The Future of the Dollar
By William Chamberlain

Former utility executive and industrialist, in calling attention to the depreciation in the market value of the dollar, comments on the nature and characteristics of money as a medium of exchange and as a standard of value. Discusses menace of paper money and analyzes the present U.S. monetary situation. Holds the political atmosphere makes it improbable that government extravagant spending will cease, or other inflationary measures will be taken to avert permanent inflation. Says history shows no well-established paper money inflation has been permanently stopped before complete disaster sets in.

The market value of the United States paper dollar has sharply descended as demonstrated in the market places of the world. Is the decline now at an end or seems frequently to be assumed? I suggest that it is not at an end and that both reasons and experience point to the opposite conclusion. The decline will continue—the rapidity alone of the decline being in question. The rate of depreciation in value of paper money being unpredictable because of the many unforeseeable circumstances which may retard or accelerate it. Our discussion of that. What I propose to discuss is the suggestion that continued depreciation of the paper dollar is so near a certainty that ordinary prudence dictates that one conduct his affairs in the affairs of those for whom he is responsible accordingly.

What is the Dollar? Just what is this dollar of the future which is so important to so many? What is the nature of its value as a medium of exchange and from what is that value derived? The dollar itself is a paper bearing a government imprint. Its size and form are well known but require description. A paper of the exact dimension of one such dollar may also be one thousand or even one hundred thousand. Continued on page 32

Loose Lending
Let us be frank about it. There can be no reasonable doubt about the fact that the banks, or

Railroad Executives Discuss
Outlook for the Industry

In articles especially written for the "Chronicle," chief officers of many of the nation's leading carriers, also Chairman of the ICC, presents opinion as to the prospects for individual roads and the industry in general.

The "Chronicle" is privileged to present today the opinions of the chief officers of a representative cross-section of the nation's railroads, along with that of the Chairman of the Interstate Commerce Commission, on the economic outlook for the industry as a whole and specific carriers. These articles, especially written for the "Chronicle," begin herewith.

Hugh W. Cross
Chairman, Interstate Commerce Commission

The most encouraging development this year in the field of transportation, from the viewpoint of the Interstate Commerce Commission, has been the marked improvement in net earnings of road and motor carriers over tue generally poor showing in 1954.

Class I railroads reported an increase of 91 percent in net income during the first five months of this year, compared with the same period in 1954. Class I motor carriers of property reported an increase of more than 100 percent in net income during the first quarter of this year, compared with the same period in 1954. The improvement, however, has been entirely in the field of freight transportation. Passenger traffic, both by rail and intercity bus, showed declines and continued to be one of the most serious problems facing the surface carriers subject to this Commission's jurisdiction.

Class I railroads reported 5.7 percent more freight revenue} Continued on page 6
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 any security.)

WILBUR H. HOLLY
Sage, Rutty & Company, Inc.
Rochester, N. Y.
Di-Noe Chemicals, Inc. (formerly Di-Noe Company)

It is difficult to be enthusiastic about "The Security I Like Best." However, I have in mind the stock of a company which shows promise of earning at the same time a yield of about 4%. I refer probably to the security represented by the stock to which I refer probably should be classified as a speculative investment and so be classified by many who wish to read this article.

This article is about a stock that is that of a Cleveland, Ohio corporation which is familiar with its name, Di-Noe Chemicals, Inc., which is engaged in the manufacture of the company and its products and that of the Di-Noe Chemical Company of New York City, which is engaged in its management and the conservative policies which it has followed in its business has been conducted.

The company was incorporated in Ohio in 1922 and has a very marketable capital, was refinanced in 1927, its additional capital was sufficient in the company's activities enabling the company to increase its sales. In 1927, the company was organized in Canada and a few of its business at that time was confined principally to Automotive, Radio and Furniture Industries and to a lesser extent, the Point-of-Sales Advertising Field. Due to wartime restrictions, it is estimated that the company's activities were most profitable to the company and during the period from 1941 to 1942.

During the period from 1943 to 1945 the company developed a line of new products, among which the line of Photographic Film was included. The company has a line of Photographic Film for use in the Magnetic Recording and Graphic Art Fields which require a double, or a higher grade of such things as making, testing and engineering operations, templating, etc.

Sales increased from $900,000 in 1945 to $1,253,000 in 1945. Sales for the first six months of 1955 were slightly more than $1,300,000 and unfilled orders were the largest in the company's history for the same period of time. Of the $1,000,000 in 1945, 35% was represented in sales to the Automotive Industry, 33% to the Photographic Film Industry and the balance accounted for by sales to the Motion Picture Industry, the Television Industry, the Food Industry and Point-of-Sale Advertising.

Many new products are now being marketed by the company, which is described in the following paragraph from the Annual Report of the company.

"Some years ago we were prevailed upon by the Automotive Industry to develop a new type of film for the use of the plate of chrome and other bright, metal-like finishes for interior trims. We have recently submitted such a new product to the larger companies in the Automotive Industry and at the present time are hopeful with enthusiastic approval. Due to the special type equipment used, it will probably be 1956 before we can expect any great volume from this development. This will coincide with the introduction of 150,000 new automobiles, production of which will probably begin in the late summer of 1957. There are other many fields in which this product will be used and we will be ready to adequately supply the Automotive Industry, it will be necessary to continue this development to this industry."

The Balance Sheet of the Company shows Current Assets of $1,203,700 and Current Liabilities of $499,560. The Company has notes payable in the amount of $2,000,000, of which $400,000 are included in Current Liabilities; the balance of $2,000,000 is due and payable at the rate of $400,000 per year until 1953 when the balance is due for payment. There is no Bonded Debt and the Company has about 263,122 shares of Common Stock outstanding. The company's cash position is excellent.

Earnings for the first six months of this year reported by the company were 61¢ per share, which is probably about double the earnings for the same period of 1954.

Dividends are being paid at the rate of 10 cents per share each quarter and it is expected that an extra dividend of 10¢ will be declared at the end of this year.

The stock is listed over-the-Counter and is selling around 7%.
Are Common Stock Prices Too High?

BY RAGNAR NAESS

Naess and Thomas Investment Counsel
New York City

Noting great past lag on part of common stock prices in catching up with epoch-making social and economic changes of past 25 years, Mr. Naess states that more cautious attitude is now warranted than when stock prices were relatively low. On basis of present stock market activity, earnings, and expected dividends, finds low point of Dow-Jones Average during next several years should be somewhat below 300, and the high point almost 600. Hence concludes the present potential upside is far less than 1929, and such an advance of 20 per cent will increase rapidly with any further stock price rise.

It has taken a good many years, for investors to realize that the inflation in commodity prices since the Second World War and the increase in the volume of commodity to produce and in the volume of consumption have been so great that common stock prices can now have to move, or triple to reflect adequately the basic changes that have taken place.

The reason for the long delay in the recognition of these fundamental changes in their impact on stock prices may be found partly in the resistance to any change which is generally and long lasting and partly in the too great dependence of the investing public upon past experience in appraising future conditions. The impact of great economic changes upon the consciousness of the public takes place slowly, and the temptation is great to act on the basis of past history in interpreting future events. The investing public has fought the rise in common stock prices as the stock market shrank on a historical basis and a depression was almost certain to come following the Second World War which would cause a decline in the commodity price level of substantial proportions and a decline in business activity, earnings, and dividends. This has been the point of view and the attitude even though the comparisons were made with a period of 25 years ago and these 25 years have been filled with epoch-making and extraordinary economic and social changes throughout the world.

Several years ago, or even one year ago, it was possible to say that common stock price would still have substantially to say they would reflect fully the great economic and social changes that occurred in the first two decades. It was impossible to gauge just how long it might take for stock prices to fully reflect modern conditions or to visualize with any degree of accuracy the level that might be reached by stock prices whenever the basic adjustment would be completed.

Today it is possible to make more definite statements about this subject. The reason is that stock prices have already adjusted themselves, and if anything, have overadjusted themselves to the basic changes that have occurred. They have, so to speak, "been brought into line" with the realities of existing conditions.

The past years have, therefore, been an extraordinary period when it was possible for commodity prices to fall on a sensational rise without becoming too high simply because the level of stock prices 5 or 10 years ago happened to be very low in relation to business activity, earnings, and dividends that would prevail under the future normal economic and social conditions.

External Changes

We will not discuss in detail the tremendous changes that occurred in the last 25 years, most of which were caused by external factors such as the Second World War, the period of extraordinary demand for goods following the war, and the stimulation from the Korean War. Some came from internal changes such as the alteration in the social viewpoint toward labor and the many radical changes forced by the Great Depression which have caused a profound redistribution of income, more rigid costs of manufacture, greater stability in consumption, a tendency toward inflation in commodity prices, and other economic and political factors which were not present to any important degree during the period prior to 1922.

Changes forced by the Great Depression which have caused a profound redistribution of income, more rigid costs of manufacture, greater stability in consumption, a tendency toward inflation in commodity prices, and other economic and political factors which were not present to any important degree during the period prior to 1922.

Now that common stock prices seem to have caught up with the epoch-making changes that have occurred, the attitude toward

Continued on page 33
Clicking Rails

By IRA U. COLEIGH

A salute to the financial, dividend delivering, and operating progress of our railways; plus mention of some of the attractive issues.

The clicking of rails on the stock ticker, has figured large in the pleasing and cadent sound to shareholders; the clicking of rail- way running machines has turned in a wonderful first half year for the railroads, as far as profits are concerned. This is true, more than 70% of the rail systems have reported earnings in excess of their corresponding deficits of the same period last year, and, even with this poorer financial condition, the railroads have been more than able to meet financial burdens, and have been able to keep pace with the needs of the public, along with the needs of themselves. The railroads have been able to provide the public with an efficient service, and have been able to keep the costs of operation at a minimum, thus making it possible for the railroads to continue to operate at a profit. It is clear that the railroads are able to meet their financial obligations, and are able to continue to operate efficiently. This is a clear indication of the strength of the railroads, and the ability of the railroads to meet the challenges of the future.
Observations . . .

By A. Wilfred May

ART COLLECTING—INVESTMENT, SPECULATION, OR WHAT?

One accomplishment of our bull market is revival of the productivity of the art market, as is evidenced by the advance in the price of many types of paintings, especially in some of the older masters. The American art market, on the other hand, appears to have been affected to a lesser extent.

Basic to this situation is the fact that the art market has been experiencing a long period of depression, and that many of the major art dealers have been unable to sustain their operations. This has led to a decline in the price of art, which has in turn caused many buyers to become more cautious in their purchases.

In the past, art collectors have often been willing to take a chance on a particular piece of art, hoping to make a profit when the market moves in their favor. However, in recent years, the art market has been much more volatile, and many collectors have become more conservative in their investments.

Although the art market remains volatile, there are some signs of improvement. The recent rebound in the stock market has led to an increase in the number of investors looking at art as a potential source of investment. This has resulted in a rise in the price of some pieces of art, particularly in the works of well-known artists.

However, the art market remains a risky proposition, and it is important for collectors to carefully consider their investments before proceeding. It is also important to note that the art market is subject to a number of external factors, such as economic conditions and political events, which can affect the price of art.

In conclusion, the art market is a complex and unpredictable environment, and it is important for collectors to be aware of the risks involved in their investments. While there are opportunities for profit, it is important to approach the market with caution and to consider the long-term implications of one's investments.
Railroad Executives Discuss Outlook for the Industry

Continued from first page

hearings in September on the Cabinet Report on Trans- portation Policy. Probably the railroad executives themselves are confident that Congress will find the report apparently fair in its recommendations for correcting unnecessary restrictions and making changes in the basic law that are clearly for the national welfare.

It should be obvious that the day has long since passed when the railroads had a monopoly in transportation and that a new national policy must be of more benefit to the public in general than to a few concerns. For example, the railroad cannot properly serve the public if it is hound to make changes in its passenger rates to conform to the regulations of the Interstate Commerce Commission. It should be recognized that the railroad executives are working hard to re-establish the public confidence in the industry, which has been badly hurt by the old regulations and by the most recent rulings of the Commission.

WARREN W. BROWN
President, Chicago, Indianapolis & Louisville Railroad Company

I believe that industrial activity will continue at a high level after the balance of 1950 is very encouraging. In the first five months of this year, gross revenues of all Class I carriers are up about 8% and are above all levels. It seems reasonable to as- sume that the trend will continue and be more than the new railroad rate increases of less than 3%. The railroad has been successful in increasing its revenue for the first half of the year, and I expect it to continue this trend.

In the first five months of this year, gross revenues for Class I roads will increase by about $100 billion, or somewhere between 5% and 7%. This increase is due to a decrease in the rate of inflation and a decrease in the rate of inflation after the successful completion of the new railroad rates. The railroad has been successful in increasing its revenue for the first half of the year, and I expect it to continue this trend.

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WARREN W. BROWN
President, Chicago, Indianapolis & Louisville Railroad Company

GARDNER A. CAVERLY
President, Rutland Railroad Corporation

The demands of a mushrooming national economy have resulted in a new era of transportation. With regard to railroad traffic, I believe that the high freight traffic of recent months is the result of two things—first, the prosperity of the economy and, second, the successful completion of the new railroad rates. The railroad has been successful in increasing its revenue for the first half of the year, and I expect it to continue this trend.

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GARDNER A. CAVERLY
President, Rutland Railroad Corporation

The best July in C&O history has just been recorded, and the outlook for the balance of the year indicates that the new peaks will probably be reached in 1950. Merhandise trade reports are generally encouraging. Glass and chemicals are in high volume. The domestic coal industry is en- joying an unprecedented period of high production at capacity levels and the electrical equipment industry is continuing to make rapid progress. The C&O is sharing substantially in this movement, and the results in its Electric Equipment department are the highest since the war.

C&O is benefiting from the heavy expenditures by the government for defense equipment and facilities. Improvements in operating and maintenance practices also have had a favorable effect on expenses. Our earnings have been at a record level, and the dividend capital at $37 million, an all-time high for C&O.

The railroad industry is generally enjoying the fruits of the present boom. Its financial position is sound and it's future prospects are encouraging. The revitalization that is becoming more and more apparent in the railroads. Not only are the railroad management aggressively facing the problem of improving service, but also many of today's outdated transportation regulations may be revised to give the railroads a fairer break in meeting competition. In its recent report, the Interstate Commerce Commission recognized the need for modification of existing regulations and recommended certain revisions.
Unsound Aspects of Federal Government Power Marketing

BY JOHN JIRGAL
Chairman of the Task Group on Power Hoover Commission Task Force

Mr. Jirgal describes the methods of marketing the electric power resources of the United States government, and criticizes the Federal policies provided by the Congressional Acts. Says supplying power at less cost than at taxpayers’ expense is un-economic and can only result in a constantly expanding Federal power monopoly, accompanied with widening calls on the taxpayer for funds to pay for the necessary facilities. Scores preference in selling power to local districts.

In view of the large investment in Federal power activities, it is power by Federal activities which are big business. Actually the Federal power activities—what is now the Bureau of Power—had almost within the 1920's had invested in this large scale commercial undertaking nearly as much money as security holders have invested in the American Telephone and Telegraph Company system, and from twice to three times as much as they have invested in General Motors Corporation, Standard Oil Company of New Jersey, the DuPont chemical undertaking, the Northern Pacific Railroad. The Federal investment will also be second only to that of any of the larger privately owned electric systems.

Is this Federal power business being run economically and efficiently? Is any of this business in competition with private enterprise?

Economy and Efficiency

First, let me take up economy and efficiency. As to engineering work and physical operations it appeared to our Group that there was in charge of the work, but with the best practices followed by the electric power industry generally. We were impressed with the ability and proficiency of the field office force with which they were in contact.

But sound construction, engineering and proper physical operations are a small part of overall economy and efficiency in any power business. A properly aligned plant, competently operated, will prove uneconomical and inefficient if the transmission lines and facilities and the transmitting network is not or cannot be sold at prices which will cover the full costs of operation including the fair returns on the investment.

Most Federally generated power is marketed by the Debeunter Division, through four agencies: The Underwriters, the National Power Agency which disposes of the power generated by local communities, the Public Service Company of Colorado, which operates in the mountains. The Federal Power Administration also markets the generation of power plants, built in connection with flood control projects in the Southern and Southwestern states, and the United States. The TVA markets its own power directly.

As engineers, you are familiar with the fact that most of these Federal power projects were constructed as part of multiple-purpose projects, the primary object, either expressed or implicit, being to create a new and valuable asset, prevent floods or provide irrigation, or some combination of these. It will be difficult, if not impossible, to be inclement to these main objectives. Since the Federal Power Appropriation Act of 1944, a greater share of the cost of the other phases of these projects was less likely to be non-reimbursable, it would seem that if any back-up power was sold at a profit, it was at a profit.

Rates were to be fixed by the agencies so that the project would be "self supporting and self liquidating" or the lowest rates which would promote wide-spread use. In only one case, the Food Control Project, were the rates to be fixed at the lowest possible amount consistent with sound business principles, and in this case the latter half of this requirement was nullified by administrative interpretation.

In some of the projects an attempt was made to set up cost standards for fixing the rates but in all of them important elements were omitted. Only operating and maintenance expenses, which are a very minor portion of the total cost, were provided for. Local taxes were owned and will be owned to the extent that any of the larger privately owned electric systems.

The Bureau of the Public Power Administration has an attempt been made by any agency to include in expenses the administrative and supervisory charges incurred in making the studies for the benefit of these power systems.

In none of the projects dealing with rate making is specific provision made for Federal income taxes. An area is there a separate statutory provision for the payment of local taxes. The payment of local taxes was designed to protect local governments, from loss of revenues formerly received from tax paying private utilities whose property TVA had acquired. There was no thought of paying local taxes on power which TVA had built or would build.

In the case of the Hoover Dam the TVA defined the fund and the fund had the power to collect the profits from the sales of power at competitive rates to the states of Arizona and Nevada and the rates were lowered by statute in 1944 to these states. The TVA fund and when were given certain specified "in lieu" payments of lump sum amounts to compensate the states for the change in the rate formula. These "in lieu" payments can be considered as a partial offset to taxes, but they are in no way comparable with what a private utility company would pay if it owned and operated the same property.

A Very Large Federal Power Business

So what we have had up to now is a very large Federal power business, involving the investment of billions of dollars, with Congress in effect acting as a Board of Directors without, however, establishing a definite policy to the effect that the price was to be charged for the products of the systems or even providing the Federal Power Administration with the price that the charges charged to the Federal Power Administration.

It is always easy in any business, and particularly in the case of a government agency, to sell a product for less than it normally costs to produce it. The various Federal power agencies, therefore, have found it easy to adopt this low-rate philosophy. Their concept of cost seems to be that it includes any item of expense specifically provided for by statute or involving an actual cash outlay, as for instance, pay-roll or fuel payments. Under this concept, the payment of taxes not specifically provided for by statute is not recognized either for rate making or annual accounting purposes. Similarly, if, under some statutory provision, interest was actually paid, it need not be recognized in the accounts. The TVA, for instance, pays only a relatively nominal amount of interest—$679,429 in fiscal 1954—even though its present net power investment is nearly $1 billion. This, at a 3% rate, would call for annual interest payments of upwards of $30 million.

Federal Power Sold at Less Than Cost

The result of all this is that Federal power is sold at less than it is fairly worth. Using fair power values in the various areas of the country where the Federal power systems operate, we find that in fiscal 1953, for example, the Federal power sold it generated for $10 million to $18 million less than it was really worth. Unless present rate policies are changed, when presently contemplated, the Federal Power Administration this annual subsidy to consumers of Federal power could amount to $400 million a year.

Personally, I have never been able to see why the Federal Government, if it engages in any business, should sell its products for less than it is fairly worth.
The Stock Market

BY ROGER W. B ARSON

What is the truth about the stock market? Is it always a game of chance? Is it not a place where good judgment can make you rich? Is it not possible to make intelligent profits in the stock market? These are questions that every investor must answer to himself when he is considering entering the stock market.

In my opinion, the stock market is a place where intelligent people can make profits. The key to success in the stock market is to have a clear understanding of the basic principles of investing. It is important to know the fundamentals of the companies you are investing in, as well as the overall economic conditions that affect the market.

The stock market is a place where supply and demand determine prices. When supply is greater than demand, prices tend to fall. When demand is greater than supply, prices tend to rise. This is why it is important to keep an eye on the economy and to stay informed about the latest news.

In conclusion, the stock market is a place where intelligent investors can make profits. It is important to have a clear understanding of the fundamentals of investing and to stay informed about the latest news. With a good strategy, you can make successful investments in the stock market.

BOMUNAmerc Securities Co., Inc., Member N.A.S.D.

REPLIES TO READER'S QUESTIONS

EMPIRE PETROLEUM CO., INC. (a Colorado Corporation)

seven years comparative statement—a story of SUCCESS & GROWTH

Information by your broker or

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\[ \text{Box 1050, Dept. 1, New York 36, N. Y.} \]
Commenting on the recent sale of a small portion of dollar securities which have been requisitioned by the British Treasury, Dr. Einzig discusses the problems involved in the disposal of dollar securities by the British Government. Says these dollar securities constitute a second lien of a sort for sterling, but, on the other hand, the British gold reserve needs strengthening. Suggests sale of dollar securities to the British public.

Moreover, the psychological effect of a substantial gold reserve would be far from favorable. The impression of a reduced dollar reserve might encourage wage claims. Even though it is well-known that the Treasury possesses the second line of defense in the form of dollar securities, it is still a considerable factor in the relationship between sterling and British financial strength.

The sale of some of these dollar securities would rise to a wave of protest on the part of Socialists. They might see it as yet another denationalization move. Since the ultimate end of Socialistic policy is to bring about the growth of State-owned securities under State ownership, the result of a substantial sale of State-owned securities is regarded as a retrograde step.

This attitude overlooks the purpose for which the dollar securities were acquired. Originally acquired to finance the war, these securities were to provide dollars which were needed desperately in the early days of the conflict. The object of requisitioning these securities was to provide dollars which were needed desperately in the early days of the conflict. It was not the object of the government when compelling holders to surrender them, to pursue a policy of nationalization. Nor was it the object, for that matter, to secure a source of revenue, or to secure capital appreciation. Compulsory acquisition of privately held securities constitutes a grave act of interference with private property rights that the British public was, and is, entitled to expect that the powers conferred on the government to that end would be used for strictly limited purposes, for which the powers were intended.

Even though, 15 years after their requisition, the dollar securities are still in government ownership, this fact has not aroused any protest by those opposed to nationalization. This is the extent to which the piecemeal attitude towards private ownership has been abandoned. Even now, under a Conservative government, nobody appears to realize that, since the securities are no longer required for the purpose for which they were requisitioned, they should be offered back to the original owners. In all fairness they should be offered back to them at the prices which they received for the securities when they had surrendered them, much against their wish, to the Treasury. The least they are entitled to expect, is that a wave of protest, is that and when the Treasury re-sells the securities to the public, the original holder should be given an option to buy them back at current market prices.

Even if the Treasury wishes the dollar securities to continue to serve as a second line of defense for sterling, this is not incompatible with their sale into private ownership, so long as the gold reserve remains registered with banks acting on behalf of the authorities.

The sale of the Treasury's holdings of dollar securities to the British public would be justified from the point of view of securing the ends of its disflationary monetary policy. The sale of official security holdings to the private sector of the economy has the effect of upping a corresponding amount of monetary resources. The theory behind it is that, after being achieved through the sale of government bonds, the proceeds would be used to unload hundreds of millions of pounds without causing a sharp decline in their prices. It is true, the markets for these securities are presently also very weak. But there would be a strong demand for good dollar securities by investors, who are keen on acquiring them as a hedge, and who are at present prevented by exchange restrictions from doing so. It is high time that this official holding, inherited from the war, is liquidated, together with many other abnormal economic arrangements that have been put in place during the ten years of peace. It is not justifiable for a government to hold such types of foreign investment.

White & Co. To Admit Two

White, Weld & Co., 40 Wall Street, New York City, member of the New York Stock Exchange, on Sept. 1 will admit Frederick A. Osers and Charles P. Neidig to partnership. Mr. Neidig will make his headquarters in the firm's Philadelphia office, Fidelity Phila¬delphia Trust Building.

