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EDITORIAL

As We See It

One of the inestimable blessings that would flow from a genuine improvement in the international situation is relief from the enormous burden of defensive measures, including armament and manhours spent in military training and service. Of course, it would be immensely more expensive to be caught unprepared in the event of sudden trouble as we have so often in the past, but a state of international relations which would permit us—and all the other countries of the world—the luxury of only moderate armament and military preparations would lift a tremendous burden from the shoulders of civilized mankind.

The danger, or at least one of them, is that we have now grown so used to these staggering sums spent in the name of defense, and, incidently, rather half convinced that somehow these outlays constitute a protection again recession and depression, that the importance of finding some way to make safe reductions in defense preparation possible is likely to escape all too many of us. It is certain that at any other time in our history we should have been shocked and outraged by the amounts now being expended for defense.

A brief study of the record may help to bring a more definite realization of the extraordinary situation now existing. First of all, let's consider the general size and scope of government today as compared with say 1929. We shall find upon examination that dollar-wise the major part of this growth is either directly an outgrowth of past wars or in anticipation of possible future wars. The Department of Commerce now prepares and

Continued on page 20

Federal Reserve Discount Rates and the Float

By WALTER E. SPAHR

Professor of Economics, New York University
Executive Vice-President,
Economists' National Committee on Monetary Policy

Dr. Spahr contends that permission given to banks by the Federal Reserve to count, as a part of their cash reserves, a portion of the checks and drafts sent through for collection before the items are actually collected, is an unwarranted and an unsound basis for the expansion of credit, and is not authorized under the Federal Reserve Acts. Reviews history of the use of "the Float" as part of bank reserves.

The left hand versus the right hand of the Federal Reserve authorities in "tightening" up on the use of credit.

While the right hand of the Federal Reserve authorities may appear to be tightening up on the use of Federal Reserve credit by member banks through recent increases in rediscount rates at some of the Federal Reserve banks, the left hand of the Reserve authorities may be adding to the reserves of member banks by use of the Float and, as a consequence, reducing the possible effectiveness of a rise in rediscount rates—assuming that all other elements in "Total Reserve Bank credit outstanding" remain unchanged.

Dr. Walter E. Spahr

The use of the Federal Reserve Float enables member banks to count as reserve a portion of the uncollected checks and drafts floating through the mails.

How member banks are supposed to obtain their reserve.

Member banks are supposed to obtain reserves at the Federal Reserve banks by depositing cash with those banks, by borrowing (in the form of rediscounts or advances) from the Reserve banks, or by selling some of their assets to the Reserve banks. Nothing in the Federal

Continued on page 22

The Long-Time Outlook for The Natural Gas Industry

By MARVIN CHANDLER

President, Northern Illinois Gas Company

Prominent industry executive maintains the outlook for the gas industry is bright. Predicts permanent satisfactory price and supply situation is ensured by potential imports or gasification of coal. Concludes markets will be retained despite competition through intensified research and promotion, and management's general resourcefulness.

I would like to convey to you my enthusiasm for the outlook of our gas industry. I am sure some of you think that natural gas may not be available to us in the future in sufficient quantities and at sufficiently low prices to hold our strong competitive position. This naturally causes you to question whether companies such as ours will have the optimistic future that we, who are close to the subject, believe to be the case. I hope to allay these fears on three broad grounds: **First,** there will be a supply of natural gas for many years beyond the indicated life of present known reserves; **second,** if the supply of domestic natural gas dwindles or the price rises unduly, alternatives will be available; **third,** the basic answer to the problems of any industry will be solved or not by the ingenuity, judgment and vigor of the men managing it, and I see no grounds for pessimism about the natural gas industry in the early or more distant future in that respect.

Marvin Chandler

My approach will be based primarily on information that is also available to you in the literature. This analysis indicates an expanding gas distributing industry for the future even independent, if necessary, of natural gas from United States reserves.

I. Supply of Natural Gas

The joint report of the committee on reserves of the

Concinued on page 24

SECURITIES NOW IN REGISTRATION — Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 31.

The Security I Like Best

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

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

This Week's Forum Participants and Their Selections

St. Croix Paper Company—William L. Dewart, Investment Counsellor, John Muir & Co., New York City. (Page 2)

American States Oil Company — Walter K. Gutman, Senior Security Analyst, Goodbody & Co., New York City. (Page 2)

WILLIAM L. DEWART
Investment Counsellor,
John Muir & Co., New York City
Members of New York Stock Exch.

St. Croix Paper Co.

It is not often that we would choose, glamorize and publicize a stock we "like best" after the good news is out. But the latest action on St. Croix Paper—a four-for-one split plus a 100% stock dividend is only the beginning of good news—we think.

Wm. L. Dewart

This fine old down-east Maine paper company was founded in 1904, and has had a steady growth over the years. It is well diversified, expanding and growing. It now manufactures ground wood pulp, sulphite, newsprint and super-calendered newsprint for use in magazine sections of newspapers.

Demand has been so great, that a new modern unit will be installed at the Woodland, Me., plant to be completed by 1958, which will materially increase production of newsprint. When this new unit is in full swing, paper production should be well above 100,000 tons per annum, an increase of 25% over 1948.

The diversified set-up is most attractive. Wholly owned subsidiaries are as follows:

Eastern Pulp Wood Co. of Washington County, Me., holds 600,000 acres of timber land in this county and in the Province of New Brunswick.

Woodland Light and Water Co. operates the local utility company in Woodland County, Me., together with local real estate holdings.

There is also St. Croix Water Power Co., Me., and St. Croix Water Power Co., New Brunswick; and Sprague Falls Manufacturing Co.

The main plant at Woodland, Me., includes a 270-ton ground wood-pulp mill, a 65-ton unbleached-sulphite pulp mill, a 300-ton three-machine newsprint mill, and a dam at Grand Falls, Me. A concrete dam and powerhouse are also owned.

Net income rose 38% in 1954 over 1953, which shows the strong volatile earning power of this fine company.

In the first quarter of 1955, net before taxes was 17% larger than the previous year corresponding quarter, with taxes up only 1%. Earnings increased to $3.11 per share per quarter against $2.70, and the outlook for 1955 is around $14 to $15 a share on the present stock.

But the real "honey" in this stock is that there is **no funded debt**, and when the split and 100% stock dividend are effective, there will be only 440,000 shares of common outstanding.

Sales are steadily mounting. This year's sales should run between $12 and $13 million against $11 million for 1954. Cash and marketable securities are roughly $2,100,000. Inventories are at a low level. Total current assets were $8,739,983 as of Dec. 31, 1954, against total liabilities of only $1,373,942.

The stock, after the split and stock dividend is quoted in the Over-the-Counter Market, 31½ bid offered at 33.

Book value as of Dec. 31, 1954 was $108.17 per share.

The company has a long dividend paying record. It paid $5 in 1954, and it has paid for the three quarters in 1955 a total of $2.25.

It is because of the future picture of the company that we like this stock best. With ever increasing and insatiable demand for newsprint and magazine-calendered print over the next three to five years, and excellent management, it is easy to believe this stock will show greater earnings than ever, and, as in the past, will follow a liberal dividend policy. Its customer list reads like a "Who's Who" in the field of American Publishers.

The company later plans to raise $3 million capital through sale of additional common stock to meet part of the estimated $13 million cost of plant expansion previously announced. Further $10 million capital funds would be provided by sinking fund term notes. The company plans to purchase a new high speed paper machine of 200 tons daily capacity and required power facilities.

WALTER K. GUTMAN
Senior Security Analyst
Goodbody & Co., New York City
Members New York Stock Exchange and other leading Exchanges

American States Oil Co.

One of the fascinations of spending a lifetime in the financial district is to see small companies built up. One of the consternations is to see companies, big and small, occasionally fall down. Wall Street is a dramatic place. There can be and each year are many rapid and amazing changes in the statures of companies, which is why I pick American States Oil as my favorite right now.

Walter K. Gutman

Approximately a year ago, American States was flat on its corporate back, had been knocked down by the failure of a best efforts deal to raise all the capital which it needed to be a bouncing baby. J. Tom Grimmet, who had been the leading spirit of fatherhood and who had advanced substantial sums to the company, shut in the wells and reorganized the company. This made Grimmet a major stockholder. With control firmly in his hands, Grimmet then began to build the company.

Now at $1 a share or somewhat over, American States is about 2,000% better rated marketwise than in the spring of 1954, but it is only 25% above the original offering price of the issue in 1953. Back of the 1955 values are now 152 oil wells with 26 scheduled for completion or 178 altogether. Of these, 146 are prorated primary wells and six are water floods. The water floods are scheduled for major expansion. Total reserves of oil and gas are estimated at $20 million in proved and $19 million in unproved. American States owns or controls 30,000 acres in Texas, Oklahoma, and Kansas.

Gross revenue under present proration conditions are now $95,000 per month and scheduled to reach and hold $145,000 a month in 60 days. Net ought to exceed 130,000 from October on. Taxes will be light for the next year, so cash earnings on the 5,988,666 shares should prove out to 25c a share in the next 12 months. Acquisition and development of the 175 odd wells and the 30,000 acres of proved and unproved land in one year represents Grimmet's trading ability plus his substantial credit in the oil country.

A real Texan, in stature and drawl, and a real oil country man whose mild impreciseness with arithmetic drives a New York security analyst crazy, Grimmet has recently been gathering his statistics in the nice neat form required by major New York banks and in not too many weeks the $2.5 million owed the banks and Grimmet should be refinanced. The principal purpose of the indicated financing is to lay the groundwork for further expansion. With Grimmet's oil "know-how" and money and adequate market recognition, American States should grow to be a well-known important oil and gas producer. The stamp of authority of big financial houses should make the stock worth $2 without another squirt of oil.

There is one more factor though which is extremely interesting and is the reason for my original interest in the company. American States has financed extensive research in the underground recovery of uranium. Considerable radioactivity has been found in its Nowata County, Okla., water flooding operations. Its lands adjoin those of Climax Molybdenum and are not far from those of Sam Shepherd whose uranium experiments got a big play in "Life" magazine a few months back. Climax turned the uranium potentialities of its oil lands down cold but Grimmet hired the Vitro Corp. to do some careful exploration work. Vitro was taken on because of its connection with Dr. J. R. Dunning of Columbia University. Dunning was the man who developed the A.E.C. gaseous diffusion plants at Oak Ridge. The diffusion plants separate U-235 from U-238, an extremely tough job because of the relatively small quantities of U-235 and the small difference between its atomic weight and that of U-238.

Because Dunning and other technicians of Vitro are used to extracting very minute quantities of desired materials from large quantities of undesired, Vitro was chosen. There are only a few parts of uranium in a million parts of water which pours from the water flooding operation but the uranium can be extracted and if there is enough water and if the capital cost is not too great, extraction should be profitable. England has extracted uranium from seawater at a reported estimated cost of $60 a pound. This is not fantastically above the cost of uranium from conventional ores. Concentration of uranium in the Oklahoma oil water flood waters is much greater than in the sea. There is reasonable hope of profitable extraction providing the water flood is large enough in volume to justify the capital equipment. This is particularly so if the water flooding happens

Continued on page 13

More on "Variable Annuities"

By A. M. SAKOLSKI

Dr. Sakolski follows up his article on "variable annuities," which appeared in the issue of the Chronicle of Aug. 4, with an analysis of the nature and definition of annuities. He points out the distinction between annuity-income and investment-income, and stresses the actuarial basis of annuities as contrasted with the uncertainties and fluctuations of investments. Sees no possibility of computing investment income on an actuarial basis. Holds "variable annuities" do not come within the field of insurance because the insuror assumes no risk in the transaction. Calls attention to the legal principle that what is prohibited directly cannot be legally done by indirection.

In the issue of the "Chronicle" of Aug. 4, attention was called to the proposed dangerous experiment put before the New Jersey legislature to enact laws permitting insurance companies in that State to virtually transact a securities business under the guise of selling to the public what is erroneously termed "variable annuities." It is the purpose of this article to point out that the term "variable annuity" is a misnomer, being neither an annuity in the proper sense of the word, nor a form of scientific insurance, based on an actuarial concept. It is a mongrel—a hybrid which contains in itself forces destructive to the principles of insurance protection and to the proper basis for safeguarding investors.

A. M. Sakolski

Annuities as a means of affording periodical income came into use many centuries before life insurance became a common practice in civilized human society. Lord Coke, the renowned British jurist of the 17th century defined it as "a yearly payment of a certain sum of money granted to another in fee, for life or for years, charging the person of the grantor only." Note that this definition contains the phrase "a payment of *a certain sum of money*." There is, therefore, an exclusion of "variable" or contingent payments. As stated in a recent issue of the "Journal of the American Society of Chartered Life Underwriters," application of "variable" to the word "annuity" is improper; "that to use the word in this context would tend to confuse and mislead the public, because over a long period of time the word 'annuity' has been used and understood to be a series of guaranteed periodic payments, fixed in amount, to continue for a life or for some other specified period." In fact, the term "annuity" has never been applied to guaranteed payments based on contingent income, such as annuities from land-rents or other income arising from a particular source.

Annuities Based on Acturial Principles

Moreover, in the strict technical acceptance of the word "annuity" where the grantor and the grantee enter into a contract, the fixed payments, as in other fields of insurance, were and are based on actuarial principles, i.e. on the basis of experience to which the law of probability could be applied. Here, again, the element of "certainty" is present, since the law of probability, involving large numbers of cases subject to counter-balancing forces, gives indication of little change from past experience, so that a "norm" can safely be assumed.

But no such scientific principle has ever been or can be applied to investment—a field to which the "variable annuity" is hitched. History has proven that investment, whatever its form or purpose, involves an uninsurable risk. The scientific principles of probability cannot be applied to it. The reason is clear. Investment is not a function arising from natural phenomena. It is a feature created by human society, and is being continuously and variously affected by changes in laws, in politics, and in social, economic, and technical concepts. Past experience in the investment field gives little or no indication what will happen in the future.

Let us remember that investment is a development of the capitalistic system of production made possible by the accumulation of surplus wealth and the enforcement of obligations or rights evidenced by written implements. All attempts to place investments in the category of an exact science has failed. Investment is not amenable to such definite laws as are embodied in mathematics, physics, chemistry, and economics. The fundamental principles of investment are few, and although they may be regarded as more or less fixed, they have neither an abstract nor a physical basis. Without a money economy and without a modern credit system, investment would not exist. Radical changes in the economic structure or in the "law merchant" may destroy it entirely. It is a product of civilization and law, and changes as civilization and laws change. Natural forces which lead to extended stability of uniform results over extended periods of time have little or no influence in the field of investment.

The Effect of Annuity Payments On Declining Annuity Reserves

There is, in addition, a more serious technical defect in "variable annuities." Unlike life insurance, the reserve of an annuity

Continued on page 23

INDEX

Articles and News

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Factors Determining Municipal Credit

By WALTER A. SCHMIDT*

General Partner, Schmidt, Poole, Roberts & Parke, Phila., Pa.
President, Investment Bankers Association of America

IBA President, in commenting on the identity of interest of investment bankers and lawyers in promoting sound municipal credit, notes two threats now facing municipal bond market. One is the use of municipal credit to finance facilities for use of private industry and the other lies in proposals to destroy Federal tax exemption on municipal bonds. Lists recommendations for determining credit standing and marketability of municipal obligations, and cites activities influencing marketability. Proposes as reforms: (1) simplification of the execution of public securities, and (2) the elimination or minimization of "nuisance" law suits relating to bond issues.

Lawyers who pass on the legality of municipal issues have much in common with the investment banker who finances local governments. Commenting on this close identity of interests "The Bond Buyer" at the time of your Association's meeting in Boston two years ago said in part:

Walter A. Schmidt

"As every municipal bond man is aware, the business of floating tax-exempt issues is intimately tied up with law. The connection is so intimate and pervasive that a highly fraternal relationship has developed between municipal investment men and the legal experts who approve the legality of the bonds and occasionally guide the underwriters through a sea of troubles."

Both of us perform essential functions of working with local officials to provide services and facilities so necessary to the well-being and happiness of all our citizens throughout the land.

For those who may not be completely familiar with the Investment Bankers Association, may I briefly explain that we have a Municipal Securities Committee which represents approximately 90% of our members who engage in dealing and underwriting municipal securities. More than 700 securities houses and roughly 100 commercial banks comprise our membership. These members have in addition over 1,200 branch offices in all sections of the country. The Municipal Securities Committee acts not only directly on its own responsibility but also in cooperation with standing regional IBA Committees, with special Committees appointed from time to time, and with outside organizations such as your own.

It fosters wholesome practices in municipal finance and advocates constructive action and sound legislation. It opposes and seeks to discourage developments that are detrimental to the interest of local governments, detrimental to investors, and detrimental to the industry. Over the years many recommendations made by your Section and by our Municipal Securities Committee have contributed significantly toward improving the credit standing and marketability of municipal bonds.

Before considering factors affecting municipal credit, I want to mention the existence of two threats for which we must always be on the alert, which would undermine the fundamental dual sovereignty of our state and Federal Governments which are deep-rooted in our tradition:

(1) The first threat is the use of municipal credit to finance the construction of plants or facilities for the use of private industry through industrial revenue bonds issued by municipalities. The danger of this abuse of municipal credit has been recognized in resolutions adopted on this subject by your Section and by the IBA.

(2) The second threat lies in proposals to destroy the Federal tax exemption for municipal bonds.

It has been suggested that I discuss practices and policies on the part of municipal officers that are conducive to sound credit—sound credit prior to issuance and also during the life of an obligation. In other words, factors that contribute toward the establishment of good supporting situations.

Obviously we would need much more time than is at my disposal to attempt even a superficial survey of such scope. To cut down my presentation to workable proportions I propose to cover three main areas that I consider pertinent:

An enumeration of those activities on the part of municipal officials that are significant in determining credit standing and marketability.

Factors that may not directly determine credit standing but which, nevertheless, influence marketability.

Two recommendations currently favored by our respective organizations.

Activities Determining Credit Standing and Marketability

Municipal officers may do much to improve the credit standing of their respective governmental units and to improve the marketability of their bonds. Some of the more significant factors include:

(1) Construction planning—including an effective budget.

(2) Control of municipal expenditures—keeping within income.

(3) Steps intended to assure adequate income, insofar as possible.

(4) Planning the size of the debt of the issuer and the arrangement of maturities of that debt so as not to place an undue or unreasonable burden upon the issuer at any time.

(5) Exercise every precaution to assure a clean record of debt payment, both principal and interest.

(6) Take necessary steps to insure deposits of public funds and insure against other hazards common in public administration.

(7) Informative and constructive advertising at the time of issuance—it may play an important part in the primary and secondary markets.

(8) Subsequent periodic issuance of pertinent data relating to the financial status of the issuing body.

These eight points have been set out to note their importance as a part of our general topic. They are primarily the responsibility of municipal officials. We are in general familiar with them and no further ilustration is needed. For the record, however, I am pleased to draw attention to relevant literature, a few titles of many that are available.

Published by Municipal Finance Officers Association of United States and Canada (which frequently issues special bulletins containing information of value to municipal officials and others interested in municipal financing).

"Preparing the Bond Prospectus" (1955).

"Marketing Municipal Bonds" (1946).

"Recommended Policies for Public Finance Officers" (1950).

Published by Municipal Securities Committee, Investment Bankers Association of America.

"Report of Finances"

"Lower Interest Rates for Municipal Bonds—How a Municipality May Obtain Them."

Activities Influencing Marketability

Now let us turn our attention to some of the factors which may not directly determine municipal credit but which certainly affect the marketability of municipal obligations. These factors relate to our responsibilities as lawyers and investment bankers and include:

Need for clean cut legal opinions.

Use of photo-offset copies of opinions.

Importance of frequent and complete financial reports.

Negotiability and the proposed Code.

In municipal financing it's important to obtain the prompt acceptance of the offer of the highest bidder and reasonably prompt delivery of the bonds. To this end a clean-cut unqualified and marketable opinion approving the legality of the issue is of utmost importance to all purchasing dealers and investors of municipal securities. Furthermore, the opinion

Continued on page 12

*An address by Mr. Schmidt before the Section on Municipal Law, Annual Convention, American Bar Association, Philadelphia, Pa., Aug. 23, 1955.

The State of Trade and Industry

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

The tragic flood catastrophe of rain and winds which visited the northeast section of our country, last Thursday, wreaked its vengeance in six states: New York, New Jersey, Connecticut, Massachusetts, Rhode Island and to some extent in North and South Carolina. At this writing the dealth toll in these eight states is expected to execeed 200 persons and the property loss of homes, highways, factories, schools, bridges, dams, public utilities, automobiles and everything in the path of the millions of gallons of water which broke over the river banks, may total several billion dollars according to a reported statement by Governor A. A. Ribicoff of Connecticut. Thousands of people are jobless, 30,000 in Connecticut alone, and 50,000 homeless and 35,000 families have been routed from their homes. Industry was hard hit by the storm and flood, the Bethlehem Steel Co. in Bethlehem, Pa. which employs 12,000 workers, was forced to shut down completely. Health hazards threaten fresh tragedy in the diseaster zones. Thousands of evacuees have been sheltered, fed and clothed by the Red Cross, Salvation Army and other agencies. For several weeks the true extent of the casualties, the damages to business property and the number of maimed and injured will not be definitely known. The restoration of water, gas, electric and power plants, homes and schools may be a matter of months and even years. The flood was the aftermath of the hurricane "Connie" which burst with such fury and suddenness that the unfortunate husbands, wives, children and loved ones were at the mercy of the floods and their lives snuffed out in minutes.

President Eisenhower hastened to the scene from his Colorado vacation to back up the Governors of the eight states, Red Cross, Salvation Army, State and Federal agencies with every available Federal help. Yesterday, President Eisenhower made a country-wide appeal for Red Cross funds and may call a special session of Congress to authorize funds to alleviate conditions adequately. This summer's catastrophe will rank as the second worst flood in this country, only the Johnstown, Pa. flood of 1889 with a loss of 2.200 lives but much less property damage than last week's disaster.

* * *

Total industrial production was steady at a high level this week. There were substantial increases in some industries, and output remained noticeably higher than a year ago. Although copper supplies diminished slightly, most materials were plentiful, There was a slight rise in claims for unemployment insurance, but the level remained below that of last year.

Although production difficulties in some mills curtailed output, steel production rose 3% this week, and was 51% higher than the comparable 1954 week. Output was scheduled at 92% of capacity. While there was a considerable increase in new orders for steel, a silght decline in orders is anticipated in the coming weeks.

Automobile output rose 7% this week; production was 51% higher than that of last year. This rise was attributed to cooler weather and workers returning from vacation. It was reported that model changeovers are not interfering as much with production as was anticipated. There was a marked increase, in the output of tractors.

There was a slight drop in paperboard output, but the level remained 10% higher than a year ago. New orders dropped 30% this week, and unfilled orders were slightly lower. Papermill operations were set at 96% of capacity. There was a small rise in lumber production; mills are exceeding yast year's output by 73%.

Meat production rose 5%, and was 9% ahead of last year's level. Butter and cheese output decreased somewhat. Fish and citrus fruit canneries maintained a high level of production.

In its latest weekly release "Iron Age" national metal working authority says "The steel industry is headed for new records in order volume, in production and in the delicacy of customer relations. These will start a building after Labor Day and will swamp individual steelmakers. Customers yelling for steel "haven't seen anything yet."

The slight dip in auto steel shipments served but to butter up some angry feelings of other steel customers whose deliveries were hopelessly behind original promises. Some statements that steel supply will be in better shape by the fourth quarter is wishful thinking.

The hard hit northeastern sections of the country will need large tonnages of structural and plates for bridges knocked out by flood waters. Emergency calls for other steel will be made—all of which will tend to further tighten up the steel picture.

Soon the auto industry will be stepping up its already high

Continued on page 27

The Yellowknife—Golden And Radioactive

By IRA U. COBLEIGH

Enterprise Economist

A helicopter's eye view of a fabulous stretch of mineralized terrain, romantic, remote and rich.

The Canadian (or Pre-Cambrian) Shield is, indeed, well named. It looks just like a shield, with the Arctic Ocean as its top; its left side (West) bounded by the Great Bear Lake, Great Slave Lake, Lake of the Woods; the bottom bounded by Lakes Superior, Huron, and Ontario; and winding up on the right (East), in a line running from the St. Lawrence, Northeast to where Labrador laps the Atlantic. This Shield is one of the most ancient geologic formations known to man (about 1,500 million years old) and, impelled by man's restless search for useful or vital minerals, this lake-laden swath of 1,800,000 square miles of moss, moose and muskeg is now bringing forth the most fabulous and diverse supply of minerals this side of the moon—copper, gold, nickel, cobalt, zinc, lead, oil, asbestos, cerium, titanium, uranium and thorium, to name but a few.

Ira U. Cobleigh

Looking at it another way, the Shield is again well named, since the most ornate shields in all history were of gold (King Solomon's palace guards carried only gold ones) and Canadian uranium, exploded at Hiroshima, made the atom bomb the major shield for the defense of the civilized (non-Communist) world in the decade since.

Well, whole libraries have been written about this storied Pre-Cambrian shield, and we'd be silly to even attempt broad coverage here. So we'll be content to explore, for the next few minutes, a small but seething segment of this shield, called "the Yellowknife." We'll cover some geography, some geology, and some speculation. Let's start with the town of Yellowknife itself, 3,600 population. Ten years ago this was a scraggly settlement of shacks; now it's a bustling modern mining town on the northeastern shore of Great Slave Lake. There are no trains, but Yellowknife can be reached by daily flights of Canadian Pacific Airlines from Edmonton (700 miles to the south). Freight has a little tougher time, traveling by barge (June 1 to Oct. 15) to and from waterways; and the rest of the way by rail to Edmonton. In winter, the freight route is overland by tractor train.

So much for the town of Yellowknife. To the south, on the southern shore of the Great Slave Lake, is a great base metal area—copper, zinc, lead and lithium—centering around Pine Point; and only awaiting the extension of the Northern Alberta Railways north from Grimshaw, to become a fabulous new metal Mecca.

But our basic interest today centers in the area north of this town of Yellowknife, stretching 200 miles toward the Arctic in the Northwest Territories, where exploration and claim staking are going along at a feverish pace.

Interest in this whole area got its start way back in 1929 when a famous prospector named Gilbert LaBine ran across a fat deposit of pitchblende on the eastern shores of the Great Bear Lake (100 miles above the Yellowknife district). This find grew into Eldorado Mines, so large a producer of radium that it drove the world price down from $50,000 to $25,000 a gram; and set the stage for production, in the early 1940's of the uranium ore that fueled the Hiroshima bomb. Later, in 1944, Eldorado Mining and Refining Ltd. was expropriated by the Canadian Government and is, today a large uranium producer and the official government purchasing agent. So, years ago, informed people knew this stretch of land in the Northwest Territories was radioactive, but only recently have they realized how much so.

Along in 1934, numerous gold claims were staked out on the Yellowknife River, just before it spills out into Great Slave Lake; and five gold mines were operating in this region by the time of Pearl Harbor. After the war, Giant Yellowknife Gold Mines, Ltd. discovered a vast gold orebody (and there were also important showings of pitchblende some 80 miles east of the Yellowknife mine). Giant Yellowknife progressed rapidly, began production on May 12, 1948, and through the development of three shafts, and the operation of a 780-ton-a-day mill, now mills 280,000 tons of ore per year. Net earnings for nine months ended March 31, 1955 were $656,000. Giant Yellowknife is listed an American Stock Exchange, sells around 6⅜ with an indicated 30c dividend.

But while we wanted to talk about the Yellowknife, gold was not our main mineral. The big one today is uranium; and those who, somehow, think that uranium is losing ground to thorium, lithium, deuterium, have a hole in their heads. Nothing of our existing atomic program is possible without uranium; and if, in due course, fusion replaces fission, we'll still need uranium as the self starter. Fusion is just a hot melting—and uranium supplies the vital early heat at warm-up time. We are at least four years away from any adequate uranium supply, counting everything now in sight—Colorado, Canada and the Congo combined. And the most frantic, eager, and perhaps even the most rewarding search for uranium right now is at Yellowknife. The pitch is on for pitchblende!

Unlike the vast ore bodies located at Blind River (in Ontario, above Lake Huron) where the uranium ore lies in flat layers in conglomerate sedimentary beds (where once a river flowed), at Yellowknife the precious pitchblende is found in vertical faults, injected into quartz "stock works." In this way frequent surface outcroppings occur. Exploration by trenching and drilling is not difficult as mineralized zones are, in general, shallow, running seldom more than 400 feet below ground. And, most important of all, the areas being exploited at Yellowknife are producing representative samples of extremely high quality ore running from 0.35% ($50 a ton) to 1.17% ($169.65), and even higher in some instances. This ore quality is all-important. After all, if you're 1,000 miles into Canada, far above efficient freight transport, you just have to get some plush ore to offset higher mining camp and transport costs. Well, at Yellowknife they're finding it—three or four times richer showings than Blind River (where low cost mechanized mining delivers handsome profits on 0.18% ore).

Well, let's get down to cases. Is anybody in U-production at Yellowknife? Has any outfit here signed an ore delivery contract? No, not yet. But the prospects are exciting, and the prospectors excited.

Rayrock Mines has a mine in the Marion River Area (upper Yellowknife) and has been exploiting two zones at depths of 300 and 225 feet below the surface. In one zone, ore grade averages of $81 a ton were recorded. Consolidated Northland Mines has drilled around 15,000 feet—enough to mark out an ore body 260 feet deep, 250 feet long and 4.4 feet wide of ore averaging just about 0.40%. And there are a lot of other companies at work here that haven't gotten as far along with their exploration.

Also, there's a big newcomer, Yellowknife Uranium Corporation (incorporated last April), which now owns 1,021 unsurveyed and unleased mining claims, plus options on 235 additional, in the Marion River and Lake area of the Yellowknife. A claim is 50 acres, so the total above indicates around 60,000 acres—quite a hunk of geiger ground. Only preliminary exploration work has so far been done but the management believes that the strategic land spread, and favorable geologic structures located, augur well for the future.

The management—Dr. Nelson C. Steenland, President; Hugh Fulton, Board Chairman; and directors including Dr. John R. Dunning, Dean of Engineering at Columbia; John A. Roosevelt and capitalists from Houston and St. Louis—appears to be of considerable competence and eminence. It is almost identical with the management of Stancan Uranium Corp. (a major stockholder in Yellowknife), whose shares, now selling at 3½, were offered for public subscription last December at 1½. (Stancan has been reporting very favorable ore findings at Blind River.)

Yellowknife is expected to do some public financing shortly, in which case an official prospectus will give you, if interested, complete and official details. This Yellowknife name must be thought to possess certain magical qualities as there are a couple of dozen outfits using it in the corporate title—Bulldog Yellowknife, Atlas Yellowknife, Homer Yellowknife, Lynx Yellowknife, and Papoose Yellowknife, to name a few.

Of course, nobody should even look at a uranium prospectus unless he's, by nature, a sportsman, a speculator or even an outright gambler. But equally, to say that "uranium is for the birds" is to deny your own taxpayer's stake in the $13 billion Uncle Sam has already laid out, of your dough and mine, on U-based nucleonics. Uranium, is here to stay and to prosper, and so are a few dozen uranium mining companies. You've seen Pronto, Algom, Consolidated Denison, MiVida and Gunnar all make the grade. Will a Yellowknife entry be the next? Technically speaking, a Yellowknife should have a golden glint!

World Wide Inv. Opens

HOBOKEN, N. J.—World Wide Investors Corp. has been formed with offices at 231 Washington Street to engage in a securities business. Nathan Gennes is a Principal of the firm.

To Form MacGuire & Jacquemot

MacQuire & Jacquemot, members of the New York Stock Exchange, will be formed as of Sept. 1 with offices at 120 Broadway, New York City. Partners will be Philip F. MacGuire and George A. Jacquemot, who will hold the firm's Exchange membership.

Observations . . .

By A. WILFRED MAY

THE PSYCHOLOGICAL vs. VALUE FACTORS

The permeation of the market, particularly in its shorter-term movements, by psychological forces has been continually emphasized by this column. "The trouble with Wall Street is the investor," and "Behave yourself, and your stocks will behave themselves," have been favorite maxims. The market's participants to a great extent act as players with chips (blue, red, yellow) rather than as participants in business ownership which a share of stock actually represents. Quotations rather than values elicit the investor-speculators' interest.

A. Wilfred May

Also outside the area of value, the market's price movements importantly depend on *style*. Motivated by the public's proclivities in changing its style preferences, individual issues and industry groups frequently sell far above or below a price level justifiable by value criteria.

And again pervading the "Non-quantitative" area is the strategic effort to out-guess the other guessers. Akin to Machiavelli's practicing of the *Second Degree Lie*, the process resembles to a certain technique of beauty contest, wherein the winner is he who best anticipates which girl the other contestants are going to choose. ("It is not a case of picking those who, to the best of one's judgment, are really the prettiest, or those which average opinion expects the average opinion to be. We have reached the third degree where we devote our intelligences to anticipating what average opinion expects the average opinion to be. And there are some, I believe, who practice the fourth, fifth and higher degrees.")

In this vein we wound up our commentary on the Fulbright Study, by saying that its queries about the state of the stock market were properly the subject of treatment by a university psychology department, rather than a Congressional banking committee.

Those emphasising such psychological factors (including Linhart Stearns whose book "How to Live with Your Investments," was discussed in this space a fortnight ago), leads them to lean on qualitative, rather than quantitative value elements with their difficulties, in arriving at their investing decisions.

For ourselves, although we so thoroughly subscribe to the controlling importance of the psychological, we are nevertheless raced with the inconvertible conclusion that, the crowd's behavior being unpredictable, the psychologist no more than the economist can interpret data to the end of successful forecasting.

Hence, and holding that the truth lies in weighing the relative merits of each of the opposite approaches, we firmly conclude that there is more chance for success in employing value factors; and that hence as a basis for all investment operations, it is preferable to reply on that area—if with reservations. In other words, the situation is that the quantitative elements, with their own uncertainties, nevertheless represent the lesser of two evils.

* * *

THAT "THE" MARKET—STILL A DIVERSE AFFAIR

(Item 1)

TREND IS LACKING IN STOCK MARKET

Rails Stiffen A Bit But the Industrials Generally Go Into Lower Ground

472 Issues Dip, 394 Rise—Index Up 0.07

—From New York "Times" Caption of Account of the Stock Market of Aug. 22.

(Item 2)

From the latest SEC Index of Weekly Closing Prices of Common Stocks on the New York Stock Exchange in August issue of SEC's Statistical Bulletin:

Number of Industry Groups Advancing	12
Number Declining	23

Composite—advanced by 0.3%.

Nuclear Power: Now and Later

By CLARENCE E. LARSON*
Director Oak Ridge National Laboratory

After quoting comments on the "later" aspects of nuclear power, Mr. Larson discusses the prospects and use of nuclear power at present and in the comparatively near future. Tells of problems of fuel reprocessing and of nuclear technology and reveals proposed nuclear power plants. Comments on international nuclear developments. Says performance of U. S. with nuclear power may not only determine our national prestige and our chances for a peaceful world, but also the economic well-being of the nation.

