years, when they will be lost, C.&O. has embarked on a program for reducing costs by $25 to $30 million by Jan. 1, 1957.

Meanwhile, with coal and merchandise tonnage recording large gains, 1955 earnings may reach record levels. In the 12 months ended June 30, 1955, the road reported common share earnings of $6.48. It would not take much improvement in the last half for earnings to approximate the $7.00 share level. With working capital in excess of $44 million on April 30, 1955, and peak of the heavy improvement expenditures passed, Wall Street analysts would not be surprised if an extra dividend were declared around the year-end. At recent levels around 52 the stock affords the rather generous return of 5.77% from the regular $3.00 annual dividend. Declaration of an extra would, of course, make the return more liberal. C.&O. has an exceptionally good dividend record; dividends have been paid in every year since 1899 except 1915 and 1921.

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)	Aug. 14	§90.8	*86.9	91.2	64.0
Equivalent to—					
Steel ingots and castings (net tons)	Aug. 14	§2,192,000	*2,098,000	2,202,000	1,525,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	July 29	6,615,500	6,650,250	6,610,550	6,254,950
Crude runs to stills—daily average (bbls.)	July 29	¶7,577,000	7,620,000	7,499,000	6,827,000
Gasoline output (bbls.)	July 29	26,447,000	25,964,000	25,683,000	23,326,000
Kerosene output (bbls.)	July 29	2,217,000	1,921,000	2,026,000	2,061,000
Distillate fuel oil output (bbls.)	July 29	11,008,000	10,871,000	11,257,000	10,294,000
Residual fuel oil output (bbls.)	July 29	7,790,000	7,857,000	7,754,000	7,419,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	July 29	157,005,000	157,678,000	159,611,000	158,402,000
Kerosene (bbls.) at	July 29	32,000,000	31,206,000	29,899,000	31,368,000
Distillate fuel oil (bbls.) at	July 29	115,936,000	112,392,000	99,981,000	100,439,000
Residual fuel oil (bbls.) at	July 29	45,457,000	45,260,000	44,799,000	54,651,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	July 30	795,771	736,433	696,734	683,617
Revenue freight received from connections (no. of cars)	July 30	652,132	644,871	637,077	569,764
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Aug. 4	$317,693,000	$366,197,000	$378,851,000	$368,623,000
Private construction	Aug. 4	191,204,000	225,944,000	200,559,000	241,014,000
Public construction	Aug. 4	126,489,000	140,253,000	178,292,000	127,609,000
State and municipal	Aug. 4	111,666,000	126,253,000	96,737,000	105,469,000
Federal	Aug. 4	14,823,000	14,000,000	81,555,000	22,140,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	July 30	9,610,000	*9,490,000	2,240,000	7,517,000
Pennsylvania anthracite (tons)	July 30	524,000	406,000	81,000	511,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	July 30	98	94	98	87
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Aug. 6	**10,925,000	10,727,000	9,759,000	9,059,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Aug. 4	213	201	204	207
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Aug. 2	5.174c	5.174c	4.779c	4.801c
Pig iron (per gross ton)	Aug. 2	59.09	$59.09	$56.59	$56.59
Scrap steel (per gross ton)	Aug. 2	$43.33	$41.50	$36.50	$27.83
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Aug. 3	35.700c	35.700c	35.700c	29.700c
Export refinery at	Aug. 3	39.050c	36.275c	35.950c	29.500c
Straits tin (New York) at	Aug. 3	97.375c	98.000c	95.250c	95.000c
Lead (New York) at	Aug. 3	15.000c	15.000c	15.000c	14.000c
Lead (St. Louis) at	Aug. 3	14.800c	14.800c	14.800c	13.800c
Zinc (East St. Louis) at	Aug. 3	12.500c	12.500c	12.500c	11.000c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Aug. 9	94.61	93.92	95.73	100.36
Average corporate	Aug. 9	103.16	108.34	108.70	110.52
Aaa	Aug. 9	111.44	111.62	112.19	115.63
Aa	Aug. 9	109.79	109.97	110.34	112.75
A	Aug. 9	108.16	108.52	108.88	110.15
Baa	Aug. 9	103.30	103.47	103.97	104.14
Railroad Group	Aug. 9	106.56	106.92	107.44	109.24
Public Utilities Group	Aug. 9	108.70	108.88	109.06	110.88
Industrials Group	Aug. 9	108.88	109.24	109.97	111.62
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Aug. 9	2.90	2.96	2.82	2.46
Average corporate	Aug. 9	3.27	3.26	3.24	3.14
Aaa	Aug. 9	3.09	3.08	3.05	2.87
Aa	Aug. 9	3.18	3.17	3.15	3.02
A	Aug. 9	3.27	3.25	3.23	3.16
Baa	Aug. 9	3.55	3.54	3.51	3.50
Railroad Group	Aug. 9	3.36	3.34	3.31	3.21
Public Utilities Group	Aug. 9	3.24	3.23	3.22	3.12
Industrials Group	Aug. 9	3.23	3.21	3.17	3.08
MOODY'S COMMODITY INDEX	Aug. 9	403.7	403.6	402.7	430.5
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	July 30	281,121	233,721	339,564	256,223
Production (tons)	July 30	280,062	264,622	279,303	237,843
Percentage of activity	July 30	99	94	96	90
Unfilled orders (tons) at end of period	July 30	602,944	607,016	582,243	390,265
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	Aug. 5	106.81	106.75	106.78	107.03
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	July 16	1,195,232	1,264,587	1,313,207	1,160,812
Dollar value	July 16	$64,628,979	$75,913,434	$67,099,157	$51,794,917
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	July 16	1,115,463	1,201,098	1,212,106	1,175,227
Customers' short sales	July 16	6,364	8,584	4,257	7,592
Customers' other sales	July 16	1,109,099	1,192,514	1,207,849	1,167,635
Dollar value	July 16	$59,622,231	$70,324,594	$59,838,044	$49,653,011
Round-lot sales by dealers—					
Number of shares—Total sales	July 16	256,540	241,010	322,610	351,150
Short sales	July 16	------	------	------	------
Other sales	July 16	256,540	241,010	322,610	351,150
Round-lot purchases by dealers—					
Number of shares	July 16	536,000	578,240	441,490	359,310
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	July 16	471,630	321,230	520,630	499,180
Other sales	July 16	11,680,770	11,951,880	13,652,030	12,922,800
Total sales	July 16	12,152,400	12,273,110	14,172,660	13,421,980
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS:					
Transactions of specialists in stocks in which registered—					
Total purchases	July 16	1,473,730	1,587,850	1,661,780	1,372,110
Short sales	July 16	281,720	258,810	309,140	284,970
Other sales	July 16	1,336,370	1,327,250	1,383,430	1,123,850
Total sales	July 16	1,618,090	1,586,060	1,692,570	1,408,820
Other transactions initiated on the floor—					
Total purchases	July 16	326,880	295,040	323,360	371,130
Short sales	July 16	38,000	46,300	33,600	9,330
Other sales	July 16	286,610	286,890	339,320	404,010
Total sales	July 16	324,610	333,190	372,920	423,340
Other transactions initiated off the floor—					
Total purchases	July 16	502,470	476,335	619,195	477,890
Short sales	July 16	65,500	79,710	80,780	77,570
Other sales	July 16	615,596	610,482	628,834	532,355
Total sales	July 16	681,096	690,192	709,614	609,925
Total round-lot transactions for account of members—					
Total purchases	July 16	2,303,080	2,359,225	2,604,335	2,221,130
Short sales	July 16	385,220	384,820	423,520	371,870
Other sales	July 16	2,238,576	2,224,622	2,351,584	2,060,215
Total sales	July 16	2,623,796	2,609,442	2,775,104	2,532,085
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Aug. 2	109.8	109.9	110.0	110.1
Farm products	Aug. 2	87.0	87.6	89.8	95.3
Processed foods	Aug. 2	100.9	101.2	102.9	104.8
Meats	Aug. 2	81.4	82.2	86.7	87.2
All commodities other than farm and foods	Aug. 2	116.4	116.3	115.8	114.4

*Revised figure. ¶Includes 852,000 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. **New all-time high record.