Reinhold Gardner Admit

ST. LOUIS, Mo.—Reinhold & Gardner, 32 Locust Street, dealers of the New York and Mid¬west Stock Exchanges, on Sept. 1 will admit Nathaniel Williams to partnership.

New Cobb Branch

VICTORIA, Tex.—Cobb & Company, Inc., has opened a branch office in the McFadden Building under the direction of Eugene de la Mare.

Hornblower & Weeks To Absorb Reed Co.

Hornblower & Weeks, nationally known investment banking and brokerage firm established in 1885, announce that virtually the entire personnel of Reed & Company, Worcester, Mass., investment firm, will become associated with Hornblower & Weeks on Sept. 1. The firm of Reed & Company will cease business on Aug. 31, and its former office will become a branch of Hornblower & Weeks.

A member firm of the New York Stock Exchange, Reed & Co. was established in Worcester in 1828. Its present partners are Jacob Reed, Elwin A. Guthrie and Eugene C. Schofield. Guthrie and Schofield will become associated with Hornblower & Weeks as co-managers of the local office. Mr. Reed will retire from the investment business after 47 years.

The new Worcester branch will be the 15th office of Hornblower & Weeks, which was founded in Boston in 1923. The firm deals in a wide variety of investment securities, including corporate stocks and bonds, tax exempt state and municipal bonds and mutual funds. It also deals in commodity futures and is a major underwriter of new issues of securities.

First Fla. Inv. Branch

WINTER HAVEN, Fla.—First Florida Investors have opened a branch office at 372 Third Street, Northwest, with Brook H. Rollins, Jr., as manager.
Railroad Securities

Rail Fundamentals Bespeak Higher Dividends

Marketwise railroad stocks in general have been giving a rather slender account of themselves in the recent past. Some special situations, highlighted by the action of Missouri-Kansas-Texas common, have been able to make considerable progress. Nevertheless, in the major portion of the list has lost ground fairly steadily. There has been no conspicuous pressure nor any heavy liquidation but the broad buying interest seems to have subsided and even some of the best quality issues in the group have retreated quite sharply from the highs of the year. Certainly there has been nothing in the current traffic or earnings reports, nor in the earnings and dividend outlook for the next six months or so, that would account for a worsening in investment regard for railroad equities.

There are a few improbabilities in the railroad picture that may have contributed to a decision on the part of institutional investors to adopt a "wait and see" attitude. Failure of Congress to take fast action on any part of the legislative program recommended in the Cabinet Committee report probably caused disappointment in some quarters even though close students of railroad affairs had not expected immediate action. Railroad analysts feel that much has been accomplished merely in getting in high level recognition of the present inequities in transporta-
tion regulation and that there is a good chance of some remedial action when Congress reconvenes.

Another factor has probably been the uncertainty over freight rates. The present surcharges expire at the end of this year and the railroads have petitioned the Interstate Commerce Commission to make them permanent. The railroads have presented a strong case for continuation of the higher rates and it is the opinion of railroad men that the Commission can not help but rule favorably some time this fall. At the same time, nothing of this nature can be taken absolutely for granted and prospective buyers would apparently rather wait and see. Also, there is the psychological affect of the dire predictions the railroads must necessarily make as to the probable results in earnings if the surcharges are allowed to lapse.

As a final consideration, there is the question of wages and possible additional fringe benefits. Considering the general industrial pattern there seems to be little question but that the carriers will be faced with increased labor costs, and in some areas the pattern has already been pretty well ironed out. In the important non-operating category, housing, one would have thought that any agreement will be reached in time to have any influence on 1955 earnings. Moreover, in view of the present rela-
tionship of such wages and fringe benefits to those in general industry, it is believed that any increases granted will not be large. Also, in part the increases will be taken out of Federal income and in part they will be offset by the constantly improving efficiency and the trend toward more and more mechanization of roadway maintenance.

The clouds in the horizon, as outlined above, are not believed to be serious ones and their influence on invest-
ment sentiment is likely to prove transitory in view of the fundamentally favorable factors in the railroad picture. Earnings for the industry, and for most of the roads individually, showed wide improvement over 1954 levels for the first four months of this current year. The seven railroads in the third quarter has continued substantially above a year ago and during most of July was approximately at the 1953 level. Present business and crop estimates indicate that three-quarter rates will continue through most of the rest of the year. On this basis it now seems likely that 1955 net income of the class I railroads may reach $850 million. This compares with $827.3 million reported last year and not too far below the $902 million. Such prospects fully support confidence in a sizable increase in dividend disbursements.

Sees Little Evidence of Over-Building

Committee of the United States Savings and Loan Leagueumbo "important factors in support of its belief that today's high rates of home building are not excessive."

Despite the fact that residential construction is rolling along at a rate of approximately 2 million units a year, there is as yet "little evi-
dence of over-building," the Committee said.

The findings of the Committee's Committee on Trends and Eco-

nomic Policies were reported in the Committee's Annual Mid-Year Report. The Committee is considering the question "Are We Building Too Many Houses?" and reviewing several "important factors in support of its belief that today's high rates of household formation are not excessive."

"The Committee stated," the Committee said, "that current rates of household formation are as high as the estimated rate of household formation, and that we may therefore be over-building.

"The Committee would like to emphasize, however, that incomes and the terms and availability of financing are major factors in determining the rate of household formation. The rate of household formation in addition, the constant shifting of our population, with people moving from country to city, from central cities to suburban areas, and from region to region continues to stimu-
late housing." These trends are likely to con-
tinue in the future.

"The question of "Are We Building Too Many Houses?" could only be answered," the Committee's report stated, in terms of the relationship of new building to (1) the long-term require-
ments of the economy; (2) to the current effective demand of consumers for well-built and lo-

cated houses; and (3) to property values. "If current rates of housing construction are considered in terms of the long-range require-
ments of the economy," the Committee said, "it would appear that high rates of home building could be justified over the longer run future in view of the anticipated expansion of the economy with a larger and larger labor force and higher incomes.

"Of current buyer demand for well-built and properly-located homes, the Committee said: "If current rates of housing construction are considered in relation to the ready availability of houses with a wide selection to suit prospective buyers, there is no evidence of surpluses for builders, and renters, current house building rates may be too low. Al-
though the housing supply of many local communities has been increased by a third or more in the past five years, in others less than 10% has been increased. "It would be very easy to build too many houses if they were on the wrong type and placed in the wrong locations. It would appear to be impossible to be over-building."

The Committee also said that due to the "many well-designed and properly equipped houses located in desirable neighborhoods.

"There is little doubt that improved design, more attractive combinations of materials, better equipment and attractive locations will contribute to the supply of houses that will influence the availability of some older houses and even of some newer houses that are not properly equipped and inci-

dated properly. In the future, much will depend on the capacity of builders to produce houses that are sufficiently attractive to buy-
ers and offered at prices that will enable them to compete with ex-
isting properties."

With regard to the impact of building volume on the property values, the Committee made these points: (1) New houses, of course, com-

pete immediately with existing homes and any tendency towards over-building creates problems of comparison prices for mortgage loans. Values of the houses which stand as security for mortgage loans may be impaired. (2) To date, there has been little evidence of price declines. Indeed, reports of Trends Com-

mittee members indicate firm to slightly increasing prices for new houses, and "low-priced" homes. Also, such houses have been mov-
ing off the market somewhat more rapidly than was true a year ago. (3) Some sluggishness in the market for older houses, especially in those more than five years of age, has been reported, but the outlook for the housing market has been of modest proportion.

Corlense, Kupencol Co. Formed in New York

Formation of the New York Stock Exchange firm of Corlense & Kupencol Co. with A. J. Corlense and Samuel Kupencol as general partners has been announced.

The new firm will have its offices at 40 Wall St., New York City.

For the last two years Mr. Corlense, as stock market analyst for Kidder, Peabody & Co. wrote a daily market letter that was widely quoted in the press both in this country and abroad. He has also written numerous articles and financial publications. Before joining the Kidder firm Mr. Corlense had been with W. E. Hutton & Co. as a registered rep-
resentative, and prior to that he had been a municipal bond trader with Lazard Freres & Co.

A member of the faculty of Fordham University, Mr. Corlense has been a director of the stock market at the University's School of Business. Mr. Kupencol retired a few years ago from his own firm after 28 years in the New York Stock Exchange.

New Walston Branch

HAGERSTOWN, Md. — Walston & Co., the New York City members of the New York Stock Exchange, has opened a branch office in the Hotel Dagmar under the management of John R. Hershey, Jr. Mr. Hershey was previously with Colh & Delt in charge of their local office.

Adams & Peck

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Beware of False Liberalism

By LOTHIAE TETEOR

Asth, Secretary of Commerce for Domestic Affairs

Commerce Department executive, though stating that never before has there been so much opportunity for young men and women, points out the danger of free enterprise arising from over-regulation, excessive taxation and other government interference with business. Holds present surge of mergers and absorption of small size firms with corporate giants is largely due to our high tax philosophy. Says need for new and independently owned businesses, and warn of false liberalism that promises security at the expense of individual liberty.

During the last 35 years, I have had considerable experience in helping to manage a medium-sized business, and I have also had the privilege of officiating serving State and Federal Government. From these experiences I will try to present for your consideration a few ideas that may be helpful. I assume most of you will go into business, so let's talk about business, and you, for a little while.

What is the real purpose of business, anyway? Some people would say to make money. Others might say to employ people. Would you say the purpose of the medical profession? To care for doctors or to make money? Is the purpose of agriculture to employ farmers or to make money? Can each have the opportunity to obtain a splendid education. Now, you have the opportunity to enter business. Great industrial fields are open to you — automotive, electrical, chemical, mining, chemistry, construction, aviation, marketing, manufacturing, commerce — and now, the new wonder of the age — atomic energy.

Opportunity — it is all around us. But this is true if you are yourself in a business is never easy. You have heard the expression "opportunity knocks but once." It has been my observation that opportunity seldom knocks twice. When you find your opportunity it will probably be after you yourself have done the knocking — and maybe on hundreds of doors.

In a nation of 155 million people, filled with freedom loving, resourceful citizens who are solely on wanting the best things in life and who will work for them, there won't help being great opportunity.

The "Common Man" Delusion

We hear a lot of talk these days about the common man—the so-called little guy. I hope none of you aspire to be a common man.

If you do, somebody has wasted a lot of money on your education, and you have wasted a lot of time. The greatness of a nation depends upon the number of "uncommon men" it has. If this was not so, China and India would be the greatest nations in the world. Common men without the ideas, the inspiration, the leadership of "uncommon men" not only fail to prosper, they serve.

Listen to what Herbert Hoover had to say about the "Uncommon Man." "Among the delusions offered us, the fuzzy-minded people is that imaginary creature, the common man. It is dined into us that this is the century of the common man. The whole idea is another cousin of the Soviet proletariat. The uncommon man is to be whitewashed down to size. It is the negation of individual dignity and a slogan of mediocrity and uniformity."

The common man dogma may be of use as a vote-getting apparatus. It supposedly proves the demagogues of demagoguery. The greatest strides of human progress have come from uncommon men. We know about George Washington, Andrew Carnegie, Thomas Edison. They were humble in origin but they were not their greatness.

The humor of it is that as we seek for the "Uncommon Man" doctor. When we go to war, we yearn for an uncommon general or admiral. When we choose the president of a university, we want an uncommon educator.

The imperative need of this nation at all times is the leadership of the uncommon man or woman or man so purposed and women, who are not intimidated, who are not concerned with appliance mavens, nor those who sell tomorrow for cheer today.

"Such leaders are not to be made like queen bees. America resists no frozen social stratifications which prevent the free rise of every individual. They must be rise by their own merit."

You, the graduates of Tri-State College have not been educated to work for the common man and women. You're expected to take your place in the world as "uncommon men and women." This imposes upon you some very definite obligations and responsibilities.

In the business world in which you are entering, you have a very particular obligation and responsibility. It is to uphold and help improve the economic system that above all others is responsible for the productivity and wide distribution of wealth in the United States. The name of that system is Free Competitive Enterprise. Under our American concept of free enterprise and individual freedom, a legacy of the creative, enterprising, adventurous, freedom, has lived and prospered for centuries and is now the salvation of the free enterprise system. It recognizes that right of the individual American to get ahead and it encourages him to accept opportunity to improve his economic status.

The individual is the basic unit in free enterprise. When this fact is understood, the misconception that business is the chief beneficiary of the free enterprise system will be eliminated.

"Free enterprise in action may be observed all through life. The helpless infant is cared for by its parents, who make or spend money to provide for it. The child goes to school. A factory is built for him by others, for he is still dependent. He is taught to read and write, to do arithmetic, to work at a bench or a desk, with tools furnished by the employer. Now he is an employer."

"Soon he opens a savings account and becomes a capitalist. In time he buys a small shop of his own and is a proprietor. He hires one or more assistants and is a full-fledged employer."

"This transition is the fruit of the free enterprise system. It is

Continued on page 12

$25,000,000 RHEEM MANUFACTURING COMPANY

Twenty Year Sinking Fund 3 1/2% Debentures

Dated August 1, 1955

Price 98.25% and accrued interest

EXECUTION OF THE PROSPECTUS MAY BE OBTAINED FROM ANY OF THE UNDERWriters only in states in which such underwriters are qualified to act as agents in accordance with the laws of such state.

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Smith, Barney & Co.

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Newark, Cook & Co.

Piper, Jeffrey & Hupwood

August 18, 1955.

40,000 Shares

Seaboard Air Line Railroad Company

Common Stock

MORGAN STANLEY & CO.

August 17, 1955.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these Shares.
We need new independently owned enterprises, and in the spirit of 'seek your own fortune' among the small firms, into which the labor surplus will be encouraged to grow. In the majority of cases such enterprises will need the back-up of a large company, but not a large company which will lend them the opportunity to spend some of the money. It is more effective not to be thinking of capital for these small firms, and pay the wages to the workers who already operate their own small business, and are already earning a living by the tax collector.

Estate and gift taxes, raised to support a broken government, encouraged mergers. Owners of businesses are deterred from dividing their interests with their families because of high gift taxes. Upon the death of the estate, it is frequently necessary to sell a large part of the business to strangers to pay the tremendous estate tax. Rather than the risk of having to sell a part of the business at an unfortunate time, to pay the tax and having to accept undesirable partners which might liquidate the business, the owners merely sell out to a larger concern while they are still alive, thus, safely transferring their wealth to a few individuals, and their families will have no control of the business.

There is a definite trend today through mergers and other business combinations that is being invest in expanded enterprises, that are usually large, where the element of risk is small.

**The Principles of Free Enterprise**

Another device which weakens freedom and is injurious to the government regulation of business, is the principle of "equality of opportunity." It is evidenced in the control of prices, and the regulation of production and distribution of goods. It is also evidenced in the by-laws that are written to prevent the free play of markets and creates inefficiency, that is, the small business must start with small plans and small capital. This is inequity, and the regulation aggravizes itself until it retards the point where legislation becomes the rule rather than the exception, reducing competitive forces, and reducing initiative and destroying in corruptions.

The conservative... will preach deutily the conservative measures of the government to deal with human liberty balances emancipation with caution, experiment with experiment with its consequences, self-expression of self-expression, self-expression of self-discipline, idealism with realism. But on the other hand, it must give us a definition of liberty that is positive and all-embracing, not a narrow, negative and narrow. In the new world of the free enterprise, liberty will be defined with the help of words of liberty, creativity, and individuality.

The conservative... will continue to argue that social problem will be solved by the individual's own competence rather than signs of a social structure in need of correction.

The conservative must preach that the government of all government, the government of the world, is deutily the society which we all know, but which we too often forget. Let me repeat it for you:

"Our fathers' God, to thee
Lift not the lily's holy light;
To Thee we sing,
Long may our land be bright
With thy free, thy holy light."

**Underwriters and Distributors of Corporate Securities**

Harry B. LaRoe with Rodman & Renshaw

Lawrence J. Lynch

Two With Sutro Co.

With Calif. Investors

Now With Oscar Kraft

The Commercial and Financial Chronicle... Thursday, August 18, 1935
From Washington
Ahead of the News

By CARLISLE BARGERON

SWAMPSCOTT, Mass.—Your Washington correspondent is on vacation, and although his hat is on the doorstep, his heart is still in the nation's capital where he has been banded about for years that husbands struggle for success, die from heart disease and lose their widows well fixed and that these widows are coming to have power in the country.

At any age, which I can assure you is three score, I find myself here at the New Ocean House, one of the younger, The go for my wife who is reasonably younger but not so young as to be my equal.

We have been coming here for about three years, on our vacations next. The reason we have been doing this is that the first year we were introduced to, and reservations were made for us. With Cleen Bargeron, the President and owner. We were introduced by people who sat on coming here every year for 25 years.

Kennedy is one of the most amusing hotel operators in the country and I am sure that my bill won't be reduced a penny for writing this. But in these days of challenging propositions and how to succeed, hotel men and Harvard graduates might well take a lesson from Kennedy instead of going to Washington bowing to Supreme Court Justice Felix Frankfurter. Kennedy is a Harvard man and notwithstanding that his hotel and hotel cottages accommodate broadly some one people, it never arrives or leaves, regardless of the time of night, that he and his wife are not on deck to see you in or off as the case may be.

After our first visit we felt we had to come back or we would have felt.

But the point I started out to make is that the majority of our fellow guests are women past 70 and into their 80's. Their husbands, dead, but her in an intricate mingled with the smart business, in industry, and although they may have accompanied their wives or husbands dropped in to see the handsome afternoons, the widows still come, have been coming so for as many as 50 years. Amidst the warmth of the country, and mink coats they sit around, draw in the ocean breeze, play bridge and the cross word puzzles occasionally, but mostly sit. A wheel chair in the lobby is as common as the Cadillac in a show room.

To all of them Kennedy is a personal friend. This year an old friend of his, also one of the party, be his first year because she wanted to make a trip to Europe and wanted to have Kennedy's New England by his side.

There are old and retired men here, too, but they are in the minority. A sprightly 87-year-old woman acclimate one of these old men on the ocean over the other day. Said she: "I see where Thomas Mann is dead. He was 80 years old." The old man retorted: "What's so old about that? I'm eighty." "It is that so," asked the 67-year-old woman in sur;. I wouldn't want to live to be eighty. I don't see why anyone would want to live long in very pleasant place.

"Well, I hope to live to be 120," replied the old man, and the list of the two engaged in a friendly conversation. There is a fabulous woman here, not in the octogenarian class by far. Mrs Ethel Danshy in is probably in early 90's. She is a bachelorette woman who has been also a very pleasant visit. They seemed to avoid law and become admitted to the bar in order to be able to prepare their property. Over dinner she threw a party in honor of Kennedy's birthday and all of those who have made the "New England" by his side.

They don't have bingo games or inside "horse races" such as the other resort hotels do. They do have an orchestra that plays classic music and after dinner the dances for which everyone dresses. At Sunday morning breakfasts the women mostly wear hats to give the impression they are going to church whether they are or not.

It's funny and you often ask yourself why you are like that, but to be greeted by the old women and called by name makes one feel that he has been admitted to some ultra exclusive club which won't permit him a hint of scandal.

A play here is wholesome. It is like being a member of a church.

In the next room to ours today they carried out an old woman 80 years old on a stretcher and under an oxygen tent. She had been coming here for 25 years, enjoying all up until the dying day the comforts that only a hard working successful husband could have provided. There are attractive children and grandchildren around her but she had never been a problem or to them. She went away from here smiling and apparently happy. Ordinarily it wouldn't have been considered to be the old people who have been coming here so long and enjoying the rare comforts of life it seems to be the next door to Heaven.

W. A. Barton Opens

(Special to The Financial Chronicle)

SACRAMENTO, Calif.—Willibar A. Barton is conducting a securities business from offices at 212 Richmond Street. He was formerly with H. J. Laimenson Company.

Two With Financial Inv.

(Special to The Financial Chronicle)

SACRAMENTO, Calif. — Kenneth W. Hicks and Orval D. Ogles have been added to the staff of Financial Investors Incorporated, 1116 Broadway.

Hooker & Fay Add

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif. — Alfred M. Dunn and James T. Hooker & Fay, 221 Montgomery Street.

Joins H. J. Laimeson

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif., — Charles J. Tinas has been added to the staff of H. J. Laimenson Co., Inc., 420 Montgomery Street.

Sutro & Co. Adds

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif., — Thomas has been added the staff of Sutro & Co., 407 Montgomery Street, members of the New York and San Francisco Stock Exchanges. Mr. Thompson was previously with E. F. Hutton & Company.

Tadashi Ishida Mgr.

For Nomura in NYC

Nomura Securities Co., Ltd., 6 Broadway, New York, City, announce that Tadashi Ishida has been appointed manager succeeding Shouki Kashiwama.

Goltron, Russell & Co.
To Be NYSE Member

CLEVELAND, Ohio — On Aug. 30, Goltron, Russell & Co., Union Commerce Building, will acquire a membership on the New York Stock Exchange. Officers are James N. Russell, President, who will hold the firm's brokerage; Leroy C. Irwin, Treasurer; and Paul H. Hohneleh, Secretary.

Secondary Offering

Morgan Stanley & Co. on Aug. 12, will underwrite of 40,000 shares of Seaboard Air Line Rl. Co. common stock (par $40) at $75 per share, with a dealer's concession of $.15 per share.

With Mutual Fund Assoc.

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif., — Robert T. Pearce and Robert B. Harris have become connected with the Mutual Fund with Southeastern Securities Corporation, 444 Montgomery Street.

NEW ISSUE

$4,350,000

Chicago, Burlington & Quincy Railroad Equipment Trust No. 2 of 1955

3½% Equipment Trust Certificates

To be dated September 1, 1955. To mature $1,450,000 each March 1 and September 1 from March 1, 1956 to September 1, 1970

Issued under the Philadelphia Plan with 20% cash equity

Maturities and Yields

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These Certificates are subject to prior sale, when, as and if issued and received by us, subject to refusal of the Interstate Commerce Commission.

Salomon Bros. & HUTZLER

DREXEL & CO.

UNION SECURITIES CORPORATION

STROUD & COMPANY

Incorporated

August 18, 1955

$1,000,000

A. J. Armstrong Co. Inc.

5½% Junior Subordinated Notes

Due July 1, 1965

Dean Witter & Co.

August 18, 1955
AD LIBING

We compliment Hal Murphy of the "Chronicle" who informs us that Charles K. King & Co., New York City, has taken a half page ad for his book on the back cover of our Convention Year Book Supplement. Chapeau is due to you, Hal, and may you have the man of the week.

We assure you that last year’s total within the next few weeks. Considering this, will you be count, makes it the year of the commercial ad?

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

ADDITIONAL REGISTRATION FOR 22nd ANNUAL CONVENTION OF NSTA, GRAND HARBOR, MACKINAC ISLAND, MICHIGAN, SEPTEMBER 11 TO 14, 1955

-Adam, Edward R.
-Babentke, J. Hs.
-Becker, H.
-Bennett, W.
-Bell, John W.
-Biswell, C. M.
-Bissell, S. W.
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LETTER TO THE EDITOR:

SEC Proposals Described as Death Sentence to Small Business

Correspondent in Seattle, Washington, writes that new regulations of the Security and Exchange Commission, which are required to keep funds from public financing of new enterprises, will halt independent promotion of small business, and will be especially fatal to new mining developments.

Editor, Commercial and Financial Chronicle:

The newly proposed regulations of the SEC, aimed at stopping the death sentence which concerns us in the process of public financing, appear to spell a death sentence to new mining developments, and to small business in general.

Under paragraph (c) the new proposed regulation requires that all funds from public financing of new enterprises, shall be im¬

Fediumed. This leaves the new company nothing with which to pay organizational expenses: legal fees, commissions; office rent; technical, geological and engineering fees; interest; administrative costs; transportation expenses; and so on, which must begin at the company's inception and prior to the actual development of its properties.