To introduce this subject I should like to quote a short paragraph from a very interesting little book entitled "The Next Million Years," by Charles Galton Darwin:

" . . . There are going to be many shortages of all sorts of things in the future; for example, metal mines will be exhausted, and many of the metals we now use will run short some day—some of them in the very near future—but it can reasonably be expected that fairly good substitutes will be found for them. But energy is different; there is no substitute for energy, and no way of creating it. It is no use adopting the Micawber attitude that 'something will turn up,' an attitude which may be admissible over the shortages of metals; but not for energy, because for that nothing can turn up. The utmost that can be done is to discover the key to unlock some known but at present unavailable source of energy. This is true even of what many will regard as a newly discovered source, atomic energy; for the existence of this energy has been long known, and the novelty is that the key has only recently been found."

Until quite recently the energy that man has utilized has been that obtainable through the burning of carbon in many different forms to yield carbon dioxide. This burning is a chemical process involving no nuclear energy whatever but yielding the thermal heat of chemical reaction between oxygen and carbon. The carbon utilized in this combustion reaction to produce the vast majority of the world's energy is obtained from what we refer to as "fossil fuels" because for the most part they were formed millions of years ago. Mr. Palmer C. Putnam, in another very interesting book, "Energy in the Future," combines, correlates, and projects estimates made by the world's leading authorities on fuel reserves to come up with the conclusion that—and I am now quoting Mr. Putnam — "the net energy in the world reserves of fossil fuels, recoverable at real unit costs no greater than two times present costs, and adjusted for loss in synthesis, is about 27 Q." "Q" is a term Mr. Putnam uses as equivalent to 10^{18} Btu or equivalent to 33 billion tons of coal. Mr. Putnam estimates that the cumulative energy used from the time of Christ to 1850 was about nine Q. The burn-up rate in 1850 was about nine Q per century. However, at the present time, our energy burn-up rate is greater than 10 Q per century and is increasing rapidly.

The ten Q of energy being burned up per century at the present rate comes from reserves that took millions of years to accumulate. It is quite obvious that if our reserves total only 27 Q and our burn-up rate is ten Q per century and is increasing rapidly, the time must soon come when our supply of fossil fuels is inadequate to meet energy demands. Mr. Putnam says that time is not far off—probably about 50 years from now. He goes further to say that by 1975, nuclear power—which he regards as the most realistic possibility for supplying significant quantities of energy from another source — must be ready to take up much of the load.

The burning of fossil fuels to produce energy is, in effect, supporting ourselves from capital, a situation which businessmen will fully recognize as intolerable over any extended period. What we must ultimately learn to do is live off our income. Mr. Putman, Mr. Darwin and many others have studied at length the possible methods of living off energy income, and they have shown our total energy income from the sun is quite ample to support us. What is currently lacking is the key Mr. Darwin spoke of to unlock the sun's energy as a source of power to meet the demands of our modern civilization.

"Stop-Gap" Measure

What I will talk about today is not a method of living off our income. It is rather a "stop-gap" measure to tide us over the difficult period we must go through while our capital dwindles and we have not yet discovered the methods for living off our income. There is in nuclear fuels, Mr. Putnam estimates, an additional reserve approximately 25 times greater than the economically recoverable reserves of fossil fuels. There is enough nuclear fuel to provide our current rate of consumption, ten Q per century, for many centuries. This, I trust, will give us time to discover a means of converting our energy income into usable form.

Coming back to Mr. Darwin's book, "The Next Million Years," for a moment, I would like to quote his comments on this situation:

"The production of energy from uranium or thorium, as far as we can judge, will always have to be done in nuclear reactors, which have to be very large units if they are to work at all so that the distribution of the power to the users is itself quite a problem. Furthermore, there are really formidable secondary difficulties associated with making energy from uranium. There is the familiar political danger that it is impossible to get the power without at the same time making large amounts of explosive material suitable for atom bombs. Then, also, there are made large quantities of intensely radioactive fission products, the cinders of the furnace, and even at the present time, when developments are still almost rudimentary, the disposal of these cinders is a formidable problem. On the whole, then, the prospects of power from uranium are not very good; it may be a useful palliative in the energy shortage, but it almost certainly will not provide a long-term solution.

"It is well-known that there may be a possibility of making atomic explosives from hydrogen, and, since this is a source of energy, it might some day be made into a fuel to yield power. It is the isotope, heavy hydrogen, that would be used, and though its proportion in hydrogen, or in water, is very small, still there are broadly speaking unlimited stocks of it. In practice it takes a good deal of energy to separate it out from ordinary hydrogen, but the amount it trivial compared to the energy it would yield after the separation. There seems little doubt that the heavy hydrogen will some day be made to explode with the help of a suitable detonator, but this would be useless as a source of power; for that purpose it is necessary that it should be made to 'burn' slowly, and this may be an insoluble problem. If, however, it could be done, it might yield a permanent solution of the fuel problem."

Since Mr. Darwin wrote his book in 1953, the H-bomb to which he refers has become almost a household expression. The possibility he suggests—that of burning heavy hydrogen under conditions which would permit the useful exploitation of its energy—is one which, if it could be realized, would provide us with an energy reserve so large as to be essentially unlimited.

These projections and hypotheses, made by men much better informed than I, carry us much further into the future than I would dare to go on my own knowledge. Therefore, having given you their comments on the "later" aspects of nuclear power, I would like to tell you now about nuclear power, now and in the comparatively near future.

Economics of Nuclear Power

"Nuclear Power" is a subject of increasing interest and one which is constantly increasing in scope as new applications and new approaches are conceived. I refer particularly to recent developments in the fields of economics, of international relations, and technology as related to nuclear energy.

To consider first, something of the economics of nuclear power, we find that projections of the electric power demand in the United States indicate that the total demand for electricity in 1975 may be about 1,400 billion kilowatt hours—an increase of some 900 billion kilowatt hours from present levels. This will require the construction of new power plants to provide about 300 million kilowatts of electric power by 1975.

Now, if one is to build 300 million kilowatts of power generating capacity in the next 20 years, should he plan that these plants will use nuclear power or the present conventional fuels, knowing that fossil fuel reserves are being depleted rapidly?

It is quite obvious that American industry, being as competitive and cost conscious as it is, will not suddenly switch over the producing and using electric power from nuclear fuels just for the sake of doing so. Electricity produced from nuclear fuels has no particularly unique characteristics and, in itself, is of no particular interest unless "the price is right." It is equally obvious that as the prices of fossil fuels rise because of the necessity for utilizing lower grade reserves to meet ever increasing demands, there will ultimately come a time when it is possible to produce electric power from nuclear fuels cheaper than it can be produced from the fossil fuels. That time is not far off.

So, it appears that there are some real and very compelling reasons for our interest in nuclear power. If fuel prices increase as much in the next 20 years as they have in the past 20 years, the Nation's electric power bill in 1975 will be several billion dollars greater than it would be with present fuel prices. Since reactor power costs (assuming breeding) are not sensitive to fuel costs, it may very well be that a major role of nuclear power will be in relieving the pressure on conventional fuels and in keeping their cost down. If reactor power keeps the average cost of electric power down by only half a mill per kilowatt hour in 1975, the saving will be over three-quarters of a billion dollars per year. This would amortize the entire cost of research and development of nuclear power in a single year.

Beyond that lies the increasingly clearly recognized fact that somehow reactor power is an exciting prospect, challenging us to exploit the unique opportunities it affords. Let us consider some of these opportunities.

Conventional power plants are characterized to a large degree by the very large quantities of fuel required for their operation and by the influence of the cost of this fuel upon the final cost of the power produced. Nuclear reactors by comparison have the following unique features: the quanity of fuel required is small. If one can build a breeder reactor, he can "manufacture" his own fuel for a total cost that is determined almost entirely by the cost of the chemical processing necessary to recover new fissionable material from the fertile material in which it is formed and to remove the fission products formed in the reactor fuel during normal operation. This suggests another unique feature of nuclear reactors; that is, that chemical processing of the fuel is required. Chemical processing introduces an element of cost and operating complexity that is not experienced in conventional power plants. Other unique features of the nuclear power plant are the radiation that is associated with it and the radioactivity of its by-products and wastes.

Let us look for a moment at the possible exploitation of these unique features of nuclear reactors. Taking them in the order mentioned, one can see that the feature of the small quantity of fuel required is the primary basis for military interest in package power reactors. The military would like very much to avoid the problems of hauling large quantities of fuel to remote and often very inaccessible military installations. It appears that nuclear reactors are very promising as sources of power that will circumvent this problem.

Fuel Reprocessing Is Costly

Fuel reprocessing will be required in connection with central station nuclear power plants in order for these plants to achieve the most economical operating conditions. But, fuel reprocessing obviously is a complication and an item of cost that is very important—both in the initial capital investment for the plant and in the cost of operating the plant. One, in fact exchanges the cost of buying and transporting large quantities of fuel in a conventional power plant for the cost of building and operating a chemical plant in connection with a nuclear power plant. However, there are many indications that the radioactive by-products of fuel reprocessing have value and that they may ultimately be very profitable by-products of a nuclear power industry.

The unique feature of radiation in nuclear power plants requires shielding and other measures related to radiation protection for operating personnel. These measures contribute to initial capital costs for the nuclear power plant and to its operating costs. But, here again radiation in itself may have some value. If the encouraging progress that has been made to date continues, it seems quite likely that the use of radiation as a catalyst for chemical reactions, as a sterlizer in food processing, and perhaps in other ways, may contribute financial returns and other advantages that more than offset the higher costs and hazards that it introduces.

The last unique feature specifically mentioned is the radioactivity of the wastes from reactor operation. The cost of dealing with the radioactive waste is a significant factor in determining the cost of electric power produced from nuclear fuels; and the extent to which this cost may be offset by the recovery of valuable materials from the waste may have an appreciable effect on the power cost.

Having discussed in general terms some unique features of nuclear reactors and possibilities for exploiting these features, I should like now to make some more specific comments on our recent progress toward the large-scale production of reactor power.

Technological Advances

To turn now to a consideration of technological aspects, much of our recent confidence in nuclear power stems from certain technological achievements in the reactor field during the past few years. It may be of interest to summarize some of these events. The generation of useful power by three different types of reactors has been demonstrated. The Experimental Breeder Reactor, designed by the Argonne National Laboratory and constructed at the National Reactor Testing Station at Arco, Idaho, was the first to demonstrate the substantial generation of electric power. This was followed by a similar demonstration by the Aqueous Homogeneous Reactor designed and constructed at the Oak Ridge National Laboratory; and most recently power generation was demonstrated by the Submarine Thermal Reactor, designed by the Westinghouse Electric Corporation.

The principle of breeding has been demonstrated in the Experimental Breeder Reactor, which converts non-fissionable U-238 to fissionable plutonium at a rate faster than its U-235 fuel is consumed. This is one type of breeding that is possible. Another type, conversion of non-fissionable thorium to fissionable U-233, is now under active investigation with very good prospects for success. The establishment of the feasibility of breeding is an important technological advance in that it vastly increases our potential supply of nuclear fuels.

Chemical processing methods have been greatly improved with respect to economy, efficiency, and simplicity of operations and equipment. This is an especially significant advance toward the production of economical electric power from nuclear fuels, because if one can breed new fuel in his reactor the major item of cost associated with the new fuel is the cost of chemical processing to separate and purify it. New processing methods have also contributed significantly to our ability to utilize many of the low grade uranium ores found in this country and thus have greatly improved the United States position with regard to raw material supplies.

Recent reactor experiments that contributed to our greatly increased confidence in the safety of nuclear reactors are particularly important because at one time reactors were considered to be sensitive and inherently dangerous installations which should not be located near population centers and other important areas. The demonstration that reactors may be constructed to be inherently safe rather than inherently dangerous makes it feasible to locate reactor installations near raw materials, manpower, or marketing centers which in turn makes nuclear energy much more attractive.

Thus it is that a good background of nuclear knowledge has been established and the basic tools have been provided for performing the research and development activities that make possible our continued advancement in the reactor development field. The Atomic Energy Commission has now embarked on the five-year reactor development program under which $200,000,000 will be spent in developing and construcing several types of nuclear reactors, each with the purpose of demonstrating within five years the production of electric power from nuclear fuel. By 1960,

*An address prepared by Mr. Larson before the Third Annual Research Discussion for Businessmen, Ingalls Laboratory, Southern Research Institute, Birmingham, Ala., the Oak Ridge National Laboratory is operated by Union Carbide and Carbon Corp. for the U. S. Atomic Energy Commission.

the most promising approach to the production of economical electric power from nuclear fuels may be clearly indicated.

Reactors Under Development

Under the Atomic Energy Commission's five-year program, major emphasis is being placed upon the development and construction of five reactors of varying size and cost. These are:

(1) the **Pressurized Water Reactor** that is to be constructed and operated by the Duquesne Power and Light Company of Pittsburgh, Pennsylvania;

(2) an **Intermediate Sized Breeder Reactor** of essentially the same type as the one that was the first to produce electric power;

(3) a **reactor using boiling water** as a method of heat extraction;

(4) a **larger version of the aqueous homegeneous reactor** that was the second reactor to produce electric power; and

(5) a **liquid-metal-cooled reactor.**

Among the new developments in reactor technology mentioned earlier are some that I would like to comment on in more detail for a few moments. The feasibility of breeding has long been a subject of particular interest to physicists, and I am happy to be able to report that significant progress has been made. Of course, the "fast" breeder has already been demonstrated in the operation of the Experimental Breeder Reactor mentioned earlier. We at the Oak Ridge National Laboratory also feel quite confident that a thorium-uranium 233 thermal breeder can be constructed to produce more U-233 atoms than are consumed in the reactor fuel.

One other change in the breeding picture deserves comment to establish a truer perspective. That is, while breeding is advantageous, and while it sounds very spectacular to say that one produces more new fuel than is consumed in a reactor, our more recent economic studies indicate that the cost of electric power produced in a reactor is not very sensitive to the value of the breeding gain. In other words, a reactor producing 5% more fuel than it consumes does not hold too substantial an advantage over one producing 5% less.

With regard to the progress that has been made in greatly increasing our confidence that reactors can be constructed to be inherently safe rather than inherently dangerous, two separate experimental programs have contributed particularly significant results. In one set of experiments, conducted by the Argonne National Laboratory at Arco, Idaho, the safety of heterogeneous reactors using Materials Testing Reactor type fuel elements was thoroughly explored, particularly with regard to the most serious consequences that could be caused by the largest possible increase in reactivity.

No A-Bomb Explosion

It has long been known that a reactor cannot, under any circumstances, explode like an atomic bomb. Steam explosions could be caused under certain circumstances. Melting of the fuel might occur under other conditions, or perhaps the protective coating on the fuel elements might simply rupture, releasing fission products.

In the tests at Arco, spring-loaded control rods were literally "shot" out of the reactor, giving very fast increases in power. During the course of these experiments, it was repeatedly demonstrated that greatly increasing the power in a very short time simply resulted in causing the water to boil. Boiling, by reducing the effectiveness of the moderator, decreased the power level with the result that after its initial excursion the reactor would "settle down" to some lower power level at which it simply boiled the water fairly steadily. While some warpage of the fuel elements was observed, and while steam came out of the reactor rather forcefully many times, it was not possible to cause serious accidents of any sort until the final and most severe test, when the power of the reactor increased well over a million kilowatts in a tenth of a second, resulting in destruction of the core and some associated equipment by a steam explosion However, it should be pointed out that this deliberately planned test was far more severe than any accident that could conceivably occur.

In our own homogeneous reactor experiment at Oak Ridge National Laboratory, we performed essentially the same kind of tests with a small homogeneous reactor. The greatest possible power increase was produced in the shortest possible time in the core of a circulating fuel homogeneous reactor system. In this case the large negative temperature coefficient of aqueous homogeneous reactors served to reduce the power sufficiently rapidly so that there was no boiling, and no apparent damage of any sort to the reactor. The power, after its initial excursion, simply leveled off at some new point where the action of the temperature coefficient just compensated for the increase that had been effected.

During these same experiments, a really admirable feature of homogeneous reactors for the production of electric power was also demonstrated. By rapidly changing from no steam demand to full steam demand, the reactor operators demonstrated that there is a very strong coupling between power demand and power supply —that, in fact, a homogeneous power produced is self-regulating in regard to power demand. When more power is required, the reactor produces it with no action on the part of the operator. Conversely, when power demand is less, the reactor produces less power—again, with no action on the part of the operator.

Since the research reactors that are now receiving most attention for use in universities and other non-AEC installations are of either the homogeneous or the Materials Testing Reactor type, these experiments are particularly encouraging. The swimming pool type reactor, which incorporates a modification of the MTR fuel arrangement, apparently can suffer no worse catastrophe than a boiling of the water in the immediate vicinity of the core. Homogeneous water boiler reactors can suffer a steam explosion if the system is completely closed; however, if it is properly vented or provided with pressure release of some sort, the worst catastrophe would be a simple boiling of the fuel solution.

Interest in research reactors of these types in particular is increasing so rapidly that I found it difficult to determine what installations now have serious plans for construction of research reactors. A partial list, at least, would include the following places: North Carolina State College, Pennsylvania State College, Armour Research Foundation, the University of Michigan, University of California at Los Angeles, Battelle Memorial Institute, Massachusetts Institute of Technology, the University of Florida, and Vanderbilt University.

Continuing our discussion of current progress in reactor development, I wish to comment briefly on a few recent developments that I consider particularly significant.

While the performance of the reactor-powered submarine, Nautilus, has been widely acclaimed in recent weeks, a less well-known fact was reported in the Congressional Record of recent hearings before the Joint Committee on Atomic Energy. General Electric, who is playing a major role in the development of another submarine reactor, constructed a prototype of this reactor in Schenectady. This prototype is now being provided with power generating equipment; and General Electric is arranging for sale of electric power to public utility firms. Since the reactor was designed to produce power for a submarine, the conversion to electric power production should be relatively simple, involving primarily the addition of a turbine generator.

As an illustration of what promises to be the first practice demonstration of an economically competitive power reactor, I should like to comment on the Army power reactor program. To provide a reactor of known reliability, simplicity, and reasonable cost for producing relatively small quantities of electric power and heat at remote Army bases, the Oak Ridge National Laboratory worked with Army representatives in determining requirements, specifications, and other necessary criteria for design. They utilized in their basic design improvements that were suggested by experience with the submarine reactor and the Materials Testing Reactor. This experience has made it possible for simplifications in design to be made and for industry to submit, with confidence, lump sum bids for the construction of the reactor. The final reactor design provided for a 10 megawatt heat capacity that could be utilized for producing approximately 1,000 kw of electricity and 2,500 kw (equivalent) of steam for space heating. A two-million dollar contract for construction of this reactor at Fort Belvoir, Va., has been awarded to the American Locomotive Company, which submitted the low bid.

Because the cost of producing electric power and steam power for heating in, for example, arctic bases is very high as a result of the cost of transporting fuel to these remote locations, the Army Package Power Reactor is certain to produce cheaper power than conventional plants because of the sharp reduction in the quantities of fuel that must be hauled in for its operation.

At the very beginning of this talk, I mentioned several unique features of nuclear reactors that might be exploited in such a way as to contribute income that would offset the cost of producing electric power. This is a field that is now only beginning to be explored. I note with interest that research organizations are beginning to devote more effort to such projects as studying radioisotope utilization and new applications of gamma radiation. Studies of this type are the ones we hope will yield the developments we need to increase our exploitation of the unique features of nuclear reactors, and to contribute the reductions in cost that will indeed make nuclear power economically competitive.

Uses for Fission Products Sought

Utilization of fission products produced in power reactors is clearly an important factor in the overall picture of a nuclear power industry. It is doubly important because profitable use of the fission products would help to reduce the reactor's cost charged against electric power production, and also would affect the problem of radioactive waste disposal. If a significant percentage of the

Continued on page 20

Dealer-Broker Investment Recommendations & Literature

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

Area Resources—Industrial opportunities in the Utah Area—Utah Power & Light Co., Dept. M., P. O. Box 899, Salt Lake City 10, Utah.

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

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

Bond Yields and Money Rates 1911-1955—Study—C. F. Childs and Company, Inc., 1 Wall Street, New York 5, N. Y.

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

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

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

New Jersey Bonds—Bulletin—Park, Ryan, Inc., 70 Pine Street, New York 5, N. Y.

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

Sound Conditioning Survey Charge—Giving free analysis of your own noise and how it may be helped through sound conditioning problem—Celotex Corporation, 120 South La Salle Street, Chicago 3, Ill.

Sulphur Stocks — Summary — Garrett and Company, Fidelity Union Life Building, Dallas 1, Texas. Also available is a circular on **Tidelands Royalty Trust A. & B.**

Visual Communication System—Information on closed circuit TV and microwave relay — Federal Telephone and Radio Company, 100 Kingsland Road, Clifton, N. J.

* * *

Aluminium Ltd.—Memorandum—First Boston Corporation, 100 Broadway, New York 5, N. Y.

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

American Telephone & Telegraph—Table of related values—New York Hanseatic Corporation, 120 Broadway, New York 5, New York.

Associated Dry Goods—Analysis—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available is an analysis of the **Coca Cola Company.**

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

Carlisle Corporation—Report—Cohu & Co., 1 Wall Street, New York 5, N. Y.

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

Chicago, Milwaukee, St. Paul & Pacific Railroad—Analysis—J. R. Williston & Co., 115 Broadway, New York 6, N. Y.

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

Clevite Corporation—Analysis—Reynolds & Co., 120 Broadway, New York 5, N. Y.

Compo Shoe Machinery Corporation—Analysis—Loewi & Co., 225 East Mason Street, Milwaukee 2, Wis.

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

Foremost Dairies, Inc.—Card memorandum—Scherck, Richter Company, 320 North Fourth St., St. Louis 2, Mo.

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

International Telephone & Telegraph Co. — Analysis — Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

International Telephone and Telegraph Corporation—Bulletin—Gartley & Associates, Inc., 68 William Street, New York 5, New York.

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

McRae Oil & Gas Corporation—Bulletin—DeWitt Conklin Organization, 100 Broadway, New York 5, N. Y. Also available are reports on **Merrill Petroleums Limited, Compo Shoe Machinery Corporation** and **Eastern Industries Incorporated.**

National Accident & Life Insurance Co.—Memorandum—John C. Legg & Company, 22 Light Street, Baltimore 3, Md.

Reliance Electric & Engineering Co.—Memorandum—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y.

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

Rockwell Manufacturing Co.—Memorandum—Goodbody & Co., 115 Broadway, New York 6, N. Y.

Southern California Petroleum Corp. — Analysis — Frank C. Masterson & Co., 64 Wall Street, New York 5, N. Y.

Stancan Uranium Corp.—Memorandum—Crerie & Co., Electric Building, Houston 2, Texas.

Steel Company of Canada, Ltd.—Review—James Richardson & Sons, 173 Portage Avenue, East, Winnipeg, Canada and Royal Bank Building, Toronto, Canada.. Also available is a discussion of **Canadian Growth Stocks.**

Tekoil Corporation — Analysis — Eppler, Guerin & Turner, Fidelity Union Life Building, Dallas 1, Texas.

Texas Industries, Inc. — Analysis — William R. Staats & Co., 640 South Spring Street, Los Angeles 14, Calif. Also available is a report on **Valley National Bank.**

United Transit Company — Analysis — Clark, Landstreet & Kirkpatrick, Inc., 315 Fourth Avenue, North, Nashville 3, Tenn.

Warren-Bradshaw Exploration Co. — Analysis — Swift, Henke & Co., 135 South La Salle Street, Chicago 3, Ill.

NSTA Notes

MORE REGISTRATIONS FOR 22nd ANNUAL CONVENTION OF NSTA, GRAND HOTEL, MACKINAC ISLAND, MICH., SEPTEMBER 11 TO 14, 1955

Name	Firm	City
*Blum, Ernest	*Brush, Slocumb & Co., Inc.*	San Francisco, Cal.
Bodie, Jr., Charles A.	*Stein Bros & Boyce*	Baltimore, Md.
*Conary, Wilfred G.	*G. H. Walker & Co.*	Providence, R. I.
Cummings, Frank X.	*Bear, Stearns & Co.*	Chicago, Ill.
Dawson-Smith, Edward	*Cruttenden & Co.*	New York, N. Y.
*Dorsey, Joseph R.	*Bache & Co.*	New York, N. Y.
*Earnest George H.	*Fewel & Co.*	Los Angeles, Cal.
*Erb, Robert L.	*Green, Erb & Co.*	Cleveland, Ohio
Gregory, III, William H.	*Gregory & Sons*	New York, N. Y.
*Haggerty, John P.	*Carroll, Kirchner & Jaquith*	Denver, Colo.
King, Thomas E.	*Dempsey-Tegeler & Co.*	Chicago, Ill.
Krasowich, Joseph D.	*Gregory & Sons*	New York, N. Y.
Krumholz, Nathan A.	*Siegel & Co.*	New York, N. Y.
MacDonald, William G.	*McCay & Willard*	Boston, Mass.
*MacKessy, T. Frank	*Abbott, Proctor & Paine*	New York, N. Y.
Nelson, Harry L.	*Blyth & Co., Inc.*	Chicago, Ill.
Nelson, II, William	*Clark, Landstreet & Kirkpatrick*	Nashville, Tenn.
Potter, J. Russell	*Arthur W. Wood Co.*	Boston, Mass.
*Sachnoff, Morey D.	*Arthur M. Krensky & Co.*	Chicago, Ill.
Schulder, R. G.	*Whitney, Granmer & Schulder*	Denver, Colo.
*Staib, Lee	*Geo. Eustis & Co.*	Cincinnati, Ohio
Stephens, Donald B.	*Cruttenden & Co.*	Chicago, Ill.
Tietjen, Herbert C.	*First Boston Corp.*	New York, N. Y.

*Mr. and Mrs.

Devel. & Resources Corp. Formed in N. Y.

Lazard, Freres & Co., investment banking firm, and David E. Lilienthal, formerly Chairman of the Tennessee Valley Authority and

David E. Lilienthal Gordon R. Clapp

first Chairman of the U. S. Atomic Energy Commission, announced on Aug. 22 the formation of Development & Resources Corporation, with offices at 44 Wall Street, New York City. Mr. Lilienthal has been named Chairman and Chief Executive Officer of the new company. Gordon R. Clapp, who succeeded Mr. Lilienthal as Chairman of the TVA, has resigned as Deputy Administrator of New York City to become President of Development & Resources Corp. The board of directors of the company include Mr. Lilienthal, Mr. Clapp and nominees of Lazard Freres & Co.

Development & Resources Corp. has been formed to provide organizational, technical and financial guidance in the development of natural resources outside the United States of America. The services of the corporation will be available not only to advise and assist governmental agencies in the coordination of public programs of river and land development, but also in selected private industrial and commercial enterprises. The scope of the corporation's services will include counsel in production of energy from all sources, including atomic energy, when economically feasible. It will also include guidance in projects of modernizing agriculture, increasing food supply, and improving transport by highway and water.

Mr. Lilienthal also is Chairman of the Executive Committee of Minerals & Chemicals Corp. and acts as industrial consultant to various companies.

Godfrey Bligh On European Trip

Godfrey Bligh, President of R. M. Smythe & Co., Inc., 79 Wall Street, New York City, will sail on the S. S. Liberte on Sept. 3 for a five week's trip to Europe, visiting England, France and Italy, and returning to the United States from Naples by plane.

Joseph Conlon Joins Homer O'Connell Co.

Joseph F. Conlon, Jr., formerly in the trading department of Merrill Lynch, Pierce, Fenner & Beane, is now associated with Homer O'Connell & Co., Inc., 120 Broadway, New York City, in that firm's trading department.

With Scharff & Jones

(Special to THE FINANCIAL CHRONICLE)

NEW ORLEANS, La.—Henry L. Mayer has become affiliated with Scharff & Jones, Inc., 219 Carondelet Street.

Joins Wulff, Hansen

(Special to THE FINANCIAL CHRONICLE)

SAN JOSE, Calif.—Richard A. Ball is now with Wulff, Hansen & Co., 201 South First Street.

Exactly How High Is the Market?

By NORMAN STEELMAN
Lilley & Co., Philadelphia, Pa.
Members, Philadelphia-Baltimore Stock Exchange

As in the year past, Mr. Steelman reviews the situation of the Dow-Jones Average. Says the average is misleading because the "yardstick" used for computing it has not remained constant. Finds wide discrepancies in price behavior of individual issues, and concludes "there is little doubt that some stocks are too high and others too low."

The Dow-Jones Industrial Average reached 460 recently as against the 1929 high of 396. But the average is misleading because the "yardstick" used for computing the average has not remained constant.

As measured by consumer's prices *("cost of living index")*, the dollar now has a purchasing power of about 60c compared with the 1929 dollar. In order to obtain a true comparison of stock prices with those of 1929, it is necessary to adjust the current Dow-Jones Index figures to the 60c dollar. The current figure of 460 (8/15/55) therefore would be reduced to 276, or 120 points lower than 1929.

Stocks prices reached their lowest level in 1942 with the Dow-Jones Industrial Average at a low of 92.9. Since 1942 the purchasing power of the dollar has declined further, and estimates based on the cost-of-living index, place its present purchasing power at about 58c, as compared with the 1942 dollar. Adjusting today's average (460) to 58c dollar, results in a figure of 266, or 173 points above the low of 1942.

A further adjustment is necessary, however, in order to arrive at a true picture of the rise since 1942. Despite the industrial recovery which had gotton under way late in 1939, stock prices, for some reason, moved in the opposite direction until 1942, bringing the Dow-Jones Average down from 121 in 1939 to 92.9 in 1942. Twenty-eight (28) points of the rise since 1942, therefore, was nothing more than catching up with the recovery. Only 145 points can reasonably be considered a rise based on industrial progress since 1942. The actual rise since 1942 seems very moderate considering the accompanying growth of industrial production and earnings.

The same cannot be said of individual issues. Some are far ahead of the market average; others far behind it. Some can be found that have scarcely risen at all since 1942. There may be reasons why these wide discrepancies should exist in some instances, but there is little doubt that some stocks are too high, while others are too low.

The accompanying brief list, selected at random, will illustrate the point:

	1942 Low Adjusted to Subsequent Split-Ups & Stock Div.	Market 8/15/55	Mkt. Adjusted to the 58c Dollar	% Rise Since 1942
Allied Chemical	29⅝	107¼	62¼	113%
Allis-Chalmers	22	70⅞	41	100
Amer. Home Prod.	12¼	78	45	275
Armstrong Cork	14	28¾	16⅝	19
Atlantic Refining	4¾	38¼	22	360
Bendix Aviation	13	48	28	110
Bethlehem Steel	16½	145½	84	425
Borg Warner	6½	44⅜	25½	325
duPont	25½	222	128¾	400
Firestone	3⅜	63¾	40	1000
General Electric	7⅛	50⅞	29½	300
General Motors	15	124¾	72½	380
Goodyear	2⅜	56½	32¾	1275
Gulf Oil	11¾	82¼	47¾	300
Hercules Powder	25½	124¼	72	185
Kennecott	26⅜	124⅞	72½	175
Monsanto Chemical	7⅜	42⅝	24¾	235
Phelps Dodge	11	59⅛	34¼	200
Phillips Petroleum	15	72	41¾	178
Radio Corp.	2½	47	27¼	1000
Sears-Roebuck	10⅞	98⅛	57	420
Socony-Mobil	6	60⅜	35	500
Standard-Calif.	8	90¼	52	550
Standard-N.J.	15	134⅞	78¼	420
Standard-Ohio	9¾	49⅝	27¾	185
Sun Oil	12¾	74	43	235
Texas Co.	14½	103	59¾	300
U. S. Steel	7⅜	52	30⅛	300
Westinghouse	15⅞	64	37⅛	130

Obviously, the capital gains tax is responsible in a large measure for the high level of certain stocks. Holders are reluctant to take profits and pay 25% in taxes. If Congress wants to do something to check the rise in stocks which, in the opinion of certain members appears to be getting out of hand, a cut in the capital gains tax should prove to be an effective measure. Investors might be willing to pay a 10% tax and the Government might easily derive more revenue from a lower tax than is now derived from the higher.

Securities Salesman's Corner

By JOHN DUTTON

How One Salesman Got His First Accounts in a New City

I am indebted once again to L. L. Moorman, Vice-President of National Securities & Research Corp., 120 Broadway, New York 5, N. Y., for a sound and workable selling idea. Often new men come into the investment business and they are not well connected with possible investor prospects. Their personal acquaintance is such that they have a difficult time locating people who have the financial capacity to become good clients. They have to rely on some other method of obtaining prospects and locating people who can buy and, since they have no personal following of friends, they are really on their own.

Many years ago, Mr. Moorman tells me, he knew of a salesman who moved to a new location and he was faced with the job of building a clientele among strangers. Realizing that newspaper advertising and direct mail had its limitations, he decided to go out on his own and find his prospects. First he obtained the home addresses of several of his firm's clients that were substantial citizens and who also lived in neighborhoods that were well above average in the wealth of the residents who lived there. Then he secured a cross reference street directory and he selected about 50 names of people who lived within a block or two of these clients. Next he located the business address of these people. Then he wrote a short letter to each of them and told them he would like to meet them. He followed each letter and he was able to secure interview with a fair percentage of these "suspects."

When he was talking with each individual at *their place of business* he would finally get around to saying, "By the way, Mr. Brown, where do you live?" When he was told the street and location he would then say, "Why, we have a client (or I have a client), Mr. Smith, who lives up your way, possibly you know him." In many cases this would break the ice and give him a bridge-over of something in common with his prospect that enabled him to establish a more substantial relationship than would have otherwise been possible.

After he obtained a few customers of his own, he continued this plan and he finally built up a good clientele leading from one to another. After he acquired some satisfied clients he continually asked for prospects and he got them.

And a Word About Prospecting

It is the easiest thing you can do if you will only remember that when you have made a friend and a satisfied client just ask him if he knows of someone else who would like to do some business with you. People will rarely offer names of their friends to you *unless you remind them* that you would like to have their cooperation. Many of your present accounts never think of sending you some names because they think you have such a good business that you wouldn't be interested. Some people will not wish to give you names but others will. After you have made a sale and your customer is happy with his investment, ask for names. Around dividend time call up and ask if your customer got his check, especially if it's an extra or one that has been increased, then ask for names. If a client has taken a substantial profit and he is pleased with the service you have rendered, ask for names. If you have gone out of your way to give personal service to some of your clients and they tell you they appreciate it, tell them they can show their appreciation by giving you the names of some people who might also like to do business with you. I once knew a man who said, "I can't sell, I don't know a thing about the investment business, but I know a few people who have money." He got a job with all those handicaps but he was so busy making other people *feel important* by asking for their help that before long he was one of the leading producers. Even one of the partners was making sales for him. I don't advocate this procedure as the way to success in security salesmanship but it does illustrate one point—don't be such a "big shot" that you refrain from asking the help of others. Many people like to feel that they are instrumental in another man's success—don't deny them this pleasure—it's profitable.

M. W. Beckman Opens

LODI, Calif.—Millard W. Beckman is engaging in a securities business from offices at 119 West Oak Street.

Continued Upward Business Trend Expected

Dean W. I. Myers of the College of Agriculture of Cornell University tells bankers, however, boom may get out of hand, and further steps may be necessary to curb inflationary tendencies

Speaking at the New York State Bankers Agricultural Seminar attended by "graduate bankers" at Cornell University in Ithaca, N. Y. on Aug. 15, Dean W. I. Myers of the College of Agriculture, stated that indications are that the upward trend in the nation's business economy will be resumed in the fall and that 1955 will be another record-breaking year for the overall economy of the U. S.