	Latest Month	Previous Month	Year Ago
AMERICAN ZINC INSTITUTE INC.—Month of July:			
Slab zinc smelter output all grades (tons of 2,0000 pounds)	84,415	*84,458	70,749
Shipments (tons of 2,000 pounds)	81,713	99,039	73,846
Stocks at end of period (tons)	51,305	*48,603	198,027
Unfilled orders at end of period (tons)	64,056	57,231	38,899
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—215 CITIES—Month of June:			
New England	$26,041,829	$33,495,976	$24,706,132
Middle Atlantic	211,868,492	113,328,935	88,728,632
South Atlantic	65,978,816	57,641,519	65,365,239
East Central	116,933,940	116,977,846	107,649,034
South Central	87,613,891	85,854,855	77,107,380
West Central	47,616,727	44,169,443	45,487,036
Mountain	25,504,344	22,696,406	20,455,484
Pacific	105,748,144	89,656,737	93,670,999
Total United States	$687,306,183	$563,821,717	$523,169,936
New York City	149,080,484	65,782,634	39,149,744
Outside New York City	$538,225,699	$498,039,083	$484,020,192
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of June:			
Manufacturing number	200	168	208
Wholesale number	79	87	89
Retail number	446	499	455
Construction number	114	121	132
Commercial service number	75	80	81
Total number	914	955	965
Manufacturers liabilities	$13,888,000	$14,093,000	$18,454,000
Wholesale liabilities	3,254,000	2,864,000	4,878,000
Retail liabilities	9,564,000	10,874,000	11,722,000
Construction liabilities	4,702,000	4,885,000	4,514,000
Commercial service liabilities	5,259,000	1,998,000	2,045,000
Total liabilities	$36,667,000	$34,714,000	$41,613,000
COKE (BUREAU OF MINES)—Month of June:			
Production (net tons)	6,155,087	*6,426,747	4,652,500
Oven coke (net tons)	6,001,646	6,286,982	4,618,000
Beehive coke (net tons)	153,441	*139,765	34,500
Oven coke stock at end of month (net tons)	2,191,324	2,346,041	2,973,037
COTTON SPINNING (DEPT. OF COMMERCE):			
Spinning spindles in place on July 2	22,275,000	22,284,000	22,728,000
Spinning spindles active on July 2	18,335,000	18,302,000	19,332,000
Active spindle hours (000's omitted) July 2	10,867,000	8,937,000	10,216,000
Active spindle hours per spindle in place June	443.6	446.8	417.0
DEPARTMENT STORE SALES (FEDERAL RESERVE SYSTEM — 1947-49 Average=100— Month of July:			
Adjusted for seasonal variations	123	116	111
Without seasonal adjustment	97	109	88
METAL PRICES (E. & M. J. QUOTATIONS)— Average for month of July:			
Copper (per pound)—			
Electrolytic domestic refinery	35.700c	35.700c	29.700c
Electrolytic export refinery	36.504c	36.339c	29.570c
Lead—			
Common, New York (Per pound)	15.000c	15.000c	14.000c
Common, St. Louis (per pound)	14.800c	14.800c	13.800c
‡‡Prompt, London (per long ton)	£105.940	£102.815	£95.693
††Three months, London (per long ton)	£105.601	£102.702	£94.969
¶Antimony, New York Boxed	31.970c	31.970c	31.970c
Antiomny (per pound) bulk, Laredo	28.500c	28.500c	28.500c
Antimony (per pound) Laredo	29.000c	29.000c	29.000c
Platinum refined (per ounce)	$82.540	$79.077	$84.000
Zinc (per pound)—East St. Louis	12.500c	12.232c	11.000c
††Zinc, London, prompt (per long ton)	£91.226	£91.398	£77.563
††Zinc, London, three months (per long ton)	£91.214	£89.955	£78.051
†Cadmium, refined (per pound)	$1.70000	$1.70000	$1.70000
‡Cadmium (per pound)	$1.70000	$1.70000	$1.70000
§Cadmium (per pound)	$1.70000	$1.70000	$1.70000
Cobalt, 97%	$2.60000	$2.60000	$2.60000
Silver and Sterling Exchange—			
Silver, New York (per ounce)	90.488c	89.688c	85.250c
Silver, London (pence per ounce)	78.869	77.977	72.466
Sterling Exchange (Check)	$2.78494	$2.78977	$2.81774
Tin, New York Straits	96.805c	93.625c	96.577c
§§New York, 99% min.	95.805c	92.625c	95.577c
Gold (per ounce, U. S. price)	$35.000	$35,000	$35.000
Quicksilver (per flask of 76 pounds)	$264.920	$283.269	$286.923
Aluminum, 99% plus ingot (per pound)	23.200c	23.200c	21.500c
Magnesium ingot (per pound)	28.500c	28.500c	27.000c
**Nickel	64.500c	64.500c	60.000c
Bismuth (per pound)	$2.25	$2.25	$2.25
PORTLAND CEMENT (BUREAU OF MINES)— Month of May:			
Production (barrels)	27,066,000	24,847,000	23,279,000
Shipments from mills (barrels)	29,172,000	24,993,000	24,911,000
Stocks (at end of month—barrels)	23,610,000	26,039,000	25,412,000
Capacity used	108	103	96
RAILROAD EARNINGS CLASS I ROADS (ASSOCIATION OF AMERICAN RRs.)—Month of June:			
Total operating revenues	$875,112,392	$850,366,881	$800,531,768
Total operating expenses	644,882,624	634,896,821	623,158,776
Operating ratio	73.69	74.66	77.84
Taxes	$101,320,500	$92,976,244	$76,222,264
Net railway operating income before charges	106,033,546	101,242,550	79,059,485
Net income after charges (estimated)	88,000,000	86,000,000	60,000,000
SELECTED INCOME ITEMS OF U. S. CLASS I RYS. (Interstate Commerce Commission)—Month of April:			
Net railway operating income	$87,376,958	$97,733,241	$59,613,926
Other income	18,140,896	18,318,940	18,599,442
Total income	$105,517,854	$116,052,181	$78,213,368
Miscellaneous deductions from income	3,912,708	4,001,488	3,702,207
Income available for fixed charges	$101,605,146	$112,050,693	$74,511,161
Income after fixed charges	70,563,056	80,964,138	42,910,847
Other deductions	3,554,427	3,097,965	2,909,836
Net income	$67,008,629	$77,866,173	$40,001,011
Depreciation (way & structure & equipment)	44,134,201	44,084,131	43,526,937
Federal income taxes	32,240,831	40,661,482	21,616,137
Dividend appropriations:			
On common stock	20,890,455	20,148,610	12,529,801
On preferred stock	1,281,467	4,085,268	2,179,917
Ratio of income to fixed charges	3.27	3.60	2,36
ZINC OXIDE (BUREAU OF MINES)—Month of June:			
Production (short tons)	13,251	14,810	11,339
Shipments (short tons)	17,171	13,885	12,858
Stocks at end of month (short tons)	11,828	15,748	14,433

*Revised figure. †Based on the producers' quotation. ‡Based on the average of the producers' and platers' quotations. §Average of quotation on special shares to plater. ¶Doemstic five tons or more but less than carload lot, boxed. §§Price for tin contained. **F.o.b. Port Colburne, U. S. duty included. ‡‡Average of daily mean of bid and ask quotation at morning session of London Metal Exchange. ††Delivered where freight from East St. Louis exceeds 0:5c.

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.

Admiral Finance Corp., St. Louis, Mo.
July 29 filed $1,000,000 of participating junior subordinated sinking fund debentures due Sept. 1, 1970. **Price**—At 100% of principal amount. **Proceeds** — To retire $513,182.50 of outstanding junior subordinated debentures, series B, and for expansion and working capital. **Underwriter** — Paul C. Kimball & Co., Chicago, Ill. **Offering**—Expected early in September.

Admiral Finance Corp., St. Louis, Mo.
July 29 filed 50,000 shares of 60-cent cumulative preferred stock (par $5) and 10,000 shares of common stock (par 10 cents) to be offered in units of five preferred shares and one common share. **Price** — $50 per unit. **Underwriter** — Paul C. Kimball & Co., Chicago, Ill. **Offering**—Expected early in September.

★ **Advisers Fund, Inc., New York**
Aug. 2 filed 50,000 shares of capital stock (par $1). **Price**—At market. **Proceeds**—For investment.

★ **Aldens, Inc., Chicago, Ill. (8/30)**
Aug. 10 filed $3,662,600 of convertible subordinated debentures due Sept. 1, 1970, to be offered first for subscription by common stockholders in the ratio of $100 principal amount of debentures for each 16 shares of stock held. **Price**—To be supplied by amendment. **Proceeds** — For working capital and expansion purposes. **Underwriter**—Lehman Brothers, New York.

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.

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.

★ **Aloha, Inc., Las Vegas, Nev.**
Aug. 8 filled 900,000 shares of common stock (par $1) and 900,000 shares of preferred stock (par $10) to be offered in units of one share of each class of stock. **Price**—$11 per unit. **Proceeds**—For construction of hotel and related activities and for contingencies, stock in trade, and working capital. **Underwriter**—None.

★ **Alouette Uranium & Copper Mines, Inc., Montreal, Canada**
July 22 (Regulation D) 1,000,000 shares of common stock. **Price**—30 cents per share. **Proceeds**—For exploration and development expenses, etc. **Underwriter**—Hudson-Bergen Securities, Inc., Cliffside Park, N. J.

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 Enka Corp., Enka, N. C. (8/16)
July 28 filed 223,530 shares of common stock (par $5) to be offered for subscription by stockholders on the basis of one new share for each five shares held about Aug. 16; rights to expire on Aug. 30. **Price**—To be supplied by amendment. **Proceeds**—For new plant facilities and improvements. **Underwriter**—Harriman Ripley & Co. Inc., New York.

• **American Natural Gas Co.**
June 15 filed 736,856 shares of common stock (par $25) being offered for subscription by common stockholders on the basis of one share for each five shares held on Aug. 9 (with an oversubscription privilege); rights expire Aug. 23. **Price**—$48.50 per share. **Proceeds**—To be applied to the purchase of equity securities of subsidiaries or to replace other corporate funds used for that purpose. **Underwriters** — White, Weld & Co., New York: and Drexel & Co., Philadelphia.

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.

American Telephone & Telegraph Co.
Aug. 2 filed $650,000,000 of convertible debentures to be offered for subscription by stockholders (probably on a basis of $100 of debentures for each eight shares held). **Price**—To be filed later by directors. **Proceeds**—For construction program. **Underwriter**—None.

• **Approved Finance, Inc., Columbus, Ohio**
July 13 (letter of notification) 5,000 shares of common stock (no par) being offered for subscription by stockholders at rate of one-half share for each share held as of July 22; rights to expire on Aug. 11. **Price**—$60 per share. **Proceeds**—For general funds. **Office**—39 East Chestnut St., Columbus, Ohio. **Underwriter**—None.

★ **Arcturus Electronics, Inc.**
Aug. 9 (letter of notification) approximately 500,000 shares of common stock. **Price**—Approximately eight to nine cents per share. **Proceeds** — To D. E. Replogle, President. **Office**—101 Hazel St., Paterson, N. J. **Underwriter**—McCoy & Willard, Boston, Mass.

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.

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.

Baldor Electric Co., St. Louis, Mo.
July 6 (letter of notification) 19,124 shares of common stock (par $10) being offered for subscription by stockholders of record June 1 on a 1-for-4 basis; rights expire on Sept 1. **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.

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.

★ **Bergstrom Paper Co., Neenah, Wis. (8/23-24)**
Aug. 4 filed 70,000 shares of class A (non-voting) common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To finance expansion and modernization program. **Underwriter**—A. G. Becker & Co. Inc., Chicago, Ill.

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."

★ **Blake & Neal Finance Co., Portland, Ore.**
July 27(letter of notification) $50,000 (estimated) face amount of 8% promissory notes. **Price** — At par (in denominations of $500 or multiples thereof). **Proceeds**—For working capital. **Office**—521 S. E. Ankeny St., Portland, Ore. **Underwriters**—None.

★ **Blenwood Mining & Uranium Corp., Denver, Colo.**
July 29 (letter of notification) 1,000,000 shares of common stock (par 10 cents). **Price** — 30 cents per share. **Proceeds** — For expenses incident to mining operations. **Office**—612 Kittredge Bldg., Denver, Colo. **Underwriter**—Peters, Writer & Christensen, Inc., Denver 2, 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.