Then too, why should any regulation demand that 85% of an issue must be sold in six months? 180 days is a very short time in the settling of any sizable amount of mining stock, especially when the offering company has no more capital with which to carry on the tremendous job of selling a stock and issuing a company.

Thus, free enterprise financing of new developments, and other ventures, would be completely frustrated under this regulation.

Big outfits, already in the field, are able to finance their new developments without public offerings of securities, but new companies, financing as they develop by public offerings, are STARVED IN THEIR TRACKS: impounding of their funds does the trick; it kills them, and leaves "Big money" free to monopolize the field.

A mining proposition develops slowly—over a period of time. It is not a get-rich-quick mine. Mines are not financed and developed in six months, as the regulation postulates. They move gradually, by study, trial and error from discovery, through explorations and development, into production. Stock is sold as money is needed.

Why should SEC want to destroy this free enterprise process? Why should they want to crush the small enterprises? Then too, why should SEC want to deprive the small investor of his right to invest when and where he wants to start an enterprise? Small investors with small amounts of money to play the big stock market. Mining and other public financing provide an opportunity for the small man to invest. Great mining companies have grown great only because small investors—thrifty Americans—invested in them, at the beginning, and gave them the start they needed. A study of the histories of American Mining Companies shows that, almost without exception, they have started small, with the modest investments. They have seldom been started by "big money". Generally "big money" waits until venture-capital has made the proposition go.

This extreme restriction on the part of "big money" leaves for the early venture-capital investor and unquestioned opportunity; for this type of speculative investment is one of the few lines where the reward of great profits means may gain possible security and sometimes a fortune, from a modest investment at the beginning.

The idea of impounding the funds from public financing, is not new. It has been tried in California under state regulations over a year ago, and with devastating results to small business. Big business men were prime movers in getting thisrapyng regulation passed in California; it gave them a neat instrument with which to "squeeze" out the independent and mining men. The result has been simply to finance new enterprises in California mining and oil, has completely "dried up" and the "Golden State" has dropped from its long-time leadership, in mining to a place far down the list, and is steadily declining lower and lower.

So, more even the mining industry is to suffer—this time on a national scale—from what would appear to be a cleverly contrived scheme to destroy the traditional free enterprise method of public financing; once more we find the present Administration at Washington moving to wipe out the free enterprise in favor of monop¬oly in spite of the fact that it is the small man who would be the result of competitive free enterprise, who destroys the good of all—no to the few.

This death blow to free enter¬
prise is being resisted by small business everywhere, and in every line should unite to stop this creeping Fascist scheme. We talk much of the American Way of competitive free enterprise—but do we believe in it? Do we believe in the small man? We must FIGHT! Write the President, Washington, D.C.; write your Senators and Repre¬sentatives; urge them to investi¬gate these subtle schemes to de¬stroy small business by slanted interpretations. We are testing whether our American way of life can stand up under pressure and power of cumulative wealth. Yes, we are testing! This is a last battle!

What reason do they give for such drastic and destructive regula¬
tions? No reason!—Only an ex¬cuse! They say: some unscrupu¬lous enterpriser might sell some bad stock to the public. This is an excuse—not a reason. The crook and confidence men are OUT of the game; all of the legitimate business today. No line of business in America today is so strictly guarded and regulated as securities. So, let us not be misled by the ex¬cuses and by the razzmatazz alone, the bidding of big, big business!

[Signed]

A. P.
Seattle Wash.
Aug. 10, 1935

G. W. Slaight, Jr. Now With Gregory & Sons

Gregory & Sons, 72 Wall Street, New York City, members of the New York Stock Exchange, announces the appointment of G. W. Slaight, Jr., has become associated with the firm as Manager of the municipal bond trading department. Mr. Slaight was formerly New York Manager for Crichton & Co.

B. Frank Davis

B. Frank Davis, partner in Farmers & Exchange, New York City, passed away Aug. 11 following a heart attack.

Now First Secs. of Denver

DENVER, Colo.—A. S. Kraskover, Banker, has been succeeded by First Securities of Denver. Partners are Allen S. Kraskover and Arthur M. Kaplan.

SEC Extends Deadline
For Comment On Proposed
Reg. "A" and "D" Revisions

The Securities and Exchange Commission has announced that the time for filing written comments on the Commission's proposed revision and consolidation of Regulation A and Regulation D has been extended from Aug. 15, 1935 to Sept. 15, 1935 following the receipt of several requests for additional time within which to submit views and comments upon this proposal.

The proposal, set forth in detail in Securities Act Release No. 555, contemplates the consolidation of Regulation A and Regulation D into a single integrated regulatory system for both domestic and Canadian securities and, among other things, the inclusion in the new regulation of certain special requirements with reference to companies in the promotional stage.

EDITOR'S NOTE: The Commission's proposals were discussed in detail in the editorial "Still Reaching" which appeared on page 3 in the Aug. 11 issue of the "Chronicle."

Shearson, Hamill & Co. Special to The Commercial and Financial Chronicle

First Calif.Adds
(Special for The Commercial and Financial Chronicle)

LOS ANGELES, Calif.—John H. Sickel is now connected with Sherson, Hamill & Co., 417 South Spring Street. He was previously with Sutro & Co.

Welsh Industries, Inc. (A Delaware Corporation)

150,000 SHARES OF COMMON STOCK

$2.00 Per Share
(Par Value $.50 Per Share)

A Company devoted to the reclamation, processing and resale of ferrous and nonferrous metals. The Company's plant is located in El Paso, Texas.

A copy of the Offering Circular may be obtained from

WARREN CLARK & CO. 711 C & I LIFE BUILDING HOUSTON 2, TEXAS

Please send me a copy of the Offering Circular relating to Welsh Industries, Inc.

NAME:

ADDRESS:

CITY:
THE MARKET AND YOU

By WALLACE STREETE

The summer doldrums real-
ly set in on the stock market this week and both volume and the breadth of the list
bumped bottom on the smallest
est one-day sessions seen in around a year and a half. It
robbed of much of its signifi-
cance a rather persistent
downdrift in prices, although there was plenty of caution engendered by the fact that the early August lows of the averages are again in jeop-
ardy.

Boardrooms consequently were somewhat on the gloomy
side, particularly since Labor
Day isn't too far off and an incomplete reaction carrying
over into the busier season isn't an encouraging spectre.

Leadership has been the
what less than good with some of the low-priced specu-
lativie issues making the most
active list with fair regularity.

The hopes of the techni-
cians that the rail shares would come to life and signal
a new forward push found little of nourishment as the
carriers generally continue to
lag on buoyant periods and to
lag rather willingly when a
downdrift is general. Missouri
Pacific, in particular, had
momentous of definite easiness
that left it a score of points
under its year's high.

Coppers the Bright Spot

What bright lights there
were in the list were centered mostly in the copper sector
where the world shortage has
been the principal prop. In
fact, the coppers were largely responsible for keeping the
new highs running slightly better than the new lows, al-
though the lead has been seri-
ously whittled down all this
month.

No less than Kennecott,
 Phelps Dodge, Miami, Magma
and Andes Copper were able to
push into new high territory
simultaneously, with the others for the most tying with their previous highs only
a short distance away. It was
the outstanding group action of the list.

Some Leading Aircrafts

Aircrafts occasionally
showed some life with highly
optimistic earnings estimates
for North American Aviation
missing this issue to turn in
what would have been a super-
rior performance even in a
strong market. The stock now
has run its improvement for the
month past 10 points with still
some room for additional bullienince since the directors' me-
eting for dividend action
won't come for another three
weeks. The company has a
fiscal year ending in September
and estimates indicate that the annual earn-
ings could exceed $9 a share since
nearly $7 already has been
reported in the official figures
for nine months. The quarter-
ly dividends have been run-
ning 75 cents obviously could
be increased in view of the
good earnings. Moreover, in
selling at only about six times
such earnings the stock is well at the 12-times-earn-
ings standing of the industrial
average.

Douglas and Boeing, which
were the aircraft leaders in
recent months, have been de-
initely lukewarm in following the
lead of North American. Illustrative of the rotating leadership in the group is the
fact that they have been lolling a score of points under
their peak prices and ready
on on the weakness in the group's
to do jion with their year's
lows.

Chemical issues took their
lead from duPont whose di-
rectors met this week mid-
month and recommended that a
stock split was in the offing, either matching the
3-for-1 division proposed by General Motors, or exceed-
ing it. Instead investors were
given a dividend boost which
may work snugly with any great enthusiasm and left
the issue on the heavy side and
off better than 30 points from its
year's peak.

Neglecting Store Stocks

Store stocks continue to get
rather widespread attention the
yield of 4½% is not without, however, stirring up too much commotion market-
technicians. The stocks have
done little all year so far, Safeway holding in about a
seven point range despite the
rather violent Spring seasaw of the market.

Kroger Co., which on a
sales basis has worked into the
third niche in the industry
has been selling at nearly 4½
yield on a well-sheltered dividend. Despite the fanfare
of acquiring in rapid order
26, 25 and 25-store chains
within a month span, the
issue has held in a range of
only a shade over 10 points
which is anything but an ex-
tensive market history. A
point to compare is that its billion-plus annual sales
are now being achieved on a
total of 1,678 stores,
while in 1929 the chain oper-
ated 5,575 stores but sales
dued just over the quarter bil-
ion-line. The big stocks, subse-
dsequently split 2-for-1 in 1951
sold at 122 in 1929. In fact it
is one of those exceptions
whose all-time peak of 132
was achieved in 1928 before
the year of frenzy. Currently
the split is this equivalent value has been in the 80's.

G. C. Murphy, a variety
store chain which also has built
up something of a record as
one of the "fastest-grow-
ing" in the business, has
similarly neglected despite its
yield that approaches 5½
and some concentrated attention
from the research depart-
ment. The stock, in fact, is
no stranger to recent ap-
ppearance and the lows and hasn't yet built up a
range of as much as six
points. The company is gen-
erally regarded as a candidate
for better dividend treatment
since present payments have
covered more than twice by
earnings despite the charges
incident to opening up more
stores with some of new ones
being added under pres-
ent plans. The company also
retired its preferred stock in
May and is free of funded
debt.

In fact, the list is studded with
companies that still show
above-average yields despite
the fact that they have no
prior obligations which exempt
an inverse leverage on com-
mon stock prices when a stock
market tumbles a bit from its
lusty standing. Sunshine Biscu-
ts is in this category on a yield of 6% as a
stock of Otis Elevator and First Na-
tional Stores, which have a
single-issue capitalization and
still yield 4% or better.

LETTER TO THE EDITOR:

Makes Comparison of Investment Results of Mutual Funds and Stocks

Richard A. Houghton finds that common stocks of large com-
panies in expanding industries have given better results than
investment in certain selected mutual-fund shares.

Editor, Commercial and Financial Chronicle:

Every small investor is sooner or later faced with the im-
portant question of whether to use his accumulated savings to pur-
chase individual stocks or mutual fund shares. All too often his
decision is based on personal prejudice, his weigh line for the intelli-
gence of his broker. In the following article an attempt is made to
calculate the difference of investing $10,000 in mutual funds over the last five years
with the results of investing an equivalent amount in several listed common stocks.

From this comparison a fairly definite conclusion is drawn that a long-term investor
in end investment companies are a poor place to invest accumulated funds, whether the objec-
tive is the preservation of the original investment or income.

To get the appreciation and earnings
record of investment company shares with that of
listed common stocks, the five-year period from
Dec. 31, 1949 to Dec. 31, 1954 was chosen.

It was assumed that an individual invested $10,000 in the
five listed mutual funds at their beginning
offering prices on Dec. 31, 1949, and also $10,
000 in ten listed stocks at their closing prices on this same date.

Dividends and capital gains presumably were not reinvested,
and all securities were sold at their last prices on Dec. 31, 1954.

In selecting a sample from each group, it was further assumed
that the investor was completely unacquainted with stock market
operations, but that he acted in a reasonable manner on the basis of infomation which was available to the public at the end of
1949.

Nine of the ten mutual funds selected were chosen from those
101 mutual funds in existence at the end of 1944. The first eight
were funds which increased most percentagewise in net asset
value during the five years to Dec. 31, 1949. The Massachusetts
Institute of Technology

Continued on page 35

FINANCIAL & STOCKHOLDER RELATIONS

Executive of mature experience seeks opportunity that is active
and challenging in this expansive phase of Public Relations. Back-
ground of editorial and business journalism, with specialized ex-
perience in industry and bank Public Relations. Education: engi-
neering. Writer of magazine articles. Has know-how for getting
the right information to the right people at the right time, especially in
New York financial community. Box C318, Commercial & Finan-
cial Chronicle, 25 Park Place, New York 7, N. Y.
if it weren't for financing

Chances are we'd still be using buggy whips, wood stoves, wash tubs and kitchen pumps. The low cost, mass produced necessities and conveniences we know today couldn't exist without mass markets created by modern financing.

Among the nation's largest providers of credit, Associates and its subsidiaries do a combined business of well over a billion dollars a year. Much of it is in automotive time sales financing; but much of it, too, is in commercial loans to manufacturers and business enterprises, and in direct and personal installment loans to individuals.

Diversified financing services like these have helped bring America out of the horse and buggy days. Today Associates can be of even greater help in an expanding economy. There are 151 Associates branches in United States and Canadian cities serving automobile dealers and purchasers; 138 Associates direct and personal loan offices devoted to consumer finance.

Working capital for business and industry is provided through the Associates Commercial division, with offices in New York, Chicago and South Bend.

ASSOCIATES INVESTMENT COMPANY
ASSOCIATES DISCOUNT CORPORATION
and Other Subsidiaries

HOME OFFICE • SOUTH BEND, INDIANA
Railroad Executives Discuss Outlook for the Industry

Continued from page 6

that materially help the industry. It remains now for the railroads to make the recommendations that will indicate that the future of the rail industry is one of bright promise.

J. D. FARRINGTON
President, Rock Island Lines

Daily perusal of the financial sections of metropolitan newspapers, and the columns of financial publications leaves one with the impression that the expansion of business in general, increased production and general buying power-dependent as all lines of manufacture would indicate that the railroads will see many new records established.

The usual reader may then wonder why, with business daily recording new highs, the railroad industry appears not to be keeping up the same growth in earnings both as to tonnage and revenues.

The answer, of course, lies in the ever-increasing freight volume that is being handled by competitive forms of transportation, which are subject to very little regulation in or regulation at all. Because of the narrow limits, prescribed by the laws, under which the railroads are forced to move to meet rates set up by the highway and watery carriers, a considerable amount of traffic is lost to these competitors.

Despite this general situation, I am firmly convinced that our roads hold a market for future development, and the railroads should be considered as a whole. The railroads will not spectacular gains this year, but the trend is upward. The vast investments the industry has made in improved facilities, and the operating economies that have been made, have combined to place the industry in a very strong competitive position. Should the recommendations of the CAB be accepted and the railroads be allowed to transport be enacted into legislation to place all forms of transportation on a competitive basis, the railroads' future should be much brighter, indeed.

Taking a long range view, the Rock Island Lines will endeavor to improve the conditions of the industry. I base this premise on the fact that the unprecedented millions of the new building programme will fall due to come. Establish greater and greater consumer demands through the natural process of growth, the building of homes and the propagation of new families. This means more demands on transportation, and to meet these demands the railroads will constantly keep pace with every technological development by which they may produce more efficient mass transportation at the lowest possible cost. The Rock Island system has, since before World War II, been engaged in a program of progressive planning by which to meet every foreseeable economic development. It will continue to build for the future.

Rock Island's passenger volume in 1955, contrary to the impression given by the industry as a whole, whom I talked. The last five years of cyclical conditions have not dimmed the expectations of a capital market in Texas and the Panhandle of Oklahoma, Arkansas and Missouri. This area may have changed its cycle for transportation, but it has not changed the territory served by the KATY is enjoy the growth and capital market of over $1 million since 1954, and, in my opinion, it is again becoming one of the bright spots in the industry, which is the basis of our transportation.

Active industrialization of the territory under the KATY's market intensity in this direction will be the key to further success for the whole Southern area.

The KATY's business is showing improvement over last year and I am hopeful the volume will continue to expand. We also have added a substantial volume of the railroad, both in plant and equipment, which we intend to continue. It is our objective to keep the properties not only abreast but ahead of the demands of our customers and of the expanding economy of the territory we serve.

W. Arthur Grotz
President, Western Maryland Railway Company

Expansion is afoot in Baltimore, spurred by such vigorous growth of the commercial and industrial development in the immediate area of the Central Committee and the Joint Committee of the Govemor and Mayor, as evidence of the port's authority.

Our own business outlook is bright. The recent series of programs of the steel industry are a strong indication that the railroads in the future will see many new records established.

In electronic data processing, our employees use it to maintain a continuous and up-to-date record of our business operations. The advent of this new technique has enabled us to work more accurately and efficiently, and has reduced our clerical staff. We believe that the railroads of the Western Maryland lines, as a large glass plant, will be a dominant factor in the Port Covington terminal in Baltimore Harbor which will be of great benefit to the region.

Recently completed warehouses of the Western Maryland in the heart of Baltimore, its passenger equipment, and a new industrial development activity and sales promotion also are two good examples for the future.

On the operations side, our completion of dieselization, including the latest development in locomotive service, our re-starting construction, increased Centralized Traffic Control, and general improvements will help to reduce the costs of transportation and improve the efficiency of our service.

The railroad is a major factor in the economy of the country, and it is vitally important that the railroads be efficient and competitive. It is important that the railroads work together to establish a strong and efficient transportation system in the national interest.

The railroad community, which has been recognized recently by the Cabinet Committee on Transport Policy and Organization, is a step in this direction.

FELIX S. HALE
President, The Commercial Company

New York, Chicago & St. Louis

Surpassing earlier predictions, the automobile, steel and construction demand for their manufactured industrial production to a new record in the first half of 1955, and the volume of rail traffic, consequently, exceeded expectations for the same period.

Nickel plate earloadings increased 14.7% compared with the first half of 1954, while revenues and net income were up 19.7% and 24.6%, respectively.

The fact that the gross national production has reached the highest point to date, the current business conditions and the introduction of automation, most of the increased production has been accompanied by a reduction in inventories. The railroads have been operating many of their cars at a slight. The steel business should continue at present well below its peak of the previous year. This is also true of the construction industry, in which an accelerated decline in residential building is being offset by the increased activity in industrial building by business. It seems unlikely that the automobile industry can equal the record set in the first half of 1955, particularly in view of the increase in dealers' inventories. However, the anticipated earlier appearance of steel mill production and the building up of stocks should be helpful. There is room for further expansion in other industries but there is little prospect of a new high for industrial capacity rates, and on the whole, it appears that second-half business for the railroads should equal the first six-month volume. Encouraged by the present outlook, the railroads are stepping up their orders for new equipment to meet rising traffic volume.

The present high level of consumer credit is one shadow in the picture. Although personal income is at record levels, consumer credit recently has been increasing at a rate of $10 billion annually and the amount outstanding is now at an all-time high.

The railroads, therefore, must find ways to increase their business by improving equipment and offering new services, they still must meet the challenge of the motor vehicle, which place them at a competitive disadvantage with other forms of transportation. Of vast importance to the welfare of the public and the railroad is the extension of recommendations in the Presidential Cabinet Committee Report. These recommendations are designed to create more equal terms of competition among all forms of transportation, with the expectation that competitive forces will produce more efficient service at lower rates.

J. P. KILEY
President, Chicago, Milwaukee, St. Paul and Pacific Railroad Company

I believe the volume of freight traffic during the remaining months of this year will show an increase of about 5% over the first half of 1955, and that passenger traffic will continue to show a decline of about 10%.

Because of increased wages and allowances and higher prices for materials and supplies and labor costs and maintenance costs will continue to increase.

At this time, the agricultural outlook for our territory is favorable, but with highest crops being subject to Government controls and other restrictions on production, it is difficult to estimate the outlook. Increased taxes and difficulties, therefore, difficult to determine the effect on the volume and volume of surplus vehicles at various points, and the railroads are awaiting further moves to market in accordance with normal practices, there would be a decline in traffic.

The railroad industry continues to be plagued with a low return on its invested capital. It is not surprising that

John P. Kiley
Western Europe
Auto Production at
Record High Level

National Industrial Conference
Board analysis showed Western
European auto manufacturers
since 1945 have raised their out¬
put at about same pace as Ameri¬
can producers and have greatly
enlarged their export of cars.
They are now turning out about
75% of all vehicles exported.

Western European auto manufac¬
turers have been turning out
motor vehicles at such a fast pace
since 1948 that their output was
up by 211% by the end of 1954,
according to an analysis recently
made by the National Industrial
Conference Board. By compari¬
son, United States commercial and
passenger car production rose by
about 25% over the same period.

Cars for Export
Increased foreign sales have
been largely responsible for the
tremendous upsurge in produc¬
tion in Western Europe. These
countries now manufacture near¬
tly three-fourths of all vehicles ex¬
ported to world markets, while the
U. S. accounts for a little more
than a fourth. Before the war, the
U. S. share of all exports was al¬
most 90%.

The United Kingdom ships the
most passenger and commercial
vehicles across its borders—mainly
to Australia, New Zealand and
Sweden. The United States, whose
primary markets are Mexico,
Brazil and Venezuela, is the sec¬
ond largest exporter of motor
vehicles. Ranking third is West¬
ern Germany, with large exports
to Holland, Sweden and Belgium.

The Conference Board found
that the United States maintains
second place because of its huge
exports of commercial vehicles.
If passenger car exports alone are
considered, the U. S. ranks third,
behind the United Kingdom and
Western Germany.

Total Free World Production—
1948-1954

Western Europe has been able
to increase its share of total free
world output steadily from 1948
every year except 1953. From
1948 to 1954, its share rose
from only 13% of the world total to
26%—almost up to the previous
high level in 1939 of 29%.

The United States is also in
about the same position in rela¬
tion to total free world production
as it was before the war. 69% now
compares to 66% in 1939. How¬
ever, the 1954 share represents a
sharp drop from the 82% in 1948.

North American Railroads
Crowned

NICB found that 74% of all
motor vehicles in the free world
are used in the United States and
Canada. This compares with 78%
in 1948 and 75% in 1938.

In the use of commercial
vehicles alone, the rest of the
world comes much closer to
matching North America. More
than four out of every ten com¬
mercial vehicles in the world are
in use outside North America, in
contrast to a ratio of about two
out of every ten passenger cars.

Investment Analysts of
Chicago Meetings

CHICAGO, Ill.—The Investment
Analysts Society of Chicago will
hold its luncheon meetings next
year in the Adams Room of the
Midland Hotel. This change has
been made to permit increased
flexibility in scheduling extra
meetings.

AMERICA'S NEW RAILROAD

Quarter-mile lengths of welded steel rail curve around a foothill like wire cable.

Not a “clickety-clack” in a carload

It's Santa Fe's new continuous welded rail...
Fewer joints mean a smoother ride for you

An occasional little click—that's all
you'll hear of the old “clickety-clack”
as you glide over stretches of new con¬
tinuous welded rail on the Santa Fe.
And these stretches will be growing
longer and more frequent on Santa Fe.
For we're laying more all the time—
103 miles of it this year.

In fact, we're using a new electric
welding process (for the first time by an
American railroad) to help bring Santa
Fe's new smoother ride to more people,
more goods.

But that's only part of the story.
Just as a railroad is no better than its
track, track itself is no better than
what's underneath it—the roadbed, the
ties, the ballast. So we've been busy
with new improvements here, too.
For instance, our own specially-de¬
vised ballast "dry cleaner." This unique
machine cleans our ballast, keeps it
more resilient so the track lies flat and
even.

And today we're replacing old ties
with longer and stronger new ones—
specially treated to stay strong and
sturdy for 30 years and more.

Day after day, something new is be¬
ing done to make "America's New Rail¬
rail" even newer and better. Santa Fe
is spending many millions of earned
dollars every year for new roadway and
new equipment. And not one penny
comes from the taxes you pay.

SANTA FE SYSTEM LINES

What about expansion
in these quarter-mile rails?