W. I. Myers

Improvement in the economy has been so rapid and widespread, the Cornell Dean said, there is some danger that the boom may get out of hand, with likelihood of a severe bust later. The Federal Reserve System has taken action to curb inflationary tendencies by increasing the rediscount rate and influencing the supply and cost of credit. Further steps may be taken if necessary.

Speaking of the longer future, the speaker said "we've learned a good deal about controlling booms and busts," but he questioned whether we have learned enough to avoid depression after a world war. A good overall job has been done since World War II in stabilizing the economy by monetary and fiscal measures, but "we were too slow in curtailing the Korean boom."

"We can control booms," he emphasized, "if we have the courage and apply the brakes when needed, but we have been less effective in controlling depressions. If a really severe depression should develop, even cheap, easy credit may not induce consumers to spend or businessmen to expand operations."

Dean Myers foresaw some decline in housing construction in the next few years, but added: "I don't see how it can last long. Marriages will begin to increase again in the early 60's due to the larger baby crops of the 40's." He noted public construction promises to rise for several more years to partly offset the decline in private construction.

Referring to the stock market rise as "mainly correction from undervaluation," the Cornell official pointed out, however, that some stocks look very high in relation to profits of the present and near future. In the main, he said, the stock market reflects business conditions, but it also affects attitudes of businessmen, especially overoptimism or pessimism. Here again, the Federal Reserve has shown an awareness of dangers of the speculative boom by increasing margin requirements and interest rates.

Another possible danger to long-run stability, the bankers were told, is the rapid increase in total debts of the U. S. since 1940. Though debts of the Federal Government have increased little since the war, total private and local debt has increased in the last five years more than twice as fast as national income. Home mortgage debt, for example, has increased from $18 billion in 1945 to $72 billion in 1955, and is rising at the rate of $10 to $12 billion this year.

Recent action by the Veterans Administration and Federal Housing Administration in reducing the maximum term of mortgage loans to 25 years and requiring some down payment was termed a sound step to curb the violence of the housing boom.

Dean Myers said our economy is likely to slow down to a safe speed that can be maintained some time in the next several years. "There is a fair chance," he noted, "we will be able to slow down gradually and avoid a severe depression. If a depression should occur, however, it will probably not be as bad as the last one because of the built-in shock absorbers in the economy, such as old-age pensions, unemployment insurance, and farm price supports."

In view of all factors, he told the bankers, the outlook for the national economy justifies an attitude of conservative, watchful, optimism.

Turning to agriculture, the Cornell Dean noted that the eight years from 1947-55 were marked by generally falling farm prices which were interrupted briefly by a short inflationary price rise after the invasion of Korea. Prices farmers receive are now about 25% below the post-Korean peak. Again costs lagged, so U. S. farm prices dropped to 16% below parity, representing a real squeeze. City wages continued to rise and are at peak levels. The results is that net income of farm operators is down one-fourth from 1947 but is still better than double prewar. Net income per farm operator declined 15% because there are fewer farmers. It seems worse, the speaker stated, because of the unparalleled general prosperity. The readjustment from war to peace hit farmers and other producers of raw materials first and hardest.

Dean Myers said the outlook for "basic" and nonbasic farm products is "divergent." Prospects for the basics—wheat, cotton, corn, tobacco—are dimmed by large government stocks. While important to some farmers, they represent only 23% of total farm income. The outlook for nonbasic commodities is moderately favorable, and these represent 77% of total farm income. Except for corn, there is no large carryover. The demand for meat, eggs, milk and other choice foods is high. And excellent progress has been made in adjusting supply and demand for butter and cheese since supports were reduced April 1, 1954.

Most established farmers are in fair financial condition, the speaker noted, since the older men expected a postwar decline and were more conservative. Younger men who started farming after the war with heavy debts are in a severe squeeze. Most of them will work out all right if a further price slide is avoided.

General trends of New York farm prices were described as similar to those of the U. S. "In my opinion," Dean Myers said, "New York farmers have seen the worst of the present readjustment. Except for the drought, 1955 should be a little better overall than 1954 for New York agriculture. Farmers can also expect a gradual reduction in the price-cost squeeze as supply and demand are brought more into balance."

Among the reasons he gave for "conservative optimism" were: (1) the long-run favorable outlook for profitable production of fresh milk, eggs, fruits and vegetables; (2) high and rising demand for choice foods from the rapidly growing urban population; (3) substantial progress in bringing supply and demand of dairy products into balance; and (4) more favorable feed prices.

Milk is bringing slightly better prices than the corresponding months of last year, it was stated, while feed prices are lower. Further moderate improvement can be expected in 1956, and the settlement of the New Jersey surplus problem will also help. Disastrously low prices were received for eggs last year, but with fewer pullets being raised, poultrymen can expert fair prices during the last part of 1955 and the first half of 1946. The price outlook for apples is favorable, but is bad for potatoes.

During war booms any farmer could make more money by expanding business and benefit from rising prices, Dean Myers pointed out. Now, however, the most promising ways of increasing net income are by reducing costs, improving quality, and expanding markets. Farmers who get ahead will be those who pay more attention to farm management and improved production practices for crops and livestock products. For example, to earn going wages, one farm worker must handle at least 15 to 20 cows or 2,000 hens or the equivalent in other enterprises.

The Cornell Dean also cited the increased attention being given to improved marketing so as to reduce costs and increase the consumption of New York products. Much painstaking research is necessary to determine the most effective techniques best suited to each product, he pointed out. As a result of these studies, increased sales of eggs, milk, and fruit have already been achieved, but much more can and will be done. Such developments, he said, are in the long-run interests of producers and consumers alike.

Miss. Valley Gas Offers Debentures

The Mississippi Valley Gas Co. is offering to holders of its common stock rights to subscribe at par to $2,000,000 4¼% debentures, due 1975, on the basis of $100 of debentures for each 25 shares of common stock held of record Aug. 18, 1955. The subscription rights will expire at 3:00 p.m. New York time, on Sept. 8, 1955. The offering is being underwritten by the Equitable Securities Corp.

The debentures are convertible into common stock after Aug. 31, 1956, at prices beginning at $22.50 and gradually increasing thereafter. They are redeemable initially at 104¼%.

Proceeds will be used by the company to retire $1,500,000 of 4¼% first mortgage bonds due March 1, 1974.

Incorporated in 1951, the Mississippi Valley Gas Co. operates a natural gas system in 34 counties in the northern half of Mississippi and the city of Natchez.

With Calif. Investors

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Pierre J. Ott has become connected with California Investors, 3924 Wilshire Boulevard.

Quincy Cass Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Harry H. Schulte, Jr. has been added to the staff of Quincy Cass Associates, 523 West Sixth Street, members of the Los Angeles Stock Exchange.

With Curtiss, House

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—John P. Dudas Jr. is now associated with Curtiss, House & Co., Union Commerce Building, members of the New York and Midwest Stock Exchanges.

From Washington Ahead of the News

By CARLISLE BARGERON

SWAMPSCOTT, Mass.—Contemplations while vacationing, trying to get away from the heat of Washington when there seems no escaping from it anywhere this summer:

President Eisenhower in his efforts to relieve world tensions must often wish he had the power of the Soviet leaders. They make it known that there should be a softening up of the propaganda campaign by which the Soviet journalists sought to excel each other in hurling epithets at this country. Immediately there is softening up and instead of diatribe the Russian radio actually carries the text of President Eisenhower's speeches and a correct report of other happenings in this country. Our government propaganda agency, the USIA, tries to respond in kind. Even on the part of our editors, although there is a caution note for us not to be beguiled by the Russians, there seems to be a disposition not to keep up the hate campaign.


Carlisle Bargeron

But the comic strip artists seem to be wholly unaware of the change, are still harpinging away at the theme of how brutish the Russians are.

The greatest offender is the widely distributed Joe Palooka strip. Joe himself is not a party to it. He is just about as clean an American as you could find. He is a prizefighter but a man that every American youngster should look up to. For years he was crazy about Anne Howe and how crazy Anne was about him was nobody's business. He finally married her and now they have a little girl.

Well, Joe is all right by himself and I even like his devoted friends, Knobby and Leemy. But his creator, Ham Fisher, occasionally takes excursions into other fields and to me it seems strange that his drawings don't reflect the fact that new signals have gone out for the cold war propagandists. Only a few weeks ago he had the brutal Russians shooting down in mid-ocean that lovable bag of wind, Humphrey Pennyworth. Humphrey, a good 300 pounder, in trying to help an eccentric scientist with an atomic powered flying machine, became strapped to it at the time it went off and the thing sped through the skies for days, over cities and over countries, until finally it got over Russia. There, the brutal Russians set out to shoot him down and finally did, out over the ocean. But the American Navy rescued him.

The same commentary applies to the author of the strip Smiling Jack. Smiling Jack is just about one of the best fliers in the world and he is always being called upon by Army intelligence to get at the roots of Russian deviltry. Just now he has gotten, in disguise, through the Iron Curtain to try to rescue a famous German scientist who is on our side. The scientist is a captive of the Russians and they have been holding his wife for a long time. Every day they keep letting the scientist look at his grieving wife through a one-way window. They tell him he can join his grieving wife if he will agree to forego the despised capitalists and work for the Russians. So far he hasn't agreed and Smiling Jack may rescue him and his wife from the diabolical Russians.

You take Little Orphan Annie. Her "Daddy" is a fabulous man who has been fighting the Russians for years. Apparently he has never been concerned much about his daughter for she is left to roam around sticking her nose into everybody's business.

Now, all of this may have been helpful when Truman was daring the Russians to do this or that when he was hurling imprecations almost daily across the sea.

But Eisenhower has changed the tune. Several weeks ago he offered an arms inspection program by which we would give the Russians a blueprint of every fortification we had and they in turn would do the same for us. The Russian big shot, Bulganin, ridiculed the proposition and you can't escape the fact that it lent itself to ridicule.

Roosevelt and Truman would have become incensed at such ridicule from a foreign leader, although Roosevelt might have been a little patient toward a Russian leader. Truman would not have.

Eisenhower didn't let it annoy him in the slightest. He merely said he still though it was a good idea. And Bulganin, feeling a little foolish, withdrew his ridicule.

The authors of Smiling Jack, Little Orphan Annie and Joe Palooka could well take cognizance of "the change of the party line." Mr. Eisenhower is at a disadvantage. The Soviet leaders merely lift an eyebrow and "Pravda" and "Tass" and the New York "Daily Worker" change their tune.

Joins Prescott Staff

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Gardner Abbott, Jr. has become affiliated with Prescott & Co., National City Bank Building, members of the New York and Midwest Stock Exchanges. Mr. Abbott was formerly with Ross, Borton & Simon, Inc.

Ross, Borton Adds

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—John L. Schuld is now with Ross, Borton & Simon, Inc., 1010 Euclid Building.

Joins Joseph, Mellen

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Howard Guggenheim has become connected with Joseph, Mellen & Miller, Inc., Union Commerce Building, members of the Midwest Stock Exchange.

With Frontier Securities

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Gerald M. Greenberg has become affiliated with Frontier Securities Co., Boston Building.

Harry Bullis Optimistic for Future

Chairman of the Board of General Mills, Inc. cites background factors which should indicate continuation of our present prosperity.

In addressing the Annual Meeting of common stockholders of General Mills, Inc. at Wilmington, Del. on Aug. 23, Harry A. Bullis, Chairman of the Board of the corporation, offered some remarks on the economic outlook, and expressed optimism that the current level of prosperity would continue. In discussing these trends, Mr. Bullis commented as follows:

Harry A. Bullis

"As to the economic outlook, there is optimism on every hand. The prospect for business in general during the remainder of this calendar year is excellent, and there is ample reason to be optimistic for the future.

"Gross National Product — the production of all goods and services—has increased to an annual rate of $383 billion. This sends the rate of total production well above the record heights reached in early 1953. The gain in the last year has been almost 7% — a phenomenal rate of gain.

"Defense outlays have been reduced by almost $15 billion. Offsetting this decline, there were about $7½ billion of tax reductions and almost $2½ billion of temporary increased outlays for unemployment compensation.

"Thus, incomes for families and corporations were remarkably well maintained and great progress has been made toward expanding economic growth.

"Is that growth going to press towards inflation? Is there likely to be a boom or bust quality about it?

"I think not, for the very good reason that industry is able to expand production. Take for instance, the automobile industry which has demonstrated for sustained periods its ability to produce cars at an annual rate in excess of 10 million cars and trucks. This year's automobile sales will be at the record number of 8,300,000.

"Total construction of all kinds this year and next, bids fair to establish the all-time high levels now being forecast. Despite the failure of the highway aid bill to pass, state and local expenditures of all kinds will move to higher rates and then when we get a new highway bill, there will be further stimulation of the national economy.

"But the most remarkable fact is the stability of family expenditures for all goods—not just the products of the motor car industry. General Mills has shared in this expansion of the market with total sales rising from $487,587,000 in 1953-54 to a total of $513,651,000 in the 12 months ended May 31, 1955.

"Our net earnings rose from $11,189,000 to $12,383,000. Net earnings per share of common stock were $5.02 compared with $4.50 for the previous year.

"Looking at the business prospects for the country as a whole, we have the promise of a continued rise in total production stimulated in part by the persistent rise in total personal and family expenditures and in part by the continued rise in total expenditures by industry for new plants and equipment. It is these expenditures which are the most important factors of steady economic expansion.

"It is impressive to read how one industry after another announces a new enlarged program for expanded investment in new facilities. The remarkable feature of this current trend is that business leaders are perceiving the need for such expanded investment, worked out in the nature of long-run programs, to meet future requirements of growth in the United States. I foresee vigorous, sustained expenditures for plants and equipment which will not be threatened by a weakening of the financial structure or capital markets. We can expect a sufficient growth in the available supply of money and credit to take care of the financial needs of the country on a sound basis.

"These capital expenditures for both expanded production and greater efficiency reflect the way America makes progress. General Mills also has plans for growth involving new and improved products and greater investment in facilities for producing those products.

Outlook for Foods

"The coming decade should be particularly good for the food industry. The expected increase in population alone will add 16% to the nation's food bill. Furthermore, as the Gross National Product increases, so does the disposable personal income and per capita expenditures for food.

"During the years just before the war, food expenditures were approximately 23% of disposable personal income. During recent years, food expenditures have been about 25% of disposable personal income. Therefore, it appears that as family incomes increase in the aggregate, a higher percentage goes for food. This is borne out by studies which indicated that not only do higher income families spend more dollars for food, but that they also consume large quantities of food than low income families.

"Thus, as living standards improve still further and families upgrade their incomes, we can expect them to be more discriminating in their selection of food. For instance, it is interesting to note that while the per capita consumption of grain products in general continued to decline, the per capita consumption of breakfast cereals has been increasing for the past three years."

J. C. Goldsbury With Harris, Upham & Co.

(Special to The Financial Chronicle)

MINNEAPOLIS, Minn.—Joseph C. Goldsbury has become associated with Harris, Upham & Co., 912 Baltimore Avenue. Mr. Goldsbury was formerly an officer of J. W. Goldsbury & Co.

Lawrence M. Jones has also joined Harris, Upham & Co.'s staff.

Joins Makris Staff

(Special to The Financial Chronicle)

MIAMI, Fla.—Joseph Bern has become affiliated with Makris Investment Bankers, Ainsley Building.

Merrill Lynch Adds

(Special to The Financial Chronicle)

PALM BEACH, Fla.—Story C. Redfield is now with Merrill Lynch, Pierce, Fenner & Beane, Bassett Building.

With Carroll, Kirchner

(Special to The Financial Chronicle)

DENVER, Colo. — Douglas R. Manning has been added to the staff of Carroll, Kirchner & Jaquith, Inc., Denver Club Building.

Just How Prosperous are We?

By ROGER W. BABSON

In discussing just how prosperous we are, Mr. Babson recounts the factors in the rise of living standards in last 25 years, and ascribes our prosperity to the pent-up demand for goods and services since World War II. This demand, he holds, has been "ballooned" by Government release of enormous supplies of money. Says we are all living off our "rich Uncle." Points out Government deficit spending cannot go on forever, and "some day there can be a collapse."

How sound is our present prosperity? How long can it last? These are questions that many readers have recently asked. These readers are in some instances people who have been buying a great many things on credit, and in other instances small businessmen who wonder how far they should go on expanding.

Roger W. Babson

Back in 1929 there were about 10 million radio sets in the U. S.; today there are 125 million. That is more radios than are owned by all the rest of the world. Today 90% of our homes have mechanical refrigeration; back in '29 only 4% of our families had mechanical refrigerators. Today 42% of our population are high school graduates; in 1929 only 13% had high school diplomas. Today we are spending $15 billion for recreation—three times as much as 25 years ago. Today we have 28 passenger cars for every 100 people, compared with 19 per 100 in '29; and the number of cars per family is rapidly increasing.

Perhaps most significant of all is the fact that 25 years ago there was some $84 billion of life insurance in force; today the amount has climbed to $285 billion! It is estimated the total income of all Americans exceeds the total combined income of all the 600 million people in Europe and Russia! With less than 7% of the land area of the globe and little more than 6% of the earth's population, we now manufacture about half the world's goods. It looks as if we never had it so good.

What Causes This Prosperity?

Our prosperity started from the tremendous pent-up demand for goods and services that followed World War II. Our prosperity could never have since ballooned to its present size had not our government so greatly expanded our national debt by releasing enormous supplies of money. This keeps the economic machine running smoothly, but in turn taxes us all to the teeth. Some economists have said that if we do not want our heavy debt, with both high prices and high wages, then we cannot have full employment and so-called prosperity.

The thing that makes us appear so prosperous is that we are all living off our rich "Uncle," who, in order to keep up appearances and not let us down, has borrowed so heavily. Some day, however, all of us "relatives" will have to chip in to bail Uncle out. By his heavy borrowing, Uncle made it possible for us to buy homes with little or no down payment and with installments running 30 years; to stockpile agricultural surpluses which the farmer can't sell; to build vast new road systems and other public works projects; to provide military expenditures beyond the comprehension of man. Uncle Sam has done all this by borrowing from the future money which he can never repay. He borrows; he spends; he taxes; and then spends it over again. It's a wild merry-go-round.

Will This Prosperity Continue?

In 1953, Joseph Dodge, then the Director of the National Budget, said that our national prosperity could be likened to the status of a family that had for years lived well beyond its means; had only three times in 20 years provided itself with more receipts than it had spent; had acquired a debt four times its yearly income; and owed more than a year's income on C.O.D.'s that will have to be paid for on delivery. How good would you consider your own financial condition if yours were such a family? This is the condition of the national family of which we are a part.

There is nothing dishonest about this; it can continue to go on for many years more; but some day there can be a collapse. Our prosperity is in part an artificial prosperity, artificial because it is fed by enormous government expenditures. Should the government withdraw the fantastic amounts spent for stockpiling, subsidies, public works, and the like, we can be sure our prosperity would wane. On the other hand, if we choose to continue to live on borrowed money, money which our children some day must pay back, we can continue for a while longer to have good times at our children's expense. Some day, sometime, somehow, someone must "go through the wringer." I repeat, this day may be years ahead; but once in a while I do like to remind my readers that this prosperity game cannot last forever.

With Columbia Secs.

(Special to The Financial Chronicle)

DENVER, Colo.—Paul C. Garbanati is now connected with Columbia Securities Company Incorporated, Equitable Building.

Continued from page 4

Factors Determining Municipal Credit

should be accompanied by adequate closing papers.

On the basis of experience with occasional legal difficulties we urge that municipal bond attorneys and municipal dealers encourage public officials to include in the notice of sale information that:

The securities are offered for sale subject to the unqualified legal opinion of the attorney named.

The successful bidder will be furnished a copy of the opinion, the usual closing proofs, and a certificate to the effect that there is no pending litigation affecting the validity of the bonds.

The cost of the opinion is to be met by the issuer or by the successful bidder (as the case may be).

A second factor affecting the marketing of municipal obligations concerns the preparation and delivery of copies of the legal opinion. As you appreciate, a transaction is not complete without the simultaneous delivery or at least availability of the legal opinion.

Municipal bond issues are growing in size and legal opinions are becoming longer and more complex. As a result, a higher cost is entailed and more time is required to prepare copies of opinions for submission at the time of delivery of bonds.

A little over a year ago, in conjunction with the Municipal Forum of New York, we recommended the use and acceptance of photo-offsets of legal opinions. This process not only reduces expense and the time required, but assures absolute accuracy in contrast to the traditional practice of supplying certified typewritten or mimeographed copies.

The use of photo-offsets is now generally accepted and has the support of attorneys whose opinions approving municipal issues are acceptable in general market operations.

Ready availability of adequate finance statements is a third factor affecting the marketability of municipal bonds. It is important to have public officials clearly indicate willingness and intent periodically to furnish financial statements that are comprehensive and reasonably current.

As long ago as 1948 our Municipal Securities Committee adopted a resolution with respect to the dissemination of operating reports on revenue bond projects. It urged attorneys to incorporate a provision requiring the filing of such reports annually or oftener with underwriters and with financial reporting agencies. Furthermore, the resolution recommended in instances where the securities are widely held that the revenue bond project publish a summary of the operating results in a financial publication of general circulation.

The following year our committee prepared recommended forms of specimen condensed reports designed to reflect the operating results of revenue bonds projects. The suggested report forms provided for the inclusion of information regarding the fundamental security underlying the given bond issue as well as the record of operation. The absence of data of this sort may often be a deterrent to the successful distribution of a revenue bond issue and may also affect its secondary market.

The "Bond Buyer" should be credited with making a real contribution in disseminating financial information on publicly owned revenue producing projects. Through a department established in 1949, The "Bond Buyer" publishes skeletonized reports. We strongly recommend that issuers and dealers cooperate with the "Bond Buyer" by making reports available and that investors take advantage of such published information.

Negotiability is the last factor affecting marketability that I would like to discuss with you. As you know, it is usually serious and costly to have the negotiability of an obligation drawn into question.

Seventeen years ago our association passed a resolution recommending that legislation be adopted in each state providing that within the terms of the Negotiable Instruments Law of that state, any obligation of that state, or its local governmental units, even though payable solely from a particular fund or from special taxes, shall nevertheless constitute a negotiable instrument. Progress has been made in this direction, and in states where it was not specifically provided by a general law the act authorizing each revenue bond issue so specified.

You are already familiar with the proposed uniform Commercial Code. It is comprised of 10 articles and is sweeping in scope. Article eight deals with investment securities but does not classify municipal bonds as negotiable. Article three on commercial paper makes specific provision for negotiability but clearly specifies that article three does not apply to money, documents of title, or investment securities.

Obviously the proposed code in its present form separates negotiable instruments from state and municipal bonds. Its adoption would merely serve to stir up already muddy waters. The code would not merely supersede the Negotiable Instruments Act of a given state but would also affect existing laws which specifically declare certain types of bonds, including municipal revenue bonds, to be negotiable instruments.

The Municipal Law Section of your body, by resolution, recommended that the proposed code be amended to provide that a security issued by a government or governmental agency or unit shall be a negotiable instrument if it conforms to the provisions of article three, notwithstanding the fact that it is payable from a special fund.

In view of this situation, we petitioned the Commissioners on Uniform State Laws and their advisors to amend the code so as to define municipal obligations, including special revenue bonds, to be negotiable instruments.

The Editorial Board of the Commissioners on Uniform State Laws recognizing the problem involved, recommended the insertion in article eight of the provision: "Securities governed by this article are negotiable instruments." In addition, the Editorial Board also recommended the addition of a subsection:

In any action on a security, the rules relating to proof of signatures, and to burden of proof after signatures are admitted or established, shall be the same as in actions on commercial paper (Section 3-307).

Unfortunately, these recommendations by the board were not included in the official draft of the code. They were published in the printed supplement that might easily be overlooked.

Because we recognize the comprehensive coverage of subject matter of the code, such as providing a new body of state laws governing commercial transactions, which are matters outside the securities field, our association has not taken a position either favoring or opposing adoption.

You can observe I want to emphasize that enactment of article eight of the code omitting to specify that securities governed by that article are negotiable instruments, would seriously impair the issuance and marketability of securities, and destroy the protection to which the investing public are entitled.

We believe that the article relating to public securities ultimately recommended to the states for enactment should be in such form as to meet the approval of (1) the examining attorneys who live with the issuance, marketing and enforcement of municipal securities and who in times of trouble are called upon to protect the holders of such securities, and (2) those who are responsible for the underwriting, placement and subsequent secondary marketing of billions of dollars of such securities each year.

It is my understanding that the Executive Board of the Municipal Finance Officers Association of the United States and Canada recently supported the position taken by the section of municipal law of your association, the Municipal Securities Committee of our association and other reputable organizations in order to avoid any question of negotiability of state and municipal securities.

Proposals Currently Recommended

Currently there are two recommendations that are sponsored by the laison Committees of both of our organizations, recommendations that are important to municipal finance:

Simplification of the execution of public securities, and Elimination of minimization of the damaging effects incident to nuisance suits.

The increasing number and the growing size of municipal issues serve to aggravate the problem of providing manual signatures on bonds. Sometimes as many as four manual signatures are required. Members of your Section drafted a billl to relieve this situation and our Association has endorsed it. Briefly, it would permit all signatures save one manual signature, to be in facsimile on issues of $10 million or more.

Now as to the second current recommendation. Nuisance suits have engaged the attention of all of us. At the Spring Meeting of our Board of Governors last May, Governor Lausche of Ohio in referring to the recommended legislation said in part:

"I received from one of the investment houses in Toledo about three weeks ago a memorandum of a model law which would in a substantial degree eliminate the nuisances and the delay of time, and the uncertainties that result from lawsuits filed challenging the issuance of bonds by governmental bodies.

"That document came to me at a time too late for me to set into motion the machinery of the legislature which might lead to the adoption of a law of that type, which, in my opinion, would, in a substantial degree, remove the anxieties and the uncertainties that come from those lawsuits, which frequently are filed solely to harass and to delay the development of an improvement out of which the bond issue is to provide the money."

The position taken on nuisance suits by your Section and by our IBA Committee is supported by the Executive Board, of the Municipal Finance Officers Association.

Like so many of the improvements supported by your Section and by our Association, these two proposals, the one on facsimile signatures and the other on nuisance suits, are of a decidedly constructive character. Their adoption would be speeded if, in addition, municipal officials gave their support. Enactment would materially facilitate issuance and delivery.

Conclusion

In thinking about the various movements perpetrated by some of our citizens and lawmakers, and in reviewing practices that are advocated, I often wonder if the proponents really understand and appreciate those principles underlying our very sound dual form of government.

Credit is due, in my opinion, to the U. S. Municipal News, official publication of the U. S. Conference of Mayors, which carries on its masthead these words of Alexis de Tocqueville:

"Municipal institutions constitute the strength of free nations.

"A nation may establish a system of free government, but without municipal institutions it cannot have the spirit of liberty."

There is nothing more important, in my opinion, for those of us interested in sound municipal finance than to recognize the validity of that statement. Our municipalities are an integral and traditional part of over-all government—in fact the very backbone.

May I again express the appreciation of the investment banking industry for the very helpful and constructive cooperation on the part of examining attorneys toward improving the security and enhancing the marketability of municipal obligations.

Such progress as we have made toward improving credit standing and toward better marketability would not have been possible without the wholehearted support and effort on the part of that group of attorneys who pass on the legality of municipal issues.

This concludes the formal part of my address, but before sitting down I would like to give you a brief idea of the scope of our IBA interests in various legislative directions that have had to be considered this year.

(1) We were prepared in the event we had been called in the hearings on (a) the Dixon-Yates controversy and (b) the Fulbright hearings in March in connection with the "study" of the current stock market rise.

(2) A representative of the IBA testified in support of the International Finance Corporation Bill before the Senate Committee on Banking and Currency.

(3) A representative of the IBA testified before the Aviation Subcommittee of the Senate Committee on Interstate and Foreign Commerce on amendments to the Civil Aeronautics Act.

(4) We presented a statement which is part of the record of the hearings on the Fulbright Bill (S. 2054) to regulate companies, which have more than $5,000,000 in assets and more than 500 security holders, whose securities are unlisted.

(5) The Bricker Bill (S. 2290) which would authorize Commercial Banks to underwrite and deal in Revenue Bonds of state and local governments is a difficult problem for IBA. We have members on both sides of this question who are greatly concerned regarding its outcome.

(6) We have submitted statements to the Banking and Currency Committees of the Senate and House opposing provisions of S.2126 (now Public Law 345) which expand Federal Programs for loans to municipalities and loans for college housing.

(7) The Bennett Bill (H. R. 5701) would kill the Regulation A exemption under the Securities Act of 1933. Regulation A exempts certain issues from full registration requirements when the aggregate amount of the issue offered to the public does not exceed $300,000.

(8) We have a statement recorded in the hearings supporting H.R. 9 and H.R. 10. These bills are designed to encourage the establishment of voluntary pension plans by individuals under certain circumstances and provisions.

(9) We are watching the Federal Aid Highway Act of 1955.

(10) We are greatly concerned over proposals to authorize life insurance companies to sell "variable annuities" in various states. We have opposed proposals to authorize the sale of "variable annuities" by insurance companies through their salesmen without regulation by the Federal SEC and state securities commissions because the safeguards established by Federal and state legislation for the protection of investors would be circumvented.

(11) We are watching S. 2330, recently introduced by Senator Fulbright. This bill is designed to protect American investors against illegal sales of securities by foreign salesmen.

(12) We are very interested in the rules the SEC adopted regarding stabilization.

(13) A representative of the IBA testified in favor of the proposed amendment to the Natural Gas Act.

And finally there is a real problem: How can we best protect investors, and particularly unsophisticated investors, against misrepresentation and fraud in the sale of highly speculative mining and oil securities without cutting off the supply of capital which is so essential for the continued development of the legitimate mining and oil industries? All year I have talked about this problem because I know that every time an investor is misled or defrauded in connection with the purchase or sale of such securities, there is not only both personal and economic loss, but our capitalistic or competitive enterprise system in general, and the legitimate securities profession in particular, gets an unwarranted black eye. I am particularly anxious to point out the distinct difference between the vast majority of fine firms in our industry, which are conscientiously trying properly to advise the investing public, and the relatively few fringe firms which specialize in the most speculative types of securities. I do not want to see our entire industry dragged down by these unqualified fringe firms and made a politicall football such as we experienced in the 1930's and early 1940's.

T. W. Gleason With Makris Inv. Bankers

Thomas W. Gleason

(Special to THE FINANCIAL CHRONICLE)

MIAMI, Fla.—Thomas W. Gleason has become associated with Makris Investment Bankers, Ainsley Building. Mr. Gleason was formerly for many years an officer of Carolina Securities Corporation with headquarters in New York City.

Joins Skyline Secs.

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Eugene L. Smith has become affiliated with Skyline Securities, Inc., 1719 Walton Street.

With H. G. Kuch

(Special to THE FINANCIAL CHRONICLE)

FT. LAUDERDALE, Fla.—Charles E. Penn is now connected with H. G. Kuch and Company, 2518 Cat Cay La

England Goes Back to Dear Money

By PAUL EINZIG

Commenting on the rise in interest rates in Great Britain, Dr. Einzig discusses the influence of British monetary policy throughout the world. Says, although London has lost the leadership in international finance, Britain still has considerable influence on monetary policies of other countries. Concludes British move to higher level of interest rates "has come to stay."

LONDON, Eng.—Although London has lost her position of leadership in international finance, Britain has retained considerable influence over monetary policy all over the world. Many countries still follow the examples set by British monetary policy. In 1932 Britain took the lead in the adoption of ultra-cheap money, by reducing the bank rate to 2% and retaining it there for nearly 20 years. And now Britain has set the example for reverting to dear money. Since the Bank of England raised its rediscount rate to 4½%, quite a number of Central Banks acted likewise. Norway, Sweden and Denmark were the first to follow the lead. Various countries of the Sterling Area, Western Europe, and more recently Central Europe, have raised their bank rates, even if in most instances the increase was not as spectacular as that of the British Bank rate.

Paul Einzig

Even if the United States cannot be said to have followed the British example, there can be little doubt that, amidst the worldwide trend of rising money rates, the opponents of dearer money within the Federal Reserve System found it more difficult to resist arguments in favor of increases.

In the old days, changes in the British Bank rate affected the monetary policies of other countries mainly through their effects of the international movements of funds. A high bank rate in London attracted money from all over the world, and British acceptance credits were repaid by debtors who were able to secure accommodation elsewhere. Long-term loans, too, were issued in other centres in preference to London. Various currencies had to be defended against the strain caused by this, and an increase of the bank rates was the obvious device for that purpose. To some degree this influence still operates. The 4½% bank rate did attract some funds to London, and many borrowers sought and found accommodation in other financial centres. In itself this influence would not have been sufficient, however, in existing circumstances to induce monetary authorities in overseas countries to raise the bank rate.

A high British bank rate tended to react on the monetary policies of other countries also through its direct effect on the balance of payments. The higher cost of financing stocks of commodities induced British firms to reduce their inventories. British imports declined. This meant that the exports of other countries declined, and they had to take steps to safeguard their balances of payments by means of higher money rates. There is no reason to suppose that this factor operated to any noteworthy extent in the present instance.

Finally, the British Bank rate exerted an international influence in the past through affecting the British price level. It tended to cause a decline in British prices. This resulted in a fall in British imports and a rise in British exports. This indirect effect on the balance of payments called for defensive measures by countries at whose expense Britain improved her balance of payments. In the present instance, however, the higher bank rate failed to cause a fall in British prices; indeed it even failed to check the rising trend.

Other countries have followed the British example so readily, in spite of the very limited effect of the higher British Bank rate on their respective economic situations, because conditions have been more or less inflationary in most countries, so that, apart altogether from any international considerations, the domestic situation called for dearer money. There may have been differences of degree between inflation in Britain and other countries, but fundamentally the inflation has been more or less world-wide.

There is of course nothing new in this. World-wide inflation has been proceeding, temporary setbacks apart, ever since the beginning of the Second World War. But until recently the fashion of cheap money reigned supreme, with few exceptions, the monetary authorities were reluctant to resist inflation by means of dear money. They preferred fiscal devices, or selective credit controls, or direct controls. Even though in 1953 Britain temporarily reverted to dear money, it was regarded as a temporary incident, and its influence on other countries was limited.

Britain's action in 1955, however, conveyed the impression that dear money—or at any rate dearer money—has come to stay. The fact that it was initiated by Britain, the country in which Keynesian cheap money policy originated, could not fail to create a profound impression in Treasuries and Central Banks, and also on the minds of monetary experts all over the world. In the light of the change of policy in Britain, it ceased to be taken for granted that cheap money must be maintained at all costs.

The failure of the British dear money policy to produce the desired result has not deterred other countries from following the British example. The main reason why the high bank rate has failed to check inflation in Britain has been over-full employment. Although there is a high degree of employment all over the world, in very few countries is labor as scarce as in Britain. This means that inflationary pressure due to the strong bargaining position of industrial labor is not such a predominant factor as in Britain, where it is the main cause of the inflationary pressure. In face of this overwhelmingly important factor, efforts to deflate by high bank rate are doomed to be as ineffective as efforts to deflate by Budgetary surpluses. Other countries are not in the same position, and they therefore feel justified in attempting to check inflation with the aid of higher bank rates.