Bonnyville Oil & Refining Corp., Montreal, Can.
April 29 filed $2,000,000 5% convertible notes due July 1, 1975 to be offered for subscription by common stockholders at rate of $100 of notes for each 100 shares of stock held. **Price**—95% of principal amount to stockholders and 100% to public. **Proceeds**—For development costs and general corporate purposes. **Underwriter**—None. Statement effective June 21.

Boren Oil & Gas Corp., Wichita Falls, Texas
July 26 filed $600,000 of 6% convertible debentures due July 15, 1975, to be initially offered for subscription by stockholders of record July 15 on the basis of $100 of debentures for each 100 shares (or fraction thereof held). **Price**—At 100% of principal amount. **Proceeds**—To pay current debt; for drilling expenses and development program. **Underwriters** — Burt, Hamilton & Co., Inc., Dallas, Tex.; and N. R. Real & Co., Jersey City, N. J.

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 up to noon (EDT) on Aug. 23.

California Electric Power Co. (8/30)
July 2 filed $6,000,000 of first mortgage bonds, due 1985. **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 up to noon (EDT) on Aug. 30.

• **Calumet & Hecla, Inc.**
June 9 filed 116,832 shares of common stock (par $5) being 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; eight 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. Statement effective July 20.

• **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 being 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 are 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. These offers will expire on Sept. 15. **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.

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.

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.

• **Coastal Finance Corp., Silver Spring, Md.**
July 21 (letter of notification) 5,669 shares of class A common stock (par $10) being offered first to stockholders of record Aug. 5 on a basis of one new share for each six shares held; rights to expire on Aug. 18. **Price**—$23.50 per share. **Proceeds**—To reduce bank loans and for working capital. **Underwriter**—W. E. Hutton & Co., Baltimore, Md. and New York, N. Y.

Colohoma Uranium, Inc., Montrose, Colo. (9/1)
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.

Colzona Oil & Uranium Corp., Denver, Colo.
April 29 (letter of notification) 3,000,000 shares of common stock (par five cents). **Price**—10 cents per share. **Proceeds**—For mining expenses. **Office**—1300 Larimer St., Denver, Colo. **Underwriter**—Peters, Writer & Christensen, Inc., Denver, Colo.

★ **Commercial Uranium Mines, Inc.**
July 12 (letter of notification) 15,000,000 shares of common stock (par one cent). **Price**—Two cents per share. **Proceeds**—For expenses incident to mining operations. **Office**—170 Vista Grand Road, Grand Junction, Colo. **Underwriter** — Columbia Securities Co., Denver and Grand Junction, Colo.

★ **Commonwealth Investment Co., San Francisco, Calif.**
Aug. 5 filed (by amendment) an additional 1,000,000 shares of common stock (par $1). **Price** — At market. **Proceeds**—For investment.

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.

Confidential Finance Corp., Omaha, Neb
March 11 (letter of notification) 150,000 shares of 7% cumulative preferred stock (par 95 cents) and 15,000 shares of common stock (par one cent) to be offered in units of 10 shares of preferred stock and one share of common stock. **Price** — $10 per unit. **Proceeds** — For working capital. **Underwriter**—J. J. Riordan & Co., Inc., 42 Broadway, New York City.

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 Fiberglass, Inc.**
Aug. 4 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—For advance to Alumin-Aire, Inc., a subsidiary, and for acquisition of, advances to and investment in other companies that may be organized or acquired. **Office**—118 West 22nd St., New York City. **Underwriter**—J. J. Riordan & Co., Inc., New York City.

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.

Consolidated Water Co.
July 21 (letter of notification) 26,000 shares of class A common stock (par $10). **Price**—$11.50 per share. **Proceeds**—To repay outstanding notes. **Underwriters**—The Milwaukee Co., Milwaukee, Wis., Harley, Hayden & Co., Madison, Wis.; and Indianapolis Bond & Share Corp., Indianapolis, Ind.

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.

Crown Uranium Co., Casper, Wyo.
May 6 (letter of notification) 225,435 shares of common stock (par five cents). **Price**—At market (estimated at about 15 cents per share). **Proceeds**—To selling stockholder who received these shares in exchange for shares of Kontika Lead & Zinc Mines, Ltd. **Office**—205 Star Bldg., Casper, Wyo. **Underwriter**—Justin Steppler, Inc., New York.

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.

★ **Defense Metals Mining Co., Vanadium, N. M.**
Aug. 1 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For mining expenses. **Address**—P. O. Box 101, Vanadium, N. M. **Underwriter**—None.

Denison Corp., N. Miami, Fla.
July 20 (letter of notification) 100,780 shares of class A common stock (par 10 cents), of which 91,380 shares are to be offered to public at $3 per share, and 9,400 shares to employees at $2.75 per share. **Proceeds**—To reduce accounts payable and for working capital and other corporate purposes. **Underwriters**—Atwill & Co. and H. Hentz & Co., both of Miami Beach, Fla.

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.

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.

★ **Dome Uranium Mines, Inc., Denver, Colo.**
July 12 (letter of notification) 1,360,000 shares of common stock (par one cent). **Price** 20 cents per share. **Proceeds** — For expenses incident to mining operations. **Office**—352 Colorado National Bldg., Denver, Colo. **Underwriters**—R. L. Hughes & Co., Denver, Colo. and G. W. Allen & Co., Cheyenne, Wyo.

★ **Dow Chemical Co., Midland, Mich.**
Aug. 5 filed 200,000 shares of common stock (par $5) to be offered to employees of company and certain of its subsidiaries and associated companies. Subscriptions will be accepted from Sept. 6 through Sept. 30. **Price**—To be determined near the end of August, 1955. **Proceeds**—For general corporate purposes. **Underwriter**—None.

★ **Eby (Hugh H.) Co., Philadelphia, Pa.**
July 26 filed 360,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds**—To redeem preferred stock and repay bank loans and other debt; to acquire properties; and for general corporate purposes. **Underwriters**—Hallowell, Sulzberger & Co., Philadelphia, Pa.; and Weill, Blauner & Co., Inc. and Baruch Brothers & Co., Inc., both of New York. Statement to be 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.

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.

● **Foremost Dairies, Inc.**
July 21 filed $20,000,000 of 4½% subordinated debentures due Jan. 1, 1981, of which $15,000,000 are being offered first to holders of the outstanding $4.50 preferred stock (par $100), 4½% cumulative preferred stock, sinking fund series (par $50) and 4½% cumulative preferred stock, sinking fund series of 1955 (par $50) at the offering price; and $5,000,000 are being offered in exchange, par for par, for the outstanding 50,000 shares of Philadelphia Dairy Products Co., Inc. first preferred stock. Both offers will expire on Aug. 31. **Price** — 105% of principal amount. **Proceeds**—To redeem preferred stocks. **Underwriters**—Allen & Co. and Salomon Bros. & Hutzler, both of New York.

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-

Continued on page 34

NEW ISSUE CALENDAR

August 12 (Friday)
Kirby Oil & Gas Co.________________Common
(Allen & Co. and Rauscher, Pierce & Co.) 200,000 shares

August 15 (Monday)
Texas Toy Co.________________Common
(Ray Johnson & Co., Inc.) $300,000
Trans-National Uranium & Oil Corp._____Common
(Garrett Brothers, Inc.) $3,000,000

August 16 (Tuesday)
American Enka Corp.________________Common
(Offering to stockholders—underwritten by Harriman Ripley & Co. Inc.) 223,530 shares

August 17 (Wednesday)
Chicago, Burlington & Quincy RR._Equip. Tr. Ctfs.
(Bids noon CDT) $4,350,000
General Motors Acceptance Corp.________Debentures
(Morgan Stanley & Co.) $200,000,000
Tel-Instrument Electronics Corp.________Common
(Batkin & Co.) $299,999

August 18 (Thursday)
Missouri Pacific RR. ________Equip. Trust Ctfs.
(Bids to be invited) $3,675,000
Rheem Manufacturing Co.____________Debentures
(Blyth & Co., Inc.) $25,000,000

August 19 (Friday)
Mississippi Valley Gas Co.____________Debentures
(Offering to stockholders—underwritten by Equitable Securities Corp.) $2,000,000

August 22 (Monday)
Splendora Film Corp.________________Common
(J. H. Lederer Co., Inc. and McGrath Securities Corp.) $600,000

August 23 (Tuesday)
Bergstrom Paper Co.__________Class A Common
(A. G. Becker & Co. Inc.) 70,000 shares
California Electric Power Co.____________Common
(Bids noon EDT) 230,000 shares
Great Western Corp.________________Common
(Lehman Brothers) 500,000 shares
Northwest Nitro-Chemicals, Ltd._Debs. & Common
(Eastman, Dillon & Co.) $8,500,000 debentures and 850,000 shares of stock
Pacific Telephone & Telegraph Co.____Debentures
(Bids 8:30 a.m. PDT) $67,000,000
Talcott (James), Inc.________________Common
(F. Eberstadt & Co. Inc.) 100,000 shares

August 24 (Wednesday)
St. Louis-San Francisco Ry.______________Bonds
(Bids noon EDT) $19,500,000

August 25 (Thursday)
Genung's, Inc. ________________Debentures
(P. W. Brooks & Co., Inc. and Blair & Co. Inc.) $1,000,000
Genung's, Inc. ________________Common
(P. W. Brooks & Co., Inc. and Blair & Co. Inc.) 25,000 shares

August 30 (Tuesday)
Aldens, Inc. ________________Debentures
(Offering to stockholders—underwritten by Lehman Brothers) $3,662,600
California Electric Power Co.______________Bonds
(Bids noon EDT) $6,000,000

September 1 (Thursday)
Colohoma Uranium, Inc.________________Common
(General Investing Corp. and Shaiman & Co.) $1,250,000

September 5 (Monday)
Hilo Electric Light Co., Ltd.____________Common
(Offering to stockholders—no underwriting) 25,000 shares
Housatonic Public Service Corp.__________Common
(Offering to stockholders—no underwriting) $325,974

September 8 (Thursday)
New York Central RR.__________Equip. Trust Ctfs.
(Bids to be invited) $7,500,000

September 13 (Tuesday)
Utah Power & Light Co.________________Bonds
(Bids noon EDT) $15,000,000
Utah Power & Light Co.________________Common
(Bids noon EDT) 177,500 shares

September 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 21 (Wednesday)
Columbia Gas System, Inc.____________Debentures
(Bids to be invited) $40,000,000

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 11 a.m. EDT) $35,000,000
Rochester Telephone Corp.____________Common
(Offering to stockholders—may be underwritten by The First Boston Corp.) 195,312 shares

October 5 (Wednesday)
Pacific Power & Light Co.____________Preferred
(Expected by local dealers) $3,000,000

October 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
Southern Co.________________Common
(Offering to stockholders—bids 11 a.m. EDT) 1,004,870 shares

October 25 (Tuesday)
Arkansas Power & Light Co.____________Preferred
(Bids to be invited) $8,000,000

November 30 (Wednesday)
San Diego Gas & Electric Co.______________Bonds
(Bids to be invited) $18,000,000

December 6 (Tuesday)
Virginia Electric & Power Co.____________Preferred
(Bids to be invited) $12,500,000

Continued from page 33

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.