Near Newton, Kansas, where yearly
temperatures vary from 20° below to
114° above, we laid a 3-mile experi¬
mental stretch of welded rail. There we
found that anchoring the rail to every
other tie instead of to every tie,
and using a slightly smaller area between anchors. Thus, overall ex¬
ansion was limited to the nearest frac¬
tion of an inch between rail ends. In
other words, expansion is no problem
whatsoever.
Continued from page 18

PATRICK B. McGINNIS
President, New York, New Haven and Hartford Railroad Company

The railroad industry realized during the first half of the year an excellent set of results. The volume of freight handled during the six months has increased sales in traffic and operating efficiency. Equities, particularly in the eastern and southern divisions, now show a sharp decline and are well above the yields achieved by independent railroads. In light of the favorable operating results, the dividends on railroad equities are now at par above the 1954 levels. This emphasizes the high level of railroad traffic implicit in booming business, and the conclusion is inescapable that railroad stocks will rise from these mounting troughs range of the past four months.

Many investors seem to overlook inherent advantages of railroad transportation. No other agency offers a general, common service to all industries that underwrite to haul anything, for anybody, in any quantity, in any season of the year. The railroad is the only agency in the United States. No other agency in the present era is as able to assure this pre-eminence in its use of either manpower or fuel. Our railroads can move more tons in cars, more cars in trains, and more trains in the train, at a lower cost. This leverage is an important consideration, investing.

Fortunately, the traditional-bound railroad industry now is embracing new and open areas. The results, as measured by increasingly good control over operating costs, show improvement. The trend toward realizing profits of operating and financial structure is in a splendid financial condition. And such water as may have been in the capital structure of the railroad industry has scattered as the economy has recovered.

The progress made by American railroads has been steady in the fact of somewhat declining volumes. These obstacles stem largely from a long-standing economic and monopolistic age. Most American railroads have reorganized their shortcomings, and accumulating evidence suggests that public attitudes toward our major transport operators are starting to improve over railroad service.

There is reason to believe that vast changes in the railroad industry lie ahead. Changes in the marketing and corporate patterns are in progress. If our economic distribution system is to be brought into line with our growing needs, the public has a right to expect for our transportation system to be brought into line with the public's needs. And the public has a right to expect for our transportation system to be brought into line with the public's needs. And the public has a right to expect for our transportation system to be brought into line with the public's needs.

Railroads do not seek regulation of competing forms of transportation. They seek freedom from the stranglehold of regulated and competitive public actions resulting from the competition.

The recent prospect of accomplishing this end with the development of a line of competing forms of transportation has been highly encouraging. The report of the President's Advisory Cabinet Committee is a welcome contribution. The fact of the badly needed legislation recommended in this report is upon the minds of many man and woman who would benefit from more efficient transportation. It is up to every investor in the land.

Our railroad, in common with many others, has experienced some decline in passenger traffic and freight rates, and our income has lagged behind. In the face of such a situation, the Railroad Development Committee has been appointed. The committee is composed of five railroad presidents, and it is expected to investigate the various phases of the industry and to make recommendations for the future. The committee is expected to report in the near future, and we are confident that its recommendations will be beneficial to the industry as a whole. We are also confident that the recommendations of the committee will be carried into effect, and we look forward to a prosperous future for our Railroad Company.

HENRY S. MITCHELL
President, Duluth South Shore and Atlantic Railroad Company

Our railroad, in common with many others, has experienced some decline in passenger traffic and freight rates, and our income has lagged behind. In the face of such a situation, the Railroad Development Committee has been appointed. The committee is composed of five railroad presidents, and it is expected to investigate the various phases of the industry and to make recommendations for the future. The committee is expected to report in the near future, and we are confident that its recommendations will be beneficial to the industry as a whole. We are also confident that the recommendations of the committee will be carried into effect, and we look forward to a prosperous future for our Railroad Company.
How Circleville came to be the “Mylar” City

"Mylar" is Du Pont’s thin, transparent polyester film—very strong and with high dielectric strength. Chemically it is related to “Dacron” polyester fiber and in the short time it has been on the market has uncovered a wider range of industrial and decorative uses.

While “Mylar” polyester film was being readied for full-scale production, Du Pont was looking around for the ideal place to manufacture it. Du Pont is an old hand at picking plant sites. Final decision is made by a team of specialists—each an expert in one phase, such as living conditions, water supply, taxation, transportation costs. Over 100 possible sites were considered before Circleville, Ohio was chosen as the location that most nearly met all the specifications.

In its search, Du Pont had the full cooperation of the Chesapeake and Ohio Industrial Development Department. If you are seeking a location for a plant, a C & O Pin-Point Survey will give detailed information on all the factors that would influence your own choice of a site. Send your inquiry in complete confidence to Chesapeake and Ohio Railway, Industrial Development Department, Cleveland 1, Ohio.

**“Mylar” is Du Pont’s trade mark for its polyester film.**

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E. J. Busick Mgr.
Bache Auditing Dept.

Bache & Co., 36 Wall Street, New York City, announce the resignation of E. J. Busick as Manager of the firm’s Audit Department.

Mr. Busick was formerly associated with a leading commercial bank and a public accounting firm. A graduate of the School of Commerce, New York University, he is a certified public accountant.

Washington Natural Gas Shares Offered

Barrett Herrick & Co., Inc. and associates on Aug. 16 offered for public sale 60,000 shares of Washington Natural Gas Co. common stock at $12.50 per share. Of the offering, 30,575 shares are being sold for the account of the company and 29,424 shares for the account of certain selling stockholders.

The company’s share of the proceeds from the sale will be used to retire $3,230 of notes and for working capital. The company’s outstanding capitalization consists of $13,768 shares of common stock of 10 cents par value.

The company is engaged in the exploration and development of gas and oil properties on acreage owned in Upshur, Randolph, Webster, Barbour and Lewis Counties in West Virginia. It owns drilling equipment owned and interested in a pipeline to market its gas and the gas of other producers.

Municipal Bond Club Of Chicago Field Day

CHICAGO, III.—The Municipal Bond Club of Chicago will hold its 16th Annual Field Day at the Medinah Country Club on Friday, Sept. 14. The outing will be preceded by cocktails and dinner on Thursday, Sept. 13, at the Union League Club of Chicago.

Guest fee, $33; non-resident member, $25; member fee, $10. Checks should be made payable to the Municipal Bond Club of Chicago.

Members of the Committee are Harry Hammond, General Chairman.


Municipal Trust Shares: Byron J. Sayre, John Nuveen & Co., Chairman; Andrew D. Buchanan, Bacon, Witipple & Co.; Kenneth
Railroad Executives Discuss Outlook for the Industry

Continued from page 20

whether continuing operating improvements and increased efficiency can fully offset such wage increases. The question of whether to be more liberal in our assistance to independent operators, as a means of achieving added efficiency, and not necessarily at the direct expense of the railroad companies themselves, does not lend itself to a ready decision. The economics of experience and the rate structure which we have been using have been sound. The problem is to be more efficient in the rate structure that we have, and to help make such an improvement as is possible without unduly increasing rates.

On the Pennsylvania, the placing in service of a portion of the new Conrail is a notable example of the continuing development of our TrueTrain service which is commonly known as a passenger train. The new Conrail is an important step in the development of the Pennsylvania Railroad's passenger service. The new Conrail is a fast, efficient passenger train which is a significant improvement over the previous Pennsylvania Railroad passenger service.

Alfred E. Perlman

President, New York Central Railroad

The outlook for the railroad industry—and of the New York Central—is only as good as the tone and trend of the country in which we are operating. For that reason, I am hoping that we will be able to continue our current policies and programs without the need for any major changes. The New York Central is a large and diverse railroad, and we are committed to continuing our efforts to improve the efficiency and productivity of our operations.

In the past year, we have made significant improvements in our operations, including a 10% increase in passenger revenues and a 5% decrease in operating costs. We have also increased our capital expenditures, which are required to maintain and improve our facilities. The New York Central is committed to continuing its efforts to improve its operations and to provide quality service to its customers.

H. E. Simpson

President, The Baltimore and Ohio Railroad Co.

As we now see it, we expect to be able to round up $490,000,000 gross revenues for the year, which will net nothing of something over $20,000,000. For the first half of the year, this company had gross earnings of $208,209,429, with net income of $12,645,988. It is not expected net for the second half of the year, because of the loss that was incurred in the first half because of our heavy maintenance program for the last half of the year.

John W. Smith

President, Seaboard Air Line Railroad Company

In the line, the country was emerging from a period of financial depression. The railroad was running well shortly after the end of the Korean War. There had been a substantial increase in the volume of traffic, and this was a good indication of the increase in the volume of traffic. The Seaboard Air Line Railroad Company, as a result of this increased volume, was in a position to increase its earnings for the year.

R. N. Shields

President, The Pittsburgh & West Virginia Rwy. Co.

The Pittsburgh & West Virginia Railroad Company did not begin to feel the effects of the upturn in business until the latter part of the year. As a result of our earnings in the first quarter were disappointing, amounting to $41,000, or 47 cents per share. In the second quarter, our earnings were $241,600, or 79 cents per share, making our net for the first half of the year $21,960, or 26 cents per share. Our earnings for the second half of the year should be slightly less than the first half, but we are still operating at a profit. We are using our earnings for the year in a careful and judicious manner, and we have a good outlook for the future.

We look for continued growth of the territory served by the Seaboard Air Line. This territory has experienced the largest population gains of any of the railroads on the east. There is a large demand for a variety of products, and the railroad is operating on a sound and healthy basis.

Although we operate in States that have excellent network, high volume of traffic, and an increasing number of airways, nevertheless we have been able to maintain our operations. In 1954, the railroad was able to maintain its operations and maintain its earnings. In 1955, the railroad was able to maintain its operations and maintain its earnings. In 1956, the railroad was able to maintain its operations and maintain its earnings. In 1957, the railroad was able to maintain its operations and maintain its earnings. In 1958, the railroad was able to maintain its operations and maintain its earnings. In 1959, the railroad was able to maintain its operations and maintain its earnings. In 1960, the railroad was able to maintain its operations and maintain its earnings.

We expect the railroad to be in as good a condition in the year 1961 as for the year 1960, and we hope for a continuation of the trend of increased revenue for the railroad.

The long-range outlook for The P&W is very good because we have along our railroad what we believe to be the best remaining acreage for industrial sites in the area. The plots range in size from 25 acres to 2,000 acres, and they are located in the area where the railroad is located. The area is served by the railroad in the area, and the railroad has been very successful in attracting industries to the area. In addition to those industries that have been located in the area, the railroad has been able to attract new industries to the area. The railroad has been very successful in attracting new industries to the area, and the railroad has been very successful in attracting new industries to the area.

Continued on page 24
Takes Issue With Dr. Spahr
On "Irredeemable Currency"

Dr. Ernest R. Gutmann presents arguments to indicate that our gold stock may not be adequate to support a redeemable currency. Concludes we must be satisfied with a gold bullion standard as a "gold coin standard is out of reach."

Editor, Commercial and Financial Chronicle:

Unsolicited I have to come to the aid of Dr. W. Randolph Burgess, Governor William McMartin, Jr., the National Association of Manufacturers, and the Gold Mines. The article in the "Chronicle" of Aug. 4, "The N. A. M. Study and Irredeemable Currency," by Dr. Walter E. Spahr (hereafter called the author) should not be allowed to go unchallenged.

After this preamble, let us examine the facts to see if actually our "gold stock is more than adequate to support a redeemable currency" as my opponent contends.

In the first place, as the old double-eagle was minted at $20 80/00 ounce, the new double-eagle which would have to be minted at $35 an ounce, would have to have half the size.

Second, according to the 1934 definition, a dollar is equal to one-thirty-fifth of an ounce of gold. If such a coin had ever made it appearance in 1934 (in reality, coinage was put out of commission by law), it would have belonged to a price level of 615/00 cents for wheat and 90 cents for cattle. Only at this level would the standard have been able to fulfill its basic functions according to the 1934 definitory.

In 1935, in wheat at $2 and $1 90 on the average, we have to face an entirely different situation. To reintroduce a coin in 1935 at the 1934 basis, the author proposes, would mean that we would have to push all prices back to the 1834 level in order to arrive at equilibrium. If we fail to do that, the standard would never regain its inherent corrective powers.

Fourth, if we attempt to push all prices back to the 1834 level, we would create by this endeavor the most beautiful case of violent deflation anybody has ever seen. We would simply invoke the very condition we are trying so hard to build up a defense against in depth, knowing that it would be socially and politically a ruinous move.

Push, a gold coin circulating under these conditions would mean that we would give away an ounce of gold at $35 (1935 dollars) instead of at $35 (1934 dollars). The difference between the two periods is a shrinkage of 48% in that part of our currency and in which we are off the standard. This is on par with the idea of giving a substance away at $16.83 (1934) because we would circulate by contract and definition in 1935-1940 dollars. Or, expressed conversely, a value of $67.34 (1935) would be put in circulation at $35 (1835), really a bargain, which would be taken up by many people anxious to protect their savings. To give one practical example, in France, where the government has $4 billion in gold, the citizens have $4 billion in boarded gold, the soul of France came and got it. Nostalgic historic reminiscences as to withdrawal ratios are worthless. The situation has completely changed and the experience of the public has changed with it. There is no such thing as "Inflation without Tears." Inflation is partial redemption. The difference is only in degree, not in kind.

Sixth, we must now look into these ratios and their coverage. Bills in circulation are $30 billion; bank deposits are $200 billion; government, state and local obligations are $250 billion (outside of permanently established funds); and corporate securities are $175 billion. This comes out at $850 billion. Withdrawal of only 1 1/2% of these liquid assets for the purpose of converting them into gold would bring the Federal Reserve Banks and the government Insurance with over $80 billion is not taken into consideration, nor is one single cent for the potential claims of holders of foreign short-term credit balances. They amount to $12 billion to-day. It is highly misleading not to include these claims, or to minimize the potential danger as the author does, because $34 billion in gold were actually withdrawn in the last six years in this category, gold held in safe rooms by other nations, which have the same right to protect the savings of their citizens as the author demands for us.

The reasoning given above should furnish conclusive proof (facts and figures are official and easy to verify) that we have to be satisfied with a gold bullion standard and that a coin gold standard is beyond reach. Burgess is of this opinion. Governor William McMartin, Jr., is of this opinion. The National Association of Manufacturers is of this opinion. I am of this opinion. Only the author and his group contend that our gold stock is more than adequate to support a redeemable currency at the 1934 basis. I hope to have demonstrated this secondary.

Equally unsolicited I have to defend the Gold Miners and take exception to the detached "remarks heaped upon them." They had to sell their product at $33 in 1934 and are forced to sell it at $35 in 1935. If they had the same increase in costs and wages as any other industry, they would have pushed the bowl if that had happened to somebody else. It is small wonder that over these fourths of this industry fell by the way side and that production is $80 million instead of $200 million in former times. The Joker of it all is that it just had to happen to "King Gold," the rest of the metal which all other prices are referred to. Is that pure or poor coincidence?

Brass double! Even if no action is taken on gold, the march of events will force the issue.

Dr. ERNEST R. GUTMANN
69 Broad Street, Room 1605-4
New York, N. Y.
August 8, 1935

New York Stock Exchange
Weekly Firm Changes

The New York Stock Exchange has announced the following firm changes:

Transfer of the Exchange membership of Ferdinand A. Strauss and Byck will be considered by the Exchange on Aug. 18. John C. van Eck, Jr., retired from Steckler & Moore July 31. Lewis G. Salomon general partner in F. L. Salomon & Co. became a limited partner effective July 1.

Robert J. Connell Opens
(Special to The Foremost Chronicle)
DENVER, Colo.—Robert J. Connell, Inc. has been formed with offices in the First National Bank Building to engage in a securities business. Officers are Robert J. Connell, President; Everett T. Rockefeller, Vice-President; and M. M. Carpenter, Secretary. Mr. Connell was formerly with Breerton Rice & Co.

Form Interstate Inv. Co.
(Special to The Foremost Chronicle)
DENVER, Colo.—Interstate Investment Company has been formed with offices at 2740 East Third Avenue in an effort to engage in a securities business. Officers are Omar G. Garwood, President; Durwood D. Vernon, Vice-President; and O. Hellhau, Secretary-Treasurer.

our first steel was made into rails

When the struggle between the North and South ended, pioneers of vision turned their hopes and dreams to the West, building the destinies of the railroads as they followed the rivers and buffalo trails, pushing their way westward.

General William J. Palmer, one of Lincoln's appointees, realized the necessity of transportation to build thriving cities and industries in the development of the vast Western Empire. He found rich deposits of coal, iron ore, limestone and raw materials, the basic elements for founding a steel industry, transportation in building needs independent of the East. Thus, the pioneer predecessor Company of CF&I was formed to meet these demands.

Industries, prosperous communities and cities, following the rolling of the first rails by CF&I in 1882, were the consummation of the vision and dreams of General Palmer and his worthy contemporaries.

CF&I and its Western railroad customers have progressively kept pace with the growth and development of the Western Empire. With the continuously increasing volume of traffic, Western railroads have been constantly alert to safety needs—to new, improved means and methods for assuring efficient performance. Equally appraised of these objectives, CF&I has designed and produced two improved rail sections, and these new CF&I 1360 and 1190 pound rails have met the approval of, and adoption as standard by, progressive Western roads.

This again exemplifies CF&I's cooperative policies, only to sell; but to serve—not only to make good steel products; but to make them still better—not only to fulfill today's requirements; but to anticipate tomorrow's.
Railroad Executives Discuss Outlook for the Industry

W. G. VOLLMER
President, The Texas and Pacific Railway Company

The mood of the people of the United States today is one of optimism. A simi-
lar mood exists throughout most of the world.

Prospects for the realization of both are better today than at any time in
many years. At the recent Cooperative Geneena Conference a friendly
atmosphere prevailed among the leaders of world trade and finance.

The outlook is quite promising. It is the hope and prayer of
millions of people the world over that this
same position will be maintained and continu-
eu.

Meanwhile, the economy of the nation has moved steadily forward. Al-
though the forward momentum created by rising income and ex-
pected sales has carried industrial output and aggregate production to
high ground.

The trend of employment and consumer income has been upward, a situation which is likely to continue in the
near future.

Present indications are that inventory buying by busi-
ness concerns will remain substantial for the immediate future.

Outlay for new plant and equipment is expected to
continue at a high rate.

The supply of money appears to be reasonably easy
although interest rates may edge a little higher and in-
fluence building and rail traffic up to some extent.

Present indications are that both the gross national
income and personal income for 1954 may surpass that of
1953.

Businessmen and economists generally agree that
the outlook for the second half of the year is good and the
present level of business should carry over into 1955.

From the standpoint of the railroad industry, traffic
volume and gross revenues are running ahead of 1954, but behind the peak
1953. Although something less than 100 percent unfor-
senous occurs to upset the general upward trend in
traffic and revenue, the last half of 1955 should equa-
serve the first half. If so, the present general belief, both gross and net revenues should be some-
what better than 1954, but not equal to 1953.

Favorite action by the Congress, some of the principal
recommendations in the Report of the Presi-
dent's Cabinet Committee on Transport Policy and Or-
ganization is one of the immediate needs of the railroad
industry.

Such action would be helpful in bringing about greater
equality of opportunity among the carriers in their con-
nection with the government, would serve to increase the efficiency and the economy of our national
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maintenance expense. Like any other public service, the railroad must earn an adequate return over the long
pull in order to pay good wages, good pensions and adequate in-

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partial solution to inadequate
earnings because its basic philosophy is to remove some
shackles that prevent the railroads from adequately
meeting their subsidized competition. But, in addition,
another philosophy must be adopted, namely, that all
forms of transportation should serve the public for
commercial purposes. Facilities that are provided with public money must
pay an adequate user charge therefor, and that prices
be high enough to operate, allowing and inland waterways,
because private enterprises. Without public subsidy, railroads must
have a plan to compete with that is subsidized. This is
equal as true with transportation as it is with power.

Also, the railroads must reduce their passenger
deficits and in that they need the help of public authority,
which must accept the fact that service which is not
sufficiently paid to provide revenue that covers its out-
puts of effort is not in the public interest. The railroads need help to accomplish this and the public
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scare and that it will not.

The next step is the revision of laws regu-

S. R. YOUNG
President, Atlanta and West Point Rail Road Company, The Western Railroad of Alabama
Chief Executive Officer, Georgia Railroad

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an unprecedented upsurge in traffic, at least
approximately 60 days, and caused a substantial decline in reve-

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Atomic Power and the Utilities

Ward off perhaps by the political issue over public vs. private hydro power, the utility industries, which made every effort to cooperate with the Atomic Energy Commission and other Government agencies in the development of new atomic power generating units, have been highlighted by the Geneva Convention. In March, 1954, Duquesne Light Company agreed with the AEC to purchase the steam to be produced by a 60,000 kw high-pressure plant to be built for the AEC by Westinghouse Electric. The utility company agreed to contribute the land and pay $5 million of the cost of the reactor, or at the rate of perhaps roughly $100 per kilowatt. However, this cost was not to include the cost of the reactor and generator, etc., which were estimated in the press at $25 million or more, although no authoritative figures were available. Assuming that the amount mentioned should prove correct, total cost might exceed $500 per kw, which compares with about $40 per kw for a large fuel-burning plant.

Duquesne Light agreed to buy the steam at a rate estimated at 4.8 mills per kilowatt hour, which was about twice the production cost at its new and efficient Elkins steam plant. Duquesne's offer was the most favorable to the Government of 9 bids submitted by utility companies or communities. Early in 1953, Admiral Strauss, Chairman of the Commission, requested proposals from private companies by April 1 for constructing nuclear power plants. Companies submitting acceptable proposals were invited to "sign an agreement of general cooperation and assistance "within the limits of available funds." The Commission promised that private power producers would receive a guaranteed price for seven years for the plutonium which would be turned out as a fission by-product. The Commission also agreed to sell or lease uranium, thorium, water to the utilities, or lease processed uranium and plutonium at "fixed" prices (subject only to change with the general price level). Cooperation in research and development work would continue.

Meanwhile, a large number of utility and industrial companies had set up research teams to study construction and operating costs for various types of reactors. In New England a group of utilities formed the "Yankee Atomic Electric Company" to construct a made-to-order plant. Consolidated Edison of New York, just prior to the Commission's announcement, had announced plans for a $30 million plant with a pressurized water, boron-uranium converter reactor at Indian Point on the Hudson River, some distance from New York, with an estimated capacity of 250,000 kw and an indicated cost of about $225 per kw. Babcock & Wilcox, leading boiler builders, also set up a large research staff and about this time estimated that they could build a nuclear plant which could produce electricity for less than 20 mills per kw hour compared with an estimated 11-20 mills (including capital costs) for the operation of a power plant. While the 10-11 mill cost was well above the 6-10 mills operating cost for a large electric steam plant built in the past period, nevertheless it was considered to be almost competitive in New England where fuel costs are relatively high.

Recently, General Electric announced the development of the "dual-cycle" boiling water reactor, which it is reported, retains both capital and operating costs. Construction costs are estimated at some $200-270 per kw. The company will build, with AEC approval, a 345 millions nuclear power plant in Illinois for Commonwealth Edison and the Nuclear Power Group, using this new type reactor. This plant is to be built steam (or water) supplied 44 miles southwest of Chicago and will have a capacity of 100,000 kw. Cost works out at about $250 per kw, and the plant is expected to be ready for operation by 1958.

General Electric estimates that this new plant can produce power at an operating cost around 8 mills, which will be competitive with fuel-burning plants, as long as it is operated almost ceaselessly. Such a plant will often operate with the kw cost considerably for such inefficently overhead items as depreciation, local taxes, interest, etc., and dividends. It also claims that the dual-cycle type is much more flexible than the regular boiling water reactor with respect to handling changes in the load.

The boiling water reactor is considered much safer than other types, since in effect it has its own built-in fire department. If the reactor should get out of hand (as happened a year or two ago at the Chalk River Canadian plant) the water surrounding the nuclear fuel would turn to steam, and since fission is dependent on the presence of water in this type reactor, conversion of water to steam automatically stops fission. This reduction in risk is an important item in both the capital and operating costs; it reduces the amount of land necessary to surround the plant, and also reduces the cost of insurance and safety precautions.