Mr. Butler has now realized that direct intervention to induce the banks to restrict credit is preferable to raising the bank rate even higher and relying on its all-curing automatic effects. Possibly this example, too, will be followed by other countries. Perhaps they will await the outcome of the British credit squeeze. Already there are indications that the increase in British Bank advances has been checked and reversed. The monthly bank figures will be awaited with interest during the next few months. It remains to be seen whether a formal "request" by the Chancellor of the Exchequer to the banking community will succeed where dear money has failed. But it will remain a matter for argument whether such a request could in fact have produced the desired results if the ground had not been prepared for it by high bank rate. Indeed, orthodox believers in the bank rate are already arguing that the high interest rates could have produced their effect in any case, even in the absence of the Chancellor's intervention. This is of course difficult to prove or disprove.

Emerson W. Stiles With Nat'l Secs. & Research

Emerson W. Stiles has joined the investment management staff of National Securities & Research Corporation, 120 Broadway, New York City, sponsors and managers of a group of mutual investment funds, according to an announcement made yesterday by Henry J. Simonson, Jr., President. Mr. Stiles will be a Research Executive in the industrial division. Mr. Stiles received his education at the University of Michigan and New York University where he majored in economics and finance.

Emerson W. Stiles

He was with the Chemical Corn Exchange Bank for over 14 years specializing in industrial securities. He was Assistant Manager of the investment research division, following which he spent the last five years in the personal trust department.

Mr. Stiles' experience has been extensive in securities analysis. His past duties included the investment of funds for trusts, estates and supervisory accounts.

Three Join Staff of Hancock, Blackstock

ATLANTA, Ga.—Howard C. Traywick, Arthur F. Rees, III, and R. Ellis Godshall, all former officers of the Trust Company of Georgia, are now members of the investment banking firm of Hancock, Blackstock & Company, Fulton National Bank Building, Atlanta, Georgia, in charge of their Municipal Bond Department. All three men have had wide experience in the banking and municipal bond fields.

Howard C. Traywick

Arthur F. Rees, III

R. Ellis Godshall

Howard C. Traywick was with Scott, Horner & Mason, investment bankers in Lynchburg, Virginia, until joining the Trust Company of Georgia in 1943.

Arthur F. Rees, III, joined the Trust Company of Georgia in 1949.

R. Ellis Godshall was with the Trust Company of Georgia from 1946 until 1955.

Continued from page 2

The Security I Like Best

to be carried out where the uranium deposits are rich.

It isn't possible to make broad statements about the possibilities of underground uranium extraction by hydaulic methods without detailed study of the strata. American States' own water flood is probably too small for much of an operation, but the experience gained has enabled Grimmet and his men to tie up with a major oil company doing a water flood which yields 25,000 barrels a day. By placing its devices at the tag end of the major's water flood, American States may develop a tidy business in uranium at relatively low costs.

Moreover, experience with dissolving uranium in water has led to the hope of tying in a water flood operation with a placer mining of adjacent uranium land where the uranium is present at the surface rather than in strata thousands of feet below. In this case, the water coming from the recycling of the flood would be used to placer-mine the surface ore. By not sticking up his nose at the possibility of recovering uranium from oil strata, Grimmet has put himself in a position to use his technique profitably in some way and at $1 a share the speculator isn't paying much if anything for this possibility. The stock is traded in the Over-the-Counter Market.

Shearson, Hammill Branch

LOS ANGELES, Calif.—On Sept. 6, 1955, Shearson, Hammill & Co. will open a branch office at 1310 Westwood Boulevard, under the management of Claude D. Bedel.

Our Reporter on Governments

By JOHN T. CHIPPENDALE, JR.

A cautious and defensive government market, in the process of adjusting its position to the credit limiting and interest rate hardening operations of the monetary authorities, continues to be moved about very readily. It is very definite that the pressure on the money markets is increasing, (Federal sold Treasury bills, last week), with indications that there will be no let-up as long as there are evidences of maladjustments in the economy. The demand for money is still very sizable and the resultant competition for investible funds, along with the credit restraint of the powers that be, is pushing interest rates up. Rumor has it that the rediscount rate will again be upped in September, ahead of the expected government financing in October.

It is reported that the policy of "mild restraint" of the monetary authorities has been abandoned in favor of an out-and-out-one of credit "restraint." This would indicate greater pressure on the money markets.

Emphasis on Short-Terms

The interest rate raising and credit limiting operation is still being carried on and as a result the money market continues to be on the defensive. The quest for liquidity is as strong as ever, which means that the demand for short-term government securities is emphasized. This is not an unusual development because in times of uncertainty, it is expected that a considerable amount of caution will be displayed by those that have funds to be put to work.

The credit restraint policy of the monetary authorities is having a tightening effect on the lending policies of the banks. To be sure, this may be only a straw in the wind, but the fact that one of the large New York City banks recently called some loans made to brokers against securities appears to be indicative of the existing tightness of money among the deposit institutions.

Market for Bonds Very Thin

The intermediate and longer term government securities have been backing and filling on not too much volume or activity because the market for these obligations is still very thin, professional to a marked degree, and very susceptible to rumors and "open mouth operations." In spite of the lack of the real important interest from large institutional investors, there has been and still is a certain amount of bargain hunting buying being done by those that have money to be put to work in government securities. This, along with the operations of dealers and traders, has given a thin government market at times a certain amount of buoyancy which has been sufficient to move quotations up rather sharply. To be sure, a substantial part of these price changes have been brought about by "quoting up" rather than by the volume of the demand for these issues.

On the other hand, when the market goes down under the influence of rumors, which are in reality "feelers," or "open mouth operations," or because of the raising of bankers acceptance rates, or other money rates, there has not been very much volume in these declines. Herein again, there is a very definite tendency, according to reports, to "quote prices down." This means that bids are very nominal and they are dropped rather sharply, with very little if any trading being done. As a result, quotations of the intermediate and longer Government securities from time to time are being moved up and down, seemingly without too much significance being attached to these gyrations.

Market Reaching Bottom Level?

It is nonetheless the opinion of certain money market specialists that these backing and filling movements do have a definite meaning as far as the Government market is concerned. It appears to be the belief of this group that these pulsating price movements are the forerunners of a bottom which will eventually be worked out by the more distant Government obligations.

There is evidence that public pension funds and, to a lesser degree, private pension funds, have been buyers of the higher yielding Government bonds. Scale orders have been used in some cases, while in others spot purchases have been made when the needed amount of bonds have been obtainable at prices which were considered to be favorable.

It is reported that a rather sizeable amount of money is being put into Treasury bills by both individuals and institutions, with the funds which are being used for these purchases coming from the sale of common stocks.

Iowa Inv. Bankers to Hold Annual Field Day

DES MOINES, Iowa—The Iowa Investment Bankers Association will hold its annual field day at the Des Moines Golf and Country Club on Thursday, Sept. 8. There will be a breakfast at the Hotel Savery at 9 a.m. with buffet luncheon and dinner at the Club. Registration fee for member, $20; for guests, $25. Reservations should be made with James R. Rasley, Iowa Des Moines National Bank.

Members of the Field Day Committee are: Harry L. Westphal, Iowa Des Moines National Bank, General Chairman; Joe Becker, Carleton D. Beh & Co., Assistant Chairman.

Reservations: Ray Allender, Carleton D. Beh & Co., Chairman; Victor Becker, Becker & Cownie, Inc.

Transportation: Norman Conway, Conway Brothers, Chairman; James Conway, Conway Brothers; Henry Wells.

Prizes: James Cownie, Becker & Cownie, Inc., Chairman; Harry Graefe, First of Iowa Corporation.

Special Event: Sherman Fowler, First of Iowa Corporation, Chairman; John Dooley, Merrill Lynch, Pierce, Fenner & Beane; Glenn Ravenscroft, Ravenscroft & Co., Cedar Rapids; Walter Vieth, Vieth, Duncan & Wood, Davenport; Frank Warden, Central National Bank & Trust Co.; Owen McDermott, Shaw, McDermott & Co.

Golf: Bill Becker, Chairman; William Morrissey; John Beyer, Beyer-Reuffel & Co., Davenport.

Halsey, Stuart Group Offers St. Louis-San Francisco Ry. Bonds

Halsey, Stuart & Co., Inc. and associates are offering $19,500,000 St. Louis-San Francisco Ry. Co. first mortgage bonds, series B, 4%, dated Sept. 1, 1955 and due Sept. 1, 1980 at 99.21%, to yield 4.05%. The group was awarded the bonds at competitive sale yesterday (Aug. 24) on a bid of 98.30%, an interest cost of 4.11% to the railroad. Issuance and sale of the bonds are subject to authorization of the Interstate Commerce Commission.

Proceeds from the sale will be used to replenish the railroad's treasury cash in order that the Frisco may continue its improvement and modernization program. During the eight years, 1947-1954, the railroad and its pledged subsidiaries expended over $153,000,000 for additions and betterments. Of this sum approximately $104,000,000 was spent for equipment, against which equipment obligations of some $70,406,000 were issued. The balance of expenditures, or approximately $82,594,000, was made from treasury cash.

The bonds will have the benefit of an annual sinking fund beginning May 1, 1957. For the sinking fund the bonds will be redeemable at the principal amount. The bonds are also redeemable at the option of the company at prices ranging from 103¼% to 100%.

On June 30, 1955 the company had outstanding $68,848,200 first mortgage 4% bonds due 1997, $26,663,600 second mortgage 4½% income bonds due 2022, $47,498,243 equipment and miscellaneous obligations, 616,038 shares of 5% preferred stock with a par value of $100 a share, and 1,749,577 shares of no par common stock.

Consolidated total operating revenues during 1954 were $125,674,636; balance available for fixed charges, $13,060,005; fixed charges, $4,219,069, and balance after fixed charges, $8,840,936. For the five months ended May 31, 1955 operating revenues totaled $55,075,334, compared with $52,380,778 for the same period of 1954; balance available for fixed charges was $6,757,742, against $4,557,257; and balance after fixed charges was $5,022,609, compared with $2,817,138.

Included in the offering group are: Bear, Stearns & Co.; Blair & Co. Incorporated; R. W. Pressprich & Co.; Salomon Bros. & Hutzler; Schoellkopf, Hutton & Pomeroy, Inc.; Weeden & Co. Inc.; Baxter, Williams & Co.; Stroud & Co., Inc.; Auchincloss, Parker & Redpath; New York Hanseatic Corp.; Shearson, Hammill & Co.; Adams & Peck; Courts & Co.; Bache & Co.' Wm. E. Pollock & Co., Inc.; F. S. Smithers & Co.; Bacon, Whipple & Co.; Swiss American Corp.; Freeman & Co.; Thomas & Co.; DeHaven & Townsend, Crouter & Bodine; Foster & Marshall; McMaster Hutchinson & Co.; Raffensperger, Hughes & Co., Inc.; Stifel, Nicolaus & Co., Inc.; F. S. Yantis & Co., Inc.; and Walter Stokes & Co.

Two With W. E. Hutton

(Special to THE FINANCIAL CHRONICLE)

LEWISTON, Me.—Mrs. Shirley R. Blanchard and Hilton J. Ridlon have joined the staff of W. E. Hutton & Co., Manufacturers National Bank Building.

With Stewart, Eubanks

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Joseph W. Hampton has become connected with Stewart, Eubanks, Meyerson & Co., 216 Montgomery Street, members of the San Francisco and Los Angeles Stock Exchanges.. He was previously with Hannaford & Talbot.

Railroad Securities

Baltimore & Ohio

Editor's Note: Subsequent to the preparation of this article, it was announced that the offfering in question had been postponed to allow for some minor changes in the provisions.

* * *

Baltimore & Ohio is now embarked on the final phase of its comprehensive debt retirement and consolidation program which had its inception in the first Adjustment plan of 1938 and which has gained momentum rapidly during the past year. The present operation involves the creation of a new blanket First Consolidated Mortgage which is to have a first lien on virtually all of the company's mileage. Initially this mortgage is to be outstanding in the amount of $280 million in three series as follows:

(000,000 Omitted)

$80	Series "A" 3¾s	due in 1970
$80	Series "B" 4s	due in 1980
$120	Series "C" 4⅛s	due in 1995

Each of the separate series will have the benefit of a sinking fund, contingent on earnings but fully cumulative, calculated to retire 65% of both the Series "A" and Series "B" bonds and 72.9% of the Series "C" bonds prior to their respective maturities.

The new bonds will replace all of the major existing prior lien and underlying mortgage bonds and the various series of the existing Refunding & General Mortgage bonds. These now existing mortgage bonds are outstanding in the amount of $268,758,050 with an aggregate redemption cost of $281,118,474. Holders of the old bonds will have the privilege of exchanging their holdings for new bonds of any series until Sept. 12, with $120 million of the new bonds reserved specifically for that purpose until Sept. 2. Public sale of the balance, plus any remaining unexchanged "reserved" bonds, will be made at par on a "best efforts" basis by an underwriting group. Bonds now outstanding will be called for redemption at their earliest subsequent call date if the plan is successful. This will go a long way toward cleaning up a once quite complicated debt structure and the operation will also result in a significant saving in annual interest charges.

Earlier this year Baltimore & Ohio sold $35 million of 3½% Secured Serial Notes. The proceeds from which were used to retire the remaining $40 million Collateral 4s, 1965, and also sold its holdings of Chicago Terminal bonds and stock, the proceeds from which ($34.5 million) were used to retire Refunding & General Mortgage 5s and 6s. These two operations resulted in a reduction in annual interest costs of $2,346,730 initially and this saving will increase as serial payments are made on the notes. The interest saving anticipated from the present operation will initially amount to $1,264,867 and this also will increase as bonds are retired through operation of the sinking fund. Thus it is estimated that on completion of the present financing, aggregate fixed charges and contingent interest will be down to $19,624,000 on an annual basis. This reduction in charges will considerably modify some of the onerous provisions imposed on the company in its 1944 Adjustment Plan.

Supplementing the favorable implications of the financial and debt progress, Baltimore & Ohio has been experiencing a significant recovery in earnings this year despite a sharp increase in Federal income taxes. Gross revenues for the first half of the year showed a somewhat wider year-to-year gain than did the industry as a whole. The management was able to pare nearly two points off the transportation ratio and there was a modest decline in the maintenance ratio. As a result, net income climbed nearly 75% above the level of the first half of 1954. Common share earnings amounted to $4.47 (before sinking and other reserve funds) compared with $2.37 a year earlier. Further year-to-year increases are looked for in subsequent months with the likelihood that the full year's results will top $7.50 a share. With such earnings, and the improvement in the company's debt structure, many analysts are looking forward to the possibility of liberalization of dividend policies.

Morgan Stanley Group Offers Pacific Tel. & Tel. Co. Debentures

Public offering of $67,000,000 36-year 3⅝% debentures of The Pacific Telephone & Telegraph Co. was made yesterday (Aug. 24) by Morgan Stanley & Co. and 53 associated underwriters. The debentures, due Aug. 15, 1991, are priced at 102.547% and accrued interest to yield 3.50% to maturity. The Morgan Stanley group was awarded the issue at competitive sale on Aug. 23 on its bid of 101.862, naming the above interest rate.

The communications company will use the proceeds from the sale of the debentures and from a forthcoming offering to common shareholders of 1,339,196 shares of additional common stock at $100 per share to repay bank borrowings and to finance extensions, additions and improvements to its telephone plant. In the five-year five-month period ended May 31, 1955, expenditures for new construction totaled approximately $907,000,000.

American Telephone & Telegraph Co. owns more than 90% of the common stock and over 78% of the voting preferred shares of the company. The parent company intends to subscribe for 1,199,849 new common shares, representing its pro rata portion of the offering.

The new debentures are redeemable at 105.547% through [illegible]. 14, 1960, at decreasing pre[illegible]ums through Aug. 14, 1986, and at the principal amount thereafter.

Of the company's 5,418,857 telephones in service, about 34% are in Los Angeles and vicinity and about 23% in San Francisco and surrounding area. The company's territory includes California, Oregon, Washington and northern Idaho and, through a subsidiary, Nevada.

For the five months ended May 31, 1955, the company had total operating revenues of $286,493,340 compared with $249,419,282 in the corresponding period last year. Total income before interest deductions for the respective periods was $40,016,876 and $30,298,339.

Joins Victor A. Uhl

(Special to THE FINANCIAL CHRONICLE)

SPRINGFIELD, Ill.—Arthur F. C. Avery is now associated with Victor A. Uhl & Company, Myers Building.

Quail Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

DAVENPORT, Iowa—Fugene F. Gerwe is with Quail & Co., Davenport Bank Building, members of the Midwest Stock Exchange.

LETTER TO THE EDITOR:

Additional Comment on Outlook For the Railroad Industry

Steadily expanding list of customers, along with multi-million dollar capital expenditures, point up excellent prospects for Southern Railway System according to President Harry A. DeButts. Says implementation of Cabinet Committee's recommendations will aid nation's business and industry.

The following comment by President Harry A. DeButts of the Southern Railway System was received too late for inclusion in the "Chronicle" of Aug. 18 which contained the views of many other rail executives on the outlook for the individual carriers and the railroad industry in general.—EDITOR.

Editor, Commercial and Financial Chronicle:

Prospects in the immediate and for the long-range future are excellent for the Southern Railway System and the South it serves.

Such a statement in justified by an informed optimism based on knowledge of a steadily expanding list of customers for the services offered by the Southern. It is supported by a multi-million-dollar proof in railroad plant expansion, improvement and modernization. This is not only keeping pace with increased demands for railroad service but is preparing for anticipated enlarged needs for rail links with markets and sources of supply for industry.

Harry A. DeButts

In an article appearing in the June, 1955, issue of "Harper's Magazine," Peter F., Drucker, Professor of Management, Graduate School of Business at New York University, describes changes which he foresees as occurring in the next 20 years. One very pertinent sentence reads: "Above all, the basic difference between the agrarian South and the industrial or commercial North — which has shaped so much of American history and culture—will tend to disappear."

The "disappearing" has been going on for years: Professor Drucker envisions the near end of it within two decades.

During the 10-year period, 1945-1954, inclusive, the number of new plants, new and enlarged distributing warehouses and major plant enlargements along the line of the Southern Railway System totaled 3,584, a daily average of more than one and one-third such developments each working day.

In this same approximate period, since the end of World War II, the Southern has spent $327 million for improvements, building into its plant increased operating efficiency which means better service for customers. Included in this expenditure has been the completion of our program of dieselization. Forty-three percent of our freight car fleet of 53,400 cars has been placed in service now. The more than 23,000 new cars have cost about $106 million.

Three new ultramodern electronic freight classification and forwarding yards have been completed and a fourth is under construction. Other yards have been enlarged or modernized. The $52½ millions spent on this work is one of the best investments for faster, improved and more economical service that we have ever made.

Good business judgment in the carrying out of our imposed duties as a common carrier has enabled us to come so far. But we labor under a handicap businesswise of being regarded by law, and regulated, as a monopoly industry.

For many years the national transportation policy has needed revision to meet modern competitive conditions in the furnishing of transportation services for American business and industry.

Legislation to come before the next session of Congress reflects the carefully considered recommendations of a Cabinet Committee appointed by President Eisenhower to study needed changes in the national transportation policy and existing law. The American railroads are willing to take their chances and prove their worth in the manner contemplated by the proposed legislation. Other types of carriers have expressed their total opposition.

As they are given opportunity, the railroads will present their testimony to the interested committees of Congress. But it will be far more important that business and industry dependent upon strong common carrier transportation agencies make known to Congress their position. Many are already on record favoring the basic premise of the legislation now pending—that no transportation medium be prevented by law from rendering the best possible service at lowest cost to customers.

We are constantly improving the Southern Railway System to do that for the part of the South to serve.

HARRY A. DE BUTTS
President, Southern
Railway System.

Washington, D. C.,
Aug. 18, 1955.

Joins Emory Reece

(Special to THE FINANCIAL CHRONICLE)

COLORADO SPRINGS, Colo.—Donald W. Finken has joined the staff of Emory Reece, 3750 North Nevada Avenue.

Joins Waldron Staff

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Lee L. Freye has become affiliated with Waldron & Company, Russ Building. Mr. Freye was previously with Coombs and Company.

Branch in Denver

DENVER, Colo.—Rocky Mountain Securities of Salt Lake City has opened a branch office in the First National Bank Building.

Walston Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Harold R. Sullivan is now with Walston & Co., 265 Montgomery Street, members of the New York and San Francisco Stock Exchanges.

Petticoat Money

By BURT KLEINER

Vice-President, Cantor, Fitzgerald & Co., Inc.
Investment Bankers, Beverly Hills, Calif.

Noting that the real money masters of the United States are not men, but women, who participate in 85% of all purchasing decisions, West Coast investment banker deplores the fact that the average woman is notably unsophisticated in investment finance. Cites results of a survey of reasons why women have acquired stocks, and points to needed guidance and education for women investors.

The real money masters of the United States are money mistresses. The hand that rocks the cradle controls the purse strings—and not always with wisdom. The average American woman has plenty of money and does'nt quite know what to do with it. Let me substantiate that statement:

Burt Kleiner

Women participate in an estimated 85% of all purchasing decisions. Women—working women, that is—hold an estimated $80,000,000,000 of disposable income. Women own 65% of all accounts held in mutual savings banks. Women are paid 72% of life insurance death benefits. Women own 66% of all defense bonds. Women stockholders outnumber men stockholders by 8,432,400 to 7,564,700.

The female of the species is wealthier than the male.

But unfortunately the possession of money doesn't imply the knowledge of what to do with it. The average woman is notably unsophisticated in investment finance. I'm not referring now to the more fantastic cases of bilking—newspaper stories of women who give their savings to strangers as "deposits" in some get-rich-quick scheme; of those who "invest" in money-making machines; of those taken in by the old Spanish prisoner swindle; of purchasers of utterly fraudulent securities. Such cases are spectacular but numerically insignificant. My concern is with the millions of women whose loss is of a subtler character, namely not getting the best possible outlet for their investment dollars.

When a woman receives $4,000 after taxes on an investment where $5,000 might have been realized with equal safety, the woman is losing $1,000 just as surely as if she had been taken for a thousand dollars by a flim-flam artist.

Now, is the average American female really unknowledgeable on investment matters? I'm afraid she is. Her ken extends only to the more obvious forms of fund placement. For example, figures show that although percentage distribution between the two genders is well balanced (between 45 and 55%) on life insurance, government bonds, savings accounts, publicly owned stocks and real estate mortgages and bonds, men hold 62% of privately held stocks compared to 38% for women. And in many instances stock ownership by women hardly constitutes proof of profound understanding of corporate values.

How Women Have Acquired Stocks

In a survey of the reasons given by women for acquiring ownership of stock 30% said they had inherited the stock or had received it as a gift; 11% bought on the say-so of the family attorney, banker or broker; and 5% bought the shares because they or members of the family worked for the company in question. Such reasons hardly qualify the stockholders as shrewd investors.

What advice should be given to women with money to invest? To put it in the bank or in "E" bonds? Such a solution would be safe but it would needlessly limit income. To put the funds in a mutual fund? The one defect of open- and closed-end investment companies is that the same investments are tailored to fit many different people. For example, someone in the top income bracket requires investments with the accents on appreciation (with an eye on that 25% capital gain tax) whereas an elderly widow should avoid speculative stocks and seek securities offering safe and steady income. But both of these contrasting cases would be lumped together by an investment trust. How then should the petticoated investor proceed?

Women Should Have First Hand Investment Knowledge

In my opinion there is no substitute for personal first-hand knowledge. There is nothing abstruse or esoteric about the principles of investment. I know of one case in which a wealthy man stipulated in his will that his widow must educate herself in the practice of investment. She did. She read books on the subject, she consulted businessmen and brokers, she followed markets and corporate reports and after some months' intensive study she became highly competent to invest her late husband's estate safely and profitably. She even found the chore a stimulating one and more fun than canasta or matinees.

Women investors do need guidance of course. Fortunately there are thousands of reputable brokers, investment advisers and security dealers who may be consulted. But the intelligent woman investor will never content herself with asking, "What should I buy?" or "When shall I sell?" She must know the reasons.

Through finance forums and lectures by stock exchange officials in various cities many women are daily learning the facts of financial life. But the number remains too few. When women know as much about stock splits and debentures and the Dow-Jones averages as about movie star gossip, recipes, fashions and bargain sales, the investment millenium will have arrived.

THE MARKET . . . AND YOU

By WALLACE STREETE

Stocks snapped out of a rather protracted spell of lethargy this week with a good rally sparked by the rails and joined in by the better-class issues. There was little in the news to inspire the runup which seemed largely technical in that a long-awaited show of strength in the rails gave sentiment a lift.

* * *

No important milestones were reached because the rather persistent downdrift by the averages in the long string of dull sessions had left the list in the lower half of its August trading range. It was encouraging, however, that any concerted show could put on in view of the general expectation that backing and filling would be routine until Labor Day is reached.

* * *

American Telephone stock, the rights and the company's new debentures, made a big stir, at least in volume, in the markets. One-day transactions in Telephone reached an $18,000,000 turnover level and the value of the rights traded shamed the dollar turnover in many of the other highest-grade stocks. Trading in the debentures dominated the bond market. A good bit of selling at one point was offset by arbitrage buying elsewhere.

Anaconda's Push

Like the blue chips generally, the coppers showed an ability to stir up some spirited buying on slight excuses. Anaconda, which made additional information available about its new Chilean copper mine, greeted the news with a rousing push into new high territory on a gain that could discount much improvement in the company's finances.

* * *

General Dynamics similarly bounded ahead when it was disclosed that two additional atomic submarines are slated for its yards in the year's naval program. However, Dynamics still has a score of points to go to forge into the same high level that it sold at during the enthusiasm for defense issues of earlier this year. The prime aircraft makers, not having the allure of atomic energy, were much more restrained.

A New Split Candidate

With attention diverted away from duPont where a widely expected stock split failed to materialize, the split hopes seemed to center on Allied Chemical which emerged as something of a leader for the group. American Cyanamid was a bit more persistent on strength but carved out more moderate gains than Allied which went in for multi-point jumps in a single session.

* * *

By now the top grade issues have about halved their yields with some spotty stock splits also relegated to history. Bethlehem, which has disappointed the split hopefuls a couple of times, still is a split suspect and consequently was able to show the wider swings.

* * *

Steels and oils, while swaying with the general market and offering an occasional sprinter for the list of features, actually made little important progress. There weren't many buy recommendations centering on the ferrous group in the market letters as there were in the better grade issues a couple of years back when they showed an 8% yield.

Tipsters' Pre-Holiday Caution

In fact, there weren't many general buy recommendations of any kind being bandied about because of the uncertainties incident to the Labor Day weekend. The majority sentiment is expected to remain cautious until that turning point is reached. Tempering the outlook is the fact that any marked upturn in business activity in the Fall, as is traditional, would again bring into the limelight the government's intention of putting on the brakes before the boom gets out of hand. The better the Fall upturn in business, the more likely it is that even more official restraints would be due which is hardly the way to kindle unbridled optimism in the stock market.

* * *

The spread between bond and stock yields has also caused some concern since it has narrowed to where statisticians have to go back a quarter of a century for comparisons. Third-quarter dividend largesse, of course, could reduce this potential trouble spot rather easily but the attitude seems to be one of letting the chances for such action crystallize a bit more before taking a firm stand.

A Repeated Recommendation

Among a rather large group of the better-known market students, in fact, about the only repetition in their somewhat timid recommendations seems to be Woolworth. The chief point is not that dynamic action is imminent but rather that it is one of the blue chips that isn't even loosely included among those rated as "high." The company's business is improving and its important British holdings account for so much of the stock's price that the issue is well situated defensively. The stock has sold higher than present repeatedly since World War II and is only a trifle over its peak of dour 1933 currently. Unlike many of the other bluebloods well ahead of 1929 peaks, Woolworth is only selling for around half of that optimistic top.

Drug Stocks Liked

Drug stocks, which have had price war trouble to hold them back for several years now, were also regarded a bit more highly than the lofty blue chips. Their most recent runup on the Salk vaccine, and subsequent backing off when the program ran into snags, did little to lift them from their status as a depressed group. Meanwhile their business has been growing quietly with improving profit margins which is expected to put them in the forefront of issues where more liberal dividend treatment is a possibility.

* * *

American Home Products, which is well diversified what with food and household products added to its drug lines, has been somewhat more popular than the prime drug makers without, as yet, refecting too much marketwise. It has been lolling about midway in its year's range. Merck, Parke Davis and Pfizer have also been somewhat laggard marketwise. Vick Chemical, which has had occasional market strength until very recently, is about the only one of the group that is in easy position to try a new high on any good demand.

Motors have been largely neglected with some spirited rebounds logically following persistent easiness in the big companies. For the independents, the story was a grim one with both American Motors and Studebaker Packard fluttering to new lows rather persistently, as the high-pressure competition between the Big Three precludes their making any sensational advances in what is certainly a record year and may be a peak one.

The food chains, original favorities when tightening of the money rates first started, have pretty much subsided in line with the pre-Labor Day idleness. Foremost Dairies, newly listed and consequently the holder of a narrow price range so far, started out well and appeared on the new highs list several times but then it, too, went into something of a rest.

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

LETTER TO THE EDITOR:

Corrects Report on Study Group's Attitude on Variable Annuities

Richard B. Evans, President of the Colonial Life Insurance Company, and Chairman of committee of two principal trade associations of life companies, in commenting on Dr. Sakolski's first article on subject, says no serious consideration was given by the committee to a blanket opposition to the variable benefit principle.

Editor, Commercial and Financial Chronicle:

Dr. Sakolski's article, "Variable Annuities—A Dangerous Experiment," which appeared in the Aug. 4, 1955, edition of the Commercial and Financial Chronicle, has been brought to my attention.

As Chairman of the Committee, appointed by the Life Insurance Association of America and the American Life Convention, to study the subject of Variable Annuities and make recommendations to the governing bodies of these two principal trade associations of our business, it is quite important that I bring to your attention several serious misstatements of fact which appear in Dr. Sakolski's references to our joint committee.

Created in December, 1954, the Committee is made up of officers of life insurance companies quite representative of our business in size and geographic location. Members of our committee also represent about every complexion of attitude and thinking on the subject of Variable Annuities.

The committee has been meeting regularly in study of every facet of the subject for at the outset it was quite apparent to all of us the approach to a variable benefit program presented many problems.

Dr. Sakolski has stated:

"It is reliably reported, for example, that in the last scheduled meeting of a joint committee set up to prepare an industry-sponsored memorandum opposing variable annuity legislation (a position which had up to then received unanimous approval of all committee members) the Prudential representative on the committee announced that the Prudential, that very day, was introducing variable annuity bills in the New Jersey Legislature."

Contrary to this statement, never in the deliberation of our committee has there been any serious consideration given to our recommending to our industry blanket opposition to the Variable Benefit principle. Our studies have been directed more to the possibile regulations and controls which would be needed if enabling legislation was being considered in any State.

Furthermore, in contradiction of Dr. Sakolski's statement, our committee was fully informed of the Prudential's decision to sponsor Variable Annuity legislation in New Jersey well before the bills were introduced.

Consistent with your publication's established reputation for accurate reporting, I am sure that you will wish to correct these misstatements appearing in Dr. Sakolski's article of Aug. 4.

RICHARD B. EVANS,
President.

The Colonial Life Insurance Company of America,
East Orange, New Jersey,
Aug. 23, 1955.

LETTER TO THE EDITOR:

Comments on Houghton's Study On Stocks and Mutual Funds

Richard B. Fisher, of King Merritt & Co., Inc., Pittsburgh, holds only conclusion we can come to at the end of Mr. Houghton's article is that Mutual Funds have done pretty well in comparison with actuality, if not fantasy.

Editor, Commercial and Financial Chronicle:

I read with a great deal of interest Mr. Richard A. Houghton's article on common stocks and mutuals funds. It is a interesting theme however the most important elixir is not quite emphasized enough and that magic tonic is **hindsight.**

May I suggest to discount the idea that many investors large or small "arbitrarily and alphabetically" could have selected the stocks that Mr. Houghton with easy hindsight measures the mutual funds.

The small investor is often a victim of his emotions or his wife's or his friends' and even if he could have choosen the stocks in 1949 some well meaning emotion would have sold him out of it long, long before 1955.

The only conclusion we can come to at the end of Mr. Houghton's article is that "armed with a knowledge" of the existence of mutual funds they have done pretty good in comparision with actuality, if not fantasy.

RICHARD B. FISHER
King Merritt & Co., Inc.
Pittsburgh 22, Pa.
August 22, 1955

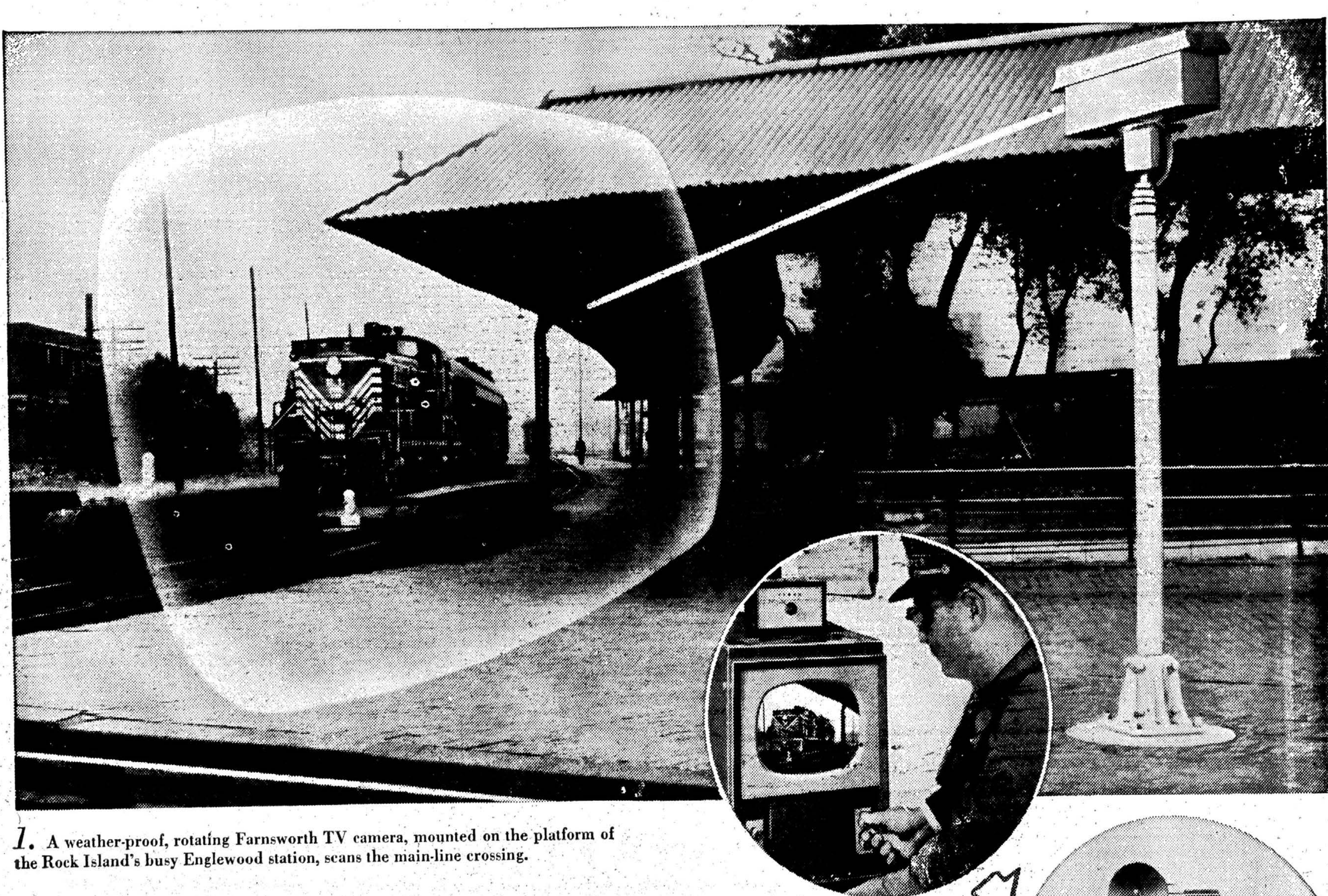
Two With York & Co.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Frederick W. Caton, William W. Guelph, and Lauren G. Hannaford have become associated with York & Co., 235 Montgomery Street, members of the San Francisco Stock Exchange. Mr. Guelph was previously with Kaiser & Co. Mr. Hannaford was with Hannaford & Talbot.