Fox (Peter) Brewing Co., Chicago, Ill.
July 26 (letter of notification) 15,000 shares of common stock (par $1.25) to be offered for subscription by stockholders of Fox Head Brewing Co. on the basis of one Peter Fox share for each four Fox Head shares held. **Office**—2626 West Monroe St., Chicago, Ill.

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 Co., Salt Lake City, Utah**
Aug. 1 (letter of notification) 15,000,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For mining expenses. **Office**—515 Deseret Bldg., Salt Lake City, Utah. **Underwriter** — Moab Brokerage Co., Western States Investment Co., Potter Investment Co., Mid-America Securities, Inc. of Utah, and Cashin-Emery, Inc., all of Salt Lake City, Utah.

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.

★ **Gallina Mountain Uranium Corp.**
July 29 (letter of notification) 500,000 shares of common stock (par one cent). **Price**—An aggregate of $50,000. **Proceeds**—For mining expenses. **Office**—82 Beaver St., New York. **Underwriter** — Prudential Securities Corp., same address.

★ **Gas Hills Mining & Oil, Inc., Kemmerer, Wyo.**
Aug. 1 (letter of notification) 1,000,000 shares of capital stock (par five cents). **Price** — 25 cents per share. **Proceeds**—For oil and mining expenses. **Underwriter**—Empire Securities Corp., Las Vegas, Nev.

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 Minerals Corp., Dallas, Texas
July 21 filed 1,850,000 shares of common stock (par $1). **Price**—To be supplied by amendment (may be around $2 per share). **Proceeds**—To purchase the production payments to which the company's oil properties are now subject; to pay an obligation of S. Y. Guthrie, President; and for acquisition of additional uranium properties and exploration, development and mining of its present properties. **Underwriters** — Sanders & Newsom and Rauscher, Pierce & Co., both of Dallas, Tex.; and Laird & Co., Wilmington, Del.

★ **General Motors Acceptance Corp. (8/17)**
Aug. 4 filed $200,000,000 of 20-year debentures due 1975. **Price**—To be supplied by amendment. **Proceeds**—To provide additional working capital for the purchase of receivables. **Underwriter**—Morgan Stanley & Co., New York.

★ **General Motors Corp., Detroit, Mich.**
Aug. 2 filed 1,000,000 shares of common stock (par $1.66 ⅔) to be offered for subscription pursuant to the company's Savings-Stock Purchase Program for Salaried Employees in the United States.

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., and Hill, Crawford & Lanford, Inc., both of Little Rock, Ark.; and Security & Bond Co., Lexington, Ky.

★ **Genung's, Inc., Mount Vernon, N. Y. (8/25)**
Aug. 5 filed $1,000,000 of 5¾% sinking fund debentures due 1975 (with detachable seven-year warrants to purchase 50 shares of $1 par common stock for each $1,000 of debentures, at prices ranging from $8 to $15 per share over the period), together with 25,000 shares of common stock. **Price**—100% of principal amount for the debentures and $7 per share for the stock. **Proceeds** — Approximately $290,000 to pay insurance company loan, reduce certain borrowings and increase working capital. **Underwriters**—P. W. Brooks & Co., Inc. and Blair & Co. Incorporated, both of New York.

Gibralter Uranium Corp., Aurora, Colo.
July 18 (letter of notification) 2,000,000 shares of common stock (par one cent). **Price** — 15 cents per share. **Proceeds**—For expenses incident to mining. **Office**—701 Moline St., Aurora, Colo. **Underwriter**—Robert J. Connell, Inc., Denver, Colo.

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 Western Corp., Los Angeles, Calif. (8/23)**
Aug. 1 filed 500,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To retire $10,473,628 bank loan, for stock acquisitions and for general corporate purposes. **Business**—A holding corporation. **Underwriter**—Lehman Brothers, New York.

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.

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.

Hedges Diesel, Inc.
July 25 (letter of notification) 5,419 shares of class A common stock and 10,838 shares of class B common stock. **Price**—At par ($10 per share). **Proceeds**—For expansion, equipment and working capital. **Underwriter**—Butcher & Sherrerd, Philadelphia, Pa.

Hilo Electric Light Co., Ltd., Hilo, Hawaii (9/5)
Aug. 1 filed 25,000 shares of common stock to be offered for subscription by stockholders of record Sept. 5 on the basis of one new share for each five shares; unsubscribed shares to be first offered to employees at rate of five shares for each full year of employment; then to general public. **Price** — To stockholders and employees, at par ($20 per share); and to public, at prevailing market price ($25.87½ per share on July 22, 1955). **Proceeds** — For expansion and improvement. **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.

Houston Gulf Sulphur Co.
April 25 filed 500,000 shares of common stock (par one cent). **Price**—$1.20 per share. **Proceeds**—For exploration for sulphur and related activities. **Name Changed**—Formerly Humble Sulphur Co. **Office** — Houston, Tex. **Underwriters**—Hunter Securities Corp., New York; and Garrett & Co., Dallas, Tex. **Offering**—Not expected in immediate future. Statement effective July 29.

Industrial Hardware Mfg. Co.
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. and Weill, Blauner & Co., Inc., both of New York.

Inland Oil & Uranium Corp., Denver, Colo.
July 18 (letter of notification) 1,200,000 shares of common stock (par 10 cents). **Price** — 25 cents per share. **Proceeds**—For expenses incident to oil and gas activities. **Office**—3975 East 58th Ave., Denver, Colo. **Underwriter**—Shaiman & Co., Denver, Colo.

Interstate Amiesite Corp.
July 19 filed $438,200 of 5½% convertible debentures due 1965, to be offered first for subscription by stockholders at the rate of $20 of debentures for each 16 shares held. **Price** — To be supplied by amendment. **Proceeds** — For working capital. **Business** — Bituminous concrete paving materials. **Office**—Delaware Trust Bldg., Wilmington 99, Del. **Underwriter**—None.

Iola Uranium Corp.
July 26 (letter of notification) 1,200,000 shares of common stock (par one cent). **Price**—25 cents per share. **Proceeds**—For mining costs. **Office**—1414 So. Michigan Avenue, Chicago 5, Ill. **Underwriter**—Columbia Securities Co., Denver, Colo.

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.

● **Kirby Oil & Gas Co. (8/12)**
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.

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.

Mackey Airlines, Inc., Ft. Lauderdale, Fla.
July 29 filed 333,334 shares of common stock (par 33⅓ cents), part of which are to be offered for subscription by common stockholders and part to Joseph C. Mackey, President of company. **Price**—To be supplied by amendment. **Proceeds** — For purchase of equipment and for general corporate purposes. **Underwriters**—Atwill & Co., Miami Beach, Fla., and Emerson Cook Co., Palm Beach, Fla.

★ **Maloney (M. E.) & Co., Inc.**
Aug. 5 (letter of notification) 289,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For working capital. **Business** — General contractors. **Office** — 511 Center Ave., Mamaroneck, N. Y. **Underwriter**—A. C. Champlain & Co., New York, N. Y.

★ **Marine Midland Corp., Buffalo, N. Y.**
Aug. 5 filed 43,000 shares of common stock (par $5) to be offered in exchange for all of the outstanding capital stock of The Citizens National Bank of Springville on the basis of 4¼ Marine Midland common shares for each one share of Citizens stock. The offer is subject to acceptance by holders of not less than 80% (8,000 shares) of Citizens stock.

● **Maule Industries, Inc., Miami, Fla.**
July 15 filed 638,532 shares of common stock (par $1), being offered for subscription by common stockholders at the rate of one new share for each 2½ shares held about Aug. 5; rights to expire Aug. 22. **Price**—$5.87½ per share. **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) being 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. Offer will expire on Sept. 30. **Underwriter**—None.

★ **Mesa-Loma Mining Corp., Fort Collins, Colo.**
July 13 (letter of notification) 2,955,000 shares of common stock (par one cent). **Price** — 10 cents per share. **Proceeds**—For expenses incident to mining operations. **Office**—415 Peterson St., Fort Collins, Colo. **Underwriter**—Bay Securities Corp., 115 Broadway, New York, N. Y.

★ **Meteor Air Transport, Inc.**
July 29 (letter of notification) 5,963 shares of Class A stock (par $1) to be issued upon exercise of warrants at $1.50 per share. **Proceeds**—For working capital. **Underwriter**—Eisele & King, Libaire, Stout & Co., New York.

Mississippi Valley Gas Co. (8/19)
July 28 filed $2,000,000 of convertible subordinate debentures due 1975, to be offered for subscription by common stockholders of record Aug. 18, 1955, on the basis of $100 of debentures for each 25 shares held; rights to expire on Sept. 8. **Price** — 100% of principal amount. **Proceeds**—To retire $1,500,000 of outstanding 4¼% bonds due 1974 and prepay $457,000 of 4¼% notes due to 1956. **Office**—Jackson, Mich. **Underwriter** — Equitable Securities Corp., Nashville, Tenn.

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.

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.

National Credit Corp., Phoenix, Ariz.
May 6 filed 300,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For working capital. **Underwriter**—None.

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.

Neva-U-Tex Uranium, Inc., Goldfield, Nev.
July 15 (letter of notification) 4,000,000 shares of capital stock. **Price**—Five cents per share. **Proceeds**—For mining expenses, etc. **Office**—312 East Crook St., Goldfield, Nev. **Underwriter** — Utah Uranium Brokers, Salt Lake City, Utah.