The AEC recently authorized a $30 million proposed by Detroit Edison to build a 100,000 kw plant at Monroe, Michigan, to be ready for operation in 1959. Niagara Mohawk Power is the first utility actually to distribute atomic-generated electricity to its customers. The company contracted to buy power on a temporary basis from a reactor at West Milton, N. Y. owned by the AEC. This was a land-based prototype (experimental duplicate) of the submarine power reactor built by General Electric. Niagara is buying part of the output on an interruptible basis at a cost of only 3 mills, a bargain rate. The company gained some favorable publicity with the move, although the amount of power to be obtained is only a "drop in the bucket" compared with the company's huge kw output.

General Public Utilities has just announced that it plans to build an atomic power plant in the Philippines, where the cost of coal is about twice as high as in some U. S. areas served by GPU subsidiaries.

Forms Top Inv. Co.
(Special to THE FINANCIAL CHRONICLE)
LOS ANGELES, Calif.—Thomas C. Yager is conducting a securities business from offices at 610 South Broadway, under the name of Top Investment Company.

Chicago Inv. Women
To Hold Luncheon
CHICAGO, III.—Investment Women of Chicago will have a summer luncheon for members and guests at Honey Bear Farm, Genoa City, Wisconsin, on Saturday, Aug. 13, 1955.

How in TEXAS CORPORATION
SERVES AMERICAS INDUSTRIES

No. 1 of an informative series

(509) 25

Through a number of important areas of operations, Penn-Texas Corporation is today helping America's industries to increase the standard of living in the nation. Certain Penn-Texas subsidiary companies develop and produce natural resources, such as gas, oil, and coal and uranium. Still others operate in the shipping and related industries. Others are engaged in light and heavy industry.

The parent company is conducting an electronics and research program in the rapidly growing nuclear energy field. This program should result in substantial benefits to the various subsidiaries and affiliates.

In the aggregate this group of Penn-Texas companies represent a dynamic contribution to the nation's business, its economy and its payrolls.
Securities Salesman's Corner

By JOHN DUTTON

Some common sense regarding the use of the Mutual Fund prospectus

What I wish to discuss this week may not meet with the approval of some of those who believe that a salesman should completely and fully disclose every available fact pertaining to whatever stock or security he sell before he takes the order—whether or not his client wants to know them or not. Don't misunderstand this statement. I agree, if an investor understands all the details about the acquisition cost, its exact amount, how it is determined, who are the attorneys, the exact amount of management fee foregone, and so on. Certainly, these are privileged revelations. Once in a while a buyer comes across an investor who not only looks under the hood but also wishes to take apart the carburetor—let him do it.

Sell Intelligently

After acquiring a bit of experience in the sale of intangibles I think I can state that a good many people want a limit of talk about how a thing is put together when they buy it. Many of them have other investments, securities, mutual funds, or a little policy on a home. They don't necessarily want to know what their investment will do for them. If you want to make sales, keep your technical talk down to a minimum.

What does the average investor care about the wording of a Mutual Fund if he knows and believes that if he puts his money to work in a good fund than 10 years from now he will have a better chance of obtaining a larger retirement income if he left it to someone who understands the fund? The sale that hinges on whether or not an investor should pay an acquisition cost, the re-assurance that you will get back to the important things—what is the good of moving him? How can he be better off financially?

Don't Labor the Technicalities

So much depends on your confidence your prospects have in your firm, or in the organization that put out to work the Mutual Fund, or a combination of these factors. No sale can be made unless that confidence is established. One of the greatest difficulties is that the point in this column is that it is basic. Get the confidence of your prospects. You have the opportunity to take them on your own, and, surprisingly, you can do it through a recommendation from a satisfied customer. In your interview, it depends upon your ability, your personality, your belief in the mutual funds, and the job for which it is intended. When you have this confidence don't overtalk the technicalities. Offer a good fund that meets the prospect's requirements, then talk about those requirements. You should spend at least 60% of your sales time in shaping the prospect's needs and the benefits that he will have when the money is purchased. You always service, he changes his low income prospects, or his saving prospects, to a better paying Mutual Fund. Whether the client-ability of growing over the years.

Over here, Mr. Prospect, you will very likely find a line which come on which the Federal Government loaned New York City banks was on the increase, and that the incidence of the Federal funds was likely to make its appearance. That is the time that the seasonal loan expansion pattern is for loans to start their increasing trend in very late summer. There are many factors in the part of your present income. Why then obtain these advantages — instead of $1,000 a year increase before taxes which you now have. You are professionally managed Mutual Fund which is over a hundred of the greatest business organizations in this country, and I am aware that at least $2,000 a year before taxes, you get through with the tax bill you should have about $600 of $1,000 of investment is available at $480 the future instead of around $800 at $450.

And go on from there. Enum¬rate each point, show what the item will do to improve this. (Once you have convinced him that he will be better off in terms of BENEFITS, how much do you think he will be better off? $1,000 a year is the right rate. It means that the rates and gains in the year are $1,000.)

Don't misunderstand the above article. Don't get on the fact that the prospect will be better off financially. Don't sell these technical matters that so few want to hear. But, that is where the whole problem lies. Say to your prospect, "I will do this. (Once you have convinced him that he will be better off in terms of BENEFITS, how much do you think he should think? $600 of $1,000 of investment is available at $480 at $450.)"

Banking and Insurance Stocks

By ARTHUR B. WALCOTT

This Week—Bank Stocks

In June there was a discussion in this space of the prospect not only that the seasonal increase would be slow, but also that loan movements New York City banks was on the increase, that the incidence of the Federal funds was likely to make its appearance. That is the time that the seasonal loan expansion pattern is for loans to start their increasing trend in very late summer.

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With Columbia Secs. (Special to the Financial Chronicle)

DENVER, Colo.—Sam Budis is removing the investment restrictions on securities companies, Incorporated, Equitable Building.

With Skyline Secs. (Special to the Financial Chronicle)

DENVER, Colo.—The assets of G. Johnson is now with Skyline Securities Inc., 1710 Walnut Street.

Drexel to Admit

PHILADELPHIA, Pa.—Drexel & Co., 150 Wall Street, members of the New York Stock Exchange, are considering the admission of Edward Starr 3rd to partnership.

New Parrish Partner

Edward Y. Jaeger will be admitted to partnership in Parrish & Associates, Monroeville, Pa., and the New York Stock Exchange, on Sept. 1. Mr. Jaeger has been associated with the firm for five years.

E. H. Lockwood Opens

LONG BEACH, Calif.—Ernest H. Lockwood is conducting, a securities business from offices at 4252 Atlanta Avenue.

Bankers to the Government in New York City

Head Office: 30 Rockefeller Plaza, New York City

West End (London) Branch: St. Martin's Lane, London, W. C. 2

Branches in India: Patna, Calcutta, Delhi, Bombay, Mysore, Cochin, Madras, Bangalore, and Allahabad.

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As We See It

some of them, as well as so-called fly-by-night lenders, have been making loans on various types of consumer durables and to home owners with an abandon well calculated to give prudent people real uneasiness. The moral volume of such loans, wisely and partially, is enough to attract attention. This is particularly true of loans of this sort made by commercial banks and loans made by these banks to finance companies which in turn lend to consumers. But the increase in the volume of such loans is but one aspect of a situation which to common knowledge among the matriculate carries other elements of danger more disturbing than the amount of money loaned in this way. Unfortunately, none of the currently compiled and published statistics in these fields do or could give a clear picture of this aspect of the situation.

No More Regulations?

In recent years the tendency in such situations, when action was contemplated, has been to enact legislation providing for more public regulation. At best such measures—which really have no place in our free enter-prise system in any event—would prove something less than fully effective in such a situation as that which now exists. We hope that the authorities will stick to their resolution not to indulge in such authoritarian procedures. In the present situation it is understood that chief concern in Washington is felt about the part that commercial banks play in this situation. It is understand-able enough why this should be the case. When a finance company, a savings bank or some other lender takes what is saved by one individual and lends it to another individual, we are able to see that the transactions involved are not subject to the rules and regulations of the Federal Reserve System, and that the capital so lent is not subject to the same controls as the capital which is lent by commercial banks. In the present situation, however, the only effective way to regulate these activities is to include them in the Federal Reserve System, and it is only then that real control is possible.

Broader Action Necessary

It seems to us, however, that the program to be effective and to be fair all round should go a good deal further than is now suggested in dispatches from Washington. Take the field of consumer credit, particularly in the motor field. More restriction of the banks in this field, leaving sales finance companies and others free to borrow from the banks and lend to consumers, would be neither effective nor fair. It is not enough to confine attention to two fields—consumer credit and mortgage credit—leaving all others to borrow at will. An over-all examination of the situation in this respect in the community easily creates funds which may be loaned to consumers or to companies lending to consumers. Let us not forget the lesson we should have learned from the old street loan business of the late 1920's. It has often been said with truth that it is impossible to make funds cheap and abundant to everybody while the stock speculator and expect to keep funds out of the market, which is the same can be paid of these areas of consumer credit and mortgage credit. Policies of arbitrarily easy money should, of course, go by the boards. But there are still other aspects of this situation. Abuses have undoubtedly arisen in the matter of the relation between a loan and the security behind it in the form of an automobile, and the length of time the loans are to run. One is often obliged to wonder, however, if lack of care in fitting loan applications is not a more serious matter at this and some other times, too. What makes an individual a good credit risk is above all ade-quate steady, and a check on income to all fixed com-mittments, and, of course, a record of responsibility in financial matters. It seems to us that one of the real dangers of this situation is that so little attention is paid to matters such ones collateral is offered. We can only hope that this rather commonplace aspect of the mat-ter is receiving due consideration when plans are laid for guarding against excesses in this field of consumer and mortgage credit.

$200,000,000 General Motors Acceptance Debentures Offered by Morgan Stanley Group.

An underwriting group headed by Morgan Stanley & Co., comprising 275 investment firms, offered for public sale yesterday $200,000,000 General Motors Acceptance Corp. 3% 20-year debentures. Maturing Sept. 1, 1975, the debentures were offered at 98% to yield 5%.

This offering was oversubscribed and the books closed. Proceeds from the sale of the debentures will provide additional working capital for GMAC for the purchase of receivables. The rise in the volume of business of General Motors dealers has materially increased the need for GMAC financial facilities, resulting in increased demands for new and used cars and in inventories and receivables. Additional borrowings are required to keep pace with the continuing growth of the General Motors, and the current issue is the second public offering this year, $250,000,000 in debentures having been sold early in March.

The new 2%-year debentures are subject to redemption at prices ranging from 101%-% through Aug. 31, 1956, to the principal amount on and after Sept. 1, 1976. GMAC finances the distribution of new products manufactured by General Motors Motors, Inc., and also offers resale and finances such dealers'-retail inventories and new General Motors Motors products and used units of any make. Financing re-lated to automotive vehicles comprised 96% of the dollar volume of receivables purchased in 1954 and 97% in the first six months of 1955.

During the five-year period 1956-1955 the annual volume of receivables acquired by the company increased from $4,600,000,000 to $6,925,000,000 and for the first six months of 1956 the volume increased to $4,907,500,000. Notes and bills receivable held by the company (after deducting un-earned interest and loan reserves) increased from $685,300,106 at the end of Dec. 1955, to $1,031,861,174 at the end of 1955 and to $1,343,232,318 as of June 30, 1956.

GMAC consolidated total annual operating income increased from $100,914,000 to $168,270,000 for the five-year period 1951-1954 and amounted to $114,044,000 for the first six months of 1955. Income before interest and discount and income taxes rose from $64,839,000 to $143,561,000 during the five-year period and totaled $76,282,000 for the first half of this year. Capitalization of the company at July 31, 1955, including the new debentures, is as follows: Indebt-edness due within one year, $1- 108,514,628; senior funded debt due subsequent to one year, $1, 644,522,456; subordinate indebted-ness, $325,000,000; and capital funds, $181,775,837 (at June 30, 1956).


P. S. Davies V.P. of E. W. Axe & Co.

S AN FRANCISCO, Calif.—Philip Charles Davies, West Coast and civic leader, has been ap¬pointed vice-president-in-charge of the San Francisco office of E. W. Axe & Co., investment management firm.

For the past 21 years Mr. Davies has been an executive of the First Western Bank and Trust Com¬pany, San Francisco, and its predecessor, the San Francisco Savings Bank. Before that time he was Assistant to the President, the late Parker S. Maudlin, First Western Bank, and Mr. Davies studied at the University of California and has long been active in San Francisco busi¬ness and community affairs. He is Chairman of the board of the Electrical Corporation of San Francisco and a director of the Golden Gate Bridge and Highway District, Franklin Home, the Redwood Empire and the North Pacific Investment Management Club, all of San Francisco.

J. E. Finn Opens

(Digital in The Financial Chronicle)

DENVER, Colo.—John E. Finn, a member of the securities business from offices at 1726 Arapa¬ho, is engaging in a securities busi¬ness in the name of John Finn Securities.

T AKE THE INDUSTRY ROUTE SOUTH

The South today offers the ideal combination of access to raw materials, abundant power, expanding consumer markets, ample supply of cooperative labor, plus superior transportation services.

Let us help you to locate advantageously in the South, as we have helped others. Our ex¬perienced industrial development department is prepared to recommend sites to fit your specific needs without obligation and in strictest confidence.

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BLOOMINGDALE'S CORPORATION

Montclair, New Jersey

CHARTERSDALL CORPORATION's multi-million dollar nylon fibre manufacturing plant near Pensacola, Florida, is one of the many industries newly located along the I&N Route.
George F. Baker, Jr., has been appointed to the Board of Directors of City Bank Farmers Trust Company of New York it was announced recently. A graduate of Harvard, Mr. Baker is a director of The First National City Bank of New York, Trustee and Director of Community Services Society of New York, and the Federal Reserve Bank of New York.

The First National City Bank of New York announced on Aug. 17 that it has appointed two Assistant Vice-Presidents and two Assistant Cashiers. The Assistant Vice-Presidents are Daniel 13, Dickey and Julian L. McCaul, both assigned to the Southern District of the Domestic Division. Mr. Dickey was formerly with the staff of The First National Bank of the City of New York. The new Assistant Cashiers are Ellis E. Bradford and A. Edwards Danforth, both assigned to the Metropolitan District of the Domestic Division. Mr. Danforth was formerly in the National Division of the bank and Mr. Dickey was in the Domestic Division.

Directors of the Chemical Corn Exchange Bank declared on Aug. 11 approved the declaration of 10% stock dividend, subject to approval by the stockholders at a special meeting on Sept. 7. The recommendation was made by the State Superintendent of Banking. The bank, which was chartered in 1853, is reported to be the oldest in the City.

Notices of extension of registration period 1936-1937 are hereby reported to holders of German dollar bonds. The period for registration, which is of 92 issues involved, has been extended to February 29, 1936. It is extremely important that all bonds be returned to the Validation Board for German Dollar Bonds, in New York.

Validation Board for German Dollar Bonds
30 Broad Street
New York 4, N. Y.

Douglas W. Hartman
United States Member
August 26, 1935

As chairman of the Board of Managers of the Bronx Union Y.M.C.A., who was a member of the Executive Committee for more than a year, he was well known to the New York City, and as a youth worked as a messenger boy for the Post Office Department. In the Bronx, he was a bookkeeper for the Knickerbocker Bank and in 1911 was appointed Assistant Vice-President. Upon becoming a director, the directors plan to transfer $5,000,000 of shares of the $24,000,000 of capital and $700,000 will be credited to surplus. The bank will then have capital of $47,254,000, surplus of $127,700,000, and undivided profits in excess of $19,500,000.

Guaranty Trust Company of New York announced the appointment of Meredith J. Bratton as Advertising Manager of the Publicity Department, in charge of advertising, public relations and promotion. Prior to joining the Guaranty Trust Company, Mr. Bratton was Assistant Vice-President and Public Relations Manager of the General Dynamics Corporation's Electric Division.

Irving Trust Company of New York announces the election of Lester F. Griebl as an Assistant Vice-President in the trust company's Domestic Banking Division. Mr. Griebl has had many years experience in the banking field and prior to joining Irving Trust Company, he was a member of the Reading Trust Company in Reading, Pa.

Mr. Frederick Berry, President of North Side Savings Bank, 185 West 23rd Street, New York City, died on Aug. 7 in New Rochelle Hospital. His home was in Larchmont. A banker in the Bronx all his adult life, Mr. Berry, who was 67 years of age, was known as "Dean of Bronx Bankers." He was a director of First National City Bank. He was President of the Bronx Bank of Trade from 1893 to 1938, served as Chairman of the Board of Managers of the Bronx Union Y.M.C.A.; was chairman of the Executive Committee for more than a year, he was well known to the New York City, and as a youth worked as a messenger boy for the Post Office Department. In the Bronx, he was a bookkeeper for the Knickerbocker Bank and in 1911 was appointed Assistant Vice-President. Upon becoming a director, the directors plan to transfer $5,000,000 of shares of the $24,000,000 of capital and $700,000 will be credited to surplus. The bank will then have capital of $47,254,000, surplus of $127,700,000, and undivided profits in excess of $19,500,000.

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Western’s Eureka application is subject to the approval of the Federal Deposit Insurance Corporation. First Western has opened five new small offices made by T. F. Coats, Chairman of the Board of First Western, and Leon Hagemstein, President of Butte Valley Bank. The opening of the bank with First Western is subject to the approval of regulatory authorities. The Butte Valley bank, it is announced, has assets of over $6,300,000 and deposits of more than $3,500,000. It has been in business since 1908. This new addition to First Western’s banking system will be operated as the Butte Valley office of First Western, and it will be staffed and managed by the personnel now employed by the bank there. Mr. Coats said Mr. Hagelstein would become a Vice-President of First Western and would devote himself to First Western’s affairs in Butte Valley. Manager of the office in Dorris will be Fred Fisher, who has been with the Butte Valley State Bank since 1947, and Assistant Manager will be Howard H. Hansen. Both Mr. Hansen and Mr. Fisher will become Vice-Presidents at the Dorris office.

The Board of Directors of The Bank of California, N.A., of San Francisco, Calif., has voted to call a shareholders meeting to be held Sept. 13 to approve the issuance of 32,000 additional shares, which will first be offered to shareholders of record at the close of business on that date at $70 a share, in the ratio of one new share for each 10 shares presently held. While the Board has not yet acted on the October dividend, it is stated that these new shares will participate therein. Since the time of the previous stock offering in July 1951, deposits, it is indicated, have increased from $359,932,000 to $443,523,000 as of Aug. 4, 1955, and loans have expanded during the same period from $142,826,000 to $201,218,000. Unsubscribed shares of the new issue will be distributed by a syndicate of underwriters to be formed by Blyth & Co., Inc. It is contemplated that immediately after the meeting of Sept. 11, transferable subscription warrants, exercisable at any time on or before Oct. 7, 1955, will be mailed to eligible shareholders. The proposal to increase the capital stock of the Bank is subject to approval of the Comptroller of the Currency.

Tony L. Westra, formerly Vice-President of the Northwest Security National Bank of Sioux Falls, S. Dak., has joined the staff of California Bank. Mr. Westra has been assigned to the Public Relations Department. He was associated with Northwest Security National Bank for many years prior to joining the California Bank staff.

The Hongkong and Shanghai Banking Corporation of California, organized last month, has been accepted for membership in the Federal Deposit Insurance Corporation and expects early authorization from the State Superintendent of Banks to engage in the business of a commercial and savings bank in California. Ian H. Bradford, Chairman of the Board of Directors, indicated that the new bank would be ready to accept deposits by Aug. 15. Establishment of this complete domestic banking service for our customers will facilitate the transacting of foreign banking business in the 12 countries in the Far East served by 34 branches of the parent Hongkong Bank," said Mr. Bradford. Branches of the Hongkong Bank are also maintained in New York, London, Paris and Hamburg. An item bearing on The Hongkong and Banking Corporation of California, appeared in our July 14 issue, page 105.

Promotion of two members of the official staff of Anglo Californian National Bank of San Francisco was announced on Aug. 15 by Paul R. Hoover, President. Harry Blyth, formerly Assistant Vice-President and Manager of the bank’s Chouteau Avenue office in San Francisco, has been appointed Vice-President and Manager of the Stockton office. Mr. Goodfriend joined Anglo in 1929. Frederick W. Clinchard, formerly Assistant Vice-President, public relations department, head office, has been appointed Assistant Vice-President and Manager of the Seaboard office. Mr. Clinchard became a member of the bank’s Oakland main office staff in 1924.

With W. G. Nielsen (Special to The Financial Chronicle)

WASHINGTON, Calif.—Fred O. Gregg is now with W. G. Nielsen Co., 2697 West Magnolia Blvd.

Leo Schoenbrun Adds (Special to The Financial Chronicle)

LOS ANGELES, Calif.—J. C. Gafston, Jr. is now affiliated with Leo Schoenbrun, 1385 Westwood Boulevard.

Schwabacher Adds (Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—Henry F. Casey has been added to the staff of Schwabacher & Co., 100 Montgomery Street, members of the New York and San Francisco Stock Exchanges.

Joins Arnold Staff (Special to The Financial Chronicle)

BEVERLY HILLS, Calif.—Herbert Jacobson has joined the staff of Lloyd Arnold & Company, 404 North Camden Drive. He was previously with Samuel B. Franklin & Co.

Joins Sutro Staff (Special to The Financial Chronicle)

PORTLAND, Oreg.—Robert Enright and Gordon R. Moore are now affiliated with Pacific Northwest Company, Wilcox Building. Both were previously with Foster & Marshall.

Northwest Add Westwood Telephone with Bell Telephone Laboratories and made to new standards of manufacturing care and quality by Western Electric.

Telephone service across the Atlantic will be improved and enlarged by the new system which is a joint undertaking of the Bell System, Canadian Overseas Telecommunication Corporation and the British Post Office. The 36 cable circuits can operate full time and will be free from disturbances which affect radio.

This new era of improved service and reliability will benefit not only individuals and business but will be of far-reaching value in national defense.

Transatlantic Telephone Cable Is Now Being Laid

New undersea telephone system will provide enlarged and improved service between this country and Great Britain

A history-making voyage is now under way—to place a twin telephone cable system under the Atlantic Ocean.

The world’s first transoceanic telephone cable is being laid from this continent to Great Britain this summer. The second cable will be laid next year.

When both cables are completed—each transmits speech in only one direction—people in this country can talk with those in England under the Atlantic Ocean for the first time. Present service is by radiotelephone.

The new cable system is the culmination of many years of planning, invention and development. The major problem was to build amplifiers right into the cable which could withstand the enormous pressure at the bottom of the ocean and operate without attention for years.

These deep-sea amplifiers have been designed by Bell Telephone Laboratories and made to new standards of manufacturing care and quality by Western Electric.

Telephone service across the Atlantic will be improved and enlarged by the new system which is a joint undertaking of the Bell System, Canadian Overseas Telecommunication Corporation and the British Post Office. The 36 cable circuits can operate full time and will be free from disturbances which affect radio.

This new era of improved service and reliability will benefit not only individuals and business but will be of far-reaching value in national defense.

BELL TELEPHONE SYSTEM
WARNS WORLD WAR II EXPIRATION OF VA HOUSING LOAN REGULATION IN J ULY, 1957

George C. Johnson, President of The Dime Savings Bank of Brooklyn, praises program of home ownership, but finds only about 25% of Gill in regional area has benefitted. Federal Administration has exercised their home-buying rights under the Servicemen’s Readjustment Act.

Veterans of World War II are reminding the nation that the Veterans Administration have exercised their home-buying rights under the Servicemen’s Readjustment Act.

Pointing out that his bank has already exercised nearly all of the only program of the VA since it was initiated in 1944, Mr. Johnson stated: "One of the important features of the VA program is that it provided a mortgage of a definite type. The 4½% fixed rate is a definite asset to all those who have not been able to buy homes. This because a lower down payment is required in this type of mortgage. The 4½% interest rate is a definite asset to all those who have not been able to buy homes. This because a lower down payment is required in this type of mortgage. The 4½% interest rate is a definite asset to all those who have not been able to buy homes.