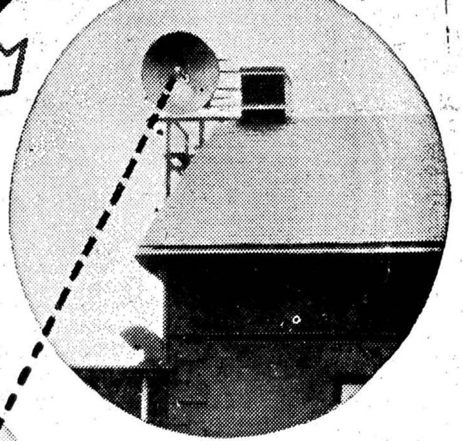
Now Cayias, Larson, Glaser

SALT LAKE CITY, Utah—The firm name of Havenor-Cayias, Inc., Newhouse Building, has been changed to Cayias, Larson, Glaser, Emeric, Inc. The firm has opened a new branch in Seattle, Wash. in the Joshua Green Building, under the direction of Wallace B. Johnson.



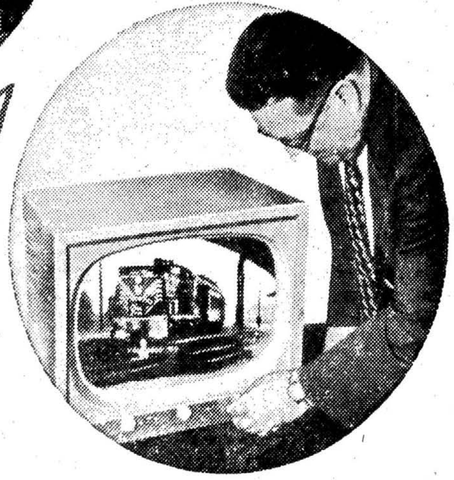
1. A weather-proof, rotating Farnsworth TV camera, mounted on the platform of the Rock Island's busy Englewood station, scans the main-line crossing.

2. The visual information is fed by cable to a TV monitor at the station.



3. Simultaneously, the picture is transmitted by Federal microwave from an antenna on the station roof.

4. A similar antenna receives the picture at the LaSalle Street Union Station and feeds it to another monitor there.



5. Thus, six miles away, Rock Island executives can see the actual loading and unloading of passengers, baggage, and mail, as well as other railroad operations.

Railroad's significant test of

IT&T VISUAL COMMUNICATION SYSTEM

suggests many applications for closed-circuit TV combined with microwave relay

THE Chicago, Rock Island and Pacific Railroad has shown by this pioneering test how IT&T's TV-microwave system can help solve railroad traffic problems in high-density areas.

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67 Broad Street, New York 4, N. Y.

For further information on closed-circuit TV and microwave relay for railway use, address Federal Telephone and Radio Company, 100 Kingsland Road, Clifton, N. J.

NEWS ABOUT BANKS AND BANKERS

CONSOLIDATIONS
NEW BRANCHES
NEW OFFICERS, ETC.
REVISED CAPITALIZATIONS

William M. Simmons was appointed a Vice-President of **The First National City Bank of New York**, at the regular meeting of the Board of Directors of the bank, on Aug. 24. Assigned to the Bank's Overseas Division since 1924, Mr. Simmons until recently was Manager of First National City's **Manila Branch in The Philippines.** He is now doing special assignment work for the Bank in the Middle East. During his overseas experience for the Bank, Mr. Simmons has served in Rangoon, Singapore, Shanghai, Bombay, Hong Kong, and Manila.

William M. Simmons

* * *

Charles D. Runyan, President of the **Trust Company of North America, of New York,** announced on Aug. 23 that a group of private investors has purchased substantially all of the outstanding stock of the bank. Trust Company of North America began business on March 4, 1924. The only new officer elected was Louis E. Goldstein, as Chairman of the Board. Jacob Schapiro, formerly Chairman of the Board, will continue as a director, as well as Mr. Runyan and Ronald B. Smith, Vice-President and Treasurer. Edward F. Henderson will continue as Secretary. Mr. Goldstein is resigning as Senior Vice-President and director of the **Meadow Brook National Bank, Freeport, N. Y.,** and as Chairman of the **Nassau County Clearing House Association.** He has also been a member of the Council of Administration of the New York State Bankers Association. Sidney Friedman, of the law firm of Cole, Grimes, Friedman & Dietz, and Francis Ariowitsch and Irving Karlin have been elected new directors of Trust Company of North America. Long known as a "Brokers Bank," the institution will continue operations at its present address, 115 Broadway.

* * *

The Hanover Bank of New York announced on Aug. 18 that, subject to the approval of banking authorities, it will open a branch office at the northeast corner of Madison Avenue and 47th Street in the proposed new Union Carbide Building. The branch will be The Hanover's ninth in the city. Occupancy is expected upon completion of the building, now scheduled for 1958. The building, a 41-story structure, will occupy the entire block between Park and Madison Avenues and 47th and 48th Streets. Present Hanover branches nearest the new site are the 42nd Street office at 42nd Street and Madison Avenue and the Rockefeller Center office at Rockefeller Plaza and 50th Street.

* * *

More than 96% of the 24,000 shares of capital stock of the **Auburn Trust Company, of Auburn, N. Y.,** it is announced, were acquired on Aug. 18 by **Marine Midland Corporation of Buffalo, N. Y.,** in exchange for shares of its common stock. The announcement was made by Baldwin Maull, President of Marine Midland Corporation, and Eugene C. Donovan, President of Auburn Trust Company. The basis of exchange is four shares of Marine Midland for each share of Auburn Trust. The Auburn Trust Company, which operates a branch office in Port Byron, N. Y., thus becomes the 12th Marine Midland bank serving New York State. These 12 banks now operate 146 banking offices in 71 New York State communities. Assets of the Auburn Trust Company are currently reported in excess of $22,000,000 and deposits are approximately $20,000,000. It was stated that present plans, subject to approval by the regulatory banking authorities, are to merge the Auburn Trust Company with **The Marine Midland Trust Company of Central New York,** a Marine Midland bank, when Mr. Donovan will become a Senior Vice-President and director of the merged bank.

* * *

An addition of $50,000 has been made to the capital of the **Rondout National Bank of Kingston, N. Y.** by the sale of that amount of new stock, the capital of the bank having thereby been increased from $150,000 to $200,000 as of Aug. 8.

* * *

Approval was announced on Aug. 8 by the New York State Banking Department of plans for an increase in the capital of the **Manufacturers & Traders Trust Company of Buffalo, N. Y.,** from $6,020,000, in 602,000 shares, par $10 per share, to $6,695,000, consisting of 1,339,000 shares, par $5 per share. Also on Aug. 8 announcement was made by the Banking Department of the **First National Bank of Buffalo** with the Manufacturers & Traders Trust Co. under the charter and title of the latter. The head office of the bank and its branch, will be operated as branches of the Manufacturers & Traders Trust.

* * *

With a final payment of $650,000 on Aug. 15, the preferred stock outstanding of the **Camden Trust Company of Camden, N. J.,** has been fully retired, it was indicated on Aug. 17 by Robert J. Kiesling, President of the company, who in commenting on the bank's position on Aug. 15 stated that concurrent with the merger with Oaklyn (N. J.) National Bank) it "reflects major accomplishments since the bank was recapitalized under its present name in 1938 at which time preferred stock of the bank was outstanding with a retireable value of $6 877,500." A statement of condition issued at the time of the reorganization, April 11, 1938, it is said, showed capital consisting of preferred stock of $2,289,250, of which $2,066,250 was retireable at $10 per share, par value $3, common stock of $445.500, surplus and undivided profits of $765,250 and reserves of $612,052.70, with total resources amounting to $35,103,150.85. In his advices Mr. Kieslings says:

"The Aug. 15, 1955 statement gives effect to the complete retirement of all preferred stock outstanding and shows common stock ($5 par) of $3,000,000, surplus of $6,000,000 and undivided profits amounting to $1,628 344 39, with total resources of $141.132,432.97. In addition, the bank has established out of earnings, under a formula approved by the Bureau of Internal Revenue, a reserve of $2,600,000."

The merger of the Oaklyn National Bank with the Camden Trust Co. was noted in our Aug. 4 issue, page 481.

* * *

Announcement was made on Aug. 18 by the directors of the **West Hudson National Bank of Harrison, N. J.** that the new common stock offered to the stockholders had been oversubscribed. From the "Newark Evening News" of Aug. 18 we quote the following as to the result of the offering:

Over 176,000 shares of stock were subscribed for, whereas only 87,000 shares are available for sale. More than 92,000 shares of stock were subscribed for by other than the present stockholders in addition to 83,000 shares taken by them under their preemptive rights.

The stock was offered at $4 a share.

With the proceeds from the sale of the common stock and the preferred stock which is to be sold to Mutual Benefit Life Insurance Co. in the sum of $500,000, the bank will retire all of the preferred stock now held by Reconstruction Finance Corporation. The retireable value of that stock is $901,000.

The plans regarding the recapitalization were noted in our issue of Aug. 4, page 481.

* * *

Advices in the Newark "Evening News" of Aug. 8 from that paper's Trenton Bureau stated that the application of the **First Bank & Trust Co. of Madison, N. J.** to establish a branch office in Florham Park was approved on Aug. 8 by Charles R. Howell, State Bank Commissioner of Banking & Insurance.

* * *

Effingham B. Morris, Jr., well known in civic and financial circles in **Philadelphia,** died on Aug. 16 after a brief illness. He was 64 years of age. As to his career, the Philadelphia "Inquirer" of Aug. 17 stated that Mr. Morris who, just prior to his death was, with his family, on his way to Maine, stopped to visit friends near Newport when he became ill, and was taken to a Newport hospital. In part the "Inquirer" further said:

"At the time of his death he was President of the Kittaning Co., a Vice-President of the Board of City Trusts on which he had served since 1929, and a director of the **Philadelphia Saving Fund Society.**

"For 16 years, until 1944, he was a Vice-President of the **Girard Trust Co.,** where his late father had been President for 41 years, and had served as a director of a number of large corporations and financial institutions. He was named President of the Kittaning Coal Co. in February, 1954. Earlier he was deputy chief of the industrial division of the Philadelphia Ordnance District.

"Following the first World War in which he served, he became a member of the firm of Barnes, Biddle and Morris and later became a director of the United Gas Improvement Co., the Lehigh Valley Railroad and the **First National Bank of Philadelphia.**

"During his long career he found time to serve as Chairman or director of a number of charitable and civic campaigns."

* * *

William C. Freeman, formerly a banker, a State Senator and **Pennsylvania Secretary of Banking,** died on Aug. 18. He was 74 years of age. Mr. Freeman who was a native of Cornwall, Pa., and a graduate of Princeton University, was elected to the State Senate in 1924, where he served until 1932. In 1943 he was appointed by Gov. Martin as State Secretary of Banking. The Philadelphia "Inquirer" from which we quote, also said:

"For 25 years, Mr. Freeman had been President of the **Lebanon County Trust Co.** and on leaving the Martin cabinet he became a member of the boards of the **Provident Trust Co.** of Philadelphia and the **Harrisburg Trust Co.** He also served as President of the Robesonia Iron Co."

* * *

The First National Bank in Birdsboro, Birdsboro, Pa., with common stock of $125,000, was merged with and into the **City Bank and Trust Company of Reading, at Reading, Pa.,** under the charter and title of the latter bank, effective as of the close of business July 1.

* * *

As of July 1 a consolidation of the **National Bank of Penbrook,** at **Penbrook, Pa.,** capital $50,000, was effected with the **Harrisburg National Bank of Harrisburg, Pa.,** with capital of $500,000, under the charter and title of the Harrisburg National Bank. At the effective date of the consolidation, the Harrisburg National had a capital stock of $625,000, in 25,000 shares of common stock (par $25 each); surplus of $1,200,000, and undivided profits and reserves of not less than $275,000.

* * *

According to the Philadelphia "Inquirer" of Aug. 20 the stockholders of the **Fidelity-Philadelphia Trust Co. of Philadelphia** and the **National Bank of Lansdowne, Pa.** at special meetings on Aug. 19, approved the acquisition of Lansdowne by Fidelity. The merger is sujbect to approval by State and Federal regulatory authorities. William A. Sullivan, Lansdowne, President, will become a Vice-President of Fidelity-Philadelphia and Wilmer G. Dare an Assistant Treasurer. The plans for the merger were noted in our issue of May 12, page 2219.

* * *

Consolidation of the **Citizens First National Bank of Xenia, Ohio,** with common stock of $250,000, and the **Spring Valley National Bank of Spring Valley, Ohio** with common stock of $50,000 became effective at the close of business July 19, under the charter and title of the Citizens First National Bank of Xenia. The Spring Valley office of that bank will be known as the Spring Valley Branch of the enlarged Citizens First National Bank of Xenia, which as consolidated has a capital of $350,000 divided into 14,000 shares of common stock, par $25 each; surplus of $350,000 and undivided profits of not less than $31,000.

* * *

It is announced that the **Farmers State Bank of Sullivan, at Sullivan, Ind.,** became a member of the Federal Reserve System on June 9. The bank, a newly chartered institution, fixed its opening day as of Aug. 13, 1955. It has a capital of $75,000, surplus of $50,000, and undivided profits of $25,000. J. H. Crowder is President, while W. H. Crowder is Vice-President and Cashier.

* * *

O. S. Powell, President of the **Federal Reserve Bank of Minneapolis,** announced on Aug. 15 the promotion by the Board of Directors of two officers and the election of a third. E. B. Larson was advanced from Vice-President to the position of Vice-President and Cashier, M. B. Holmgren from Assistant Cashier to Assistant Vice-President, and Wm. C. Bronner was elected Assistant Cashier. Mr. Larson, who has been with the **Federal Reserve Bank** since 1920 and most recently in charge of Fiscal Agency operations, will take over the general advisory activity of the Cashier's position technically vacant since A. W. Mills was advanced from Vice-President and Cashier to First Vice-President in 1950. Mr. Holmgren will continue as an officer of the Fiscal Agency Department where he has worked for a considerable period. He started with the bank in October, 1923, and has served in other departments; he has been an Assistant Cashier since January, 1953. Mr. Bronner. who was elected Assistant Cashier, started in the bank as a messenger in 1921 and has worked in most of the banks' departments. In 1954 he was with the examination staff of the Board of Governors of the Federal Reserve System.

* * *

First National Bank of Minneapolis, on Aug. 22 announced its decision to construct a new multi-million dollar building in the downtown block in which it is presently located. In announcing the Board of Directors' decision, Gordon Murray, First National's President, said, "We are now in a position to proceed immediately. Preliminary studies for the new building have been completed and the next step is the drafting of detailed architectural plans and drawings. All of the block between Marquette and Second Avenue, Fifth and Sixth Streets, except the Rand Tower, Thorpe Building and the First National Soo Line Building, will be utilized in the construction of the new building. The bank will vacate its present facilities in the First National Soo Line Building. The building at 517 Marquette Avenue recently purchased by the First National and formerly occupied by Marquette National Bank, will be torn down. "It is our hope," President Murray said, "to have the bank's building program well along toward completion when we celebrate the 100th Anniversary of First National's founding in 1957."

* * *

The issuance of a charter on Aug. 5 for the **National Bank of Des Moines,** at **Des Moines, Iowa,** was announced by the Comptroller of the Currency at Washington on Aug. 15. The bank is to have a capital of $200,000 and surplus of $80,000. W. H. Brenton is slated as President.

* * *

The capital of the **Merchants National Bank of Cedar Rapids, Iowa,** previously $500,000 has been raised to $1,000,000 as of June 21, by a stock dividend of $500,000.

* * *

A stock dividend of $150,000 made effective as of June 23, has resulted in bringing the capital of the **First National Bank in Tuscumbia, Ala.,** to $200,000, from $50,000.

* * *

As of July 1 the **Freeport National Bank of Freeport, Texas,** increased its capital from $50,000 to $125,000. The addition to the capital was brought about by a stock dividend of $37,500 and the sale of new stock for a similar amount, viz. $37,500.

* * *

The Victoria National Bank of Victoria, Texas, which increased its capital as of July 5 from $500,000 to $1,000,000 by a stock dividend of $500,000, further enlarged its capital as of July 25 to $1,500,000 as a result of the sale of $500,000 of new stock.

* * *

Offices of three California banks, viz, **Union National Bank of Pasadena, The Covina National Bank,** and **Fishermen & Merchants Bank, San Pedro,** opened for business on Aug. 22, as offices of **California Bank, of Los Angeles.** Merger of the three banks into California Bank was effective at the close of business Aug. 19, following approval of directors and shareholders of the respective institutions, according to Frank L. King, President of California Bank. Mr. King announced the election of the following officers at the Colorado at Oakland and Colorado at Raymond offices in Pasadena: S. C. Bradford and D. V. Miller, Vice-Presidents; William F. Frey, Jr., Assistant Vice-President; Beth W. Hilton, Dick W. Lyttle, Ann F Roberts, Assistant Cashiers; M. G. Cameron, Trust Officer; R. L. Kemp, Assistant Trust Officer; Bessie P. Masterson, Assistant Secretary. B. D. Bunnell was appointed Manager and G. O. Griffin Assistant Manager of the Colorado and Raymond Office. Officers elected at the Covina and West Covina offices were: Sumner Deitrick and J. D. Reed, Vice-Presidents; Roy F. Reineman, Emma M. Anderson, and R. L. Deitrick, Assistant Vice-Presidents; Robert H. Lovins, Assistant cashier. R. L. Deitrick will be in charge of the West Covina Office. Pietro DiCarlo former President of the Fishermen & Marchants Bank, was appointed Chairman of the San Pedro Advisory Board. W. S. Rash was elected Vice-President of the San Pedro Office and with Claude M. Sebring, Assistant Vice-President, and W. H. Oliver, Manager will be in charge of the combined operation. J. A Dunn, John Gibilaro, A. J. Lageson, E. S. Randall and J. C. Ryan were elected Assistant Cashiers.

* * *

Elliott McAllister, President of **The Bank of California, N. A. of San Francisco,** announced on Aug. 19 that the Board of Directors has elected James C. Percy and George S. Pearce as Assistant Cashiers. Mr. Pearce was a member of the Credit Department. He has been with the bank since March 16, 1926. Mr. Percy has been serving as a Senior Supervisor in the Cashiers Department. He has been with the bank since Dec. 16, 1936.

* * *

J. Page R. Wadsworth, Assistant General Manager of **The Canadian Bank of Commerce,** is to assume

J. P. R. Wadsworth

charge of the bank's Quebec Region, with headquarters in **Montreal,** it was announced on Aug. 22. Mr. Wadsworth has been with The Canadian Bank of Commerce since 1928. He has been Assistant General Manager of the bank, at the head office in **Toronto,** for the last two years.

Powell Adds to Staff

(Special to The Financial Chronicle)

FAYETTEVILLE, N. C. — Charles E. Kistler has becmoe affiliated with Powell and Company, 120 Anderson Street.

Joins Greene & Ladd

(Special to The Financial Chronicle)

DAYTON, Ohio — John T. Sebald, Jr. is now with Greene & Ladd, Third National Building, members of the New York Stock Exchange.

Walston Adds to Staff

(Special to The Financial Chronicle)

PORTLAND, Oreg.—William O. Hammerbeck, Jr. has become affiliated with Walston & Co., 621 Southwest Morrison Street.

Ashton Adds to Staff

(Special to The Financial Chronicle)

DETROIT, Mich. — Cleveland Roe has become connected with Ashton & Co., 15315 West McNichols Road.

Leason Adds to Staff

(Special to The Financial Chronicle)

CHICAGO, Ill. — Stanley J. Gardyas is now with Leason & Co., Inc., 39 South La Salle St.

With Link Gorman Peck

(Special to The Financial Chronicle)

CHICAGO, Ill. — Thaddeus Tragars is now with Link, Gorman, Peck & Co., 208 South La Salle Street.

Lehman Brothers Group Offers Great Western Stock at $23.50 a Sh.

A group headed by Lehman Brothers yesterday (Aug. 24) offered 500,000 shares of capital stock of Great Western Corp. which owns the outstanding guarantee stock of Great Western Savings and Loan Association and the outstanding capital stocks of 22 escrow companies all licensed by the State of California. The Great Western stock is priced at $23.50 per share.

Part of the proceeds from the sale of the shares will be used by Great Western to retire a $10,473,628 promissory note due July 29, 1956. The funds obtained by issuance of the note were applied by the corporation to the purchase of the guarantee shares of Great Western Savings and Loan Association, which was incorporated in 1925, and to the purchase of the shares of the escrow companies. The balance of the proceeds from the sale of the shares today will be added to general corporate funds.

Great Western Savings and Loan Association operates under the California Savings and Loan Association law and is a member of the Federal Home Loan Bank System. Its principal activities embrace the dual functions of furnishing a convenient savings investment medium for accounts of any size through the issuance of investment certificates (which accounts are insured by the Federal Savings and Loan Insurance Corporation up to a maximum of $10,000 for any one holder), and financing the purchase, construction and improvement of residential real property by loaning money on the security of first mortgages or trust deeds.

The "Escrow Companies" are the largest group of this type in California under one management. In Southern California, the vast majority of all real estate transactions involving sales or exchange of real property are handled through an escrow agent which must be a corporation. In general, the escrow agent performs the necessary closing services in connection with the closing of the title to real property. The escrow companies have been successful in directing a substantial amount of loan business to the Great Western Savings & Loan Association.

Other members of the underwriting group include: Bear, Stearns & Co.; A. G. Becker & Co., Inc.; Goldman, Sachs & Co.; Harriman Ripley & Co., Inc.; Ladenburg, Thalmann & Co.; Lazard Freres & Co.; Carl M. Loeb, Rhoades & Co.; Paine, Webber, Jackson & Curtis; Union Securities Corp.; Wertheim & Co.; Allen & Company; A. C. Allyn & Co., Inc.; Bache & Co.; J. C. Bradford & Co.; Alex. Brown & Sons; Central Republic Co.; F. Eberstadt & Co., Inc.; Hallgarten & Co.; Hayden, Stone & Co.; H. Hentz & Co.; Hirsch & Co.; E. F. Hutton & Co.; Lee Higginson Corp.; F. S. Moseley & Co.; L. F. Rothschild & Co.; Shearson, Hammill & Co.; Shields & Co.; Van Alstyne Noel & Co.; and Walston & Co.

With Draper, Sears

(Special to The Financial Chronicle)

BOSTON, Mass. — Gabriel M. Stabile is now with Draper, Sears & Co., 50 Congress Street, members of the New York and Boston Stock Exchanges.

Carrol Hoffman Adds

(Special to The Financial Chronicle)

BOSTON, Mass.—Raymond H. Faxon and Donald H. Linton are now connected with Carrol Hoffman & Co., 89 State Street.

Edwards & Hanly to Give Fund for 4 Babies

HEMPSTEAD, N. Y. — "Four lucky Long Island babies will each receive a $100 Mutual Fund Accumulation Account on Wednesday, Sept. 7," announced Herbert G. Edwards, partner in Edwards & Hanly, members of the New York Stock Exchange, with offices in Hempstead, Huntington and Bay Shore.

"The award will celebrate the opening of our new office at South Franklin Avenue & Sunrise Highway in Valley Stream," explained Mr. Edwards. "The doors will open at 9:00 a.m., Wednesday, Sept. 7 and the four babies who are born closest to this time and date (9:00 a.m., Wed., Sept. 7) will win the awards.

"All of our offices are participating in the celebration. In order to qualify, births must be reported to Mr. Talbot at LOcust 1-1800 by 12:00 noon, Sept. 7. One baby will be selected from each village in which we have an office, and the parents must reside in the villages of Hempstead, Huntington, Bay Shore or Valley Stream.

"The Edwards & Hanly Mutual Fund Accumulation Plan," explained Mr. Edwards, "is an excellent means of safely putting aside money for the future—for Junior's college education, Susie's trousseau or Mom and Pop's retirement.

"The four babies will have the first year's payments completely paid for by Edwards & Hanly. At the end of the year the child's parents will have the option of continuing payments on their own, selling their holdings for the full market price, or merely holding on to what they have received from Edwards & Hanly.

W. L. Linton Mgr. of Hirsch & Co. Dept.

Hirsch & Co., 25 Broad Street, New York City, members of the New York Stock Exchange, have announced that Walter L. Linton has become associated with the firm as Manager of the corporate bond department. Mr. Linton was formerly with Charles E. Quincey & Co.

Form E. J. Halladay Co.

DENVER, Colo.—E. J. Halladay & Company has been formed with offices at 711 Seventeenth Street to engage in a securities business. Officers are Elvin J. Halladay, President; Edwin J. Guldner, Vice-President; and D. L. Halladay, Secretary-Treasurer.

Continued from first page

As We See It

publishes a figure each year which it labels "Number of Full-Time Equivalent Employes" of government, including both Federal and State and local. The meaning of this rather clumsy designation is simply that the number of employes, part time and full time, part year or full year, is reduced to the equivalent number of full time employes working all year. In 1929 this figure was a little less than 3.2 million; in 1954 was 9.8 million. As might be expected, the most of the increase was in the military arm, where the number went up from 261 thousand in 1929 to 3.3 million in 1954. Civilian employes of the Federal Government on this basis rose from 267 thousand to nearly 1.7 million, and, of course, many of these employes are engaged in defense work of one sort or another. The 1929 total figure for the country as a whole, including both government and private enterprise, was 35.9 million, the government share thus figuring out at a little less than 9%; the over-all total figure for 1954 was 53.3 million with the share of government at over 18%.

At Work for Government

Here is at least rough measure of the degree in which the people of this country now devote their efforts directly to the work of government in comparison with other days —and a clear indication of the fact that despite all the totalitarianism of these modern days, preparation for war takes the lion's share of the increase.

But there are other measures equally as shocking, if not more so. The Department of Commerce also prepares and publishes a figure labeled Gross National Product which is supposed to measure the total output of goods and services of the country at market prices. One component of that total is an item called Government Purchases of Goods and Services. It is the amount of the taxpayers' money government now lays out to pay wages and salaries and to buy various products it requires in the course of its operations. That figure for 1929 was slightly less than $8.5 billion; in 1954 it was just slightly less than $77 billion. The part of the Federal Government in 1929 totaled only about $1.3 billion; in 1954, what is labeled "National Security" alone came to more than $43.2 billion. Federal expenditures for goods and services which are not directly related to national security still stood at about $6.3 billion in 1954.

Let no one say that these staggering increases are the result of increases in prices and costs. They are, indeed, in some measure caused by the general inflationary trend of the intervening years, particularly since the end of World War II, but only in part. The Department of Commerce has accommodatingly reduced these figures to the equivalent "constant 1947 dollars"—that is to dollars with the purchasing power of dollars in 1947. Expressed in figures which thus remove the effect of price changes, the 1929 total for all government stands at $13.6 billion; the 1954 figure at $61.7 billion. The Federal Government component, so dominated as we have seen by national security outlays, rose on this basis from $2.3 billion to $41.5 billion.

Other Payments, Too

Of course, these are not the only ways in which government these days spends the taxpayers' money. They merely represent those payments for which something of value is rendered during the year in question. They embody all the outlays which seem to be very directly related to defense. But it is doubtful whether it is safe in this connection to ignore certain other outlays of government, particularly the Federal Government. These are what are technically known as "transfer payments." These are sums paid out without any return consideration during the accounting period. So far as the Federal Government is concerned they are constituted chiefly of benefits from social insurance funds, and military pensions and the like.

Social security benefits were virtually non-existent in 1929, the total national outlay for the purpose being $44 million. In 1954 these payments came to just short of $7.5 billion. Military pensions and related payments in the earlier year are reported at $443 million; in 1954 they were a little short of $2.9 billion. It is doubtful if any of these payments could as a practical matter be reduced were international tensions to be reduced, but if there is any justification for some of these pension payments and other treatment of veterans, it lies in the hope of better morale in case another war should descend upon us, and so in a sense they are a sort of defense expenditure.

It is unfortunately impossible to set forth the corresponding situation in other leading countries. The required data are not at hand. But there can, of course, not be the slightest doubt that essentially the same situation exists in most of the major countries of the world, or that most of them can far less afford such enormous costs of being prepared for war. Whether or not a belated realization of some such fact is the controlling force behind what appears to be the change of attitude, if not of policy, on the part of the Kremlin we, of course, have no way of knowing, but we are certain in our own minds that the Russians would be immensely better off if they could somehow relieve themselves of their armament burden.

The reward of better international relations would be immense.

Continued from page 7

Nuclear Power: Now and Later

fission products produced in a reactor can be profitably used until they decay, then the problems of disposing of radioactive wastes obviously will have diminished proportionately.

A power reactor industry producing 45 million kilowatts of electricity would require reactors with a total heat power something in excess of 100 million kilowatts. Under equilibrium conditions, the heat remaining in fission products after a reactor is shut down is approximately 8% of the operating power level of the reactor. Thus, our 1975 industrial power reactors would at all times have in equilibrium a quantity of fission products that would produce as they decay something like 8 to 10 million kilowatts of heat. Most of these fission products are very short-lived and decay rapidly. However, those having half-lives longer than 10 days would produce approximately 500 thousand kilowatts of heat energy as they decay. This represents the equivalent of something like 6 billion curies of assorted radioactive fission products. Finding profitable uses for these fission products is a tremendous challenge.

The fission products present in a reactor during the operation introduce another problem that may have a significant effect on a nuclear power industry. If one wishes to build a very large reactor in, or comparatively close to, a densely populated area he must consider the possible consequences of an accident in his reactor operations. Although we have had no such accidents in our experience to date, it seems reasonable to expect that as we construct more and more reactors and bring many new people into the reactor operating business we may reach a point where carelessness or overconfidence causes a reactor accident. In the event of a steam explosion or rupturing or melting of the fuel elements, the fission products present in the reactor may very well be rather rapidly released if not forcefully ejected into the surrounding countryside. Of course, we always have, and always will, design our reactors to be as foolproof as possible, to be as nearly safe as possible under every conceivable condition, normal or abnormal; but the potential hazard of a nuclear accident is so serious that one may feel compelled to go even further.

At present, the only additional step that seems reasonable is to provide a reactor building sufficiently large and sufficiently well-sealed to contain the volume of gas that would be generated if the entire quantity of coolant in the reactor were vaporized. Containment, obviously, is not an altogether desirable solution in that it contributes significantly to increased capital cost of the reactor installation. We would be delighted indeed to have some ingenious physicist contribute a simple, effective technique that would provide this additional safety without the additional cost.

We think that the homogeneous reactors, to which I must admit that the Oak Ridge National Laboratory is slightly partial, will provide some alleviation of this problem if we can develop a method of continuous chemical processing that will cause the fuel solution to be essentially free of fission product contamination at all times. We have made encouraging progress in this direction and we feel confident that it will be possible to reduce the quantity of fission products in equilibrium in the fuel by a significant amount. However, the high pressure, high temperature aqueous homogeneous reactors have the disadvantage of being considerably more likely to convert the entire fuel solution into steam in the event of a rupture in the high pressure system.

While I am speaking of homogeneous reactors, I cannot resist the temptation to comment on the versatility they possess. Given the proper materials for his fuel, blanket, moderator, and coolant, one can design a homogeneous reactor for practically any purpose. For example, one can have a very large, single-region reactor in which highly enriched uranium in the form of dilute solution in heavy water is burned to produce electric power. Or he can have the same reactor in a very much smaller size, using a more concentrated solution of enriched uranium in ordinary water. Another modification would be to use a highly concentrated solution of natural or slightly enriched uranium in heavy water to provide a reactor that will produce both power and plutonium. One can take another approach to the plutonium-power producer by designing a two-region reactor in which highly enriched uranium in dilute heavy water solution is burned in the core and plutonium is produced in a highly concentrated natural or depleted uranium solution in the blanket region surrounding the core. The same reactor can be converted to a thorium U-233 breeder by substituting thorium-oxide slurry for the plutonium blanket solution. Other modifications which increase the variety of potentially possible homogeneous reactors include the substitution of slurries for solutions or the substitution of a boiling system for circulating, non-boiling systems. While it is true that by these modifications one can design a wide variety of homogeneous reactors to meet almost any conceivable need, we find that there is a sizable gap that must be bridged between the designing and the building. Additional information is needed on such problems as corrosion and the prevention of leaks that are fairly typical of high temperature, high pressure, and dynamic fluid systems.

Proposed Power Plants

To complete my remarks on recent technological developments, I would like to comment on one very recent and very significant development which seems to reflect the results of the other recent advances I have previously mentioned. In January, the Atomic Energy Commission announced a new Power Demonstration Reactor Program under which:

(1) The AEC would waive the established Commission charges for loan of source and special nuclear materials up to an agreed upon amount for a period of up to seven years from July 1, 1955. However, the licensees will be required to pay for materials consumed in the demonstration project and for services performed for them by AEC, such as recovery of materials from spent fuel elements.;

(2) The AEC would perform, in its own laboratories and without charge to the licensees, certain mutually agreed upon research and development work; and

(3) The AEC would enter into research and development contracts under Section 31a of the Atomic Energy Act of 1954, for the technical and economic information resulting from development, construction, and operation of power demonstration reactors by contractors. The amounts to be paid by AEC under the contracts will be fixed in advance and may be used for development, fabrication, and experimental operation. Information derived from operations under the contracts will be made available by AEC to the maximum extent practicable to the entire technical public working on reactor development, with resultant benefit to the progress of the entire nuclear power program.

Last month the AEC announced that they had received four specific proposals under the Power Demonstration Reactor Program. The four proposed power plants would have a total of 455,000 kilowatts of electrical generating capacity and would involve a total estimated capital investment of about $150 million, of which—and this is particularly noteworthy — 80 to 90% would be borne by the proposers. The four proposals submitted by public and private organizations are:

(1) A boiling water reactor plant of 180,000 kilowatts generated capacity to be completed in 1960. This plant is proposed by the Nuclear Power Group composed of four electric utility companies and one construction company.