Northport Water Works Co.
June 23 (letter of notification) 4,438 shares of common stock (no par) being offered for subscription by stockholders of record July 21 on the basis of one share for each 3½ shares held (with an oversubscription privilege); rights to expire on Aug. 19. **Price**—$30 per share. **Proceeds**—To repay bank loans and accounts payable and for new construction. **Office**—50 Church Street, New York, N. Y. **Underwriter**—None.

● **Northwest Nitro-Chemicals, Ltd. (8/23)**
July 21 filed $8,500,000 of 10-year subordinate income debentures, series A and B, due 1965, and 850,000 shares of common stock (par one cent) to be offered in units of $50 of debentures and five shares of stock. **Price**—To be supplied by amendment. **Proceeds**—To buy land and construct a synthetic fertilizer plant; and for working capital and other corporate purposes. **Office**—Calgary, Alberta, Canada. **Underwriters**—Eastman, Dillon & Co., New York.

★ **Norton Portland Corp., Portland, Me.**
July 13 (letter of notification) 19,500 shares of class B stock (par $1). **Price**—$10 per share. **Proceeds**—For accounts payable, research and development, working capital and repayment of notes held by officers. **Office**—53 Exchange St., Portland, Me. **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.

Orange Hotel, Inc., Dallas, Texas
July 19 filed $450,000 of registered 4% sinking fund debentures due May 1, 1985, which are to be offered in exchange for $375,000 principal amount of registered 4% debentures and 3,750 shares of $20 par stock of Orange Community Hotel Co. in the ratio of $120 of new debentures for each $100 of debentures and 20 shares of stock of the Community company. **Underwriter**—None.

★ **Oronogo Mining Co.**
Aug. 1 (letter of notification) 13,000 shares of common class A (non-voting) stock (par 10 cents) and 547,363 shares of common class B (voting) stock (par 10 cents). **Prices**—For class A, 36 cents per share; and for class B, 40 cents per share. **Proceeds**—For expenses incident to mining operations. **Underwriters** — Paul E. Baker and Kenneth Hartman Sr., Korber Building, Albuquerque, N. M.

Pacific Telephone & Telegraph Co. (8/23)
July 29 filed $67,000,000 of 36-year debentures due Aug. 15, 1991. **Proceeds**—To reduce bank loans. **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). **Bids**—Tentatively expected to be received up to 8:30 a.m. (PDT) on Aug. 23.

Pacific Telephone & Telegraph Co.
July 29 filed 1,339,196 shares of common stock (par $100) to be offered for subscription by common stockholders in the ratio of one new share for each six shares held. American Telephone & Telegraph Co., the parent, owns 90.89% of Pacific's outstanding stock and intends to subscribe for 1,199,849 of the new shares. **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans. **Underwriter**—None.

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.

Pandora Uranium Mines, Inc.
July 14 (letter of notification) 3,000,000 shares of common stock (par one cent). **Price** — 10 cents per share. **Proceeds**—For expenses incident to mining operations. **Office**—530 Main St., Grand Junction, Colo. **Underwriter**—Columbia Securities Co., Denver 2, Colo. and Salt Lake City, Utah.

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.

★ **Phillips (Victor L.) Co., Kansas City, Mo.**
July 20 (letter of notification) $50,000 of 6% five-year convertible debentures due July 1, 1960. **Price**—100% of principal amount. **Proceeds**—For general operating capital. **Office** — 1600 Baltimore Ave., Kansas City, Mo. **Underwriter**—None.

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.

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.

Radium Hill Uranium, Inc., Montrose, Colo.
July 19 (letter of notification) 625,000 shares of common stock (par one cent). **Price**—32 cents per share. **Proceeds**—For expenses incident to mining operations. **Office**—Bryant Bldg., Montrose, Colo. **Underwriters**—General Investing Corp., New York, N. Y., and Shaiman & Co., Denver, Colo.

Rampart Uranium Co., Colorado Springs, Colo.
July 19 (letter of notification) 2,475,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For expenses incident to mining operations. **Office**—Mining Exchange Bldg., Colorado Springs, Colo. **Underwriter**—Al J. Johnson & Co., same address.

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.

● **Rheem Manufacturing Co. (8/18)**
Aug. 2 filed $25,000,000 of 20-year sinking fund debentures due Aug. 1, 1975. **Price**—To be supplied by amendment. **Proceeds**—To retire an outstanding loan of approximately $14,000,000 and for general corporate purposes. **Underwriter**—Blyth & Co., Inc., San Francisco, Calif., and New York, N. Y.

Rocket Mining Corp., Salt Lake City, Utah
July 15 (letter of notification) 6,000,000 shares of capital stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining operations. **Office**—530 Judge Bldg., Salt Lake City, Utah. **Underwriter**—Mid America Securities, Inc., of Utah, 26 W. Broadway, Salt Lake City, Utah.

Royal Register Co., Inc., Nashua, N. H.
July 20 (letter of notification) 25,000 shares of class A common stock (par $1). **Price**—$10 per share. **Proceeds**—For purchase of materials and supplies; capital equipment and reduction of note debt; and for working capital. **Office** — 1 Pine St., Nashua, N. H. **Underwriter**—Lamont & Co., Boston, Mass.

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.

Saint Anne's Oil Production Co.
May 9 (letter of notification) 20,000 shares of common stock (par $1) to be first offered to stockholders. **Price**—$6.25 per share. **Proceeds** — For oil and mineral and related activities. **Office**—Northwood, Iowa. **Underwriter**—None.

St. Regis Paper Co., New York
June 28 filed 329,327 shares of common stock (par $5) being offered in exchange for common stock of General Container Corp. on basis of 2⅜ shares of St. Regis for one General share. Offer, which will expire on Aug. 26, is conditioned upon St. Regis obtaining 80% of outstanding General stock. The Cleveland Trust Co., Cleveland, Ohio, is depository and exchange agent. **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 of record July 29 on a 1-for-13 basis; rights to expire on Aug. 15. **Price**—$7 per share. **Proceeds**—For exploration, development and acquisition of properties. **Office**—417 McBurney Bldg., Tulsa, Okla. **Underwriter**—None.

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.

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.

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.

★ **Spirit Mountain Uranium, Inc., Cody, Wyo.**
July 29 (letter of notification) 25,200,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For expenses incident to mining activities. **Office**—1507-8th Street, Cody, Wyo. **Underwriter**—Utah Uranium Brokers, Las Vegas, Nev.

Splendora Film Corp., New York (8/22)
July 27 filed 1,200,000 shares of common stock (par 10 cents). **Price**—50 cents per share. **Proceeds**—For equipment and accessories; for financing film productions; and for working capital. **Underwriters**—J. H. Lederer Co., Inc., and McGrath Securities Corp., both of New York.

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.

★ **State Bond & Mortgage Co., New Ulm, Minn.**
Aug. 3 filled five series of certificates aggregating $20,-500,000 in principal amount.

Strevell-Paterson Finance Co.
June 16 (letter of notification) 352,000 shares of common stock (par 50 cents) being offered for subscription by stockholders of record July 26 at 70 cents per share on the basis of one new share for each 10 shares held (with an oversubscription privilege); rights to expire at noon on Aug. 22. Unsubscribed shares are to be publicly offered, commencing Sept. 10 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.

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.

★ **Sunshine Packing Corp. of Pennsylvania**
Aug. 1 (letter of notification) $300,000 principal amount of 6% 15-year convertible debentures due Sept. 1, 1970. (May be converted at rate of 50 shares of no par common stock for each $100 debenture prior to maturity). **Price**—At par (in denominations of $100 each). **Proceeds**—For construction of additional cold storage facilities. **Underwriter**—None.

Talcott (James), Inc. (8/23)
Aug. 2 filed 100,000 shares of common stock (par $9). **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Underwriter**—F. Eberstadt & Co., Inc., New York.

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.

Teenager Cosmetics, Inc., Las Vegas, Nev.
July 18 (letter of notification) 287,000 shares of common stock. **Price**—At par ($1 per share) in units of 100 shares each. **Proceeds**—For current liabilities, overhead and

Continued on page 36

Continued from page 35

operational expense, advertising, research, development and manufacturing. **Office**—221 West Charleston Blvd., Las Vegas, Nev. **Underwriter**—Utah Uranium Brokers, Las Vegas, Nev.

TelAutograph Corp., Los Angeles, Calif.
July 1 filed $2,396,500 of 4¾% convertible subordinated debentures due July 15, 1965, being offered for subscription by common stockholders of record July 27, 1955 on the basis of $500 of debentures for each 50 shares of stock held; rights to expire on Aug. 15. **Price**—At par (in denominations of $500 and $1,000 each). **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. (8/17)**
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 Co.
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**—Jesse C. Bowling, 16 M Street, Bedford, Ind.

● **Texas Eastern Transmission Corp.**
July 25 filed 273,906 shares of common stock (par $7) being offered 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 on or before Sept. 12 of at least 263,402 shares of Production Company so that Transmission will thereafter own 80% or more of Production capital stock. Statement effective Aug. 5.

● **Texas Toy Co., Houston, Texas (8/15)**
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.

Texboard, Inc., Dallas, Texas
Jan. 17 filed $1,500,000 of 6% series A debentures due serially from Feb. 1, 1957 to Aug. 1, 1961, and $1,000,000 of 6% series B convertible debentures due serially from Feb. 1, 1962 to Aug. 1, 1966. **Price**—To be supplied by amendment. **Proceeds**—To construct and operate a manufacturing plant near Orange, Tex., for the purpose of manufacturing insulation building products. **Underwriter**—None. C. F. McDougal of Dallas, Tex., is President.

Thunderbird Uranium Corp.
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.

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.

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.

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-H Uranium Corp., Porvo, Utah**
July 13 (letter of notification) 6,000,000 shares of nonassessable common stock. **Price**—At par (five cents per share. **Proceeds**—For expenses incident to mining operations. **Office**—O. M. I. C. Bldg., Moab, Utah and P. O. Box 535, Provo, Utah. **Underwriter**—None.

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.

Union of Texas Oil Co., Houston, Texas
July 12 (letter of notification) 61,393 shares of common stock (no par). **Price**—$1.25 per share. **Proceeds**—To reduce bank loans, and for development costs and other corporate purposes. **Underwriter**—Mickle & Co., Houston, Texas.

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.