Furthemore, the veteran is an excellent credit risk. The New York regional office of the VA lent on only 3/10ths of 1% of the total amount of loans it has guaranteed, whereas the cost figure is 6/10ths of 1%. The New York VA office has experienced very little difficulty in getting private lenders to lend on VA-guaranteed mortgages."

To assist war veterans who are planning to buy or build a home, the Dime Savings Bank in New York, which is associated with the Veterans Administration, will issue a veterans loan package to cover the VA mortgage. The bank is a member of the Veterans Administration, and has the main office by the bank and the Long Island Headquarters.

The distribution is being made in cooperation with the New York City Chamber of Commerce, which has the following statement: "The Dime Savings Bank of Brooklyn, in conjunction with the Department of Housing and Urban Development, has announced that it will issue a veterans loan package to cover the VA mortgage. The bank is a member of the Veterans Administration, and has the main office by the bank and the Long Island Headquarters.

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This statement is distributed to help veterans who are buying homes.

Continued from page 7

Unsound Aspects of Federal Government Power Marketing

this policy when it built its first large scale power project -- the Howlettsville hydroelectric development -- they have abandoned it. No stockholder of a private company would have accepted a contract for any other basis. In the Federal, also, the stockholders are the stockholders.

the choice of a local utility company is made by the consumers, and the rate paid by the government. I do not think that this is true, especially where the government has a field which is competitive with private enterprise. We cannot have a field which is competitive with private enterprise. We cannot have a field which is competitive with private enterprise.

It is often contended that the rates for Federal power should, in addition to covering other costs, provide a return on government-owned facilities. The Federal, in its determination of the rate paid by the government, I do not think that this is true, especially where the government has a field which is competitive with private enterprise.

This is a matter of fact, and it is a matter of policy, that the government should be in the business of providing power for its own use and for the use of the public. This is a matter of fact, and it is a matter of policy, that the government should be in the business of providing power for its own use and for the use of the public.

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The Federal Reserve Bank of St. Louis
Digitized for FRASER

projects financing; needed; adequate are the 13 capital private added bodies properties.

Large accumulated savings in the hands of private citizens and institutions now enable both private and public bodies to obtain ample capital for the development of plants, toll bridges, toll roads and other revenue producing property. In the past, many private and publicly owned electric companies have had to undertake these ventures in properties, a sum $11 billion in the case of the Federal Reserve Bank of St. Louis. The costs of providing this total a sum is more than the present Federal total current accounts, while the amount invested to date over $2 billion in electric utility properties. Many private and public bodies are and willing to make such investments in all necessary generating facilities.

The Securities and Exchange Commission has designated the ownership of the necessary holding companies and sources of revenue needed throughout the electrical utilities field. The 13 capital bodies and the public bodies have invested over $2 billion in the purchase of return earned by public utilities during recent years. The operating costs of these utilities is a function of the average rate of return which constitutes a necessary and very large percentage of the costs of the electric utility business.

Private Power Companies Can Do the Job

It seems reasonable to state that the majority of the decisions have been in the past, the public and local public electric enterpris- pried by the country are now of sufficient strength and capital accumulation in the hands of power companies. The financial structure of the Federal government is adequate, to finance the furnishing of adequate supplies of energy to the public and the government should be competitive with private enterprise.

Federal Power Commission, despite this situation as it is now and appears for the near future, is that there is not enough power from the Federal government is not sufficiently adequate and is the burden of the country is now of sufficient strength and capital accumulation in the hands of power companies. The financial structure of the Federal government is adequate, to finance the furnishing of adequate supplies of energy to the public and the government should be competitive with private enterprise.

The Government's Role

The Government's role in the development of our electric power industry is now being considered. It is important for the Government to try to analyze the situation and to determine the best course of action which will be in the best interest of the public and the country. The Federal government is considering the establishment of a Federal Power Commission, which would be responsible for the regulation of the electric power industry. This commission would be responsible for the development of the electric power industry, including the production of electric power, the transmission of electric power, and the sale and distribution of electric power.

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The Future of the Dollar

The U. S. Situation

The government of the United States took the country from a good to a bad position in 1933. The declared purpose was to induce full employment and hasten and insure permanent peace. Its.GETTERs were gold by American citizens was declared illegal and in a year and a half the gold seated and paper money is in circulation. The classes of the government’s bonds are obtainable at interest.

Government spending on an unprecedented scale then began, and the result was increased inflation. The dollar paper began its decline.

Ironically, after 12 years of peace and prosperity, the dollar is now in a condition that was destroyed as the war progressed. Ten years will shortly be passed and both the abundant expenditures and fiscal practices continue. To one consider the consequences of a change in the dollar is of great significance.

But of all the years since 1933 it has not been as illuminating. It is at these a realization of the beginning of the fiscal and monopsony power to the opposition, an opposition that is too ready to substantially reduce expenditures and taxes, to bring the cost of living under control.

The problem is of great significance. Yet despite its empirical determination to do each of these things the New Administration has, in fact, done none of them. The rapid decline in the expenditures has been slight, its decrease in taxation a minimum success. And yet this has been accomplished.

If this failure on the part of the government is anything more than a chargeable to a concealed purpose to secure election through propitiousness or to overcontrol or to incompetence? Or to ignorance respecting the natural consequence of its acts? I do not say so. I think few will be found who doubt the pre-election purpose of the government. The only question is to bring about the changes they propose to bring about.

It is chargeable to the fact that the public is unaware of any of the things that should have been a marked recurrence of unemployment or too sharp a decline in agricultural prices. It is because of the government’s failure to do anything that the dollar has depreciated. The public spending would force matters to turn. But under the conditions that industry and agriculture, return to normal and again rise from turn from fiscal intemperance to the use of a word an indefeasible principle to permit natural and normal peacetime economy to be re-

Less Inflation with the Development

Reducing the level of the individual, what Congressmen from the South and Southwestern states have been added to the staff of Palmer, Pollock & Co., 84 State Street.

With Coombs & Co. (Special to The Financial Compendium)

With Palmer, Pollack

(Boston, Mass.—John N. Cil-
### Are Common Stock Prices Too High?

Common stocks must necessarily be different from that justified when prices were still relatively low. At present common stock prices have not only caught up but have substantially exceeded the level which would result if we complete discounting of the economic events that have occurred in the last decade. This is suggested by the fact that a representative group of industrial stocks, as is included in the Dow-Jones Industrial Average or in Standard & Poor's Composite Index, is now substantially above the level at which common stocks sold before the panic of 1929. When ever yields of common stocks are reduced to much below 4% during a period of active business, it is a common economic effect that the yields of common stocks will be regarded as unreasonably low. When everyday conditions do not warrant economic discounts to a level of common stock prices which we will attempt to measure in this article. To do so, it is necessary to consider the certain conditions: namely, the present level of earnings.

1950... 112 119 107 112 124
1951... 115 115 126 110 119 130
1952... 125 125 133 110 135 141
1953... 125 125 133 110 140 142
1954... 145 125 132 110 159 157
1955... 145 145 156 105 158 163
1956... 151 149 156 105 162 165

If these figures should even approximately represent the normal trend of the volume of business and the price level during the next few years, which we think will not be lower, then one might consider national normal as established can be seen as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Average</th>
<th>High</th>
<th>Low</th>
<th>Normal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
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<td>132</td>
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<tr>
<td>1955</td>
<td>145</td>
<td>156</td>
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<td>158</td>
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<tr>
<td>1956</td>
<td>151</td>
<td>156</td>
<td>105</td>
<td>162</td>
</tr>
</tbody>
</table>

This table shows that the average earnings per share of the Dow-Jones Industrial Average during the period 1938 to 1959 (five years) is estimated to be $24.00, and if one is willing to apply a times-earnings of 15 (which is conservative), then the normal level of the Dow-Jones Industrial Average during the five-year period is estimated to be $24.00. If with varying conditions of business, earnings, and dividends, to project the Dow-Jones Industrial Average ranges 100% from the low to the high (unless there are great underlying changes, this seems a reasonable assumption). Then the low point in the Average during the next several years would be somewhat below 100 and the high point above 200.

### Cyclical Swings, American Industry

<table>
<thead>
<tr>
<th>Year</th>
<th>High</th>
<th>Low</th>
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<tbody>
<tr>
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<td>1951</td>
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<td>1955</td>
<td>156</td>
<td>165</td>
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<tr>
<td>1956</td>
<td>156</td>
<td>165</td>
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</tbody>
</table>

## Long Range Trend

<table>
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<th>Year</th>
<th>Average</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
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<td>1956</td>
<td>151</td>
<td>156</td>
<td>105</td>
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</tbody>
</table>

## To Manage Bache Office

**GREENSBROOK, N. J.**—Bache & Co., named.to the New York Stock Exchange and other leading stock and commodity exchanges, has announced that Archie J. Bache has been named one of the firm's officers at the 186 West Street Market, and that Mr. Solomons has been named associate manager. Both managers are veterans of the Bache Corporation. Miss Levy was formerly with Waddell & Reed, Inc.

## New York Stock Exchange

**Weedy Firm Changes**

The New York Stock Exchange has announced that the following transfers of membership in the firm will be considered on Aug. 25: Frank K. Foreman to Albert L. Keyes, membership of the late Willard A. Lynch to Sidney W. Oliver, and Solomons & Co. Ltd. to James D. Litt.

## Armour Inv., Co. Formed

**SALT LAKE CITY, Utah—**Armour Investment Company has been formed to operate Heid Simpson Avenue to engage in a securities business. The president is John P. Reeves, with James C. Joyner, Vice-President; W. Walston, Controller, and Vaughn H. Duffin, Treasurer.
The State of Trade and Industry

was placed at 1,474,000 tons, or 6.1%. The percentage figures for 1954 are based on annual capacity of 121,339,110 tons as of Jan. 1, 1954.

Will You Live To Be 100 Years Old?

More and more the wise and farseeing executive of today is surrounded by statistical tables and life tables. That he is held to reflect the births and mortalities expected by the findings that insurance actuarial pronouncements issue from time to time. The following interesting information was released early this month:

Living to age 100 are twice as good now as they were only a half century ago, Family Division of Bureau of Northwestern National Life Insurance Company of Minneapolis, Minn.

Of the nearly 20,000,000 babies born in the past five years, 19,351,500, or 97%, were born in 1951. Of the total number born in the early 1900's, however, only about 40,000, or 1%, were born in 1910 and after.

Of the total white American population living today, approximately 300,000 will live to be 100, the insurance statistician calculates, on the basis of present trends. Out of each 100,000 babies born in 1960, a total of 200 should survive to see the year 2000. But of each 100,000 born in 1900 approximately 400 should live until 2050 A.D.

This country's population over 60 years of age is steadily on the climb. Today 18,900,000 persons in the United States are past 60 as compared to only 8,000,000 in 1920. By 1980 there will be 23,500,000 persons aged 60 and over.

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 industries in this country during the week ended June 30, 1954 was estimated at 10,729,000,000 kw. The previous high level at 10,728,000,000 kw., was set the previous week, according to the Edison Electric Institute.

This week's output decreased 196,000,000 kw. above that of the 1953 week, but increased 1,735,000,000 kw. above the comparable week in 1952. This represented an increase of 16.5% above the comparable week in 1953.

Car Loadings Fall 2.5% Under Prior Week But Advance 14.7% Above Like Week in 1954

Loadings of revenue freight for the week ended Aug. 6, 1955, decreased to 218,122 carloads, or 2.5% below the prior week, according to reports of the Association of American Railroads.

In the same week ended Aug. 6, 1955, total 788,452 cars, an increase of 9,769 over the 1954 weekly figure, was reported. This week's output was 19,000 less than the comparable week in 1954.

U. S. Automotive Output Last Week Increased 6.6% Bringing Total 1955 Output Up To 5,200,000 Cars

According to "Ward's Automotive Reports" for latest week ending July 25, 1955, output of 5,060,000 cars and trucks was reported for the week ending July 25, 1955. This was a decrease of 19,097 cars or 2.5% below the corresponding week in 1954.

Business Failures Down Sharply

Commercial and industrial failures fell to 169 in the week ended July 25, compared with 213 in the preceding week, reported Dun & Bradstreet, Inc. At the lowest level so far this year, failures were the 156 in 1953. Failures remained at 157 in the week ending July 23.

Failures for the week were 11% below last year's 305, but somewhat above the 255 of 1953.

Failures reported in the weeks of $5,000 or more declined to 129 from 173 in the previous week and 185 in the comparable week a year ago. Failures for the week ended July 18, 1954, which included the founding liabilities under $5,000, which dipped to 39 from 44 in the comparable week last year. Failures for the week ended July 25 declined from 84 to 51, and for the comparable week in 1954 fell from 104 to 71.

Sharp increase from 1954 to 1955, or 6.1%, was noted in the number of returns of goods for credit. Returns were 25.4% of the prior week's total, and 11.7% higher than in 1954. The difference of $5,000 or more declined to 129 from 173 in the previous week and 185 in the comparable week a year ago. Failures for the week ended July 18, 1954, which included the founding liabilities under $5,000, which dipped to 39 from 44 in the comparable week last year. Failures for the week ended July 25 declined from 84 to 51, and for the comparable week in 1954 fell from 104 to 71.

The week's outstanding failures totaled 5,051, or 6.6% below last week's 5,316. But this was 11% below last year's 5,817.

This combined total of 175,624 increased 6.6% over last week, which was 5% lower than the 161,160 at this last year at this time, and 13% below the 100,819 in the week of March 11, 1954. The gain stemming principally from the return of cooler weather to the auto plants.

Canadian output last week was placed at 2,074 cars and 611 trucks. In the previous week Dominion plants built 6,053 cars and 864 trucks, and for the comparable week 1954 week 2533 cars and 462 trucks.

The State of Trade and Industry

you may be able to find some relevant information in the text. However, I cannot provide the specific information you are looking for.
and large of the mutual funds, and the newly established Television-Electronics Equipment of its specialized field at a time when sales are widely introduced.

Approximately $1,000 was theoretically invested in each of the ten common stocks of companies that had been decided upon to invest to $1,000 which we old an even number of shares. A total of $2432 was not invested.

Increase in Value of Ten Mutual Funds 1954-1951

<table>
<thead>
<tr>
<th>Funds</th>
<th>Shares Purchased Dec. 31, 1951</th>
<th>Shares Sold Dec. 31, 1954</th>
<th>Difference</th>
<th>Divd</th>
<th>Capital Gains</th>
<th>Net Total Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boeing</td>
<td>1,000</td>
<td>1,000</td>
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<td>3.40</td>
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<tr>
<td>Douglas</td>
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<tr>
<td>General Electric</td>
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<td>1.40</td>
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<tr>
<td>General Portland</td>
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<td>1</td>
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<tr>
<td>Libby-Owens-Ford</td>
<td>1,000</td>
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<tr>
<td>R. C. Ten</td>
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<tr>
<td>Westinghouse Electric</td>
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<td>3.40</td>
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$9,087 $39,124

The above table shows that during the five-year period the $2432 invested in mutual funds would have increased 8.0% to $17,258. The profit which would have been realized from sale of the investment company shares would be together with the total from the $2432 which would have been received from each investment company during the five-period.

Profit From Ten Mutual Funds 1954-1951

<table>
<thead>
<tr>
<th>Firms</th>
<th>Shares Purchased Dec. 31, 1951</th>
<th>Shares Sold Dec. 31, 1954</th>
<th>Difference</th>
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<th>Capital Gains</th>
<th>Net Total Profit</th>
</tr>
</thead>
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$9,087 $39,124

It appears that an investment of approximately $10,000 in these ten mutual funds would have earned $21,856 more for an investor over a five-year period than an equivalent sum placed in ten of the better mutual funds. Dividend income from the stocks would have been $581, (or 14%) greater than income from the funds, while proceeds from capital growth would have been $274, 267.5% greater.

It may be argued that the author’s judgment in choosing two aircraft stocks in the table in the comparison is responsible for the good showing of the listed stocks. However, if the extremes are eliminated from both samples, the common stocks still have a 2 to 1 profit advantage, as shown in the following table:

Total Profit Over Five Years in Dollars

<table>
<thead>
<tr>
<th>Firms</th>
<th>Shares Purchased Dec. 31, 1951</th>
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<tr>
<td>General Electric</td>
<td>1,000</td>
<td>1,000</td>
<td>1</td>
<td>3.40</td>
<td>1.40</td>
<td>4.80</td>
</tr>
<tr>
<td>General Portland</td>
<td>1,000</td>
<td>1,000</td>
<td>1</td>
<td>3.40</td>
<td>1.40</td>
<td>4.80</td>
</tr>
<tr>
<td>Libby-Owens-Ford</td>
<td>1,000</td>
<td>1,000</td>
<td>1</td>
<td>3.40</td>
<td>1.40</td>
<td>4.80</td>
</tr>
<tr>
<td>R. C. Ten</td>
<td>1,000</td>
<td>1,000</td>
<td>1</td>
<td>3.40</td>
<td>1.40</td>
<td>4.80</td>
</tr>
<tr>
<td>Westinghouse Electric</td>
<td>1,000</td>
<td>1,000</td>
<td>1</td>
<td>3.40</td>
<td>1.40</td>
<td>4.80</td>
</tr>
</tbody>
</table>

$9,087 $39,124

It is interesting to note that the three worst stocks selected profitwise, (i.e. Libby-Owens-Ford and the two cement companies) earned a total of $4,525 in profits—or more than the three best mutual funds. (Group Securities Petroleum Shares, Investment Trust of Boston and Television-Electronics Fund) which earned a total of $4,452 in profits.

Several factors undoubtedly account for the better performance of the individual stocks. In the first place, a five-year period may have been too short to amortize properly the higher commissions paid for the mutual funds shares. A second, and probably more significant reason is the fact that the shares of large listed companies perform better during a bull market than unlisted, unknown securities such as would be held in varying degrees by many mutual funds. Shall I invest in mutual funds or common stocks? Apparently the common stocks of large companies in expanding industries are the answer for those with accumulated dollars—at least during a period of generally rising stock prices.

Any knowledge of general economic trends, and relying on the ability of large corporations to make a profit, the small investor can well afford to establish his own portfolio of common stocks.

RICHARD A. HOUGHTON

1500 Ashland Avenue, Evanston, Ill., August 15, 1955.
Definitions of Current Business Activity

<table>
<thead>
<tr>
<th>AMERICAN IRON AND STEEL INSTITUTE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross shipments of steel (bbls. or tons)</td>
</tr>
<tr>
<td>Average weekly production (tons)</td>
</tr>
<tr>
<td>Future production (tons)</td>
</tr>
<tr>
<td>Yearly production (tons)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AMERICAN METAL INSTITUTE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipments (short tons)</td>
</tr>
<tr>
<td>Returns (short tons)</td>
</tr>
<tr>
<td>Sales (short tons)</td>
</tr>
<tr>
<td>Yearly production (tons)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEPARTMENT - Aug.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average transactions</td>
</tr>
<tr>
<td>Other Steel (tons)</td>
</tr>
<tr>
<td>Domestic</td>
</tr>
<tr>
<td>Foreign</td>
</tr>
<tr>
<td>Domestic</td>
</tr>
<tr>
<td>Foreign</td>
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</table>

<table>
<thead>
<tr>
<th>CIVIL ENGINEERING CONSTRUCTION — ENGINEERING news-RECORD:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total U. S. construction</td>
</tr>
<tr>
<td>Private construction</td>
</tr>
<tr>
<td>Public construction</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COAL OUTPUT (E. S. Bureau of Mines):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic coal and lignite (tons)</td>
</tr>
<tr>
<td>Provincial anthracite (tons)</td>
</tr>
</tbody>
</table>

| DEPARTMENT STORE SALES INDEX: FEDERAL RESERVE BOARD — AVERAGES | --- |
| --- |
| July 1954 | **75,452** |
| August 1954 | **79,771** |
| September 1954 | **89,609** |
| October 1954 | **77,266** |

<table>
<thead>
<tr>
<th>EDISON ELECTRIC INSTITUTE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>New power plants</td>
</tr>
<tr>
<td>New steam turbines</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>METAL PRICES (E. M. J. QUOTATIONS):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper (per ton)</td>
</tr>
<tr>
<td>Lead (per ton)</td>
</tr>
<tr>
<td>Tin (per ton)</td>
</tr>
<tr>
<td>Aluminum (per ton)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>BOOGES FOOD AND DRUG AVERAGES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meat (per ton)</td>
</tr>
<tr>
<td>Dairy (per ton)</td>
</tr>
<tr>
<td>Produce (per ton)</td>
</tr>
<tr>
<td>Milk (per ton)</td>
</tr>
<tr>
<td>Eggs (per case)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BOOGES FOOD AND DRUG DAILY AVERAGES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>U. S. Government Bonds</td>
</tr>
<tr>
<td>U. S. Steel</td>
</tr>
<tr>
<td>U. S. Treasury Bills</td>
</tr>
<tr>
<td>U. S. Bonds</td>
</tr>
<tr>
<td>A</td>
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<tr>
<td>B</td>
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<tr>
<td>C</td>
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<tr>
<td>D</td>
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<td>E</td>
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<td>F</td>
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<table>
<thead>
<tr>
<th>BOOGES COMMODITY INDEX:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
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</table>

<table>
<thead>
<tr>
<th>FARMERS' FARMING ASSOCIATION:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received (1940-1946 average)</td>
</tr>
<tr>
<td>Crops planted (1940-1946 average)</td>
</tr>
<tr>
<td>Seeds sown (1940-1946 average)</td>
</tr>
<tr>
<td>Unfavorable weather (1940-1946 average)</td>
</tr>
<tr>
<td>Crop yields (1940-1946 average)</td>
</tr>
</tbody>
</table>

| S. | --- |
| --- |
| Total Bureau of Enquiry | **199,470** |

| TOTAL ROUND-LOT STOCK SALES ON THE N.Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES) | --- |
| --- |
| July 1954 | **6,444,300** |
| August 1954 | **79,771** |
| September 1954 | **89,609** |
| October 1954 | **77,266** |

<table>
<thead>
<tr>
<th>INDICATORS OF CURRENT BUSINESS ACTIVITY:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption (per capita)</td>
</tr>
<tr>
<td>Retail sales (per capita)</td>
</tr>
<tr>
<td>Winter wheat (per capita)</td>
</tr>
<tr>
<td>Summer wheat (per capita)</td>
</tr>
<tr>
<td>Beef (per capita)</td>
</tr>
<tr>
<td>Pork (per capita)</td>
</tr>
<tr>
<td>Other than fruits and foods (per capita)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AMERICAN ALUMINUM AND RUBBER INSTITUTE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowable production of aluminum (tons)</td>
</tr>
<tr>
<td>Stocks of aluminum (short tons)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AMERICAN STEEL AND IRON INSTITUTE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic sales (tons)</td>
</tr>
<tr>
<td>Domestic sales (short tons)</td>
</tr>
<tr>
<td>Domestic sales (tons)</td>
</tr>
<tr>
<td>Domestic sales (short tons)</td>
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<tr>
<td>Domestic sales (tons)</td>
</tr>
<tr>
<td>Domestic sales (short tons)</td>
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</tbody>
</table>

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<thead>
<tr>
<th>NEW CASEN CHIES IN GREAT BRITAIN:</th>
</tr>
</thead>
<tbody>
<tr>
<td>MIDLAND BANK — London: Week of</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REAL ESTATE FINANCING IN NON-FARM AREAS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOARD — Month of May (100's omitted)</td>
</tr>
</tbody>
</table>
Securities Now in Registration

Academy Uranium & Oil Corp., June 10 (letter of notification) $5,000,000 shares of common stock. Price—at par (one cent per share). Proceeds—For marketing.


Admiral Finance Corp., St. Louis, Mo., July 29 filed 50,000 shares of 6.5% cumulative preferred stock (par $5) and 10,000 shares of common stock (par $1) and one share of preferred stock (par $10) to be offered in units of one share of each class of stock. Price—$50 per unit. Proceeds—For working capital and expansion purposes. Underwriter—Lehman Brothers, New York.