(2) A light water moderated and cooled reactor plant of 100,000 kilowatts capacity, to be completed late in 1957 by the Yankee Atomic Electric Company of Boston, which is made up of 12 electric utility companies.

(3) A fast breeder reactor with 100,000 kilowatts capacity, to be completed in 1958 by a group of nine electric utilities in the northeastern states.

(4) A sodium graphite reactor plant of 75,000 kilowatts capacity, to be completed in 1959 by the Consumers Public Power District of Columbus, Neb.

In addition to these four specific proposals under the Power Demonstration Reactor Program, the Consolidated Edison Company of New York has applied to the AEC for a license to build and operate **entirely** with private capital a nuclear power plant having a capacity of 250,000 kilowatts, which the company estimates will cost about $55 million. The reactor for this plant is to be light water cooled and moderated and would take about five years to build. This plant combined with the other four proposals would total 705,000 kilowatts of installed electric generating capacity costing about $205 million.

Remembering that approximately 90% of the cost of these plants will be borne by private industry, we see the very encouraging prospect of having "hard-headed businessmen" **invest of their own funds** an amount essentially equivalent to the AEC's total investment in the five-year power reactor development program. It is my opinion that this recent development drives home in more emphatic fashion than anything else that I could say the fact that recent advances have indeed contributed greatly to increase confidence in the real possibilities and advantages of nuclear power.

International Nuclear Developments

As I mentioned earlier, no discussion of nuclear reactors would be complete without some mention of its international implications. With the exception of a few places like Norway and the United States, most countries of the world are on the borderline of power malnutrition. Our future ability to compete for the minds of free men may well be determined by our ability to seize and maintain world leadership in the peacetime uses of atomic energy.

There have been recent developments in the international reactor field that are of great significance and promise. As an outgrowth of the "Atoms for Peace" proposal presented by President Eisenhower before the United Nations on Dec. 8, 1953, an international conference on the peaceful uses of atomic energy is now scheduled to take place in Geneva, Switzerland, on Aug. 8-20, 1955. The United States is planning to participate in this conference and is planning also to make available through the conference as much information on reactor technology as possible under the recently revised security regulations.

In addition, the Oak Ridge National Laboratory is constructing for the Atomic Energy Commission a swimming pool type research reactor that will be set up and operated at Geneva during the conference. This will provide a dramatic demonstration of one possible use for fissionable material that the United States has already allocated to the world pool set up under the United Nations. The research reactor at Geneva will give representatives from foreign countries an opportunity to see at first hand the simplicity of this type of reactor, its versatility and low cost features. Negotiations are now in progress for this reactor to be sold to the Swiss after the conference is over. Additional technical exhibits will be provided at the Geneva Conference not only by the Atomic Energy Commission but also by industrial firms.

One other recent development having a bearing on our international atomic energy relations is the establishment of a new School of Nuclear Science and Engineering at the Argonne National Laboratory. This school will start its first class this Spring and will include unclassified courses in design, construction, and operation of reactors for nuclear research, principles of design of nuclear power reactors, handling of irradiated materials, and other related peacetime applications of nuclear energy. This school is intended primarily for foreign scientists and engineers, and the first class consists of 31 "students" from 19 nations including Argentina, Australia, Belgium, Brazil, Egypt, France, Greece, Guatemala, Indonesia, Israel, Japan, Mexico, Pakistan, the Philippines, Portugal, Spain, Sweden, Switzerland, and Thailand.

The School of Nuclear Science and Engineering is a major step in the implementation of President Eisenhower's "Atoms for Peace" plan.

Coupled with the steps that have already been taken in making fissionable materials available and sharing information through the Geneva Conference and other means, the operation of the school should aid considerably in placing foreign nations in a favorable position for taking whatever steps they wish in the direction of exploiting reactor power.

It may be of some interest to consider what the British are doing in the nuclear power field. They have developed a broad plan that calls for construction of a series of power reactors of the gas-cooled, graphite-moderated type. Their current plan anticipates the completion of reactors within 10 years to provide a generating capacity of about 1,500 to 2,000 megawatts. They also expect that by "selling" the plutonium produced in these reactors they can reduce their net power costs to approximately 7 mills per kilowatt hour. There are three features of this program that are worthy of comment.

First, the natural uranium, graphite-moderated, carbon-dioxide-cooled reactors proposed for the British power reactor program do not represent a significant advance in reactor technology—in fact, it is pointed out by the British themselves that these reactors are basically less efficient than more advanced reactors—reactors whose development in this country is considered to be equally as far along.

Second, the British estimate that the capital cost of their reactor facilities will be in the range of $500 per installed kilowatt. Conventional power plants in this country can be constructed for $150 per installed kilowatt or even less. Our estimates indicate that while nuclear power plants will cost somewhat more, the maximum cost after we have built enough power reactors to gain construction experience will be significantly less than the British estimates. However our **first** commercial power producer, the Pressurized Water Reactor, now under construction, will cost about $600 per installed kilowatt. Initial estimates for the cost of this reactor were as high as $1,000 per kilowatt.

And third, their high capital costs result in high power costs. In the United States, we believe that one can ultimately achieve a power cost of 7 mills per kilowatt hour, taking **no** credit for plutonium or other fissionable material produced in the power reactor. The British expect that by the end of the first 10-year period they will be able to build more advanced reactors, probably substituting liquid coolants for the carbon dioxide gas coolant used in the first reactors.

With the completion of our five-year plan we hope our major path for nuclear power exploitation may be clearly indicated. After 1960, we have only 15 years in which to build something like $8,000,000,000 worth of nuclear power plants to produce 45 million kilowatts of electric power. In the five remaining years **before** 1960, we must perform the research and development work that will enable American industry to embark on a sensible and economically sound program of constructing nuclear power plants that will produce electric power at economically competitive rates. The contributions to be made to the standard of living in the United States and, in fact, to its continued technological and industrial advancement, are of such significance that one is almost forced to the conclusion that we **must** be successful.

The challenge which faces us is a formidable one, but the stakes are too high to think of failure. It is not only that the economic well-being of the country is at stake, but also that our performance in this field may well determine our national prestige and ultimately our chances for a peaceful world.

Debentures and Stock Of Northwest Nitro-Chemicals Offered by Eastman, Dillon Group

An underwriting group headed by Eastman, Dillon & Co. offered for public sale yesterday (Aug. 24) as units $8,500,000 Northwest Nitro-Chemicals Ltd. 10-year 5½% subordinate income debentures and 850,000 shares of common stock. Each unit consists of $50 principal amount of debentures and five shares of common stock. The price per unit is $50 plus accrued interest on the debentures.

The company is offering for sale through Eastman, Dillon & Co. an additional 300,000 shares of common stock at $1.50 per share.

Proceeds of this financing and from the sale to The Royal Bank of Canada of a $12,000,000 issue of first mortgage 4½% serial bonds will be used by Northwest Nitro-Chemicals to construct and operate a modern synthetic fertilizer plant near Medicine Hat, Alberta, Canada. The company estimates the amount required for this project will be approximately $21,396,000. The plant will include an anhydrous ammonia unit with a designed annual capacity of 33,000 tons, a nitric acid unit with a designed annual capacity of 39,600 tons and a sulphuric acid unit with a designed annual capacity of 132,000 tons. It is expected the plant will be in operation by January, 1957.

The two principal sponsors of Northwest Nitro-Chemicals (incorporated under the laws of Alberta) are Commercial Solvents Corp. of New York and New British Dominion Oil Co. Ltd., of Calgary, Alberta, both owning substantial stock interests in the company. Commercial Solvents will integrate the testing and pre-operational start up of the new plant, including the training of key personnel.

Principal raw materials for the company's synthetic fertilizer process are natural gas, sulphur and phosphate rock. Natural gas requirements will be supplied by New British Dominion Oil under a 20-year contract.

The debentures being offered are subject to redemption at prices ranging from 105% prior to Aug. 1, 1956 to 100% after Aug. 1, 1964. They are also redeemable under a sinking fund at 100%.

Capitalization of the company, giving effect to this financing program, will consist of $20,500,000 of funded debt, 10,000 shares of $5 preferred stock of $100 par value, all of which is now owned by Commercial Solvents and New British Dominion, and 3,750,000 shares of common stock of one cent par value.

Members of the underwriting group include: Piper, Jaffray & Hopwood; Shearson, Hammill & Co.; Blair & Co. Inc.; Lee Higginson Corp.; Midland Securities Corp. Ltd.; Nesbitt, Thomson and Company, Inc.; Wood, Gundy & Co. Ltd.; W. C. Pitfield & Co., Ltd.; and Norman R. Whittall Ltd.

Public Utility Securities

By OWEN ELY

Consolidated Edison Company

Consolidated Edison can trace its geneology back to 1825, when the New York Gas Light Company began paying dividends; the company and its predecessors have thus been paying regular dividends for 130 years. Con Ed was also one of the earliest in the electric business, with the old Pearl Street Station in which Thomas A. Edison served his first customers.

The company is by far the largest electric-gas utility in the world, as measured by its annual revenues of $474 million — about 8% of the U. S. total for all investor-owned electric utilities. About three-quarters of the company's customers are served by 53,000 miles of underground cable. The company has nine large generating stations, all interconnected of course, and a new 180,000 kw. unit was recently installed. The big Astoria plant now has 364,000 kw. capacity and 300,000 kw. more will be installed in future years. A large plant is also projected on Staten Island, where the company has an excellent deep water site at Arthur Kill. Most of these plants can use coal, oil or gas, depending on which fuel is cheaper. During the summer months some natural gas is available for boiler fuel at relatively low cost.

Con Ed is now serving straight natural gas in a good part of its area and is converting the remaining customers (who are currently getting mixed gas). Transcontinental Gas Pipe Line is a major supplier, but gas from Algonquin is also available in emergencies, and Tennessee Gas Transmission will also supply some gas within a few months. The familiar old gas tanks are still on the scene (at present they are retained to store high BTU manufactured gas for winter use, when the demand is heavy) but eventually they will probably disappear from the scene.

Con Ed is going ahead with its campaign to increase gas heating. 51,000 homes are now heated and 200,000 are considered good prospects. 6,000 gas heating customers were added last year, and 9,000 are expected this year. The company has asked permission from the State Commission to reduce house-heating rates to improve competition with oil. The company's return on its gas investment remains quite low, only about 3½%, but the management hopes to improve earnings. If the overall earnings of the gas division do not gain substantially with house-heating, however, higher rates for other parts of the gas business will be requested. The steam division is also a poor earner, but should improve with gains in commercial air-conditioning.

The company is getting into the atomic energy field, and plans to construct in the next four years a 250,000 kw. plant on a 350-acre isolated area in Westchester on the Hudson River, to cost about $55 million. Construction costs will approximate $220 per kw. compared with about $200 for the new fuel-burning unit at Astoria; and overall operating cost is estimated at 9 mills per kwh., which is slightly above the average cost for new fuel plants. The plant will be of the pressurized water, thorium-uranium type like that used in the submarine Nautilus, which is believed to be relatively safe. A super-heater will be used to increase efficiency.

Con Ed's business is particularly stable because it is primarily a residential service company, although it does serve some 38,000 small manufacturing establishments. The company does not of course vie with the Florida and Texas utilities as to growth, but nevertheless it enjoys a fair-sized annual gain in output, due in part to the constant rebuilding of New York. One old building which has been torn down had given the company only $45 a year for standby electric service but the new air-conditioned building on its site is paying $240,000 a year for electricity.

Some 72% of Con Ed's residential customers live in apartments and the company is slightly handicapped in this respect, since there isn't as much scope for appliances as in private homes. However, the company is doing well with TV, and when color comes in this will use twice as much electricity. The air-conditioning load has been high recently and the load factor excellent. Electric typewriters are coming into vogue in most offices, other electric office equipment is increasing, and brighter street lights are being installed. Vice-President Forbes expects growth to continue at the rate of about 5% per annum.

Edison is probably about as depression-proof as any big company in the country. In the 1929-32 period the company actually managed to gain a little revenue, although the FRB index was down nearly one-half, and in 1937-8 revenues also gained modestly. However, Con Edison's share earning and dividends declined fairly sharply during 1933-4, presumably due to the delayed effects of reduced purchasing power of residential customers, and did not really go into an upgrade again until after World War II.

Consolidated Edison has an excellent balance sheet, with an equity ratio of about 43%. The status of the item "unearned surplus special" still remains unsettled, but the company is hopeful that the State Commission will let them restore about half of the $164 million to capital account, and eventually all the amount. The company does not plan any equity financing over the near future.

Consolidated Edison is currently selling around 50½ and with a $2.40 dividend the yield is about 4.75%, a little better than average. With earnings around $3.07 the price-earnings ratio is 16.4 or slightly above average. Recent storms have cost the company some money, but the big air-conditioning load in July has probably more than offset this.

Continued from first page

Federal Reserve Discount Rates and the Float

Reserve Act authorizes the Federal Reserve authorities to add to member bank reserves by permitting those banks to count as reserve a portion of the checks and drafts sent through for collection before the items are collected. The Float represents an extension of Federal Reserve bank credit to member and non-member clearing banks without interest and without authority in the Federal Reserve Act. It provides fictitious reserves for member banks — an unwarranted and an unsound basis for an expansion of credit.

Reserves of member banks were supposed to be real, not fictitious.

The evils involved in permitting banks to count uncollected checks and drafts as reserves were well recognized by the drafters of the Federal Reserve Act and by other students of those days of banking principles and procedures. As a consequence, the Federal Reserve Act was designed to make member bank reserves real, not fictitious. The law prescribed, and prescribes, how member banks were to obtain Federal Reserve credit. And in the provisions for the clearing and collection of checks and drafts through the Federal Reserve banks and for the computation of member bank reserves it was not contemplated that member banks could base part of their reserves upon uncollected checks and drafts. If reserves were to be real, not fictitious, it was necessary that deferred availability items (deferred reserves) on the liability side of the balance sheets of Federal Reserve banks be not less than uncollected items on the asset side of those balance sheets. Under such a principle, the checks and drafts sent by member and non-member clearing banks to the Federal Reserve banks for clearance and collection were to remain, on the average and in the aggregate, deferred reserves (deferred availability items) until the uncollected items were collected.

The following statement from Regulation J, Series of 1916, of the Federal Reserve Board, on check clearing and collection, provides an example of how this principle was respected by the original Federal Reserve authorities: "It is manifest that items in process of collection cannot lawfully be counted as part of the minimum reserve to be carried by a member bank with its Federal Reserve Bank." ("Annual Report of the Federal Reserve Board for 1916," p. 170.)

The Federal Reserve authorities in 1939 began a policy of expanding the Float.

But the Reserve authorities, particularly following the middle of 1939, embarked upon the practice of shortening up the time schedules, according to which deferred availability items were to become reserves for member and non-member clearing banks, far below the average time required to collect the checks and drafts sent through for clearance and collection. As a consequence, the Float—the excess of uncollected items over deferred availability items—began to increase rapidly. A chart in an article on "Federal Reserve Float" in a pamphlet, "Bank Reserves: Some Major Factors Affecting Them" (Federal Reserve Bank of New York, 1951), p. 26, shows a sharp increase in the Float from $8 million shortly after the midle of 1939 to approximately $78 million at the end of that year. By the end of 1943, the Float exceeded $600 million. By Dec. 17, 1952, it was $1,543,000,000.

Prior to the May, 1953, issue of the "Federal Reserve Bulletin," the Float in tabular form was hidden in an item "All other Federal Reserve Bank credit outstanding." Beginning with that issue, the Float was listed separately; and this specific identification revealed that the Float constituted almost all of the item "All other Federal Reserve Bank credit outstanding." For example, the "Federal Reserve Bulletin" for May, 1953, shows (p. 479) that, for the weeks covering the period March 5, 1952, to April 29, 1953, "All other Federal Reserve Bank credit outstanding" ranged from $3 million to $5 million while the Float ranged from $528 million to $1,543 million. A chart which had been carried in the "Federal Reserve Bulletins" beginning in May, 1952, with the chart carried back to and including 1943, showed the Float to be above $2 billion at the end of 1951. But there are no tabular data in the "Bulletins" which provide one with precise information as to the size of the Float at that time. "All other Reserve Bank credit outstanding" as of Dec. 19, 1951, is reported as $2,057,000,000.

A picture for the period Nov. 24, 1954-June 29, 1955.

The Float, discounts and advances, and excess reserves of member banks for each week during the period Nov. 24, 1954-June 29, 1955, are revealed in the accompanying table compiled from the "Federal Reserve Bulletin" of July, 1955, p. 765.

	Discounts and advances	Float	Excess reserves of member banks*
	(In millions of dollars)		
1954			
Nov. 24	300	1,046	681
Dec. 1	498	698	588
Dec. 8	465	724	718
Dec. 15	442	810	686
Dec. 22	311	1,373	822
Dec. 29	377	1,138	620
1955			
Jan. 5	372	885	683
Jan. 12	504	756	694
Jan. 19	445	881	793
Jan. 26	453	806	645
Feb. 2	524	666	591
Feb. 9	555	640	728
Feb. 16	387	668	570
Feb. 23	395	804	608
Mar. 2	490	797	553
Mar. 9	479	789	578
Mar. 16	483	719	630
Mar. 23	630	1,032	681
Mar. 30	745	677	490
Apr. 6	613	656	556
Apr. 13	662	801	654
Apr. 20	521	1,031	642
Apr. 27	544	861	617
May 4	544	743	458
May 11	374	696	744
May 18	317	888	646
May 25	427	880	481
June 1	612	772	433
June 8	533	812	612
June 15	558	793	579
June 22	348	1,137	†700
June 29	456	789	†492

*Estimated by Federal Reserve authorities.
†Preliminary.

It may be observed that in only one week (March 30, 1955) of that period were rediscounts and advances in excess of the Float and that in all but two weeks (Feb. 9 and May 11, 1955) the Float was larger than the estimated excess reserves of member banks.

From the point of view of aggregates, the excess reserves of member banks would have been converted into deficits every week, except two, for the period involved had the Float not existed and had all other elements in "Total Reserve Bank credit outstanding" remained unchanged. The most important of these elements is, by a big margin, "U. S. Government securities bought outright." To the extent that the member banks had surplus reserves they were free of the need to rediscount at the Reserve banks. Had there been no Float during that period, and assuming all other factors unchanged, the member banks, *in the aggregate*, would have been forced, every week except Feb. 9 and May 11, 1955, to rediscount eligible and acceptable paper with, or obtain advances from, or sell securities to, the Reserve banks to obtain the necessary reserves.

Aggregates versus needs of individual banks.

The tabular data dealing with aggregates of discounts and advances, Float, and excess reserves of member banks have limitations in the fact, among others, that they do not reveal the needs of individual banks. For example, in those aggregates there are rediscounts and advances despite the existence of surplus reserves in the aggregate. And if surplus reserves were reduced to a relatively small figure in the aggregate, it could be expected that there would still be individual banks which would not find it necessary to borrow from, or sell assets to, their respective Reserve banks.

But the point is that the existence of the relatively large Float distorts what should be the proper picture of member bank reserves and of Federal Reserve bank discounts and advances. It tends to nullify the possible effectiveness of a rise in rediscount rates, again assuming no changes in the other elements which comprise "Total Reserve Bank credit outstanding."

In earlier years, before the Float became such an important item in "Total Reserve Bank credit outstanding," it was the proper and common practice of analysts of Federal Reserve practices to watch the relationship between open market operations and discounts and advances as the major items in "Total Reserve Bank credit outstanding." In recent years, the Float has generally replaced discounts and advances as the second most important item in "Total Reserve Bank credit outstanding"—open market operations being the item of first importance by a large margin—and yet in the common discussions of the possible effectiveness of a change in rediscount rates the Float is rarely if ever mentioned. Its significance seems not to be widely understood.

Why does the Board indulge in this unwarranted practice?

This author has been unable to find any statement by the Board that attempts to justify, in so far as basic principle is concerned, the development of the Float by the Reserve authorities. The article on "Federal Reserve Float" in "Bank Reserves: Some Major Factors Affecting Them" (Federal Reserve Bank of New York, 1951), is devoted to what the Float is, and to how it has grown; but it avoids the issue of why the Reserve authorities have not kept it at a minimum by seeing to it that uncollected items in the aggregate and on the average do not exceed deferred availability items. It points out how the great expansion in the Float has arisen from various factors; but all of them, in the aggregate, are given an unwarranted effect by an unjustifiable shortening of time schedules on deferred availability items. The article does not deal with the obligation of the Board to keep uncollected items and deferred availability items in balance on the average in order to avoid the Float and the creation of fictitious reserves for member banks. It is singularly evasive in so far as the fundamental issues are concerned.

Since the expansion of the Float has paralleled the expansion of Federal Reserve and member bank credit by various other devices, some legal and some illegal, some sound and some unsound, it seems reasonable to suppose that the Float is regarded by the Reserve authorities as merely one of the several means available to them for the expansion of such credit.

The building of the Float as a part of the Federal Reserve program of credit expansion, in spite of the opposite intent of the pertinent provisions of the Federal Reserve Act, is not a unique procedure on the part of the Federal Reserve authorities as they have administered that law. Their desires, rather than provision of law, have sometimes been the controlling factor. The Board of Governors have demonstrated that they will not necessarily be deterred by the fact that a procedure of monetary or credit expansion is not authorized by the Federal Reserve Act or even by the fact that the Board's proposed action is specifically prohibited by that law. For example, beginning in December, 1942, the Board in cooperation with Treasury officials authorized the Federal Reserve banks to issue $660,000,000 of Federal Reserve bank notes as a fiat Treasury currency in violation of law. By this illegal transaction the Reserve banks were enabled to convert that amount of Federal Reserve bank note liabilities into reserves and the Treasury received a corresponding amount of deposits credit on the books of the Reserve banks to which it was not entitled.

Another example: Every year since 1946, the Reserve authorities have been proceeding in violation of the clearly worded stipulations of Section 7 of the Federal Reserve Act; and by that violation of law the Reserve authorities have dissipated, by illegally giving to the United States Treasury, during the years 1947-1954, $1,797,065,070 of the earnings which under the law belong to the Federal Reserve banks.

In the light of these procedures, the building of the Float, which violates the intent of the Act but is not covered by specific prohibitions, presumably may be regarded as a matter of relatively minor importance in the minds of the Reserve authorities in so far as correct administration of law is concerned.

Rediscount rates and the Float.

Even in the days prior to 1939, when the Float was of minor importance, perhaps the only reliable generalization one could make in respect to the effectiveness of a change in Federal Reserve discount rates (rediscount rates from the point of view of member banks) as an instrument of credit control was that sometimes it was effective, sometimes it was ineffective, much of the time its effectiveness could not be determined with any high degree of accuracy because of the many other factors involved.

With the development of the relatively large Float, it seems reasonable to suppose that a rise in rediscount rates should be much less effective than might be the case were the Float eliminated. In any event, a discussion of the possible effectiveness of a rise in rediscount rates misses a major consideration if the existence of the Float is overlooked or ignored.

An increase in rediscount rates probably could lead the general public to assume that the Reserve banks were really exerting some important pressure against the expansion of Federal Reserve and member bank credit whereas the fact might be that the base for credit expansion was being maintained or enlarged by means of the Float—not forgetting, of course, the possible effects of other important factors such as the expansion or contraction of Federal Reserve holdings of U. S. Government securities.

On July 20, 1955, discounts and advances were $570,119,000 (below figures for March 23, March 30, April 6, April 13, and June 1, 1955); the Float was $1,118,000,000; estimated excess reserves were $585,000,000. That sort of picture, existing shortly before the Board of Governors authorized various Federal Reserve banks to raise their discount rates, would seem to indicate clearly that one of the proper methods for counteracting an overexpansion of credit by Federal Reserve and member banks would be to eliminate the Federal Reserve Float—the fictitious reserves of member banks. This should be done not only because it would eliminate an improper base for credit expansion but also because it is required by proper standards of administration of the Federal Reserve Act.

The biggest item in the picture of "Total Reserve Bank credit outstanding" is "U. S. Government securities bought outright," and it is there that the biggest alteration can be made in the total volume of Federal Reserve credit outstanding. But the considerations involved in the use of that very large element in "Total Reserve Bank credit outstanding" constitute a long and different story. For the period under consideration, the item "U. S. Government securities bought outright" declined from $24,553,000,000, as of Nov. 24, 1954, to $23,554,000,000 on June 29, 1955, a decline of $999,000,000. Between the same dates, "Total Reserve Bank credit outstanding" declined from $25,900,000,000 to $24,815,000,000, a decline of $1,085,000,000. The contraction in this latter item could provide some support for an expectation that a rise in rediscount rates might have some effectiveness.

But if one compares pertinent data as of Aug. 10, 1955, after four Federal Reserve banks had been authorized to raise their discount rates (as of Aug. 4) with those of Aug. 11, 1954 (averages of daily figures for the week ended on the dates specified), it would seem difficult to demonstrate that there is any noteworthy tendency toward a tightening up on the uses of Federal Reserve and member bank credit for the reason that, as of Aug. 10, 1955, as compared with Aug. 11, 1954, "Total Reserve Bank credit outstanding" had increased by $659,000,000, required reserves for member banks had increased by $466,000,000, surplus reserves of member banks ($670,000,000), though $228,000,000 lower, were only $29,000,000 below the average of $699,000,000 for the year June 30, 1954-June 29, 1955, during which the range of the estimated weekly surplus was from $433,000,000 to $1,120,000,000.

But the point of this analysis of the Float is that the Float has been sufficient for the period June 30, 1954-June 29, 1955, to provide an aggregate of surplus reserves for member banks which would have been eliminated every week, but two, had the Float—an improper instrument of credit expansion — been eliminated. The average of surplus reserves of member banks for that period was $699,000,000; the average of the Float was $780,000,000. The range of weekly figures on surplus reserves was from $433,000,000 to $1,120,000,000; the range for the Float was from $576,000,000 to $1,373,000,000.

Continued from page 3

More on "Variable Annuities"

is not builtup gradually, and the increase, along with compound interest computations, applied to an accumulation of a sum to be used for the anticipated payment of principal. Under annuities, the insurer receives a lump sum—a single payment—which immediately constitutes the reserve. This reserve, in the course of the payments to the annuitant, is gradually diminished, since the payments constitute a part of repayment of principal as well as interest accumulations. Accordingly, if the payments to the annuitant is varied according to amount of income received from investment of the annuity reserve, the annuitant, as time elapses, will receive smaller and smaller amounts periodically. In the case of fixed annuity payments, where the interest accumulations are computed as certain, the diminution of the principal along with the compound interest payments can be leveled out on an actuarial basis. This cannot be done when the so-called interest accumulations are based on common stock dividends.

Another important consideration comes in here! If insurance companies, sell annuities on a large scale, the payments of which is secured solely by investment in common stocks, any serious decline in this business, may force them to sell large blocks of these shares and this liquidation would naturally affect adversely the market for these shares, when forceably disposed of. This is undoubtedly a serious consideration should variable annuities come into general vogue, since it would have an undesirable affect on the nation's financial structure and even lead to a business depression.

The Legal Concept of the Annuity

Let us now look at the legal concept of an annuity. An annuity contract is a life insurance contract in reverse, and carries the same scientific and legal principles. Like other forms of insurance it is not a contract of indemnity nor is it an aleatory contract. It has the characteristics of a guarantee—i.e. it is a guaranty by the insurer of a fixed sum of money to a benificiary or, according to common usage, the annuitant, to be paid according to the terms laid down in the contract. The series of payments to an annuity are generally without exception to be certain payments equal in amount and made at uniform recurring intervals to a named person or persons during the continuance of a specified condition or status. The stipulated relation or status during which the annuity is payable may be an unlimited period, or a term of years, or an indefinite period, dependent upon some condition named in the contract. Annuities may even stipulate perpetual payments to un-named individuals. Thus, the French Government bonds, known as "rentes," and which do not require repayment of principal, have been regarded as annuities, since a fixed periodical sum only and not a return of principal is promised to the holder of the security. As stated by Clyde J. Crobaugh in his treatise "Annuities and Their Uses":

"There is a difference, strictly speaking, between an annuity and a periodic income. While an annuity represents a definite sum guaranteed to be paid, an income is made up of net profits, after deducting all necessary expenses and charges, and therefore may be indefinite in amount. An annuity does not vary by reason of profit or income. A simple gift of interest upon a certain principal sum, even though it is to be paid annually, is a gift of income (profit to be earned) rather than an annuity in the true sense."

From what has been said, it can be concluded, therefore, that insurance—and annuities are a form of insurance—and investment are essentially different and cannot safely be mixed. To do so would be to create a dangerous emulsion. It will be diluting certainty with uncertainty. This does not mean that modern insurance is not concerned with interest. It is! *But investment is not essential to insurance.* There was no compound interest return calculated in the early life insurance premiums. These early insurance organizations regulated their premiums on an assessment basis. This was and is the rule in the British Friendly Societies as well as most of the fraternal insurance companies in the United States. It was only after facilities for in the investment of funds developed and legal reserves on insurance policies were set up that investment became a part of the insurance business and compound interest entered into the calculation of level-premium and fixed-annuity payments.

"Variable Annuities" and Securities Transactions

Now, a few words regarding "variable annuities" and securities transactions. Opponents of the legalizing of "variable annuities" point out that their issuance will lead the life insurance companies into the investment business, and, in this business, they will escape the Federal and State laws relating to securities transactions. There is a good basis for this contention. The sale of annuities in which the payments to beneficiaries is dependent on the amount of income returns from securities, notably common stocks, is, in essence, an intermediate sale of securities. The only difference is the selection and custody of the securities is left with the insurance company, and the dividends received are "pooled" and proportionately distributed to the beneficiaries. Thus, there is no essential difference between variable annuities and mutual fund shares. The difference would not be greatly altered, even though the annuity guaranteed a minimum fixed income to the beneficiary.

The courts of the country have universally held that what is prohibited directly by law cannot be performed indirectly. Thus, in a Minnesota case, a furniture concern, selling on the instalment plan, provided in the sales contract that in the event of the death of the purchaser, the unpaid portion of the purchase price would be cancelled. The court held that under this arrangement the furniture company was illegally engaging in the insurance business, for which it would require a State license, and be placed under regulations similar to other insurance companies. The converse will be true, where a concern under the guise of insurance engages in sale of securities. Similar cases could be cited up olding the same principle. A sale of annuities, under an arrangement whereby the periodical payments would be based on the amount of income from dividends derived from securities, under this principle, would be essentially engaging in the securities business.

Insurance Company Investments In Common Stocks

It is further pointed out that the acquisition of common stocks by insurance companies in order to issue "variable annuities" will lead to serious changes in corporate control. It would intensify the danger already pointed out and seriously considered in much detail by the Temporary National Economic Commission of Congress, set up under the late Franklin D. Roosevelt Administration. There was considerable discussion then of the danger of insurance companies, in the aggregate, controlling business corporations. Stockholders of corporations are, in essence, the real "managers" as well as owners. For insurance companies to own a dominant control in corporations, individually or in the aggregate, means that they must necessarily take on a new function—that of corporate management. This would be a dangerous development. It would affect not only business management, but the whole national economic structure.

The evils arising from insurance company stock control of corporations was as far back as 1905 demonstrated by the so-called "Armstrong Committee of the New York Legislature." On the recommendation of this Committee, of which the late Justice Hughes was legal counsel, the New York Legislature enacted a law prohibiting life insurance companies from acquiring shares of business corporations and ordered a gradual disposal of shares already held. Only within the last three years has this prohibition been relaxed and investment in corporation shares by life companies on a very limited scale in New York State is permitted.

The present danger lies in the possibility of raising this limited scale. With $85 billion of assets, and with funds continually seeking investment, the insurance companies are in a position to acquire a large part of new and existing corporate securities. They have already replaced much of the investment banking business in the initial distribution of corporation bonds and notes. Before this movement proceeds further, serious consideration should be given to its political and social impact on the national economy. Certainly, the proposal to issue "variable annuities," backed by common stocks intensifies a movement fraught with danger, while not affording any substantial need or convenience to the public or any segment of society.

Finally, let it be remembered that the essence of insurance is an assumption of a risk by the insurer. If any form of annuity is sold by an insurance company, under the terms of which the payments to the annuitant are contingent, wholely or partially, on the income received from the funds furnished by the annuitant, the transaction is not a contract of insurance. It is nothing more than a contract providing for the mutual sharing by the participants of an investment and mortality risk. It thus differs very little from the participation in a mutual fund through the purchase of its shares.

With Baker, Simonds

(Special to THE FINANCIAL CHRONICLE)

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

With Columbia Secs.

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Walter G. Asmus is now with Columbia Securities Company, Incorporated, Equitable Building.

Marvin Chapman

Marvin A. Chapman passed away at the age of 73 on Aug. 18. Prior to his retirement Mr. Chapman was a partner in Francis I. du Pont & Co.

Bank and Insurance Stocks

By ARTHUR B. WALLACE

This Week — Insurance Stocks

Insurance Company of North America

This company, our oldest stock insurance organization and the head of the North America Companies fleet, was organized in Philadelphia in 1792. It is probable that its name was derived from the first Philadelphia bank, the Bank of North America. The idea of setting up the company was born in the room in Independence Hall in which the Declaration of Independence was debated and signed. A group of merchants, bankers, ship owners and others set out to raise $600,000 of capital in 60,000 shares of $10 each. In short order 40,000 shares had been subscribed, and so popular was the idea that people in modest walks of life subscribed in company with the merchants and barristers.

The company had authorization to write fire, marine and life coverage, but as there had been some unfortunate experience with what served at the time as a life underwriter, the Universal Tontine, it was decided to write no insurance on lives. The company chose to confine its operations to marine writing; and the newcomer in the field was welcome because of its financial strength.

By 1925 the capital had reached $7,500,000, and subsequent increases brought it to the present $21,798,000, with surplus and reserves at the end of 1954 at $240,950,000. It is the top ranking unit as respects admitted assets and policyholders' surplus. With its affiliates, Indemnity Insurance Company of North America and Philadelphia Fire & Marine, it writes practically all lines of business except life. The principal lines are fire, ocean marine, inland marine, auto physical, extended coverage, workmen's compensation, general liability, auto liability.

United States government bonds account for approximately 23.3% of assets; other bonds 4.2%; preferred stocks 12.8%; common stocks 49.7%.

BALANCE SHEET, DECEMBER 31, 1954
(000's Omitted)

Assets		*Liabilities*	
Cash	$19,901	Res. for Claims & Exp.	$42,824
Accrued Interest	475	Unearned Prem. Res.	133,843
Prem. Being Collected	31,185	Res. for Taxes, Exps. & Other Liabilities	9,162
Notes Rec'd for Prem.	304	Reinsur. in Non-Admitted Companies	3,561
Reinsur. Claims Rec'd	341	Dividend Payable	2,737
Real Estate	9,631	Reinsurance Fund	6,117
Securities at Market:		Res. for Contingencies	186,190
Bonds	113,393	Capital	21,899
Preferred & Guar.	44,721	Surplus	150,000
Common Stocks	208,298		
Stocks of Affiliates	125,610		
	$556,339		$556,339
		Policyholders' Surplus	$364,206

Premium volume has grown from $23,058,000 in 1945 to $96,926,000 in 1954. In the same period policyholders' surplus has gone from $27.646.000 to $76,188,000; and earnings after taxes from $2,327,000 to $7,548,000.