Universal Oil & Uranium Corp.
July 26 (letter of notification) 5,998,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds** — For mining operations. **Office** — 7900 West Colfax Avenue, Denver, Colo. **Underwriter** — Columbia Securities Co., Denver, Colo.

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.

Uranium Prince Mining Co., Wallace, Ida.
April 18 (letter of notification) 1,750,000 shares of common stock. **Price** — 10 cents per share. **Proceeds**—For mining operations. **Address** — Box 709, Wallace, Ida. **Underwriter**—Wallace Brokerage Co., same city.

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 Power & Light Co. (9/13)
July 26 filed $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 up to noon (EDT) on Sept. 13 at Two Rector Street, New York, N. Y.

Utah Power & Light Co. (9/13)
July 26 filed 177,500 shares of common stock (no par). **Proceeds**—To repay bank loans and 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 up to noon (EDT) on Sept. 13 at Two Rector Street, New York, N. Y.

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 picture 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.

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.

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.

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.

Yellow Circle Uranium Co.
July 22 (letter of notification) 5,000,000 shares of common stock. **Price**—At par (five cents per share). **Proceeds** — For mining expenses. **Office** — 223 Petroleum Building, Salt Lake City, Utah. **Underwriter**—Morgan & Co., same city.

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

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.

★ **Atlantic City Electric Co.**
Aug. 1, B. L. England, President, announced that the directors are now considering the sale to the public of a small amount of common stock early next year. **Underwriters**—Probably Union Securities Corp. and Smith, Barney & Co., both of New York.

Bangor & Aroostook RR.
Aug. 1, the ICC granted exemption from competitive bidding of an issue of $4,000,000 40-year 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.

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.

Chenango & Unadilla Telephone Co.
Aug. 1 common stockholders of record July 27 were given the right to subscribe on or before Aug. 16 for 25,000 additional shares of common stock (par $20) on the basis of one new share for each 3½ shares held by bona fide residents of New York State (with an oversubscription privilege). **Price**—$22.50 per share. **Proceeds**—To retire outstanding short-term notes. **Underwriters**—W. E. Hutton & Co. and Laird, Bissell & Meeds, both of New York City.

Chicago, Burlington & Quincy RR. (8/17)
Aug. 1 it was announced company plans to receive bids up to noon (CDT) Aug. 17 for the purchase from it of $4,350,000 of equipment trust certificates to mature in 30 equal semi-annual instalments from March 1, 1956 to Sept. 1, 1970. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Kidder, Peabody & Co.

● **Chicago, Milwaukee, St. Paul & Pacific RR.**
July 13 stockholders approved the creation of an issue of $60,000,000 5% income debentures, series A, due Jan. 1, 2055, being offered in exchange for 600,000 shares of outstanding 5% $100 par preferred stock, series A, on a par for par basis; offer commenced Aug. 1 and will run through Aug. 31. **Dealer-Manager** — Merrill Lynch, Pierce, Fenner & Beane, New York.

Columbia Gas System, Inc. (9/21)
July 25 it was reported company plans to issue and sell $40,000,000 of debentures due 1980. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders— Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids** — Planned for Sept. 21. **Registration**—Expected on Aug. 25.

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.

★ Day-Brite Lighting, Inc., St. Louis, Mo.
Aug. 1 it was reported registration is expected this week of about 260,000 shares of common stock. **Underwriter**—Scherck, Richter Co., St. Louis, Mo.

★ Delaware Power & Light Co.
July 26, Stuart Cooper, President, announced that the company is presently discussing arrangements for temporary financing through banks and is planning the subsequent issuance of bonds and equity securities. It appears that the first step in the permanent financing of the program will take place sometime late this fall. The present construction program includes two plants which will cost approximately $40,000,000. **Underwriters**—To be determined by competitive bidding. Probable bidders: (1) For bonds—Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. and Salomon Bros. & Hutzler (jointly); Lehman Brothers; Union Securities Corp.; The First Boston Corp. and Blyth & Co., Inc. (jointly); White, Weld & Co. and Shields & Co. (jointly); Merrill Lynch, Pierce, Fenner & Beane and Kidder, Peabody & Co. (jointly); W. C. Langley & Co. (2) For common stock (which may be first offered to stockholders)—W. C. Langley & Co. and Union Securities Corp. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Carl M. Loeb, Rhoades & Co.; Blyth & Co., Inc. and The First Boston Corp. (jointly); White, Weld & Co. and Shields & Co. (jointly); Lehman Brothers. (3) On preferred stock—Blyth & Co., Inc. and The First Boston Corp. (jointly); White, Weld & Co. and Shields & Co. (jointly); Lehman Brothers; W. C. Langley & Co. and Union Securities Corp. (jointly); Morgan Stanley & Co.

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.

★ Detroit Steel Corp.
Aug. 8 directors approved a plan which will include the public sale of $30,000,000 15-year first mortgage bonds and the sale to present common shareholders of 503,000 additional shares of common stock on a one-for-five basis (with an oversubscription privilege). **Price**—Of stock, to be not more than 80% of the market value immediately prior to the offering. **Proceeds**—To retire first mortgage note held by RFC in amount of $38,180,000, through payment of $32,180,000 in cash and issuance of $6,000,000 in 6% cumulative preferred stock at par ($100 per share); the remainder will be used for working capital. **Underwriter**—Halsey, Stuart & Co. Inc., New York and Chicago. **Offering**—Expected late in September. Stockholders to vote Sept. 15.

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. **Underwriters**—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.

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."

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 undetermined 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.

★ Missouri Pacific RR. (8/18)
Bids will be received by the company at St. Louis, Mo., on Aug. 18 for the purchase from it of $3,675,000 equipment trust certificates. Probable bidders: Hallsey, Stuart & Co., Inc.; Salomon Bros. & Hutzler.

Morris Plan Co. of California
Aug. 2 it was announced company plans to offer to its stockholders of record Aug. 8 the right to subscribe on or before Aug. 29 for 30,600 additional shares of capital stock (par $10) on the basis of one new share for each six shares held. Unsubscribed shares to be publicly offered by company after Sept. 6, 1955. **Price**—$30 per share. **Proceeds**—For working capital. **Underwriter**—None.

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 as of Sept. 27; 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.

National Fuel Gas Co.
Aug. 1 it was announce company plans to file with the SEC this week an application to offer its common stock in exchange for shares of Pennsylvania Gas Co., a principal subsidiary, on a basis of 1.45 National shares for each Pennsylvania Gas share.

• New Haven Clock & Watch Co.
Aug. 3 it was announced that stockholders approved a plan of recapitalization and 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 Central RR. (9/8)
Bids will be received on Sept. 8 for the purchase from the company of $7,500,000 equipment trust certificates to mature annually to, and including 1970. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

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.; Harriman 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.

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.

Continued on page 38

Continued from page 37

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.

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.

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)**
Aug. 8 company applied to New Jersey Board of Public Utility Commissioners for authority 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. (EDT) on Oct. 4.

● **Public Service Electric & Gas Co.**
Aug. 8 it was announced that company may issue and sell early in October 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.

Rochester Telephone Corp. (10/4)
July 25 company advised New York P. S. Commission that it plans to make an offering of 195,312 additional shares of common stock to its stockholders on the basis of one new share for each four shares held as of about Oct. 4; rights to expire on Oct. 19. **Price**—To be determined later. **Proceeds**—For construction program. **Underwriter**—The First Boston Corp., New York. **Registration**—Planned for Sept. 13.

St. Croix Paper Co.
Aug. 1 it was announced company plans to offer to its common stockholders an issue of about 125,000 additional shares of common stock (par $12.50). **Proceeds**—From sale of stock, and from issue of sinking fund notes to a bank and an insurance company, for new equipment and general corporate purposes. **Underwriter**—Estabrook & Co., Boston and New York. **Meeting**—Stockholders to meet Aug. 10.

● **St. Louis-San Francisco Ry (8/24)**
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). Bids**—Expected to be received up to noon (EDT) on Aug. 24 in New York.

● **San Diego Gas & Electric Co. (11/30)**
Aug. 2 it was reported company plans to sell $18,000,000 of bonds. **Proceeds**—To repay bank loans and for new construction. **Underwriters**—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. **Bids**—Expected Nov. 30.

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. (10/19)
July 28 it was announced company plans to offer first to common stockholders 1,004,870 additional shares of common stock (par 5) on a basis of one new share for each 18 shares held about Oct. 19; rights to expire on Nov. 10. Warrants to be mailed on Oct. 21. **Price**—To be named by company on Oct. 17. **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 to be received up to 11 a.m. (EDT) on Oct. 19. **Registration**—Not expected until Sept. 21.

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 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 26 it was announced stockholders of record July 22 1955, have been 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.

United Gas Corp.
Feb. 24, N. C. McGowen, President, announced that corporation plans to raise $35,000,000 to $40,000,000 through the sale of additional common stock to stockholders. **Proceeds**—For construction program of company and of United Gas Pipe Line Co., a subsidiary. **Underwriter**—None. **Offering**—Expected in September or October.

United Gas Corp.
Feb. 24, N. C. McGowen, President, stated that company might be doing some debt financing, with this year's total financing program reaching about $50,000,000 (including about $35.000.000 to $40,000,000 of common stock). **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Morgan Stanley & Co.; White, Weld & Co. and Equitable Securities Corp. (jointly); Harriman Ripley & Co. Inc. and Goldman, Sachs & Co. (jointly).

★ **Virginia Electric & Power Co. (12/6)**
Aug. 2 it was announced that company plans to issue and sell 125,000 shares of cumulative preferred stock (par $100). **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Stone & Webster Securities Corp.; Merrill, Lynch, Pierce, Fenner & Beane.

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.

Westcoast Transmission Co., Ltd.
April 25 it was reported company now plans to issue and sell publicly about $20,000,000 of securities, probably in units of notes and stock. Bonds are expected to be placed privately. **Underwriter**—Eastman, Dillon & Co., New York. **Offering**—Expected in July.

Westpan Hydrocarbon Co.
March 2 it was announced Sinclair Oil Corp. has agreed with the SEC to divest itself of its investment of 384,380 shares of Westpan stock (52.8%). **Underwriter**—Union Securities Corp., New York, underwrote recent sale of Sinclair's holdings of Colorado Interstate Gas Co. White, Weld & Co., New York, may be included among the bidders.

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.