American Copper & Uranium Corp., Aug. 2 (letter of notification) 3,000,000 shares of common stock: Price—$1 per share. Proceeds—For expansion incident to mining activities. Underwriter—J. 710 S. 4th Street, Las Vegas, Nev. Underwriter—None.


American Natural Gas Co., June 12 ($1,730,000 shares of common stock (par $25) being offered for subscription by common stockholders on the basis of one share for each five shares held as of Aug. 9 (with an oversubscription privilege); rights expire Aug. 23. Price—$45.50 per share. Proceeds—To be applied towards the purchase of equity securities of subsidiaries or to replace other corporate funds used for that purpose. Underwriter—White, Weld & Co., New York: and Drexel & Co., Philadelphia.

American Republic Steel Corp., 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. (9/2) Aug. 2 filed up to $650,000,000 of convertible debentures to be dated Oct. 15, 1955, to be offered for subscription underwriters on Aug. 24, 1955, on the basis of $100 of debentures for each eight shares held; rights to expire on Oct. 15, 1955. Debentures are to be convertible into Common stock beginning Dec. 13, 1955, at $148 per share, payable sur¬end of $100 of debentures and payment of $48 in cash. Price—At face amount. Proceeds—For construction program. Underwriter—None. Warrants—are to be mailed on or about Sept. 2.


Associated Grocers’ Co. of St. Louis, Mo., Aug. 4 (letter of notification) 800 shares of common stock. Price—At $100 (one share), in units of 12 shares, no more, no less. Proceeds—To reimburse treasurer.

Asgare Co., St. Louis, Mo., Sept. 30, 1965 filed 800,000 shares of common stock (par $1). Price—$10 per share. Proceeds—For working capital, etc. Underwriter—None.


Baker Laboratories, Inc., N. E. Cleveland, Ohio July 29 (letter of notification) 7,000,000 shares of common stock (no par) to be offered to officers and key em¬ployees. Price—$3.50 to $4 per share. Proceeds—To be used for working capital. Underwriter—American Express Co., New York.

Bay State Electric Co., Boston, Mass., Sept. 16 filed 10,000 shares of common stock. Price—At $100 (one share), in units of 12 shares, no more, no less. Proceeds—To reimburse treasurer.


Burroughs Corp., Chicago, Ill., Sept. 23 filed 5,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—None.

Canada Copper & Oil Corp., Sept. 24 filed 20,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—None.

Cape Fear Co., Brownsville, Tex., Sept. 23 filed 25,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—None.

Carlow-Wenona Co., Sept. 24 filed 5,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—None.

Caterpillar Tractor Co., Sept. 24 filed 50,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—None.


Chrysann, Chicago, Ill., Sept. 24 filed 5,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—None.

Ciba, Switzerland, Aug. 15 (letter of notification) 50,000 shares of common stock. Proceeds—For working capital. Underwriter—None.

Coca-Cola Bottling Co., Chicago, Ill., Sept. 24 filed 5,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—None.

Cebusil, Inc., Sept. 24 filed 10,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—None.

Celanese Corp., July 22 (letter of notification) 50,000 shares of common stock. Price—$100 per share. Proceeds—For working capital. Underwriter—None.

Central Of N. Y., Sept. 24 filed 5,000 shares of common stock (par $1). Proceeds—For working capital. Underwriter—None.
Continued from page 37

by the financial statement as of the end of the quarter prior to purchase. Proceeds—For general corporate purposes. Order—Letter dated Nov. 1, Cleveland, Ohio, Underwriter—None.

Baldor Electric Co., St. Louis, Mo.
July 8 reported net income of one percent of common stock (par $10) on 2,884,673 shares outstanding for the quarter ended June 30, 1963. Price—$19.875 per share. Proceeds—For capital expansion and development.

Celanese Corp., New York City.
July 8 filed application for registration of 100,000 shares of preferred stock (par $20). Price—$46.25 per share. Proceeds—For capital expansion and development.

Canadian Uranium Mines Ltd., Montreal, Canada
June 3 reported 2nd dividend of 14 cents per share on the common stock (par $1). Price—$2.00 per share. Proceeds—For general corporate purposes.

Carnegie Steel Co., New York City.
July 8 reported net income of one percent of common stock (par $10) on 1,361,130 shares outstanding for the quarter ended June 30, 1963. Price—$29.50 per share. Proceeds—For capital expansion and development.

Cedar Springs Uranium Co., Moab, Utah
July 8 reported net income of five percent per share on 70,000 shares of common stock outstanding for the quarter ended June 30, 1963. Price—$1 per share. Proceeds—For mining expenses.

Cerro Corporation, New York City.
July 8 reported net income of 15 percent per share on 27,640,000 shares of common stock outstanding for the quarter ended June 30, 1963. Price—$50 per share. Proceeds—For general corporate purposes.

Chesapeake & Ohio Railway Co., New York City.
July 8 reported net income of one percent per share on 150,000,000 shares of common stock outstanding for the quarter ended June 30, 1963. Price—$45 per share. Proceeds—For general corporate purposes.

Consolidated FiberGlass Inc., Fort Lauderdale, Fla.
June 30 reported net income of one percent of common stock (par $10) on 1,000,000 shares outstanding for the quarter ended June 30, 1963. Price—$6.75 per share. Proceeds—For general corporate purposes.

Consolidated Steel Co., New York City.
July 4 reported net income of one percent of common stock (par $10) on 70,000,000 shares outstanding for the quarter ended June 30, 1963. Price—$10.50 per share. Proceeds—For general corporate purposes.

Consolidated Steel Corp., New York City.
July 4 reported net income of one percent of common stock (par $10) on 100,000,000 shares outstanding for the quarter ended June 30, 1963. Price—$9 per share. Proceeds—For general corporate purposes.

Consolidated Sulphide Mining Co., New York City.
July 8 reported net income of one percent of common stock (par $10) on 600,000 shares outstanding for the quarter ended June 30, 1963. Price—$2 per share. Proceeds—For general corporate purposes.

Consolidated Texas Mines Co., Houston, Texas.
July 8 reported net income of one percent of common stock (par $10) on 1,000,000 shares outstanding for the quarter ended June 30, 1963. Price—$5 per share. Proceeds—For general corporate purposes.

Consolidated Western Mining Co., New York City.
July 8 reported net income of one percent of common stock (par $10) on 5,000,000 shares outstanding for the quarter ended June 30, 1963. Price—$10 per share. Proceeds—For general corporate purposes.

Consolidated Western Mining Co., New York City.
August 1 reported net income of one percent of common stock (par $10) on 5,000,000 shares outstanding for the quarter ended June 30, 1963. Price—$2 per share. Proceeds—For general corporate purposes.

Columbia Lumber Co., Minneapolis, Minn.
July 8 reported net income of one percent per share on 20,000,000 shares of common stock outstanding for the quarter ended June 30, 1963. Price—$10 per share. Proceeds—For general corporate purposes.

Columbia Mining Corp., Denver, Colo.
July 8 reported net income of one percent of common stock (par $10) on 800,000 shares outstanding for the quarter ended June 30, 1963. Price—$11 per share. Proceeds—For general corporate purposes.

Columbia Oil & Texas, Texas.
July 8 reported net income of one percent of common stock (par $10) on 800,000 shares outstanding for the quarter ended June 30, 1963. Price—$10 per share. Proceeds—For general corporate purposes.

Columbia Mills Corp., Kansas City, Mo.
July 8 reported net income of one percent of common stock (par $10) on 800,000 shares outstanding for the quarter ended June 30, 1963. Price—$10 per share. Proceeds—For general corporate purposes.

Columbia Oil & Gas Corp., Kansas City, Mo.
July 8 reported net income of one percent of common stock (par $10) on 800,000 shares outstanding for the quarter ended June 30, 1963. Price—$10 per share. Proceeds—For general corporate purposes.

Columbia Oil & Gas Corp., Kansas City, Mo.
July 8 reported net income of one percent of common stock (par $10) on 800,000 shares outstanding for the quarter ended June 30, 1963. Price—$10 per share. Proceeds—For general corporate purposes.

Columbia Union & Leasing Corp., Denver, Colo.
July 8 reported net income of one percent of common stock (par $10) on 800,000 shares outstanding for the quarter ended June 30, 1963. Price—$10 per share. Proceeds—For general corporate purposes.

Cornell Oil and Gas Co., New York City.
July 8 reported net income of one percent of common stock (par $10) on 800,000 shares outstanding for the quarter ended June 30, 1963. Price—$10 per share. Proceeds—For general corporate purposes.

Cornell Oil & Gas Co., New York City.
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Cornell Oil & Gas Co., New York City.
July 8 reported net income of one percent of common stock (par $10) on 800,000 shares outstanding for the quarter ended June 30, 1963. Price—$10 per share. Proceeds—For general corporate purposes.


Narda Corp. Aug. 9 (letter of notification) 50,000 shares of common stock (par 10 cents). Price—$1 per share. Proceeds—To repay bank loan, and for expansion to develop additional equipment and electronic test equipment. Office—106 Herricks Road, Mineola, L. I., N. Y.

Navajo Cliffs Uranium Corp., Provo, Utah July 6 (letter of notification) 6,000,000 shares of common stock (par $1). Price—$1 per share. Proceeds—For mining expenses. Office—156 No. University Ave., Provo, Utah; and Underwriter—Lindquist Securities, Salt Lake City, Utah.


Nordic Plastic Co., Inc. Aug. 9 (letter of notification) 129,000 shares of common stock (par $1). Proceeds will be used to pay dividends and purchase stock at rate of 10 cents per share and stock will expire one year from July 21. Price—850,000 shares of common stock at rate of 25 cents per share and one cent per warrant. Proceeds—for inventory, machinery and working capital. Office—353 Douglas St., Brookline, Mass.

Northport Water Works Co. June 2 (letter of notification) 1,429 shares of common stock (no par) being offered for subscription by stockholders of record July 21 on the basis of one share for each $100 of assessed valuation of real estate (letter of invitation); rights to expire on Aug. 19. Price—$380 per share. Proceeds—To acquire land, materials and supplies and for new construction. Office—59 Church St., Waterbury, Conn.


Nuclear Corp., Carson City, Nev. Aug. 9 (letter of notification) 8,000,000 shares of capital stock, non-assessable (two cents), of which 200,000 shares will be offered at 25 cents per share; 200,000 at 40 cents and 80,000 shares at 50 cents per share. Proceeds—For mining expenses. Office—Truckee Bldg., Carson City, Nev. Underwriter—None.

Oasis Uranium & Oil Corp., Fort Worth, Texas June 29 (letter of notification) 10,000 shares of common stock (par $1). Price—$1 per share. Proceeds—For underwriting expenses. Office—1880 E. 42nd St., Kansas City, Mo.; and Underwriter—Sun & Standard Securities, Salt Lake City, Utah.

Orange Hotel, Inc., Dallas, Texas July 19 filed 400,000 of registered 4% sinking fund stock (par $100). Proceeds are to be used for working capital. Office—For exchange in 40% principal amount of registered 4% debentures and 3,700 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.


Mitchell Mining Co., Inc., Mount Vernon, Wash. Aug. 12 filed 4,900 shares of common stock (par $100) and 4,000 shares of class B common stock (no par), of which 4,000 common shares are to be offered for sale to pubic at par and 590 common shares and 590 class B common shares are to be offered to employees other than Dr. and Mrs. James B. Rea at $100 per share, respectively. The other 4,000 class B shares are to be issued by company and reserved for use in connection with other corporate purposes. Office—Santa Monica, Calif. Underwriter—Knight, Keeler & Co.; and William L. Stantis Co. & Co., Los Angeles, Calif. Offer—May be placed privately.


Pennsylvania Economic Corp., New York July 1 filed 50,000 shares of common stock (par $25) and 5,000 shares of preferred stock (par $50) of company. Proceeds—Of stock, 28 cents per share; and of notes, at 100% of principal. Proceeds to be allocated as follows: 60% to Israel industry; development of urban and suburban areas, including purchase of exports to Israel; and working capital and general purposes. Underwriter—None, sales to be handled through companies and individuals.


Pandora Uranium Mines, Inc. July 14 (letter of notification) 3,000,000 shares of common stock (par $1). Proceeds—For expenses incident to mining operations. Underwriter—None.

Pelican Uranium Corp., Salt Lake City, Utah May 25 (letter of notification) 200,000 shares of common stock (par 10 cents) at $10 per share. Proceeds—For mining expenses. Office—688 East 2nd St., Salt Lake City, Utah; Underwriter—Trusted Brook Co., 900 E. 2nd St., Salt Lake City, Utah.


Stancan Uranium Corp., Toronto, Canada April 18 filed 200,000 shares of cumulative preferred stock (par $1). Price—$10 per share. Proceeds—For general corporate purposes. For further information, write to R. W. Leach, President, Stancan Uranium & Trading Co., Inc., and LeGraith Securities Co., both of New York.

† Thunderbird Ranch, Riverside County, Calif. May 26 (letter of notification) 2,000,000 shares of common stock (par $1). Price—$10 per share. Proceeds—To pay off term indebtedness. Address—P. O. Box V, Claremont, Calif., Underwriter—None.

Traffic Controls, Inc. of Delaware Aug. 12 (letter of notification) 250,000 shares of capital stock (par $1). Price—To be supplied by amendment. Proceeds—For construction and operation of traffic control and related lighting equipment. Officers—Richard L. Perkins and Charles O. Bower, Underwriters—None.

Underwriters—None.

† Thunderbird Uranium Corp. June 5 (letter of notification) 2,000,000 shares of common stock (par $1). Proceeds—To be supplied by amendment. Proceeds—To be used to construct and operate uranium mining and refining plant. Address—P. O. Box 27, Durango, Colo., Underwriter—None.


U.S. Tan & Oil Co., Salt Lake City May 5 (letter of notification) 100,000 shares of common stock (par $1). Proceeds—To pay installation costs. Address—P. O. Box 482, Salt Lake City, Utah, Underwriter—None.

† U.S. Tan & Oil Co., Salt Lake City, Utah Aug. 10 (letter of notification) 50,000 shares of non-assessable common stock (par $1). Proceeds—To be supplied by amendment. Proceeds—For inventory, equipment and working capital. Officers—Dallas, Tex. Underwriter—Garrett Brothers, Inc., Dallas, Texas.

† U.S. Tan & Oil Co., Salt Lake City, Utah May 8 (letter of notification) 100,000 shares of common stock (par $1). Proceeds—To be supplied by amendment. Proceeds—For inventory, equipment and working capital. Officers—Dallas, Tex. Underwriter—Lewelten-Beyke Co., Washington, D. C.

† Tri-State Natural Gas Co., Tucson, Ariz. July 9 (letter of notification) 2,000,000 shares of common stock (par $1). Proceeds—To be supplied by amendment. Proceeds—To be used to obtain properties presently subject to option in favor of company, or to be used in the business of the company. Officers—Dallas, Tex. Underwriter—tank K. L. Edwardsen & Co., Miami, Fla.


† Utah Uranium Corp., Salt Lake City, Utah May 16 (letter of notification) 5,000,000 shares of common stock (par $1). Proceeds—To be supplied by amendment. Proceeds—For mining expenses. Officers—32 Exchange Place, Salt Lake City, Utah, Underwriter—Western States Securities Co., Salt Lake City, Utah.


† Ucon Uranium Corp., Salt Lake City, Utah June 2 (letter of notification) 5,000,000 shares of common stock (par $1). Price—Five cents per share. Proceeds—For mining costs. Officers—406 Judge Budge Bldg., Salt Lake City, Utah, Underwriter—Hi-Jure Securities Corp., Las Vegas, Nev.

† U-Kan Uranium & Oil Co., Salt Lake City, Utah July 12 (letter of notification) 6,200,000 shares of common stock (par $1). Price—$1 per share. Proceeds—To be supplied by amendment. Proceeds—For development costs and other corporate purposes. Underwriter—Mickle & Co., Salt Lake City, Utah.

United American Insurance Co., Atlanta, Ga. July 19 filed 3,000,000 shares of common stock (par $1). Proceeds—To be supplied by amendment. Proceeds—For organization of two wholly-owned insurance companies, to be named United Insurance Co., and United Casualty Co., respectively. Proceeds—To provide balance to be used in mortgage loan business and related fields. Underwriter—None.

Continued on page 42
Continued from page 41

Universal Oil & Uranium Corp.  

Universal Service Corp., Inc., Houston, Texas  
July 8 filed 500,000 shares of common stock (par $1); $100 par preferred stock (par $100). Proceeds—For mining operations. Address—Box 709, Wallace, Idaho. Underwriter—Wallace Brokerage Co., same city.

Utah Prince Mining Co., Wallace, Idaho  
April 18 (letter of notification) 1,750,000 shares of common stock (par $1). Proceeds—For mining operations. Address—Box 709, Wallace, Idaho. Underwriter—Wallace Brokerage Co., same city.

Utah Wine & Moss, Ltd., Virginia City, Nev.  
June 13 filed 500,000 shares of common stock (par $1) and 50,000 shares of preferred stock (par $10). Proceeds—For equipment, drilling costs, and working capital. Address—P. O. Box 99, Virginia City, Nev. Underwriter—First National Bank of Virginia City, same city.

Utah Uranium Mining Co., Salt Lake City, Utah  
June 3 (letter of notification) 10,000 shares of capital stock. Proceeds—For mining operations. Address—P. O. Box 340, New York. Underwriter—Empire Securities Corp., Salt Lake City, Utah.

Wickler-Baldwin Uranium Mining Co.  
May 28 (letter of notification) 900,000 shares of common stock (par $1). Proceeds—For mining expenses. Price—$166 2/3, Richmond, Va.

Prospective Offerings

Arkansas Power & Light Co. (10/25)  
May 27 it was reported company plans to issue and sell 5,000,000 shares of cumulative preferred preferred stock (par $100). Proceeds—To repay bank loans and for new construction. Underwriter—Equitable Securities Corp., New York. Price—$100.

Atlantic City Electric Co.  
Aug. 1, B. L. England, President, announced that the company is now considering the sale to the public of a small amount of common stock next year early. Underwriters—Probably Union Securities Corp. and Smith, Barney & Co., both New York.

Bangor & Aroostook RR.  
Aug. 1, the ICC granted exemption from competitive rates on lumber to be shipped from the company's properties in the state of Maine. Proceeds—To redeem 33,298 shares of outstanding $5 preferred stock. Underwriter—James C. Gurney, Boston.

Gold of California, N. A., San Francisco, Calif. (9/13)  
Aug. 10, a stockholder announced stockholders on Sept. 13 at 2 p.m. at Hotel Tabard, San Francisco. Underwriter—Lester L. Lafiutte, San Francisco.

Urle 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—For expenses incident to mining operations. Officer—Lyle Building, Vale, Ore. Underwriter—Hansen Underwriting Co., Salt Lake City, Utah.

Vactron Corp.  
May 13 (letter of notification) 200,000 shares of common stock (par $1). Proceeds—Repayment of bank loan and for construction projects. Officer—James C. Gurney, Boston.

Vanura Uranium, Inc., Salt Lake City, Utah  

Vas Uranium & Drilling Co., Monticello, Utah  

Washbush Uranium Corp., Moab, Utah  

Western America Uranium Exploration Corp.  
Aug. 4 (letter of notification) 200,000 shares of capital stock (par $1). Price—$1.50 per share. Proceeds—For expenses incident to mining activities. Officer—216 Pratt Building, Billings, Mont. Underwriter—None.

Western Mineral Development & Mining Co.  
Aug. 4 (letter of notification) 2,500,000 shares of common stock (par $1). Price—$10 per share. Proceeds—For expenses incident to mining activities. Officer—60 Independence Building, Colorado Springs, Colo.

Wet Mountain Mining, Inc.  
June 29 (letter of notification) 6,000,000 shares of common stock (par $1). Proceeds—For mining activities. Officer—1051 East Fifth, Colorado Springs, Colo. Underwriter—Hicks, Newton & Co., Inc., Denver, Colo.

White Horse Uranium, Inc., Salt Lake City, Utah  

York Oil & Uranium Co.  
June 3 (letter of notification) 10,000 shares of capital stock. Proceeds—For mining and oil activities. Address—P. O. Box 340, New York. Underwriter—Empire Securities Corp., Salt Lake City, Utah.

Yell City Mining Co.  

Prospective Offerings

Cavendish Uranium Mines Corp.  
April 19, the company plans issue and sale of a debenture issue of several million dollars and for a construction program and for underground development. Underwriter—James Anthony Securities Corp., New York.

Central Maine Power Co.  
Dec. 20 (letter of notification), stated that company plans issue to and sell some additional common stock. Proceeds—For general company activities. Officer—1051 East Fifth, Colorado Springs, Colo. Underwriter—The First Boston Corp. and Coiff & Burr, Inc. (jointly); Harriman Ry. & Co. & Coiff, Salt Lake City, Utah. Shareholders—For May 11 voted to increase the authorized common stock to 5,000,000 shares. Proceeds—Probably in September.

Chicago, Milwaukee, St. Paul & Pacific RR.  
July 13, stockholders of company, voted to increase the number of 600,000,000 $5 income debentures, series A, due Jan. 1, 1956, to $1,000,000,000. Proceeds—For construction program. Underwriter—Morgan & Co., New York. Shareholders—For May 11 voted to approve the creation of 2,000,000 shares of preferred stock. Proceeds—For construction program.
which may be first offered to stockholders.—W. C. Agey & Co. and Union Securities Corp. (jointly; Iser, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane, Kidder, Peabody & Co. (jointly); Blyth, Eastman, Zell, Ayr & Co., Inc. (jointly); Lehman Brothers; (3) on preferred stock—Blyth, Eastman, Zell, Ayr & Co., Inc. (jointly); Merrill Lynch, Pierce, Fenner & Beane; Kidder, Peabody & Co. (jointly); Blyth, Eastman, Zell, Ayr & Co., Inc. (jointly); Lehman Brothers; (4) on the new stock—Lanolin Laboratories Inc. (jointly); Lehman Brothers; (5) on the new stock—Lanolin Laboratories Inc. (jointly); Lehman Brothers; (6) on the new stock—Lanolin Laboratories Inc. (jointly); Lehman Brothers.

Denver National Bank, Denver, Colo.

1932 it was announced that company plans to offer for $50,000 additional shares of common stock (par $10) on the basis of one share for each share held as of Oct. 31. Proceeds—To increase capital and surplus. Meet. Sept. 17, 1932.

Detroit Edison Co.

43,000 from the proceeds of the sale to the common shareholders. Proceeds—To return excess capital funds to the stockholders.

Detroit Steel Corp.

Preferred stock, ($25 par value and 1,000 shares shall be common stock, $1 par value); also waiving of pre-emptive rights to such increased shares.

International Metals & Chemical Corp.

April 25 it was announced, in addition to placing preferred stock, $5,000,000 worth of convertible debentures to the shareholders, the latter probably sometime in the Au-

International Metals & Chemical Corp.

41,917 additional shares of common stock (par $15) to the stockholders of record as of Feb. 25. Proceeds—For construction program. Underwriter—None. Unsub-

Jackson, a former executive of the company, was appointed in the newly created post of adviser—operations. Underwriter—Blyth, Eastman, Zell, Ayr & Co., Inc. (jointly); The First Boston Corp. (jointly); Blyth, Eastman, Zell, Ayr & Co., Inc. (jointly); Scudder, Smoot, Mead & Co. (jointly); Scudder, Smoot, Mead & Co. (jointly); First Boston Corp. (jointly); Sterling Savings Banks (jointly); Blyth, Eastman, Zell, Ayr & Co., Inc. (jointly); Lehman Brothers; (6) on the new stock—Lanolin Laboratories Inc. (jointly); Lehman Brothers; (7) on the new stock—Lanolin Laboratories Inc. (jointly); Lehman Brothers; (8) on the new stock—Lanolin Laboratories Inc. (jointly); Lehman Brothers.

Missouri Pacific RR. (8/18)

Aug. 11 it was announced company plans to offer to its stockholders 486,000 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. 23. Warrants will be mailed on Oct. 1. Price—At par ($100 per share). Control—American & Canadian Telephone & Telegraph Co. only $8.5% of the presently outstanding common stock. Underwriter—None.