TEN-YEAR STATISTICAL RECORD—PER SHARE* EARNINGS

	Liquid. Value	Adj. Und.	Invest. Income	Income Taxes	Net	Invest. Assets	Div.	Price Range High	Low
1945	$38.44	$0.90	$1.52	$0.37	$2.05	$40.75	$1.04	39⅝	29⅞
1946	37.72	0.37	1.78	0.32	1.83	34.32	1.04	33⅜	24½
1947	37.93	0.37	1.85	†0.07	2.29	37.09	1.04	34¼	29¾
1948	41.10	3.18	2.46	0.88	4.76	49.15	1.13	38¼	32
1949	50.11	5.22	2.94	1.86	6.30	59.62	1.46	55	40⅝
1950	59.60	2.77	3.49	1.39	4.87	71.36	1.67	55⅛	41⅜
1951	68.87	2.04	3.77	0.85	4.96	81.75	2.01	61⅝	53¾
1952	77.34	4.06	4.02	1.90	6.18	90.86	2.09	77	58¼
1953	78.16	3.80	4.29	2.07	6.02	90.25	2.09	82½	77½
1954	102.26	2.49	4.77	1.85	5.21	114.54	2.50	107½	84

*Consolidated data. †Adjusted for capital changes.

Liquidating value in the ten years was 219% higher; investment income about 221%; market price 250%. The underwriting profit margin (consolidated) averaged over ten years was 7.3% well above that of the industry. Exposure at the end of 1954 was 0.37 to 1, compared with 0.49 to 1, reflecting the higher securities markets at the close of 1954. The 20-year increase in the value of the company's assets was approximately $231,000,000, an outstanding record in view of the violent economic gyrations in the period. In the ten years to Dec. 31, last, the gain to the stockholder was $86.09, or $8.61 a year. This gain of $86.09 is 267% of the Dec. 31, 1944, liquidating value, and 285% of the price at the same date. The dividend pay-out in 1954 was only about 52½% of investment income. In company with other top quality insurance stocks, the Insurance Co. of North America dividend returns only a modest yield, about 2.25% on the present price of approximately 111. As will be evident, this is truly a growth stock.

Continued from first page

The Long-Time Outlook for The Natural Gas Industry

American Gas Association and American Petroleum Institute which has been issued, for the past few years, I am sure is familiar to you.[1] You also know, of course, that proven reserves are only those quantities which are **known** to be recoverable with present production methods. Such figures bear no relationship at all to ultimate reserves which are certain to be much greater than the proven amounts.[2] Several experts in the field have given their views on the future supplies of gas that **ultimately** will become available. I believe that their conclusions have good, sound reasoning back of them and give a general indication of what we might expect in the future. To see how this information fits into our long-term problem, I propose to look at these two factors separately, that is, the proven reserves and the future supply of natural gas.

A. *Natural Gas in the U. S.*

(1) **Proven Reserves:** Our present estimated reserves as of Dec. 31, 1954, were slightly in excess of 211 trillion cubic feet, or about 23 years supply based upon or present level of production. For the years 1948-52, approximately two cubic feet of natural gas were added to known reserves for each cubic foot of natural gas produced. (This means that for every two cubic feet of gas found, one cubic foot of gas was produced, and one cubic foot was added to reserves.) In the year 1953 (about 2¼ cubic feet were found for each cubic foot of gas produced, and the average for the six-year period is slightly over the ratio of two to one. However, in the year 1954, discoveries exceeded production by only ¼ of a trillion cubic feet. The small increase has been explained as due in large measure to the revision of previous estimates based upon more recent performance of some of the pools.[3] It would seem, therefore, that a more realistic figure for average additions would be the average of the last seven years of record. On this basis, the total reserves added would be about 1.7 cubic feet per cubic foot produced, or a net addition of 0.7 of a foot for each foot withdrawn. As long as we are discovering more gas than is being used, whether it be one or 0.7 or 0.0007 of a foot per foot used, our reserves will last indefinitely. That discoveries should suddenly drop to an amount equal to our increased consumption seems improbable. However, if we were to assume that our **new** discoveries would only equal our increased loads **above** the 1954 level **plus one-half** of our 1954 production, then our so-called 23 years of proven reserves would last us 46 years.

There is another factor entering into the interpretation of the figures on reserves, and that is the effect of the accelerated increase in the use of underground storage fields. A recent estimate by the American Gas Association places such sub-surface storage capacity at about 1.9 trillion cubic feet in 172 fields.[4] Most of these fields will be located near the market in depleted oil or gas wells, or in formations such as our own Herscher Dome Storage, while others may be located in depleted wells near oil fields themselves. These fields have two main purposes:

(a) **To Meet Peak Demand of Customers:** The result of this, in many cases, will be that more customers with seasonal demands such as for house heating, can be served without increasing gas production, as gas in the off-peak period is stored for supplying firm requirements of its customers rather than disposed of at low prices on an interruptible basis.

(b) **To Conserve Gas:** In some cases, gas that would not otherwise be available for the market can be injected into storage fields for future use.

The effect of the above two factors materially increases the number of customers that can be supplied with **firm** requirements of gas without increasing the actual production. As an illustration, an example from our own company would be of interest. We have a contracted supply of 318 million cubic feet of natural gas per day. In addition, we have installed some peak shaving capacity so that in 1953 without the use of underground storage we could supply service to 430,000 residential customers, of which 151,000, or about a third, would be residential house heating customers. By putting our summer surplus gas into storage instead of selling it on an interruptible basis in competition with low grade coal, we expect to be able to serve 580,000 residential customers by about 1960, of which 370,00, or nearly two thirds, could be residential space heating customers. This increase in firm load would be accomplished without any increase in natural gas production.

(2) **Future Supply of Natural Gas from the U. S. and Offshore U. S.:** The opinion of experts in the field would indicate an optimistic picture of our ultimate future supply of natural gas from U. S. sources. Lyon F. Terry, Vice-President, Chase Manhattan Bank of New York, has done considerable studying of this subject in the last several years. In February, 1954, he stated:

"Hence, without attempting at this time to reestimate the quantity, I am more and more convinced that the future supply of natural gas of the United States will be **considerably in excess of** 500 trillion cubic feet." (Gas Age, Feb. 25, 1954.)

In commenting on Dr. Terry's original estimate of 500 trillion cubic feet of gas, Dr. Gustav Egloff, the late Director of Research for Universal Oil Products Company, in the Dec. 4, 1952, issue of Gas Age, makes the following statement:

"Estimates of ultimate reserves of natural gas vary widely. L. F. Terry feels that 500 trillion cubic feet of ultimate reserves is a conservative figure, and this attitude is shared by R. C. Alden.[5] Geologists predict the future discoveries of natural gas will be in the deeper portions of sedimentary basins during exploration for liquid petroleum since gas-oil ratios are higher at greater depths. There will undoubtedly be large gas fields in the Gulf of Mexico under the Continental Shelf.

"While the estimated ultimate reserves of 500 trillion cubic feet of natural gas represents a truly enormous volume, it is felt that even this is far lower than the volume of gas which eventually will be found. So far all predictions of oil reserves have been low and it is quite likely that predictions of future natural gas reserves will also be low."

Commenting further, Dr. Egloff states:

"In the case of natural gas reserves, estimators consider that supplies will be maintained well beyond the present century."

What is meant by this 500 trillion cubic feet, sometimes referred to as "future supply of natural gas" and sometimes as "ultimate reserves," is that about 300 trillion cubic feet of gas will be found in addition to the approximately 200 trillion cubic feet of present known reserves.

Mr. H. H. Hinson, Vice-President in Charge of Exploration for Continental Oil Company in 1954 stated:[6]

"About 375 trillion cubic feet of gas remain to be discovered, which, combined with the present known reserves, gives a total future supply close to 600 trillion cubic feet."

B. *Canadian Reserves*

Canadian reserves appear likely to be substantial and it seems entirely possible, if not probably, that Canadian gas may be used in large quantities to supply United States markets.

(1) **Estimated Canadian Reserves:** W. C. Mainwaring, Vice-President of the British Columbia Electric Company, Ltd., which distributes manufactured gas in Vancouver and Victoria, B. C., as well as electricity, in February, 1954,[7] stated his belief that Western Canada will prove 200 trillion cubic feet of gas. It was stated that 150 trillion cubic feet of reserves would eventually be proven in the Province of Alberta, alone. Alberta's own requirement over the next 30 years was expected to total approximately 4.5 trillion cubic feet in the aggregate, so large quanities of such gas should be available for export. Later events appear to be proving the validity of Mr. Mainwaring's further statement that:

"Popular opinion in well informed circles is that the gas in northern Alberta will find its most economic market in the Pacific Coast area and therefore should be reserved to supply that market, whereas the gas in central and southern Alberta will find its most economic market in the mid-west states and eastern Canada."

(2) **Effect of Canadian Gas on United States Reserves:** It is probable that the rate of development of the reserves in Western Canada will depend upon the market for Canadian gas in the United States. Plans are being considered to bring Canadian gas into the St. Paul and Minneapolis area, as well as into the Eastern U. S. either directly or by displacement. When and if Western Canada gas is delivered to Toronto, it is contemplated that surplus gas, after filling the needs of Eastern Canada, may be piped to the Buffalo and New York area.

With reference to the rather large reserves in the Peace River area of British Columbia alone, the previously mentioned article of Mr. Mainwaring states:

"There is every reason to believe that this vast Peace River area, as further development takes place, will be able to meet the ever increasing demand of the Pacific Coast area for natural gas.

"This should relieve the minds of those who are worrying about natural gas reserves of the United States" . . .

Thus, it seems that we have the right to be optimistic that our own reserves of natural gas can be appreciably supplemented with natural gas from Canada. Of course tangible evidence of that is apparent in the current imports into Montana and the definitive plans for imports from the Peace River area into the Pacific Northwest.

C. *Other Natural Gas Reserves*

Natural gas is available in appreciable quantities in areas other than the United States and Canada. While it might seem at first that gases from these areas, other than Mexico, would not be a factor in our ultimate program, developments such as the barge transportation of natural gas in liquefied form may make large quantities of this gas available to us.

The barge transportation of natural gas has received considerable space in the literature within the last year, and the engineering is not regarded as posing any problems which could not be solved. The Battelle Technical Review of October, 1953 estimated the cost of liquefaction and barge transportation into Chicago from the lower Mississippi River area as 30 cents per Mcf, or 3 cents per therm.

(1) **North and South American Reserves:** North and South American **proven** oil reserves, excluding the United States and Canada, indicate that 70 trillion cubic feet of gas would definitely be found. Of this total approximately 9 trillion cubic feet are in Mexico and 54 trillion in Venezuela. In the absence of figures on world reserves of natural gas in making this estimate, I have used a figure of 5 Mcf of gas per barrel of oil, which is on the low side of U. S. experience. The Venezuela gas may lend itself to barge transportation to supply our markets, and the literature indicates that thought is being given to such a possibility. The above figures are based upon **proven** oil reserves and undoubtedly the **ultimate** reserves will be much more than this. If the same ratio between proven reserves and ultimate supplies exists as is contemplated for the United States, it would indicate over 150 trillion cubic feet to be ultimately available in these countries. It would appear that the ultimately proven reserves would be **greater** than **this** since in many of these countries the exploration may not have been as intense as in the United States.

(2) **World Reserves Other than Western Hemisphere Reserves:** These reserves are at the moment of no particular interest in our problem except as they may contribute to the development of the barge transportation of natural gas. Gas Age for April 27, 1955 states that the possibility of obtaining low cost natural gas from the middle east by transporting liquefied natural gas, is receiving serious consideration in the United Kingdom. It was reported that tentative figures indicate that natural gas could be brought from the middle east and delivered in London at a cost of about one-half that of their present manufactured gas per therm.

* * *

The above figures on the ultimate quantities of natural gas that should become available to us in the future are certainly impressive.

You can see that we are optimistic that we will have sufficient quantities of natural gas to last us for many years. However, prudent management dictates that we should understand the possibilities of obtaining pipeline-quality gas from coal, and especially so for our Company where we have huge reserves of coal nearby. Moreover, our interest in gasification goes further than the problem of making gas from coal when natural gas supplies are depleted, because we believe that gas from coal may be cheaper than natural gas for some of the needs that will confront us before the exhaustion of reserves.

II

Supply of Substitute Gases

A. *Coal Gasification Technology Developing Rapidly*

Let us look at our gas supply problem and instead of predicting what gases may be found in the future, let us assume that we would make our own gas from coal, and therefore use natural gas only when it is available at prices competitive with what we can produce. The possibilities in this direction are surprisingly promising and are the result of the large sums of money spent on research in the last few years. As you undoubtedly know, the expenditures for research in the United States in recent years have been at a level of over $3 billion annually, and while only a portion of this is directed specifically to problems of gasification, yet there are many related items that become useful in the over-all gasification development.

(1) **Developments in Coal Gasification Technology:** It should be remembered that if natural gas discoveries should slow up, it would also mean that the production of crude oil would diminish, so our problem is closely related with the problem of a substitute method of producing **oil**. This has stimulated much thinking toward methods of producing **oil** from coal. In many respects the steps in producing oil from coal are similar to those that are possible for the production of gas from coal. These processes are based upon the production of a gas consisting essentially of carbon monoxide and hydrogen. This gas is often referred to as a "synthesis gas." These molecules of carbon monoxide and hydrogen can be rearranged by catalytic processes to produce either methane gas, that is natural gas, or liquids, such as gasoline, the end result in either case being a hydrocarbon. Therefore, some of the earlier processes for obtaining gas from coal were based upon research for the production of a synthesis gas that could be converted either into gas or oil. These are often referred to as the conventional systems. Such processes predicated a cost of 10 to 11 cents per therm in 1948 and by 1952, while showing promise for the production of pipeline gas at about 7 cents to 9 cents, were still relatively inefficient.

Advances in technology since that time are producing new and improved methods, and results of this research is becoming increasingly evident in the most recent literature.

I believe it is the experience of all of us when sound fundamental principles have been determined in the laboratory, that our ingenuity in applying these principles to practice results in systems that are commercially feasible.

(2) **Results of Research on Coal Gasification:** Hall M. Henry, Vice-President of the NEGEA Service Corporation of Cambridge, Mass., has followed developments in coal gasification probably as closely as anyone in the industry. In a paper early this year (Gas Age, March 10, 1955) he indicates fairly well what is being anticipated now from research that is well along the way:

(a) Figures are given showing results that are now being considered as possible with modifications of one of the conventional systems (IGT) wherein gas costs may be as low as about 4.6 cents per therm.

(b) Modifications of another conventional system (Lurgi)[8] may result in a cost of about 6.5 cents per therm.

(c) Unconventional systems based entirely upon new concepts

1 Gas Age, April 7, 1955.

2 Dr. Gustav Egloff, Dec. 4, 1952 issue of Gas Age.

3 Oil & Gas Journal, Mar. 21, 1955.

4 Oil & Gas Journal, May 16, 1955.

5 Chairman of the Research Planning Board of Phillips Petroleum Company, Bartlesville, Okla.

6 Report presented before the American Gas Association Financial Forum in October of 1954, entitled "What's the Present Picture for Natural Gas Reserves?"

7 Gas Age—Feb. 25, 1954.

8 The Lurgi system is a medium pressure, medium temperature system for generating a synthesis gas, using a fixed fuels bed, and produces appreciable quantities of methane.

of gasification show promise of a gas cost of about 4.5 cents to 5.5 cents per therm.

Advances in technology thus indicate that the expected cost of pipeline gas from coal has decreased from about 10.5 cents per therm in 1948 to less than 5 cents per therm currently, and there is no indication that we have reached the end of technological advances that would further decrease this cost.

B. *Large Scale Operation of Synthesis Gas Plants*

It may be well to point out that many of the theories useful in the production of pipeline gas from coal have proceeded beyond the pilot plant stage and are in actual phases of construction and operation. A complete plant for the conversion of coal into oil designed to process 7,600 tons of coal per day, is being constructed in South Africa, and is expected that full production will be reached late in 1955.[9] One step in this process is the conversion of coal to a synthesis gas which can be upgraded into pipeline quality gas. Some experts have stated that the cost of the synthesis gas constitutes about 70% of the final cost of pipeline gas, so here is a plant that will soon be in operation that puts into practice the major step in obtaining pipeline gas from coal. Thus, complete operating experience will soon be available on the large scale production of synthesis gas by what has been referred to herein as a conventional system. It has been stated that this plant will produce motor gasoline at about 13.8 cents per U. S. gallon. The plant is expected to cost $92 million when completed, but this cost includes, as we understand it, coal mining as well as housing and marketing facilities.

C. *Underground Gasification*

There is another approach to gasification that has been studied for years and which may now be approaching commercial feasibility, and that is underground gasification of coal. New approaches to this method were developed several years ago which have been tried experimentally by the Bureau of Mines and Alabama Power Company. Their experiments indicated that "hydrofracturing," used quite generally in the oil industry, may further advance the art of underground gasification. The Stanolind Corporation and Alabama Power Company, using primarily their own funds, have done further experimental work in the past year in cooperation with the U. S. Bureau of Mines. This recent work produced such promising results that the Bureau of Mines has now appropriated funds for further research along these lines.

It is quite probable that this method of gasification may lead to production of a low Btu gas (about 100 Btu per cubic foot) for less than 1 cent per therm, excluding the cost of the coal acquisition rights. Some of the advances in technology indicate means of upgrading this low Btu gas to pipeline quality which, it would seem, would result in pipeline quality gas at a lower cost per therm than any of the schemes previously mentioned.

Other methods of upgrading gas from underground gasification may also prove feasible, and it would seem that a method of obtaining gas without mining the coal may well be a future possibility.

D. *Carbonization of Coal*

Another method of obtaining gas from coal, which I am mentioning here primarily to complete the picture, is the method of obtaining the volatiles from the coal in the form of gas by low or medium temperature carbonization.[10] These schemes which are now being developed in pilot plant operation may prove feasible in many locations, but in general have the disadvantage that their economical operation depends upon the sale of by-products.[11] Such schemes may develop to the point where about 25% of the Btu in the coal can be converted to gas at a very nominal cost per therm provided the principle by-product char (or coke) has a ready market. It has been stated by the workers in this field that the steel companies would be willing to pay a relatively high price for this char since it would displace a part of the high grade Eastern coals that are now used for this purpose. This approach, therefore, cannot be ignored, and especially so since the coke produced has many advantages as fuel for gasification also.

9 Oil & Gas Journal, July 19, 1954 and Dec. 13, 1954.

E. *Other Developments*

Perhaps it would be well to comment briefly on how we feel towards our competitive position when and if atomic energy becomes generally used for the generation of electricity. Surprising as it may seem, the developments in atomic energy may materially benefit the gas industry. In the first place, if atomic energy is used in a large measure for the generation of electricity, it will lessen their requirements for coal. Thus, we would be in a stronger position with respect to the purchase of coal for gasification. Secondly, atomic energy may be used in gasification **processes** to advantage. This may take the path of changing the structure of coal or the synthesis gas by atomic radiation which would be similar in some respect to what Standard Oil Development Company[12] is planning to do in their approach to getting more usable products from crude oil by radiation, or it might take the form of supplying the heat required for maintaining the gasification reaction. Standard Oil Development Company (now Esso Research & Engineering Company) plans to spend about $1 million in the next five years to find out what radiation will do for them. They are hopeful that such radiation will give the oil industry a cracking process that is easier to control and one that yields a better end product without some of the expensive combustion equipment that goes in today's cracking units. Their findings may be also of value in obtaining gas from coal.

With respect to "the atom to coal to gas" possibilities, the AGA Information Service, letter of May 20, 1955, states:

"Atomic Energy Commission is keenly interested in the idea. It sees in this a potential economic use of the atom. The Bureau of Mines and AEC jointly would do the research and design. BM would run the project when built. AEC would foot the bill."

"Taking up heat from the reactor **the stream would be converted to a synthesis gas** of 250-300 Btu's. BM thinks this might be done for about 10 cents per Mcf. [13]

"The synthesis gas could be **converted over a catalyst to 1,000 Btu pipeline gas** at a cost in the range of 55 cents-75 cents.

"No radioactive contamination of the end product gas is expected. Disposal of the slag, slightly radioactive, would not be a serious problem.

"First step for the Bureau of Mines as a study of refractories. This will be done at Morgantown and take four months or more.

"BM and AEC realize the engineering difficulties. Yet they are enthusiastic and optimistic."

10 Economics of Coal Carbonization by Low Temperature Processes, July, 1954 issue of Chemical Engineering Progress, and Fluid Devolatization of Coal for Power Plant Practice, Transactions of ASME, November, 1948.

11 Electric Light & Power, Oct. 1, 1954, page 13.

12 Business Week, Dec. 11, 1954, page 142.

13 The stream would be powdered coal and steam, or a slurry of powdered coal and water.

It will be noticed that it is expected that the **synthesis** gas might be obtained for about 3⅓ to 4 cents per therm. (55 cents to 75 cents per Mcf of 1,000 Btu gas is 5.5 to 7.5 cents per therm.) Certain developments in the laboratory now might result in processes that would upgrade this synthesis gas to 1,000 Btu gas more economically than that mentioned above.

You may wonder why I have not mentioned oil shale as a raw material for gasification. The reason is quite simple. We serve a state that has high coal reserves, and their proximity to our market has caused us to consider first, methods that use these materials in our own back yard. However, oil shale has possibilities that cannot be overlooked by the industry as a whole, and the by-product gas from oil shale processing plants also may well be an important source of pipeline gas in the future.

There are also other raw materials that may prove important in the future gasification technology. One of these is lignite fuels. These fuels, we understand, may have many of the characterstics of the "brown coals" of Germany which are non-caking and have been successfully gasified by the Lurgi process. We are therefore keeping in touch, in a general way, with methods of making gas from fuels other than coal, but believe the long-term trend for companies situated like ourselves will be to obtain our gas directly from coal.

F. *Present Objectives of Gasification Research*

We are convinced from our studies of the future reserves of natural gas, that at the end of 20 years or more there will still be ample reserves available to us. However, our interest in gasification of coal is only partially directed to the long-term view of what to do when natural gas is in short supply. It is actually directed also to the following two very immediate objectives:

(1) The development of a gasification process that would result in a cost of gas low enough so that it would tend to establish a "ceiling" for the pipeline companies to meet.

(2) To permit adding **increments** of gas, as needed, when our present pipeline facilities are loaded, instead of adding at **one** time the capacity of a **new** pipeline with its resulting **heavy** investment and problems of surplus gas disposal.

It is evident that we have reasons to carry on immediately the research work that is necessary to develop economical gasification processes, and I know there are many people in the gas industry that feel we must proceed promptly to develop pilot gasification plants that will accomplish the above objectives. Under such a plan, when natural gas can no longer supply our demands, we will have efficient methods for producing gas from coal at prices that will allow us to maintain our competitive position. As you know, the AGA have a competent committee directing research by competent engineering organizations along these lines. In addition, other companies who have an interest in this general problem are devoting research to this same question. As you perhaps know, serious thought is now being given by IGT, the Institute of Gas Technology, to the building of a pilot plant designed for processing approximately 1,000 tons of coal per day. As a matter of general interest, we have accumulated 113 patents assigned to companies with large resources who have studied the gasification of coal. From the research work so far done and that which we can anticipate in the future, we fell assured that the proper technology for an efficient plant will be developed rapidly.

III

Markets

Now that I have satisfied you as to supply, let's see if we can sell the gas.

A. *Our Competitive Position With Electricity*

I believe it may be of interest to you to take a quick look at our competitive position with electricity, although a Vice-President of one of the largest life insurance companies in the United States recently was quoted as follows:[14]

"The long-term threat of the electric competition is, at this stage, a minor factor in the insurance company requirements of high sinking funds in gas distributing company bonds."

Basically we are selling a **fuel**, and gas is a better **fuel** than electricity.

The following cost comparisons of gas with electricity for cooking and water heating requirements, assuming that a three-wire electric service was available, prepared by the AGA seem to bear out the above point of view:

(1) For Cooking, Water Heating and Clothes Drying:

(a) **For Cooking**—(One therm of gas is considered equivalent to 14.65 KWH of electricity.) The average cost of the most popular model range was $231.63 installed (new installation) for gas, compared to $301.40 for an electric range (new installation).

(b) **For Water Heating**—(One therm of gas is considered equivalent to 18.2 KWH of electricity when using 50 gallons of hot water per day.) The installed cost for a water heater to give comparable hot water service was $138.07 for gas compared to $184.71 for electricity.

Operating and Maintenance Costs: The yearly operating cost for cooking and water heating, including maintenance, would average $58.42 for the gas operating units and $106.55 for the electrically operated units.

All the above data are contained in a 1955 report of the American Gas Association entitled "Comparative Total Costs of Gas and Electricity for Cooking and Water Heating in Residences" which I recommend to you.

The advantages of gas-operated equipment over electric equipment for these services should be even more apparent in the future if the present trend for "speed" continues. Every home in our territory supplied with gas has installed capacity sufficient to increase several times the input to its appliances, whereas in the case of the electric operated units, an increase of twice the input to its appliances may involve considerable difficulty. In other words, we do not have and cannot foresee an adequate piping problem similar to the electric industry adequate wiring problem.

With respect to the trend towards modern automatic washing machines and dish washers, the high recovery capabilities of the gas water heater has outstanding advantages.

(c) **For Clothes Drying:** The gas clothes dryer, a desirable counterpart of the automatic washer, operates at less than 20% of the cost of operating an electric dryer. (Incidentally, the use of an electric automatic washer when supplied by hot water from a gas-operated water heater, gives to the Gas Company more revenue than it provides to the Electric Company.)

14 From a paper by Hall M. Henry, Vice-President, NEGEA Service Corp., Cambridge, Mass., and presented before the Operating Division, New England Gas Associtaion, Boston, Mass., Jan. 18, 1955. See Gas Age, March 10, 1955, page 44.

Therefore, we feel that we **have** a basic edge over electricity **and** will continue to have it in **the** major domestic uses. All we **need** is good appliances and good **promotion**.

(2) **Summer Air Conditioning:** Summer air conditioning will undoubtedly develop rapidly for **the** home. New designs of gas-powered units have been, or **are** being, field-tested and we **expect** several manufacturers to be in production on three and five **ton** units next year. These sizes **will** have ample capacity for homes **up** to eight to ten rooms. While **the** first cost of such units for **the** present may be in the order of **20** to 25% more than a compar**able** electric air conditioning unit, **they** will in general have operat**ing** costs about one-half of that of **the** electric units, based upon present information.

The operating cost of the Coleman gas engine unit, according **to** the manufacturer, will be so **much** below that of an electric unit **that** a home owner would have a lower total cost if he bought the **Coleman** unit than if he were **given** an electric unit. Incidentally, **we** are testing one of these in **our** laboratory this summer.

Other designs that are in **the** laboratory stage of development have promise of both lower **first** costs and operating costs. **The** AGA is actively sponsoring **research** work directed towards **the** development of these new **approaches** to gas-powered summ**er** air conditioning, and it is **my** understanding that a full-size **experimental** model of one of **the** most promising new designs **will** be built within a year. The summer air conditioning load **is a** highly profitable one for the **gas** industry since it is a completely off-peak load.

(3) **Winter Heating:** There **is** considerable thought in **some** circles that the summer air conditioning load is creating a **winter** valley for the electric industry with the result that some companies are now promoting **winter** heating to offset this summer peak. The electric industry **has** two approaches to this problem: (1) Resistant type heating **systems**, and (2) The electric **heat** pump.

With respect to resistant **type** heating, one therm of gas, (assuming only 70% efficiency for heating) is equal to about 20 **KWH** of electricity. Using individual thermostatic controls for **each** room and radiant type heating, some further advantage for **the** electric might be obtained, **but** even if it was reduced to 15 **KWH** being equivalent to one therm **of** gas, then electricity at 2¢ **per** KWH would be equivalent to **gas** at 30¢ per therm, or $3.00 **per** MCF. We sell gas at about 9¢ **per** therm for heating.

(4) **The Electric Heat Pump:** The electric heat pump in southern climates has some promise where the summer air conditioning requirements are high **and** winter loads small. In parts of **the** South, climatic conditions are **such** that perhaps 7 KWH of electricity may be equivalent in heating capabilities to one therm of gas. Thus, at 2¢ per KWH, the **fuel** requirements would be equal **at** 14¢ per therm. In addition, **it is** believed that the maintenance **cost** of the electric heat pump would be considerably greater than a gas-designed heating system.

The climatic conditions favoring the above type of heat pump, **are** not present in the territories **such** as ours, and **supplemental heating is necessary.** Such supplemental heating generally would have **to** take the form of resistant **type** heating in which one therm of **gas** would be equivalent to about 20 KWH of electricity. It is probable that supplemental heating would be required on all days when

Continued on page 26

Continued from page 25

The Long-Time Outlook for The Natural Gas Industry

outside temperatures are below 30°F. The operation of the heat pump, therefore, in our territory would be a combination of straight resistant heating and the heat pump for days colder than 30°F, and the heat pump by itself the balance of the time. On this basis, one therm of gas would be equivalent in heating capabilities to about 8 to 10 KWH of electricity.

(5) **Gas Heat Pump:** Some of the newer developments of the gas-powered summer air conditioning units have fine theoretical possibilities with respect to application for year-round air conditioning using the heat pump principle. Theoretically, a gas-designed heat pump may overcome many of the electric's disadvantages by using the waste heat of the unit instead of depending upon the outdoor air for its heat source. The result is a system that is not dependent upon the outside air for its efficiency, and therefore would work effectively in our territory. In the electric heat pump system, the motor uses electricity, which is a highly refined source of energy. In its production at the generating station, only about one-third of the heating value of the fuel used appears as energy in the form of electricity, and about two-thirds of the fuel appears as waste heat that has to be thrown away at the generating station. In the gas-powered units, when the fuel is converted to mechanical energy at the customers' premises, about the same proportion of the fuel appears as waste heat. It can, in this case, however, be re-used in the system for heating purposes by means of the heat pump principle. Theory indicates that the gas heat pump could be inherently efficient, and schemes are being studied in which all the heat of the gas can be made useful for heating purposes and which could have an efficiency for heating as high as 100% instead of the 70 to 80% now being obtained by conventional gas heating systems.

B. *Our Competitive Position With Oil*

It is desirable to bring out another interesting situation that will develop if and when natural gas supplies become depleted, and which has an important relationship with respect to our competitive position with oil. Present technology indicates that oil produced from coal may be considerably more expensive per therm than gas produced from coal.[15] Thus, when the customer requires fuel to heat his home in the future, to the extent that the choice is between oil from coal or gas from coal, it appears now that our competitive position with oil will be better at that time than it is at present.

C. *Load Potentiality*

(1) **Advantages of Gas Operating Equipment:** I have indicated the cost advantages of gas operated equipment. While it is recognized that cost is only one item influencing the customer in his selection of an appliance, it is significant, however, when lower cost of operation can be combined with superior performance. The inherent capabilities of gas for cooking, water heating, home heating, and clothes drying are outstanding, but it does take progressive research to fit these inherent capabilities to the changing needs of the customer. It is my studied opinion that the gas industry, through its AGA and other programs, has the progressive research objectives to make the operation of its appliances outstanding in the minds of the customer.

(2) **Estimated Increased Loads Per Customer Based Upon Cost Advantages and Inherent Capabilities of Gas Fuel:** It would seem of interest, in evaluating our long-term outlook for the residential use of gas, to determine a reasonable approach to saturation of various appliances that might be expected 20 years from now, and on this basis obtain an estimated of what our future residential load might be. At the present time, we have figures to indicate that our company's saturation of gas ranges is 95%, water heaters 72%, space heating 38%, refrigerators 8% and clothes dryers 7%. Incinerators have not reached any appreciable saturation at the present time.

Our future saturation of the above appliances will depend on a number of conditions, but if it is assumed that the customer would react in 1975 to specified conditions as he would today, and economic conditions stay the same, a reasonable approximation seems possible. I am assuming that we will have as good gas appliances, as well promoted, and priced as advantageously as our competitors.

Under the above conditions, we would expect the following ultimate saturation of our major appliances by 1975:

	%
Gas Ranges and Water Heaters	80
Space Heating	75
Gas Clothes Dryers	25
Gas Incinerators	12
Gas Fueled Air Conditioning	10

Using the above saturation figures for our major appliances as given for 1975 and assuming we would have a proportionate share of this saturation in the intervening years, our annual consumption per residential customer would be as follows:

	Therms
1954 (Actual)	826
1960	1,270
1965	1,423
1970	1,501
1975	1,534

(3) **Population Growth Effect:** From reliable sources, the population of the United States has been estimated for the United States as a whole. From this data, starting with the actual number of customers served by the Northern Illinois Gas Company for the year 1950, we have estimated our customers for the years 1955, 1960, 1965, 1970 and 1975. Our total can be expected to rise from approximately 500,000 now to almost 850,000 at the end of 1975, even if our growth rate is slower than that projected for the U. S.

(4) **Estimated Total Load 20 Years Hence:** From this customer projection, we have estimated our annual residential consumption for the company based upon the saturation and use figures previously mentioned. Estimating the firm commercial and industrial usage on a conservative basis, the total firm load would double by 1965, and be over two and one-half times the present level in 1975.

That we have tremendous load possibilities is thus apparent. In 1975 our residential load alone is estimated to be about three and one-half times what it is now. Part of this increased load will come from existing customers, but much of it will come from the 350,000 new customers expected.

The research, promotion, and management problem incident to obtaining loads of the above order is obviously of substantial magnitude.

IV
Management

The ingredients of a supply of gas and a market for it will get the gas industry nowhere unless the men running the industry take advantage of these opportunities we have. I think that investors had rightful cause for concern on this score up to perhaps a decade or more ago, when the industry was predominately manufactured gas and was gradually slipping into obscurity. I **don't** think that there is cause for similar concern now, nor do I think that there will be 20 or 30 years from now. The **present** industry leaders are alert, aggressive and progressive in their thinking.

We, in common with other gas utilities, have been able to secure our share of alert, young graduate engineers over the last decade, and because of our expansion have been in position to offer them rapid promotion as they, in turn, evidenced their ability to assume responsibility. I reviewed recently the progress of 19 engineers hired in the 1945-48 period. One is now a District Manager in charge of all commercial and operating functions in a large geographical area; three are superintendents, responsible for all operating work in district areas; 11 are in supervisory positions in operating engineering in various districts; one is a staff man in our operating Vice-President's office generally assisting the Vice-President; and three are Industrial Gas Sales Engineers. Finally, we are attracting a high type of young engineers, accountants and general course college graduates, who will be the leaders of tomorrow. This Spring we have hired 10 new graduates, mostly from engineering schools, and we believe that they are an outstanding group from the viewpoint of academic attainment, extra-curricular activities and leadership qualities. We in common with most gas companies have a management development program designed to realize their maximum potentialities.

Probably the two most important directions in which this management effort should be made are in vigorous research and intensive promotion. As a final part of this presentation, I want to tell you how we and the industry envision these problems and what we are doing about them.

A. *Vigorous Research*

Experience has indicated that research must be a continuing activity and separated from the varying pressure of the usual operations of the company. It cannot be "turned on and off like water out of a faucet." We are planning research on a continuing basis in our company and others in the industry, as well as the industry collectively, are following the same general pattern.