Worcester County Trust Co., Worcester, Mass.
July 26 the Bank offered to its shareholders of record July 26, 1955 the right to purchase an additional 10,000 shares of capital stock (par $25) on the basis of one new share for each 11 shares held; rights will expire on Aug. 15. **Price**—$60 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—None.

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 $560,000 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.

Foremost Dairies Debentures Offered

An underwriting group headed by Allen & Co. and Salomon Bros. & Hutzler, today (Aug. 11, 1955) is making a preferential offering of $15,000,000 4½% subordinated debentures, due Jan. 1, 1980 of Foremost Dairies, Inc., at 105%, plus accrued interest, to holders of the company's $4.50 preferred stock and two series of 4½% cumulative preferred stock which have been called for redemption on Sept. 15, 1955.

Simultaneously, Foremost Dairies, Inc. is offering an additional $5,000,000 principal amount of these new debentures in exchange for 50,000 outstanding shares of Philadelphia Dairy Products Co., Inc., first preferred stock at the rate of $500 principal amount of debentures for five shares of stock. The preferred stock of Philadelphia Dairies, a Foremost Dairies subsidiary, has been called for redemption on Oct. 1, 1955.

Both the preferential offer and the exchange offer will expire on Aug. 31, 1955. Any debentures remaining unexchanged after the expiration of the exchange offer will be purchased by the underwriting group.

Net proceeds from the sale of the $15,000,000 of debentures and the unexchanged portion of the $5,000,000 debentures from the Philadelphia Dairy offer will be used to redeem Foremost's $4.50 preferred stock and the two series of 4½% cumulative preferred stock, and the balance of the unexchanged Philadelphia Dairy first prefered stock.

The debentures will be completely retired at maturity through the operation of a sinking fund, and are callable at 105% for sinking fund purposes, the first payment of approximately $685,000 to be made May 15, 1961. Debentures may be called for other than sinking fund purposes at prices graduating down from 109½% in 1956 to 105% at maturity.

Foremost Dairies, Inc., and its operating subsidiaries are engaged primarily in the processing and distribution of fluid milk and ice cream, and a diversified line of other dairy products, including cheese, butter, eggs, fresh canned milk, fresh tasting evaporated milk, powdered milk, recombined milk, and certain oils and chemical products useful in the dairy and other fields. The third largest dairy company in the United States, it serves a market area embracing 30 states, plus important operations in Hawaii, Guam, Okinawa, Japan and Hong Kong.

Consolidated net sales for the six months ended June 30, 1955 amounted to $184,061,615, and are currently running at an annual rate of approximately $400,000,000. Net income for the first half of 1955 was $4,533,919.

Other members of the underwriting group include: Auchincloss, Parker & Redpath; Bache & Co.; Baker, Weeks & Co.; Carolina Securities Corp.; Dean Witter & Co.; Robert Garrett & Sons; Goldman, Sachs & Co.; Goodbody & Co.; Hornblower & Weeks; Hulme, Applegate & Humphrey, Inc.; E. F. Hutton & Co.; A. M. Kidder & Co.; Ladenburg, Thalmann & Co.; Lehman Brothers; L. F. Rothschild & Co.; Schwabacher & Co.; Singer, Deane & Scribner; Stroud & Co., Inc.; G. H. Walker & Co.; Wood, Struthers & Co.

Slayton Adds To Staff

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — Gustave A. Jensen has been added to the staff of Slayton & Company, Inc., 408 Olive Street.

Welch Industries Stk. Offered at $2 a Share

Warren Clark & Co., Houston, Tex., is offering publicly an issue of 150,000 shares of common stock (par 50 cents of Welch Industries, Inc., at $2 per share.

Welch Industries is a newly formed, but actively operating corporation, engaged in the business of recovery of tin cans and other metallic scrap for industrial reuse.

It is the successor to Gulf Metals Co., a partnership, which for more than a year prior to its acquisition by Welch, was devoted to the development of the nucleus of a business able to reclaim, process and resell ferrous metals.

Welch Industries acquired Gulf Metals in exchange for 220,000 shares of Welch common which was apportioned among Gulf owners in accordance with their interests in Gulf. These shares, held by the incorporators, are in addition to the 150,000 shares being offered to the public.

The net proceeds from the current sale of the Welch Industries securities will be used to pay for a new plant in El Paso, Texas, construction of a detinning plant and acquisition of a unique new, portable baling machine.

All the incorporators' stock—220,000 shares—is being escrowed at the National Bank of Commerce of Houston. 50,000 of the shares, issued in exchange for equipment and services appraised at in excess of $100,000 are escrowed until Sept. 1, 1957, unless the Secretary of State orders an earlier release.

The balance of 170,000 shares are dependent upon the company's earning $170,000 after taxes by Sept. 1, 1957, under the formula that one share of stock shall be released to the incorporators for each dollar of net earnings after taxes up a minimum of 170,000 shares. Those shares not entitled to be released on Sept. 1, 1957, will be contributed by the incorporators back to the treasury of the company.

Further, should the corporation be liquidated, the incorporators have agreed that the escrowed shares will not be entitled to participate in the liquidating dividend.

Capacity of the El Paso plant will be 25,000 tons a year, while there is a market in this area for almost 36,000 tons a year, be added. Furthermore, Louie Welch, President, said, the company has already obtained a contract from one major copper company for 500 tons a month, or 6,000 tons annually.

The proposed detinning plant will be located at or near a steel mill, Mr. Welch said. Not only will it salvage the steel from tin cans, but the tin plate as well, through a chemical process. Processing capacity of this plant would be approximately 2,000 tons a month.

Robert Lipton Adds

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — William T. Hastings has been added to the staff of Robert Lipton, Paramount Building.

First Calif. Adds

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif. — James Constantine is now affiliated with First California Company, 300 Montgomery Street.

DIVIDEND NOTICE

BROWN Company

Berlin, NEW HAMPSHIRE

DIVIDEND NOTICE

The Board of Directors at a meeting held on July 15, 1955 declared a dividend of 25 cents per share on the Common Stock, payable September 1, 1955 to Stockholders of record at the close of business August 19, 1955.

At the same meeting the Board also declared a dividend of the same amount per share payable December 1, 1955 to Common Stockholders of record at the close of business November 18, 1955.

Stockholders who wish to receive their dividends directly from the Disbursing Agent should arrange to have the stock transferred to their own names by the record date.

NOTICE TO HOLDERS OF COMMON STOCK VOTING TRUST CERTIFICATES

The Voting Trust Agreement for stock of Brown Company expired October 1, 1951. Holders of Voting Trust Certificates are entitled to receive regular stock certificates in exchange for Voting Trust Certificates.

The September 1 Common Stock dividend referred to above in respect of Common Stock Voting Trust Certificates not exchanged for stock certificates before August 20, 1955 will be deposited with Second Bank-State Street Trust Company, Boston 1 Mass., *for payment only when Voting Trust Certificates are so exchanged.*

Holders of unexchanged Common Stock Voting Trust Certificates should forward the same, with a request for actual stock certificates, in time so that they are received before August 20, 1955 by one of the following Transfer Agents:

Second Bank-State Street Trust Company
Corner State and Congress Streets
Boston 1, Mass.

Chemical Corn Exchange Bank
165 Broadway
New York 15, New York

Guardian Trust Company
618 St. James Street, West
Montreal 3, P. Q., Canada

The Royal Trust Company
66 King Street, West
Toronto 1, Ontario, Canada

BROWN COMPANY
S. W. Skowbo
Vice President and Treasurer

DIVIDEND NOTICES

PEPPERELL FABRICS

PEPPERELL MANUFACTURING COMPANY

Boston, July 29, 1955

DIVIDEND NOTICE

A regular quarterly dividend of Seventy-five Cents (75¢) and a year-end extra dividend of Seventy-five Cents (75¢) per share have been declared payable August 15, 1955, to stockholders of record at the close of business August 8, 1955.

Checks will be mailed by the Old Colony Trust Company of Boston, Dividend Disbursing Agents.

PAUL E. CROCKER, *Secretary*

A-C ALLIS-CHALMERS MFG. CO.

COMMON DIVIDEND NO. 125

A regular quarterly dividend of one dollar ($1.00) per share on the issued and outstanding common stock, $20.00 par value, of this Company has been declared, payable September 30, 1955 to shareholders of record at the close of business September 2, 1955.

3¼% PREFERRED DIVIDEND NO. 36

A regular quarterly dividend of eighty-one and one-quarter cents (81¼c) per share on the 3¼% Cumulative Convertible Preferred Stock, $100 par value, of this Company has been declared, payable September 5, 1955 to shareholders of record at the close of business August 19, 1955.

4.08% PREFERRED DIVIDEND NO. 5

A regular quarterly dividend of one dollar and two cents ($1.02) per share on the 4.08% Cumulative Convertible Preferred Stock, $100 par value, of this Company has been declared, payable September 5, 1955 to shareholders of record at the close of business August 19, 1955.

Transfer books will not be closed.

Checks will be mailed.

W. E. HAWKINSON,
Vice President and Secretary

August 3, 1955

CONSUMERS

DIVIDEND NO. 170 ON COMMON STOCK

The Board of Directors of Consumers Power Company has authorized the payment of a quarterly dividend of 55 cents per share on the outstanding Common Stock, payable August 20, 1955, to share owners of record July 22.

DIVIDEND ON PREFERRED STOCK

The Board of Directors also has authorized the payment of a quarterly dividend on the Preferred Stock as follows, payable October 1, 1955, to share owners of record September 2:

CLASS	PER SHARE
$4.50	$1.12½
$4.52	$1.13
$4.16	$1.04

CONSUMERS POWER COMPANY
JACKSON, MICHIGAN

Serving Outstate Michigan

DIVIDEND NOTICES

The Singer Manufacturing Company

The Board of Directors has declared a quarterly dividend of fifty cents per share payable on September 13, 1955 to stockholders of record at the close of business on August 22, 1955.

D. H. ALEXANDER
Secretary

August 5, 1955.

LION OIL COMPANY

LION

A regular quarterly dividend of 50¢ per share has been declared on the Capital Stock of this Company, payable September 15, 1955, to stockholders of record August 25, 1955. The stock transfer books will remain open.

E. W. ATKINSON, *Treasurer*

August 3, 1955.