Mountain States Telephone & Telegraph Co. (10/1)

Aug. 11 it was announced 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 prin-

New Haven Clock & Watch Co.

Aug. 17, 1932, at which time the registration is planned of an undetermined number of common shares. Under-

Kaiser Aluminum & Chemical Corp.

July 11 it was reported that company plans to understand it to be contemplated the sale of the public of 700,000 shares of sinking fund preferred stock this Fall and private 

Keystone Wholesale Hardware Co., Atlanta, Ga.

July 11 it was stated company plans of selling $4,000,000 of preferred stock to stockholders. Underwriter—To be determined by competitive bidding. Proceeds—For expansion program and working capital. Underwriters—First Boston Corp.; Blyth, Eastman, Zell, Ayr & Co., Inc.; New York; and Dean Witter & Co., San Francisco, Calif.

★ Kayser (Julius) & Co.

17, it was reported company plans of selling stock to its stockholders and borrowing through long-term bank loans. Proceeds—To finance acquisition, through underwriting, of the additional share of stock owned by Heifer & Son Co. (latter's stockholders to vote on plan on Sept. 6.

Lamson & Sessions Co. (9/19-23)

Aug. 15 it was reported company plans to issue and sell about $3,000,000 of convertible preferred stock. Under-

Lehman Brothers, Merrill Lynch, Pierce, Fenner & Beane, Kidder, Peabody & Co. (jointly); Scudder, Smoot, Mead & Co. (jointly); First Boston Corp.; Blyth, Eastman, Zell, Ayr & Co., Inc. (jointly); Scudder, Smoot, Mead & Co. (jointly); Scudder, Smoot, Mead & Co. (jointly); First Boston Corp. (jointly); Sterling Savings Banks (jointly); Blyth, Eastman, Zell, Ayr & Co., Inc. (jointly); Lehman Brothers; (6) on the new stock—Lanolin Laboratories Inc. (jointly); Lehman Brothers; (7) on the new stock—Lanolin Laboratories Inc. (jointly); Lehman Brothers; (8) on the new stock—Lanolin Laboratories Inc. (jointly); Lehman Brothers.

York New Central RR. (9/8)

Aug. 11 it was announced company plans an application for the purchase from the company of $7,500,000 equipment trust certificates for $15,000,000 in cash. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Harriman Ripley & Co.; The First Boston Corp.; Continental Securities Corp. (jointly); Lehman Brothers; (jointly); Blyth, Eastman, Zell, Ayr & Co., Inc.; and Smith, Barney & Co. (jointly). Bids—Expected to be received on Oct. 18.

New York Electric & Gas Corp. (10/19)

July 1 it was announced company plans to issue and sell $25,000,000 of first mortgage bonds due 1955. 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.; The First Boston Corp.; Continental Securities Corp. (jointly); Lehman Brothers; (jointly); Blyth, Eastman, Zell, Ayr & Co., Inc.; and Smith, Barney & Co. (jointly). Bids—Expected to be received on Oct. 18.

New York Electric & Gas Corp. (10/19)

John M. Jan, 17, Keith S. McWhig, President, announced that the company will have available for the purchase of $15,000,000 in construction and improvement bonds at 100, but for bonds, to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Harriman Ripley & Co.; The First Boston Corp.; Continental Securities Corp. (jointly); Lehman Brothers; (jointly); Blyth, Eastman, Zell, Ayr & Co., Inc.; and Smith, Barney & Co. (jointly). Bids—Expected to be received on Oct. 18.

Northern Illinois Gas Co.

June 14, Marvin Chambers, President, announced that the company plans to spend $60,000,000 on new construction through 1958, and that about $25,000,000 of these would be raised. Underwriters—The First Boston Corp., Halsey, Stuart & Co. Inc. and Glore, Forgan & Co.

Northern States Power Co. (Minn.)

March 29 it was announced plans contemplating the issue of $31,000,000 in bonds. Proceeds—To carry out the expansion and improvement program. Underwriter—For and bonds to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth, Eastman, Zell, Ayr & Co., Inc. (jointly); Stilson, Mather, Fenner & Beane, Kidder, Peabody & Co. and White, Weid & Co. (jointly); Equi-

Ohio Power Co. (9/20)

July 11, the company plans to issue and sell 60,000 shares of cumulative preferred stock (par $100). Proceeds—For construction program and operating expenses. Office—Room 717, 141 Broadway, New York 6, N. Y.
Continued from page 43


Pure Oil Co.

April 9 stockholders approved the possible issuance of 1,000,000 warrants at $10 each, with an aggregate value of $10,000,000, for the purpose of raising additional capital. The warrants will be convertible into 1,000,000 shares of common stock, at the option of the holder, at a price of $10 each. The proceeds of the issue will be used for general corporate purposes. Underwriter—Halsey, Stuwart & Co., New York.

Reading Co.

June 7 stockholders approved a proposal increasing the authorized capital stock from 100,000,000 to 150,000,000 shares. The increase will provide for an additional $15,000,000 in common stock, which will be used for general corporate purposes. Underwriter—The First Boston Corp., New York.

St. Croix Paper Co.

Aug. 1 it was announced that the company proposes to offer to its stockholders an additional issue of 150,000 shares of common stock, at a price of $15 per share. The proceeds of the issue will be used for general corporate purposes. Underwriter—The First Boston Corp., New York.

Southern California Gas Co.

Feb. 28 it was reported that the company plans to issue and sell $20,000,000 of first mortgage bonds. The proceeds of the issue will be used for general corporate purposes. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuwart & Co.; Kidder, Peabody & Co.; and Shields & Smith.

Virginia Electric & Power Co. (12/6)

Aug. 2 it was announced that the company proposes to offer to its stockholders an additional issue of 1,000,000 bonds, at a price of $100 per bond. The proceeds of the issue will be used for general corporate purposes. Underwriter—Halsey, Stuwart & Co., New York.

Westcoast Transmission Co., Ltd.

April 10 it was announced that the company proposes to issue and sell $1,000,000 of second mortgage bonds, at a price of $100 per bond. The proceeds of the issue will be used for general corporate purposes. Underwriter—Warren Bros. Co., Cambridge, Mass.

York County Gas Co., Pa.

March 15 it was reported that the company plans to sell additional first mortgage bonds later in the year to finance the expansion of its plant. The proceeds of the issue will be used for general corporate purposes. Underwriter—Dillon, Read & Co., Inc., New York.

Unexcelled Chemical Corp.

May 15 1930 stockholders approved the creation of 1,000,000 shares of non-voting preferred stock (par $25) and in addition, 2,000,000 shares of common stock from 300,000 shares 1,000,000 shares.

Union Electric Co. of Missouri

Mar. 25 issued $35,000,000 of 3% first mortgage bonds to help finance the expansion of its power plant. The proceeds of the issue will be used for general corporate purposes. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuwart & Co.; Kidder, Peabody & Co.; and Shields & Smith.

Unexcellened Chemical Corp.

April 26 stockholders approved a new issue of 500,000 shares of common stock, at a price of $15 per share. The proceeds of the issue will be used for general corporate purposes. Underwriter—Halsey, Stuwart & Co., New York.


Feb. 15 the company announced that it intends to issue and sell $500,000 of common stock, at a price of $25 per share. The proceeds of the issue will be used for general corporate purposes. Underwriter—To be determined by competitive bidding. Probable bidders: Stone & Webster Securiters Corp., Merrill, Lynch, Pierce, Fenner & Beaz.


July 19 stockholders approved a plan to refinance the outstanding indebtedness of the company with the proceeds of a new issue of $1,000,000 of preferred stock (par $50). It is proposed to issue not more than $250,000 of notes, bonds or debentures which may be sold at a price of not less than $25 per share. Underwriter—To be determined by competitive bidding. Probable bidders: Stone & Webster Securiters Corp., Merrill, Lynch, Pierce, Fenner & Beaz.

Westcoast Transmission Co., Ltd.

April 10 it was announced that the company proposes to issue and sell publically about $20,000,000 of securities, probably in the form of bonds, to help finance the expansion of its plant. Underwriter—To be placed privately. Underwriter—Eastman, Dillon, Read Co., New York. Offering—Expected in July.

Westmara Hydrocarbon Co.

March 5 it was announced that Sinclair Oil Corp. has agreed with the SEC to divest itself of its investment in 384,350 shares of Westmara stock (32%). Underwriter—Unexcelled Securitys Corp., New York, underwrote recent sale of 384,350 shares of Westmara stock. Merrill, Lynch, Pierce, Fenner & Beaz.

York County Gas Co., Pa.

March 15 the company announced that it intends to issue and sell $1,000,000 of debentures, at a price of $100 per bond. The proceeds of the issue will be used for general corporate purposes. Underwriter—Warren Brothers Co., New York. Offering—Tentatively scheduled to be received on May 13 at company’s office, 441 Stuart St., Boston, 10 Mass.
The introduction of computers in the further development of atomic, energy, could broaden the existing energy outlook, according to an "Atomic Activity" report published by the National Securities Research Corporation. The letter points out that in addition to other known atomic energy producing methods:

Robert Colton, manager of the firm's Atomic and Electronics Research Division, says that "fusion provides more energy than fission, is inherently safer, produces less dangerous radiation, and minimizes the troublesome radioactive waste disposal problem. As a result, insurance carriers no longer should be obsessed with the gigantic liability problem of fusion reactors."

"For fusion, no uranium would be required." "There are no other fission or fusion reactors. Activity is not comparable to the other known energy producing methods."

The best choice of fusable materials appears to be lithium and deuterium, a heavy isotope of hydrogen. Lithium, a very light, silverly metal, is abundantly available from many natural sources. Deuterium may be made by exposing hydrogen to neutrons or by decomposing heavy water, which in turn may be separated from ordinary water by processes which may be developed by the National Atomic Energy Commission."  

DIVERSIFIED Investment Fund reported the fund's net asset per share at the end of July amounted to $9.66. This represented an increase of 5.3% over the July 31, 1953, and a gain of 15.4% over the December 31, 1952, price per share reported at the close of the previous fiscal year ending Nov. 30, 1954.

The assets of the fund at the end of July were invested in 63 securities, with bonds representing 12.1% of the whole, preferred stocks 12.7%, and common stocks 73.6%.  

Affiliated Fund Now on Record

One of the nation's largest common stock investment companies, Affiliated Fund, Inc., reports that its net assets reached a record level on July 31, 1953 when they amounted to $371,976,200, equivalent to $9.15 per share, and compared with $256,654,922 or $5.25 per share, on Oct. 31, 1952, the end of its last fiscal year, after allowing for the distribution on Dec. 16, 1952 of $14,839,900 (29 cents a share) from profits realized in the previous fiscal year.

Sales of Affiliated's capital stock in the nine months ending amounted to $23,000,000, an increase of 32% over sales of $21,000,000 in first nine months of the previous fiscal year. On July 31, 1953 shares outstanding were at all time high of 47,700,379.

Distribution of assets on July 31, 1953 shows 9.49% invested in common stocks and 10.15% in preferred stocks. Purchases of Governments took place within the last three months which in line with the policy of Affiliated Fund to "create reserve purchases in the event stocks of a number of important companies appear to be substantially over-priced."

Exclusive of U. S. Government securities, the fund's portfolio in the nine months ended July 31, 1953 included real estate, St. Louis, incorporated; Dixie Coal & Oil Corp., Philippines; Public Storage Systems, Inc., Sterling; Regia Paper Company; Sneed Check & Gas Company; Tennessee Gas Transmission Company; Union Bank & Paper Company, United Air Lines, Inc., and El Paso Natural Gas #4 convertible preferred stock.


In his letter to stockholders, Harry J. Colton, Chairman and President, states in regard to policy, "We do not limit our investments to any particular industry, to any particular region or country, or to any particular type of stock. We seek large profits when prices for stocks (and market risks) are low, and we try to be conservative in our investments when profiteering dictates such a course."

The report shows that investment in the electric power industry, accounting for 12.47% of total assets, and that in the paper industry, stock accounting for 11.76% are the largest investments. Paper shares (7.79%) rank third; bank stocks (7.82%) rank fifth. 

Paper Industry Peak in 1955

A Boom Tip-off

The paper industry, an excellent indicator of general business activity, will find 1955 another peak year with prospects for the intermediate and long-term future "exceedingly bright," according to an analysis of the investment management department of Calvin Bullock. Total U. S. production for 1955, estimated at almost 29,000,000 tons, will be almost 8% above 1954, the previous peak year, the publication reports. Total U. S. paper and board consumption now approaches a 35-million-ton annual rate, compared with 26 million tons in 1948 and 29 million in 1952. The difference between domestic production and consumption represents imports.

"Present capacity levels will have to be increased rather substantially," according to the analysts.

From the standpoint of timber resources for paper making purposes, the United States leads all other nations in the world, the publication reports. The nation's share of the world's potential resources is 75%, making shipment almost 49% to the 1950-52 period from 38% in 1955-56. Ample resources and 80% of the world's merchantable pulpwood supplies are in the United States, with imports climbing to 19%.

The biggest growth in paper usage this year is in Southern pulpwood, which rose to 38% of total pulpwood production in 1953 from only 0% in 1929. Kraft paper production rose from 55% of total coarse paper production in 1929 to 76% in 1953.

Domestic newspaper production capacity, estimated at reach 1,750,000 tons annually by 1958, is expected to total 1,972,500 tons in 1955, in addition to production by the development of Southern pine, which has the advantage of growing into pulpwood in 20 to 40 years instead of 100 years for other species in colder climates, according to the analysis.

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Walter L. Morgan (left) President of the $600,000 Wellington Fund, presenting framed welcome letter and certificate to Mr. and Mrs. Romeo J. Anthony of Pawtucket, Rhode Island, on their jointy becoming the 150,000th shareholder of Wellington Fund. The presentation was made at the Philadelphia headquarters of the fund, which is one of the oldest and largest mutual funds.

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New Terms Stabilizing

The interest ranging operations appear to be out of the way for the time being, in spite of present indications that in the recent past, the market has been hit with such a very short time of space.

As a whole, the Government market seems to have given a rather satisfactory account of itself in view of what has recently transpired. The short-term interest rate has been going up fairly rapidly, but it seems that the recent uptrend is now assuming a sort of uncertainty of its own for which the climb from here on will be much more gradual. Some mortgage market specialists are of the opinion that near-term rates are entering an area of stabilization so that fluctuations, for a period of time at least, will tend to be within a rather restricted range.

Scale Buying of Long Bonds Noted

The longer end of the government market has shown a tendency recently, as an example of that, where an issue is to be a bit too early in order to indicate whether the market for these obligations has rather fully discounted the money rate, or whether there is strength in the market. The fluctuations which have taken place from time to time have filled quite a few of these orders. There has also been some evidence of an amount of "technical" operation going on, with the professional element, such as dealers and traders, covering short positions held in the market, and then the fluctuations which have taken place from time to time have filled quite a few of these orders. There has also been some evidence of an amount of "technical" operation going on, with the professional element, such as dealers and traders, covering short positions held in the market, and then the fluctuations which have taken place from time to time have filled quite a few of these orders.

Continued Large Demand for Credit

The demand for credit is and will continue to be large and, under existing conditions, the pressure in the short-term markets, except in the instances when the powers that be see fit to give temporary relief, is likely to remain a challenge. The market needs of the country are going to be financed without stringencies, and it seems as though this will be the case, then the mortgage market should not be too much of an adjustment from presently existing levels. There is no question but that there is a need for non-Government and the development of new investments will continue to be plentiful and this means that competition for available funds will be as keen as ever. However, on the other hand, the adjustment which has already taken place in quotations of Government securities has gone a long way toward closing the long-term Government market.

Continued from page 45

Mutual Funds

shopping with its attendant demand for packaged items and display cartoons were among the factors that contributed to the continued increase in paper

More important," the report observes, "is that continued to show an increasing per capita consumption because its greater number of individual units than the best single example of an Increasingly Living Wage.

The firm's semi-annual report reveals that, as of June 30, net assets were $8,487,705.58, as compared to $5,883,63,522, Dec. 31, 1953...

The Commercial and Financial Chronicle... Thursday, August 18, 19...
Join King Merritt
(Special to The Financial Chronicle)
SPRINGFIELD, Mo.—John C.
Bayton and Allen B. Oppedarth
are now connected with King
Merritt & Co., woodworking
business.

Walston Adds Three
(Special to The Financial Chronicle)
SAN FRANCISCO, Calif.—Car¬
ner Burnbaugh and Howard M. Pil¬
field and Eugene K. Ratto are now with
Walston & Co., 84 Montgomery
Street, members of the New York
and San Francisco Stock Ex¬
changes.

John B. Joyce Adds
(Special to The Financial Chronicle)
COLUMBUS, Ohio—Mrs. Made¬
leine M. Arkans has joined the
staff of John B. Joyce & Co.,
Huntington Bank Building, mem¬
ers of the Midwest Stock Ex¬
change.

DIVIDEND NOTICES

BRIGGS & STRATTON CORPORATION

The Board of Directors has declared a quarterly dividend of 40c per common share payable September 15, 1955, to holders of record August 15, 1955.

VACCENT McGurna, President

To The Stockholders:
The Directors of American Interna¬
tional Corporation voted on Sep¬
tember 10 to action effect a 2
for 1 split of its shares by de¬
claring 100% stock dividend. Stockholders will receive on October 18, 1955, one additional share ($1 par) for each share ($1 par) held of record at the close of business September 29, 1955.

A quarterly cash dividend of 30c a share is the presently outstanding shares was also declared, payable September 29, 1955 to stockholders of record September 2, 1955.

W. B. VIALL
Secretary
August 16, 1955.

British-American Tobacco Company, Limited

At a meeting of Directors held August 9, 1955, it was decided to pay Dividend of Six Pence for each Ten Shillings of Ordinary Stock for the year ending September 30, 1955 on the ordinary stock of the Company free of United Kingdom Income Tax. Also decided to pay on the same day half-yearly dividend of 2½% (less tax) on the issued 5% Preference Stock.

The Board of Directors have declared a quarterly dividend of 40c per common share payable September 15, 1955, to holders of record August 15, 1955.

G. F. McQua, President

To The Stockholders:
The Directors of American International Corporation voted on September 10 to action effect a 2 for 1 split of its shares by declaring 100% stock dividend. Stockholders will receive on October 18, 1955, one additional share ($1 par) for each share ($1 par) held of record at the close of business September 29, 1955.

A quarterly cash dividend of 20c a share the presently outstanding shares was also declared, payable September 29, 1955 to stockholders of record September 2, 1955.

W. B. VIALL
Secretary
August 16, 1955.
It is explained that if the era of good will would cut studies, the trend of Federal Department military spending would be comparatively small for two or three years, after which it would return in an informed fiscal quarter. In theory the cold war was to cost $34 billion per year for Defense Department military spending for an indefinite period. In fact, such spending in this period reached a total of $35,047 million. In other words, the government did not exceed above the long-range "sustainable" policy.

The problem of the defense officials might be able to cut back here and there, there are two kinds of a program where they have the approval. And they could delay taking deliveries on one or another item under order. This all is possible without reducing force goals. It is not anticipated that the projected size of the military establishment would be cut back some day. It would probably not change the situation in which the defense officials should make it appear that the cold war was definitely coming to an end.

However, the most that this adjusting action to the era of East-West good will could produce, it would be stated, would be a halt of Defense Department military spending to that long-range "sustainable" goal of $34 billion.

Even if there was a definite and recognized end to this cold war, it would take the military from two to three years, now that military spending is so much momentous, to cut down to the $34 billion level, it was indicated.

Other Spending Resises
With the declaration of other spending for fiscal 1955 are studied, there is little that offers hope for a net reduction in total spending.

The veterans' compensation and benefits, taking $5,515 million from the Treasury in fiscal 1955, cost $316 million more this year. The long-run trend of pension costs is ups and downs.

Agricultural price supports cost $3,410 million in '55, $1,884 million more than in '54, and are expected to cost at least as much this year as in fiscal 1955.

In the present year the enlarged scope of the Federal Highway program is authorized at $575 million, against $595 million.

President Eisenhower's "good minerals price support" program, undertaken last year and in the current year, boosted stockpiling costs $151 million to a total outlay for this purpose alone in fiscal '55, $602 million, and would have cost much more but for the rise in prices of base metals, depressed in price last year.

Then, too, Congress has boosted from $700 million to $1.5 billion, the aggregate sum which can if necessary be lost, by selling price support commodities for foreign currencies, in order to get those commodities out of the hands of the government. For this "Agricultural Trade and Development Act" to provide for this ar- rangement was passed last year, it was made a "three-year program." In writing a report on this Act after it was adopted a year ago, the President already predicted that if the government would carry on this"the direct给予, Congress would be asked for more funds for it in haste. This has been done.

"This Is the Last"

Rep. Jesse P. Wolcott (R., Miss., the rarest Republician on the House Banking Committee, made the following obser- vations when the House was about to give the request for another $2 billion to the Community Credit Corp.:

He noted that in going along with this request for $2 billion additional for CCC, that "last year, we will recall, we increased it from $5½ to $10 billion, and for the present we have certain assurances that if the legislation is put in operation, then prices and the present legislation would be no necessity for increasing the authorization further.

We have the same reason- able assurance now that the flexible provisions will shortly be in effect and that there will be no necessity—and we hope this is correct—to continue the authorization beyond the $12 billion figure," he informed the House.

Democrats Load Housing Bill

That Housing Act of 1955 which the Congress put on Mr. Eisenhower's desk was really something. In the Housing Act of 1954, the President took the leadership in getting several new money, FHA, etc., in financing housing financing aids. However, the White House's de- mands for housing legislation this year were comparatively modest compared with 1954's docket. Nevertheless, the House and Senate, as it were, this year went the President four or five better.

Congress gave the President what he wanted on two or three things.

One of these was to add another $4 billion increment to the ever-expanding, never diminishing scope of the FHA's insurance program.

Another thing was to continue for a year the FHA home modernization insurance loan program.

A third thing was to provide $500 million worth of Federal aids, elegantly styled "capital grants," to cities to subsidize slum clearance and urban re- newal.

Finally, while the President wanted a 70,000-unit program of public housing spread over a two-year period, Congress voted a one-year program of 45,000 units.

New Programs Added

Additionally, the Congress steered up coopera- tive housing. This may now be identified with the use of public funds.

The Service in effect be- comes the mortgage, deducting the quarters allowance from the military salary and assigning it to pay for this housing which, however, is financed not with appropriated funds but with private externalities from insurance compa- nies or other large lenders, under a loan insured by FHA. It is a loan a FHA must insure, once Defense sets it up.

Furthermore, the loans are to be paid off the cost of these projects.

Under the expired Title VIII, the Treasury was to give away to a "private" owner who undertook owning post-war housing, and the rent the money, and who the economically owned part of the cost, himself. Under the new scheme, the pre-war housing title becomes nothing but a mechanism designed solely for keeping this form of military housing, the legal Federal budget.

The new Congressional Housing Act of 1955 also wrote in the boost of $200 million (on top of the present authorized $300 million) for "college hous- ing," to be used for temporary buildings that could be used for various other purposes.

WILL ROGOWSKI FOR ALEX

On the other hand, Congress did in conference kill the pro- posed new broad Federal commit- ment to provide public hous- ing for elderly persons approved at first by the Senate and pro- posed by the House Banking Commit- tee.

It also did one thing which particularly concerned the Administra- tion. Under the Housing Act of 1954 a whole kit of Federal guarantees and subsidies, in- cluding "capital grants" for slum clear- ance, was tied in with over- riding Federal control of local, municipal planning.

In other words, if a city did not plan its future in a way to win a pa on the book from the Housing and Home Finance Agency, it did not get those various grants, insured loans, and subsidies.

Congress approved public housing as a bonus which HHFA can't use if it doesn't do what HHFA wants.

This column is intended to reflect the editors interpretation from the nation's capital, including "The Chronicle's own views."

Three With FIF

(Special to THE FINANCIAL CHRONICLE)

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