THE DAYTON POWER AND LIGHT COMPANY
DAYTON, OHIO

132nd Common Dividend

The Board of Directors has declared a regular quarterly dividend of 50c per share on the Common Stock of the Company, payable on September 1, 1955 to stockholders of record at the close of business on August 16, 1955.

GEORGE SELLERS, Secretary

August 5, 1955

Delta Air Lines, Inc.
now operating as

Delta C&S

CASH DIVIDEND No. 32

The Board of Directors of Delta Air Lines, Inc. has declared a quarterly dividend of 30c per share on the capital stock of the company, payable September 5 to stockholders of record at the close of business on August 17.

Delta Air Lines, Inc.
General Offices: Atlanta, Ga.

DIVIDEND NOTICES

MERRITT-CHAPMAN & SCOTT CORPORATION

YOUR CONFIDENCE IS JUSTIFIED WHERE THIS FLAG FLIES

The Board of Directors of Merritt-Chapman & Scott Corporation at a meeting held August 3, 1955, declared a regular quarterly dividend of 50 cents per share, on the Common Stock of the Corporation, payable September 1, 1955, to shareholders of record as of August 15, 1955.

Louis E. Wolfson,
President

Esso

STANDARD OIL COMPANY
(INCORPORATED IN NEW JERSEY)

The Board of Directors has declared a **Cash Dividend** on the capital stock of $1.25 per share on August 4, 1955. This dividend is payable on September 10, 1955, to stockholders of record at the close of business on August 15, 1955.

30 Rockefeller Plaza, New York 20, N. Y.

SAFEWAY STORES INCORPORATED

Common and Preferred Stock Dividends

The Board of Directors of Safeway Stores, Incorporated, on August 2, 1955, declared the following quarterly dividends:

60¢ per share on the $5.00 par value Common Stock.

$1.00 per share on the 4% Preferred Stock.

$1.07½ per share on the 4.30% Convertible Preferred Stock.

Common Stock dividends and dividends on the 4% Preferred Stock and 4.30% Convertible Preferred Stock are payable October 1, 1955 to Stockholders of record at the close of business September 14, 1955.

DRUMMOND WILDE, *Sec.*
August 2, 1955

Washington ... And You

Behind-the-Scene Interpretations from the Nation's Capital

WASHINGTON, D. C. — It is now the moderate apprehension of the Federal monetary authorities that the present business boom is proceeding too rapidly. Their objective is to slow its forward pace with the idea of preventing a more uncomfortable readjustment later.

In other words, the monetary authorities are pursuing the same philosophy of 1953, when credit was tightened up. But it is doubted that they will pursue it as vigorously as two years ago, or that circumstances suggest such vigor of restraint.

The clearest-cut indication of this thinking, of course, was the raising of the rediscount rate. Just before this was done, discounts approached $1 billion in volume.

This step can well maintain control for some time. Business and other lending is said to have pushed pretty well beyond what officials evaluated as the expected seasonal rise. If demand for bank credit continues to rise above the seasonal amount, the 2% rate (2¼% at Cleveland) can of itself lead to a considerable tightening of credit without any overt or further actions by the monetary authorities. Or, if nonetheless borrowings at the Reserve banks continue to rise, it would not surprise observers if the other Reserve banks should move up to the Cleveland rate.

What is being restrained by the mild means, is the forward pace of the boom. As yet there is said to be no thought of promoting any deflation. The Reserve and the Administration are believed to be committed to the idea that there should be sufficient bank reserves to finance a more or less normal seasonal rise plus an allowance for a reasonable amount of growth. It is the growth or expansion which appears to be going far too fast, and threatens the readjustment.

Furthermore, supplementing the discount rate rise, the Reserve through open market operations may exercise a more effective interim control, especially since bills are in better supply now that the Treasury has been adding $100 million for several weeks to its weekly issues.

Make Psychological Moves

In two other respects, the Eisenhower Administration has taken steps which are designed primarily to promote a psychology of caution. These are respecting consumer and mortgage real estate debt.

First of these steps related to banks. Arthur Burns, the Chairman of the President's Council of Economic Advisers, summoned representatives of the Federal Reserve Board, the Comptroller of the Currency, and the Federal Deposit Insurance Corp., to a conference several weeks ago, to express his concern about the liberal loosening up of credit terms, particularly on automobile loans.

Upshot of this meeting was the announced program of all three bank supervisory agencies to check into bank practices on consumer credit, especially on automobile loans, to be carried out henceforth as a new and regular part of the examination of banks.

Examiners henceforth will be armed with detailed questions whose answer will elicit a picture of how a bank handles its consumer credit, especially its instalment loans on cars. In the process the examiners will learn how long are the maturities and to what extent—if any at all—banks are conniving in the process of lending on phony values.

It is believed to be the opinion of the bank supervisory authorities that banks are seldom going beyond 24 months and 25% down on new cars, or one-third down and 18 months on used cars. However, other lenders may be jumping into the 36-months deal with fictitious write-ups of value.

So this particular move is admittedly going at the thing by the circuitous route and will have no direct effect in regulating terms. However, the fact that this thing has been asked of the supervisory agencies and that the latter are going along, has helped to get some publicity on the evils of too loose instalment terms. So, it has helped to promote the psychology, it is hoped, of more caution.

Humphrey Sparks Idea

This particular move was asked by George Humphrey, the Secretary of the Treasury, as well as by Mr. Burns. The Treasury head was also behind the move to tighten up a little on real estate mortgage credit.

As announced, two more percentage points of down payment will be required on all VA and FHA loans. About 40% of the VA's are the no-down-payment kind. This ruling thus wipes out the 30-year, no-down-payment VA loan. A couple of months back VA, at the prodding of the Eisenhower Administration, eliminated the "negative no-down-payment" loan, which is bureaucrateese for a loan without even closing charges.

The later orders, it should be added, restricted terms to a maximum of 25 years on government - sponsored housing loans.

However, the orders were so phrased that all business in process before VA and FHA July 30 is exempt from the 25-year maximum term and the requirement of two more percentage points of down payment.

The greatest proportion of the VA and FHA business is done via the speculative builder, who gets his commitments months in advance. Where the speculative builder has got his commitments the individual buyer is not subjected later in closing the loan to the tougher requirements. Only the individual buying a used house or the individual having his house custom built will be hit immediately.

Hence the new orders on government - sponsored mortgage credit actually will not operate materially to brake the volume of credit during the remainder of the 1955 home-building season. It will not actually dampen down mortgage credit materially until 1956.

So this move is thus admittedly primarily psychological rather than material — to get across the idea that people buying homes should pay some real money down, as also on instalment loans.

WOC's Issue Will Die Down

That noise the Congress made near adjournment on the "Without Compensation" officials is strictly a phenomenon of the 1955 political climate. That has been a climate in which the Democrats, finding that President Eisenhower had stolen most of their Welfare State political merchandise, were trying desperately to draw a distinction between themselves and Mr. Eisenhower.

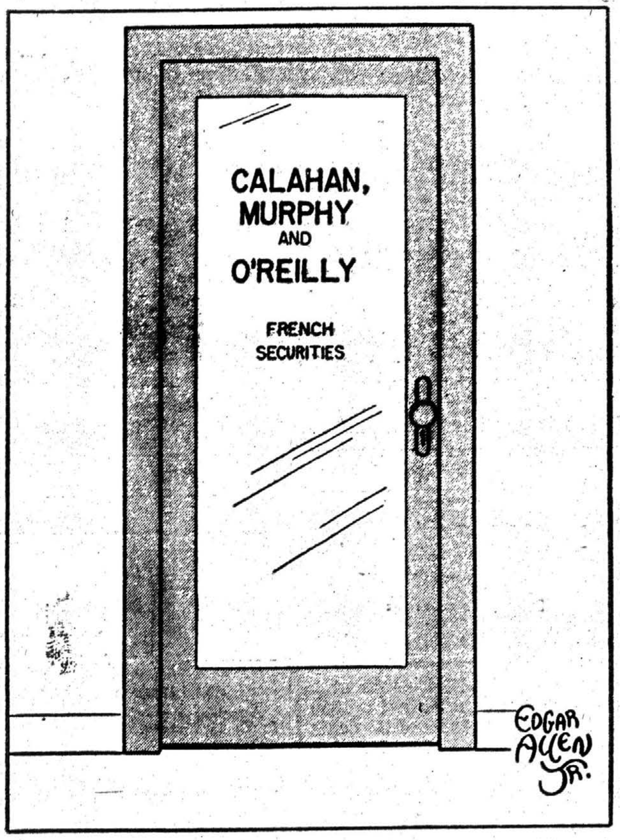
The distinction sought to be drawn was that Mr. Eisenhower was a Republican, and thereby was committed to business, letting business men get away with anything. The WOC issue fitted neatly into the pattern.

When any big business man comes to take a policy job with the government in peace time, he will or should learn that he is perforce in politics, and that love, honor, and duty to the country are purely subsidiary.

Come another war, however, the government will again go begging for business men to come run the show, for the government in wartime is helpless to undertake the multifarious ways of management of the economy without somebody around who knows something about this, that, and the other technical facet of that economy.

(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



Business Man's Bookshelf

Austin, Nichols 1855-1955 — History of the Company—Frederick Walker—Austin, Nichols & Co., Brooklyn, N. Y. (cloth).

Partners in World Trade — The Goal of the GATT—Department of State Publication 5879 — Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 15c.

Introduction to Investments—New 2nd Edition—John C. Clendenin —McGraw-Hill Book Company, Inc., 330 West 42nd Street, New York 36, N. Y. (cloth) $6.50.

San Francisco—World City—Commemorative pamphlet — Anglo California National Bank of San Francisco, Calif. (paper).

Story Behind Gatt—Facts about the General Agreement on Tariffs and Trade and the Organization for Trade Cooperation—American Tariff League, Inc., 19 West 44th Street, New York 36, N. Y. (paper).

COMING EVENTS
In Investment Field

Aug. 13, 1955 (Chicago, Ill.)
Investment Women of Chicago summer luncheon at Honey Bear Farm, Genoa City, Wisc.

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.

Sept. 22, 1955 (Omaha, Neb.)
Nebraska Investment Bankers annual field day at the Omaha Country Club—to be preceded by a cocktail party Sept. 21.

Nov. 16-18 (New York, N. Y.)
Association of Stock Exchange Firms meeting of Board of Governors.