The purpose of research is to assure and enhance the position of the company. In its broadest terms, this means we will have to deliver to the customer, energy that will be competitive in price, and that the appliances that use this energy will be designed to fit the needs of the customer, be attractive in appearance, and capable of developing the inherent capabilities of gas.

(1) **Research Directed Toward Improving Appliances:** Research directed toward accomplishing these objectives is being done by the American Gas Association, the manufacturers of the equipment, and the utilities themselves. The AGA research on appliances is being carried on at about a $200,000 per year level, and in many cases their research is carried to the point where their findings are incorporated in an actual appliance so that the manufacturer can better visualize how the improvements could be incorporated in their products. As a result of this research on ranges, the near future should see a range that is far superior to any range now on the market. It could have burners that operate over a range of inputs of about 350 Btu per hour to over 16,000 Btu per hour merely by turning a valve. Automatic temperature control of the top burners (as well as the oven burners) will be available at low cost, which is extremely reliable and efficient. The ovens and broilers will be improved to the point that they will represent the very finest type of operation. Already, built-in units are available, and cooking by gas in the future should be the preferred system.

Other developments are under way in the AGA laboratories that will result in further improvements in water heaters, house heating equipment, and other appliances, as well as improved utilization of gas for industrial applications. However, the AGA's major effort and outlay at this time is in the field of summer air conditioning.

The work done by the AGA is designed to make available to the manufacturer the result of the research in such a manner that he can incorporate his own ingenuity in applying these principles to practice and carry on any further research of his own that he believes would be desirable to meet the needs of the customer. The utility company's responsibility in such a program must include methods that will encourage manufacturers to put into production those developments that are known to be of value to the customers in its territory. I feel that the utilities are aware of and will meet this responsibility.

(2) **Research Directed Toward Improvements in Engineering, Operating and Maintenance:** While considerable research in this field is being carried on by the manufacturers of equipment and to a certain extent by the AGA, yet certain portions of this must be done by the utility itself since it knows best the difficulties that are encountered in meeting the problems inherent to serving the load in its territory. The aim, of course, is to get gas to the customers' premises in the most economical manner with respect to first cost, operation, and maintenance. Typical of some of the problems that our own company has been instrumental in solving are: economical high pressure storage methods, improved methods for prolonging the life of existing mains, automatic means of testing gas meters, economical peak load supplies of gas from existing water-gas generating equipment, development of a method of applying automatic computing machines for solving flow patterns and distribution main sizes for anticipated increased loads such as caused by house heating, and many others. One of our research engineers initiated the studies that lead to the development of the Herscher Dome storage system. We have recently been conducting very successful tests of a method of sealing main leaks from the inside, at a great cost saving. This type of research yields good return for the money expended, and our research program is designed to take full advantage of changes in technology that will be of benefit to the company.

(3) **Research on Gasification of Coal:** My previous remarks indicate the active research that is being directed towards gasification of coal. The problem is being studied by many who are leaders in the field of research. The Bureau of Mines is active in the development of gasification methods, as shown by the following from the "Utility Spotlight" of May 19, 1955:

"Secretary of Interior Douglas McKay dedicates Bureau of Mines' **Appalachian Experiment Station,** new fuel research labs at Morgantown, West Virginia, in which will be consolidated the Bureau's Research on gasification of coal relating to production of synthetic fuels and other fuels projects. He says Bureau is considering coal-to-gas research in cooperation with industry with aim of supplementing natural gas supplies."

Others engaged in research in this field include such organizations as the Pittsburgh Consolidation Coal Company, the M. W. Kellogg Company, Hydrocarbon Research, Inc., the major oil companies, and especially the Institute of Gas Technology (IGT), which receives substantial support from the AGA.

B. *Intensive Promotion*

The product that the gas industry has to sell is worth talking about. It is good enough, in my opinion, so that if each customer on our line who is about to purchase a range knows the full story about our product and that of the competitive appliances, we will have no difficulty in obtaining an ultimate saturation of over 80%. But it cannot be assumed that our customer knows all about our appliances. Therefore, we must accept the principle that intensive promotion is required—and that is exactly what we are going to do.

(1) **Under AGA:** The PAR (Promotion, Advertising and Research) program of the AGA is directed towards the above objectives. Its basic function, since its inception with respect to promotion and advertising, has been to undertake for the gas industry, those activities which can be done only, or best, at the national level. About $1½ million have been spent annually in recent years on this phase of the program. It is a well conceived and administered activity guided by the top men of the industry. Its advertising program through a space-sharing plan encouraged manufacturers to do over $1¼ milion of advertising on their own in 1953. This PAR program provides a general pattern under which both manufacturer and utility can and will obtain the maximum benefit from their promotional dollar.

(2) **By Manufacturers:** The manufacturers are constantly improving their products, and one indication of this is the demand made upon the AGA laboratory for approvals for new appliances and improvements of present products, and extension of new product research. In 1954, the AGA laboratories in Cleveland and Los Angeles tested almost 6,000 appliances and accessories, and the rate of application for such testing is increasing constantly.[16] The estimated sales for 1954 of the three major appliances; ranges, water heaters, and house heating equipment total 2,000,000, 2,250,000, and 850,000, respectively. Thus, the volume of business is such that there is an incentive for the manufacturer to promote his product.

(3) **By Utilities:** The utility company must recognize that the most elaborate PAR program is of little value unless it knows the many ways in which it can be used, and how to derive the maximum benefits from it. Therefore, it should be a part of the utilities' promotional program to design its own activities to fit into the over-all PAR program so far as it is consistent with its own requirements.

The changing attitude of many gas utilities was expressed by T. T. Arden, President, Gas Appliance Manufacturers Association,

15 While this is too involved to be discussed in much detail here, it might be sufficient merely to point out that what we want is methane (CH_4), which is a rearrangement into one molecule of one carbon atom and 4 hudrogen atoms, whereas, for gasoline, it takes a rearrangement of approximately 20 atoms of hydrogen and 9 atoms of carbon into one molecule of liquid. Such oil from coal systems, to my knowledge, do not offer the economy of operation that is expected from some of the newer systems of obtaining gas from coal.

16 Gas Age, Jan. 13, 1955, page 43.

and Executive Vice-President, Robertshaw-Fulton Controls Company, in the Jan. 13, 1955 issue of "Gas Age"—

"Utilities More Aggressive: Another sign of the times is the beginning of a return by many gas utilities to their former status as aggressive merchandisers of gas appliances. Apparently many of those who left this field several years ago to concentrate on building their fuel distribution systems and converting to natural gas are now back to direct selling of gas appliances or closer sales cooperation with dealers."

It is this activity at the consumer level that actually puts the appliances in the customer's home. Sales campagins and promotional incentives have to be worked out by the utility company. Under the PAR program and that of the manufacturers, effective sales results are possible at a minimum expense. Such programs geared to the tempo of our competition must be designed and intensively promoted. There is every evidence to indicate that such is the thinking of the industry in general, and that we are all moving ahead in this direction.

* * *

In conclusion then, let me assure you most emphatically that the natural gas distributing industry is fully aware of the need of good management to realize the full potentialities of its growing business through vigorous research and intensive promotion, and is taking now the necessary steps to assure this end.

NOTE: Acknowledgment is made of the great assistance rendered by Mr. Earl L. Tornquist, Research Engineer, Northern Illinois Gas Company, in the preparation of this paper.

EDITOR'S NOTE—The foregoing paper was delivered by Mr. Chandler before the Life Officers Investment Seminar, 1955 session, Beloit College, Beloit, Wisconsin.

Form Denver Secs. Inc.

DENVER, Colo.—Denver Securities Inc. has been formed with offices at 711 Seventeenth Street to engage in a securities business. Officers are Howard R. Christiansen, President; Howard A. Christiansen, Vice-President; and Keith H. Dibble, Secretary-Treasurer. Also associated with the firm's staff are LeRoy V. Dolsby, Oscar S. Herrick, Raymond J. Lay, Dean O. Sanders and Bernard C. Weaver.

Forms Keystone Secs.

PHILADELPHIA, Pa. — Keystone Securities Company, Inc. has been formed with offices in the Witherspoon Building to engage in a securities business. Officers are Henry Spiegel, President and Treasurer and Louis Spiegel, Vice-President and Secretary.

W. A. Koenig Opens

JACKSON HEIGHTS, N. Y.—William A. Koenig has formed W. A. Koenig Company with offices at 86-10 34th Avenue to engage in a securities business.

Meade & Co. Opens

Jack A. Dinoffer and Paul Richter are engaging in a securities business from offices at 55 William Street, New York City, under the firm name of Meade and Co.

Sol Meisler Opens

Sol Meisler is engaging in a securities business from offices at 4 East 41st Street, New York City.

Continued from page 4

The State of Trade and Industry

level order volume for sheets, bars, stainless and other products. The pace of 1956 car output will be even with or ahead of last year's fast tempo.

During the balance of this year demands from construction, railroads, farm implement makers, appliance manufacturers and from hundreds of miscellaneous steel users will be piled upon the record requirements of the auto industry. There will be enough incessant steel demand to support 100% operations for some time.

But mills are in no position to reach 100% operations in the near future. Repair programs are not completed—hurricane rains set one large steel plant on its ear this week.

More rehabilitation is needed to put equipment in tip-top shape. Steel deliveries will slip further behind in September and backlogs will mount.

There has been no appreciable gray market tonnage because ingots have been unavailable. Finishing mill space for purchased ingots is hard to find. Foreign steel is not a factor in this boom—as it was in the past. The opposite is the case. Europeans want our steel.

Steel firms are keeping close tabs on their secondary steel. Warehouses are screening their customers. Daisy chain operators so far have not latched onto large tonnages of steel which they could easily sell at premium prices. But if current market conditions get much tighter, it is certain that premium markets will flower overnight."

"Steel" the well known weekly magazine of metalworking reports that steel production rose for the first time in four weeks. The outlook is for the best operations since June.

Steelworkers' vacations are about over, chances for seasonable weather are improving and good progress is being made in repairing equipment that went through vigorous second-quarter usage.

Upturn in the week ended Aug. 21 was 1 point, making the national ingot production rate 91% of capacity.

After registering 97% at the end of June, the rate toppled to the low 70s during the steelworkers' wage negotiations. It takes time to recover from such a slump — recovery was slowed by summer vacations and extremely hot weather affected both equipment, men and equipment repairs. July's output averaged 85.4% of capacity.

Order backlogs and new demand are big enough to support a production rate as high as producers can attain. The 91% rate is less indicative of orders on the books and current demand. It's merely the highest that producers can get their production up to.

The auto industry is a big reason why steel is in strong demand. This year it increased its rate of take by 26%. In the first half of 1955, automakers received 23.9% of mill shipments of finished steel, compared with 18.9% in the corresponding period of last year.

Even though the construction industry (including maintenance) has been running pell-mell this year, it is not taking so great a portion of the mills' output as it did last year. It took 11.4% of mill shipments of finished steel in the first half of this year, compared with 14.2% in all of last year.

As the summer has progressed, the construction industry has strengthened its demand for steel—largely structurals and plates. Demand for these products is being accentuated by two consumers which just got back into the market—railroads and shipbuilders.

The scrap price climb that started in June and carried the market up $9 has halted. "Steel's" price composite on steelmaking scrap edged down to $43.83 a gross ton from the preceding week's $44.17. Unchanged is "Steel's" price composite on finished steel at $127.41 a net ton.

The American Iron and Steel Institute announced that the operating rate of steel companies having 96.1% of the steelmaking capacity of the entire industry will be at an average of 91.4% of capacity for the week beginning Aug. 22, 1955, equivalent to 2,206,000 tone of ingots and steel for castings as compared with 90.2% (revised) and 2,176,000 tons a week ago.

The industry's ingot production rate for the weeks in 1955 is based on an annual capacity of 125,828,310 tons as of Jan. 1, 1955.

For the like week a month ago the rate was 90.7% and production 2,190,000 tons. A year ago the actual weekly production was placed at 1,515,000 tons. The operating rate is not comparable because capacity was lower than capacity in 1955. The percentage figures for 1954 are based on annual capacity of 124,330,410 tons as of Jan. 1, 1954.

New Business Incorporations Dip Sharply During July

A sharp falling off in the rate of new business incorporations occurred during July, according to the national credit agency: Dun & Bradstreet, Inc. New charters issued during the month declined to 10,893, from 12,605 in June, a drop of 13.6%. The July figure, however, was the largest for the month since 1946, and compared with 9,409 in July a year ago, or an increase of 15.8%.

The volume of new corporate formations for the first seven months of 1955 climbed to 85,250, the highest on record for the period. It was 26.7% above the 67,299 for the similar period last year.

Electric Output Scores a New All-Time High Record For the Fifth Consecutive Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Aug. 10, 1955, was estimated at 10,812,000,000 kwh. The previous high level at 10,925,000,000 kwh. was attained week of Aug. 6, according to the Edison Electric Institute.

This week's output increased 83,000,000 kwh. above that of the previous week, when the actual output stood at 10,729,000,000 kwh. It increased 1,605,000,000 kwh., or 17.4% above the comparable 1954 week and 2,380,000,000 kwh. over the like week in 1953.

Car Loadings Rise 13.2% Above Corresponding 1954 Week But Show a Decrease of 4% Below the 1953 Week

Loading of revenue freight for the week ended Aug. 13, 1955, totaled 775,397 cars, the Association of American Railroads announced Aug. 18. This was an increase of 90,125 cars or 13.2% above the corresponding week in 1953, but a decrease of 32,225 cars or 4% below the corresponding week in 1953.

Loading of revenue freight for the week ended Aug. 13 increased 9,945 cars or 1.3% above the preceding week.

According to "Ward's Automotive Report" for latest week ending Aug. 19. Model changeover shutdowns enveloped seven car makes this week, plunging domestic car-truck output 24% under the industry's 11-time high, recorded April 25-30 this year.

Ward's Automotive Reports counted 163,804 car and truck completions this week compared with 172,695 last week—a decline of 5%—and the all-time peak of 216,629.

Joining DeSoto and Chrysler in model changeover this week were Dodge, plus the Nash and Hudson Rambler output and Mercury plants. Lincoln, also in changeover, is recording slow-motion '56 model output.

Not scheduled for model changeovers until mid-September, G. M. Corp. plants accounted for 57% of industry passenger car volume this week, the statistical agency said, and operated only 9% under its all-time peak 91,000-unit level reached in July and April-May.

The pattern for both Ford and G.M. Corp. this year is to operate full-tilt right up to model changeover time, rather than to ease off for inventory reduction purposes as in previous years, Ward's stated.

The statistical agency said that Plymouth and Ford plants are scheduling changeovers within the next 10 days, completing such time tables for two of the Big Three producers.

Ward's said that better than 8,500,000 car and truck completions are in prospect for U. S. plants in 1955, topping the all-time record 8,019,160 established in entire 1950.

Business Failures Rise Considerably

Commercial and industrial failures rebounded to 216 in the week ended Aug. 18 from the preceding week's low of 169, reported Dun & Bradstreet, Inc. Despite this upturn, failures were below the 246 of a year ago but well above the 1953 total of 122. Continuing below the prewar level, failures were down 15% from the 253 in the comparable week of 1939.

Failures involving liabilities of $5,000 or more rose to 176 from the 139 last week, but remained below the 213 a year ago. Small failures, those with liabilities under $5,000, increased to 40 from 30 in the previous week and exceeded the 33 last year. Fourteen of the failures had liabilities of $100,000 or more, as against 19 a week ago.

All industry and trade groups except wholesaling had higher failures during the week. The toll among manufacturers climbed to 40 from 31, among retailers to 99 from 77, among construction contractors to 38 from 19, while failures in commercial service edged up to 18 from 17. Wholesaling failures dipped to 21 from 25. There were fewer failures than last year in all lines except construction which had a moderate increase over the 1954 level.

Wholesale Food Price Index Slightly Lower in Week

The wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., went slightly lower this week following two successive advances. The index for Aug. 16 registered $6.23, against $6.24 a week earlier. It compared with $7.07 at this time last year, or a drop of 11.9%.

Higher in wholesale cost this week were hams, bellies, lard, butter, eggs, potatoes, raisins, steers, and hogs. Lower in price were flour, wheat, corn, rye, oats, barley, coffee, cottonseed oil, cocoa, beans, rice and lambs.

The Dun & Bradstreet Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Shows Moderate Drop in Week

The general level of prices moved moderately lower this week The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., finished at 273.02 on Aug. 16, down from 275.18 a week earlier, and comparing with 274.18 on the corresponding date last year.

Grain markets, continued to trend downward, reflecting the huge surpluses of grains as of July 1, and the prospect of record or near-record yields for all crops. **Corn** suffered the widest losses during the week as offerings increased and demand for the yellow cereal remained limited. The government's August report estimated corn production at 3,478,000,000 bushels. This was slightly above the July estimate, 17% more than last year's crop of 2,965,000,000 bushels, and the second largest of record. **Oats** and **Soybean** prices also declined under selling prompted by the outlook for record yields of both crops. Trading on the Chicago Board of Trade was heavier. Purchases of all grain and soybean futures this week averaged 54,400,000 bushels per day, against 47,300,000 the previous week, and 56,600,000 a year ago.

Prices for **Spring Wheat Flours** declined steadily during the week, narrowing the premium over hard winters considerably. Dwindling balances resulted in some bookings of Spring Wheat flours but buyers generally held aloof in the belief that pressure of new crop marketings will result in further declines. Roaster demand for **Coffee** was slow and prices continued to work lower. Weakness reflected fears of Brazilian devaluation of the cruzeiro and the general belief that supplies for this season and next would be more than ample.

The **Cocoa** market was again easier with bearish sentiment attributed to a further reduction in selling prices in producing countries and a lack of manufacturer demand. Warehouse stocks of cocoa were reported at 246,484 bags, down from 249,900 a week ago, and comparing with 108,659, a year ago. **Lard** was irregular and developed a steadier tone in late dealings aided by a moderate improvement in export trade. **Hog** values were steadily to slightly firmer under light to moderate receipts and an upward trend in wholesale pork cuts as the result of cooler weather. **Cattle** prices were mostly steady, while sheep and lambs trended higher.

Spot **Cotton** prices were irregular and showed little net change for the week. Early easiness was influenced by the unexpectedly large official crop forecast and uncertainty over the surplus disposal program and the government's export plans for this season. Helping to sustain the market were reports of unfavorable rains over some sections of the belt, and moderate price-

Continued on page 29

Mutual Funds

By ROBERT R. RICH

GROSS SALES of Delaware Fund shares in July amounted to $2,300,122 and were the largest for any month in the mutual fund's 17-year history, W. Linton Nelson, President, reported.

They represented an increase of more than 400% over gross sales of $430,516 in the same month last year, and were 71% greater than those of $1,344,541 in June, 1955—the fund's best previous sales month.

Repurchases of shares, said Mr. Nelson, which have been running at rates substantially below those for the mutual fund industry as a whole, amounted to only $117,686, or 5% of sales, in July—the lowest redemptions in any month thus far this year.

Gross sales in the first seven months of 1955 also established a new record. They amounted to $7,493,181 and compare with sales of $2,703,885 in the corresponding period of 1954.

The record sales, combined with market appreciation of portfolio securities, boosted Delaware's total net assets on July 31, last, to an all-time high of $33,196,368.

THE ASSET value of the Axe Science & Electronics Corporation increased by $351,440 — or from $9.15 to $9.29 a share—in the period from Feb. 4 to June 30, the corporation reported.

The increase was exclusive of a reserve of approximately 5 cents a share for Federal income taxes on unrealized appreciation of investments.

Shareholderss were told that the gain was achieved despite heavy initial expenses, including substantial items which are largely non-recurrent. "With these out of the way," the report continues, "the second half of the year may be expected to show a substantial cash surplus from operating profits."

By the end of the year, it says, it is expected that about 60% of the corporation's funds will be invested in common stocks and the remainder in fixed-income securities, though the percentages may vary in the light of developments.

SOVEREIGN INVESTORS reported total net assets reached a new high of $1,505,511.45 on July 31, 1955. This compares with $1,005,549.90 a year earlier; an increase of 49%. Net asset value per share increased from $9.68 per share on July 31, 1954 to $12.53 on July 31, 1955, an increase of 29%.

GROSS SALES of Wellington Fund in July were the largest for any month of July in the 26-year history of the Fund, A. J. Wilkins, Vice-President, reported. Gross sales for the month reached $5,853,936, compared with the previous record of $5,596,683 set in July last year.

Mr. Wilkins also reported that gross sales of Wellington Fund for the seven months ended July 30 were the highest for any similar period of the Fund's history, reaching a record $38,395,210, compared with the previous high of $36,690,794 set in the similar period of 1954.

July was also the month that brought Wellington Fund's total net assets to a record new high at $464,757,021.

FIRST INVESTORS Corporation, New York, specialists in Mutual Funds since 1930, announces that its July, 1955 sales were the highest of any month in its 25-year history. Share sales, plus commitments, under First Investors Plans for the accumulation of shares of Wellington Fund and Mutual Investment Fund, Inc., totaled $9,690,069. This compares with $8,190,709 for June, 1955, and $5,990,265 for the same month last year.

First Investors Corporation reports that its Periodic Payment Plans, approximately half of which are sold with life insurance to assure completion in the event of the Planholders' death, are experiencing a rapid growth in popularity as the public becomes increasingly aware of the financial problems created by inflation.

AN INCREASE of $426,000, or 274% in total net assets was recorded by the recently organized Science & Nuclear Fund in its first three months, Donald F. Bishop reported to shareholders.

Mr. Bishop, in an interim report to shareholders, said that in the little more than three months since the Fund began business its assets increased to $543,000 on July 31 last, from $117,000 initially on April 28, 1955—the date it came out of registration.

"These assets," he continued, "are invested in a cross-section of 40 leading companies in the nuclear and related scientific fields."

Bank Use of Funds Started By Randolph Scott & Co.

A new type of program, designed to broaden trust and custodial services of banks through the use of mutual funds, was announced by the New York investment firm of Randolph Scott & Co.

Four banks have already adopted the plan, and the total is expected to rise to 10 within the next 60 days.

Called the Mutual Custodian Service, the new program offers cooperating banks an opportunity to make trust and investment facilities available to smaller accounts, heretofore said to be uneconomical to administer.

"Mutual funds offer an obvious answer to the problem," Mr. Scott said.

"By providing built-in management, supervision and diversification, they can relieve banks of the considerable time and expense necessary to establish and maintain sound investment programs for certain desirable types of trust and custodial accounts. Because mutual funds do economically manage smaller accounts, their use opens up a broader field of service to banks."

The possible advantages to banks in adopting M.C.S., Mr. Scott said, include many related to the related to the benefits found in recently revised tax laws.

"Prominent among these," he continued, "are plans involving irrevocable income trust funds and reversionary trusts which can offer substantial tax savings to modest accounts as well as large ones."

Plan Explained

Under the Mutual Custodian Service, the cooperating bank buys and holds for its customers, shares of any mutual fund of the customers' choosing. These shares are held for safekeeping by the bank, which also collects and reinvests dividends, and maintains tax and other records for participating customers.

According to Mr. Scott, the bank may also act as trustee for customer shares held to provide benefits for wives and children. In return for these services, the bank receives a normal service fee. It receives no part of the sales commission on funds purchased under the plan.

In addition to the immediate new services banks can now offer under M.C.S., the program can be expanded to include a vastly larger area of pension and profit-sharing trust services which may develop out of future legislation.

"For example," Mr. Scott said, "there may eventually be legislation allowing pensions for self-employed persons. If and when this develops, it will open a whole new field in which banks can offer assistance to a much larger segment of the public.

"But without a plan such as M.C.S., it is not likely the banks would be able to service small, individual pension situations. Without M.C.S., such a service would simply be too expensive to administer."

Mr. Scott emphasized that the Mutual Custodian Service is basically a method in which banks can increase their services to the smaller account.

He said commercial banks have been particularly successful in broadening their scope of services and added that M.C.S. is geared to facilitate similar customer services for even the smallest banking organization.

Mr. Scott listed two important factors contributing to the early acceptance of his plan by a number of banks, and the probable adoption of it by several others in the near future:

(1) M.C.S. need not compete nor interfere with the bank's already established trust services.

(2) Neither Randolph Scott & Co. nor the organizations sponsoring mutual funds purchased under the program need ever know the names of the bank customers who become M.C.S. participants.

Reports

American Assets Up $10 Million

Total net assets of American Mutual Fund, Inc. reached a record high of $25,756,729 at the close of the third fiscal quarter on July 31, 1955 compared with $15,511,107 on the same date a year ago.

The per share net asset value during the same period increased from $7.18 to $8.99.

New additions to the fund's portfolio since the end of the second quarter are common stocks of Cutler-Hammer, Inc., Great Northern Railway Company, Halliburton Oil, Well Cementing Company, Lincoln National Life Insurance Company, Masonite Corporation, Owens-Illinois Glass Company, and United Air Lines, Inc.

Eliminated from the portfolio during the period were common shares of Colgate-Palmolive Company, Guaranty Trust Company of New York, Idaho Power Company, and Motorola, Inc.

United Funds Canada Ltd.: Total net assets rose to a total of $12,455,744, as of July 31, 1955, the end of the first fiscal year, an increase of 80.52% over the $6,900,000 received from the initial underwriting on Sept. 13, 1954.

Net asset value per share was $15.16 at the end of July, an increase of 31.83% over the original offering price of $11.50. Total number of shares outstanding amounted to 834,010, up 39% over the 600,000 shares of the original offering.

Proceeds of the initial offering of shares became available for investment in September, 1954, and by Dec. 15, 1954, over 90% had been invested. Since then approximately 95% have been put in common stock of Canadian corporations.

Largest industry group held in the company's portfolio continues to be the metals and mining stocks, at 22.77%.

Other principal industry groups in the portfolio are oil and gas, paper and pulp, building and construction, and banks and trust companies.

Investment Fund To Specialize in Foreign Equities

International Investors Incorporated, first U. S. investment company since World War II to offer investors a managed portfolio of foreign securities covering the free world outside the United States, has just been formed. This was announced by the company's President, John C. van Eck, Jr.

Organized as an open-end investment company to specialize in selected blue chip foreign securities, the new company's investment coverage represents that half of the free world's economy which lies outside the United States.

Mr. van Eck, Jr., formerly a partner of a member firm of the New York Stock Exchange, says of his unique investment service, "International Investors Incorporated has been organized to offer investors a supervised and diversified portfolio including the blue chips of the world. With generally a greater post war rate of economic growth and greater security values in the free world outside the United States than in the United States and with an improving world political climate, I believe that many foreign securities offer attractive opportunities for growth. In my opinion, we are entering a new era of private foreign investment.

"International Investors Incorporated is designed to offer investors a practical means of participating in this growth."

International Investors Incorporated is the first company to qualify under Section 853 of the Internal Revenue Code whereby foreign withholding taxes may be passed on to the company's shareholders as Federal tax credits.

The directors of the fund are Baron J. C. van Eck, formerly managing director of Royal Dutch Petroleum Company and President and director of Shell Union Oil Corporation; Mr. Norbert L. Roesler, President and director of Amsinck, Sonne & Co.; Mr. F. H. Woodward, financial adviser in London and director of Hulton Press Ltd. and Eastern International Investment Trust Ltd.; Mr. John N. Irwin II, partner of Patterson, Belknap & Webb and trustee Seaman's Bank for Savings; Mr. Clairborne Pell, director International Fiscal Corporation and North American Newspaper Alliance, and Mr. John C. van Eck, Jr., the fund's President.

International Investors Incorporated's offices are at 76 Beaver Street, New York City. Its investment adviser is the Van Eck Management Corporation. The fund's shares will be offered publicly through the I.I.I. Securities Corporation.

Fund and Firm Cancel Sales Pact

Shareholders Trust of Boston and Harriman Ripley & Co. Inc. have announced jointly that the underwriting agreement between them will be ended Aug. 5, and the service agreement, Sept. 30.

Harriman Ripley & Co. Inc. will thus, on Aug. 5, cease to be national distributor, and to act as agent for the fund in the purchase of redeemed shares.

Quinby Adds GE And AT&T

Common stocks of American Telephone and Telegraph Co. and General Electric Co. became available through The Quinby Plan last week, when the Securities and Exchange Commission issued an order making the two new registration statements effective.

This brings to six the number of well-known companies whose stocks are available through Quinby & Co., Inc.

The plan was created originally for accumulating common stock of Eastman Kodak. Since 1953 Kodak employees have had payroll deductions in accumulating stock in their own company through The Quinby Plan. In 1950 DuPont stock was added, followed in 1952 by General Motors and Standard Oil (New Jersey).

In 4,200 active accounts under these four Plans, some 3,500 individual investors own shares worth more than $11,000,000. This includes one of the 10 largest blocks of Kodak stock in existence, amounting to some 95,000 shares. It also includes about 11,000 shares of DuPont and 5,000 shares each of General Motors and Jersey. The flow of new money and dividends now amounts to about $2,000,000 annually, compared with about $600,000 in 1950 and $50,000 in 1945.

These six companies accounted for more than 7% of the gross national product in 1954. They pay about 25% of all cash dividends paid by all common stocks listed on the New York Stock Exchange, and their shares represent about 22% of the total market value of all common shares listed there. The firm states.

Sales

National Reports Top Quarter Pace

Sales of shares of National Securities Series' mutual funds for the three months ended July 31, 1955, the first quarter of the current fiscal year, increased to a new all-time high for the period, E. Waln Hare, Vice-President of National Securities & Research Corporation, managers and sponsors of the funds, announced today.

For the months of May, June and July of this year, sales aggregated $12,492,994, a gain of 8% over $11,612,730 for the corresponding months of 1954.

IDS Earnings Up

Net earnings of Investors Diversified Services, Inc. in the six months ended June 30, 1955 were $2,965,936 or $2.04 per share, compared with $2,003,074 or $1.38 per share a year ago.

Undistributed income of IDS wholly owned subsidiaries was $2,619,855 or $1.80 per share of IDS stock, against $1,776,754 or $1.22 per share last year.

Total increase in surplus was $5,585,791 equal to $3.84 per share in the first half, against $3,779,828 or $2.60 in 1954.

Atomic Fund Prints New Sales Booklet

The Atomic Development Mutual Fund, Inc., has issued an illustrated management brochure providing background information on the people who administer the Fund.

The eight-page brochure describes how the combination of management, technical adviser and investment adviser pool their resources to develop the fund's portfolio and keep abreast of financial and technical developments in the atomic field.

Personal Progress

HARRY A. McDONALD, former Chairman of the Securities and Exchange Commission and for many years a Detroit financier and community leader, has joined the advisory board of the Axe Science & Electronics Corporation.

Mr. McDonald left the SEC in 1952 when he was named administrator of the Reconstruction Finance Corporation following a Congressional investigation of the government lending agency. Since last January he has been fiscal agent for the State of Florida's Inter-American Center Authority and will become Managing Director of the $200 million center after its financing has been completed.

A former Chairman of the Michigan Unemployment Compensation Commission, Mr. McDonald is Board Chairman of one of Detroit's independent dairies and Chairman of the Finance Committee of one of Michigan's automotive parts manufacturers. Other members of the Ace corporation advisory board are Eugene M. Zuckert, former member of the Atomic Energy Commission and former Assistant Secretary of the Air Force, who is the Chairman; Dr. John R. Dunning, Columbia University dean of Engineering; Dr. Ronald A. Brightsen, President of the Nuclear Science & Engineering Corporation; and Sabine L. Baring-Gould, Clifton Precision Products Company engineer.

PHILLIPS S. DAVIES, West Coast banker and civic leader, was appointed Vive-President in charge of the San Francisco office of E. W. Axe & Co., Inc.

For the past 21 years Mr. Davies has been an executive of the First Western Bank and Trust Company, of San Francisco, and its predecessor, the San Francisco Bank, During most of that time he was assistant to the President, the late Parker S. Maddux.

A native of Waterloo, Wisconsin, Mr. Davies studied at the University of California and has been active in San Francisco business 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 Hospital, the Redwood Empire and the North Central Improvement Club, all San Francisco.

Union Miniere Bought

Science & Nuclear Fund reports the addition of the common stocks of Union Miniere du Haut-Katanga and Beryllium Corp. to its portfolio.

In July the Fund increased its common stock investment in Air Products, Algom Uranium, Blaw Knox, Charles Pfizer, Gunnar Mines, Houdry Process, Philip Gloeilamp, Phillips Petroleum, and Union Carbide.

The Fund was 91% invested with 59% of assets in the nuclear field and 32% in related scientific fields. The balance were in cash and governments.

Started as an open-end mutual fund on April 28, with assets of $118,000 in cash, the Fund had total assets on July 31, 1955, of $554,542.

A.E.C. Grants Permit To Fund Managers

Science & Nuclear Fund reports that its investment managers have been issued an access permit by the Atomic Energy Commission.

Under the permit Donald F. Bishop, President, and Robert D. Hedberg, Vice-President, are permitted to study data relating to the civilian uses of atomic energy, subject to security regulations.

The information, Mr. Hedberg said, will be used for research in connection with the investment of the assets of the fund, which emphasizes nuclear science and technology in its investment policy.

Continued from page 27

The State of Trade and Industry

fixing prompted by improved business for certain constructions of cotton goods. Inquiries from foreign sources were fairly numerous but the volume of export business remained light. Reported sales in the 14 spot markets increased slightly and totaled 73,500 bales for the week, against 72,400 the previous week, and 111,300 in the corresponding week a year ago.

Department Store Sales Off 3% Country-Wide

Department stores sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Aug. 13, 1955, decreased 3% from the like period of last year. In the preceding week, Aug. 6, 1955, a rise of 5% was registered from that of the similar period of 1954, while for the four weeks ended Aug. 13, 1955, an increase of 8% was recorded. For the period Jan. 1, 1955 to Aug. 13, 1955, a gain of 7% was registered above that of 1954.

According to the Federal Reserve Board's index, department store sales in New York City for the weekly period ended Aug. 13, 1955 dropped 5% below that of the like period of last year.

The New York "Times" is authority for the statement that New York and Brooklyn department stores last week recovered in large measure from the previous week's heat and hurricane weather, but not enough to make substantial gains in sales volume.

Store executives estimated that the nine major stores as a group ran about even in sales with the year-ago figure for the week posted by the 10 stores then in operation. A 1% increase was regarded as possible.

Macy's Saturday opening no longer counterbalanced the absence of Wanamaker's in the 1955 figures, since Macy's had resumed Saturday openings in the comparable week a year ago.

Last week's business was sluggish until Thursday, when it picked up noticeably. Home furnishings departments managed to hold their own and to go ahead in some cases, and men's wear benefited from promotions in several stores. But ready-to-wear sales were generally off.

In the preceding week, Aug. 6, 1955, a drop of 4% was noted from that of the previous week. For the four weeks ended Aug. 13, 1955, an increase of 1% occurred. For the period Jan. 1, 1955, to Aug. 13, 1955, the index recorded a rise of 1% from that of the corresponding period of 1954.

Retail Trade Gained Over Last Year's Level

Although bad weather reduced retail volume in some Eastern business centers, this week's total retail trade gained considerably over last year's level. Suburban and resort centers continued to report a high volume of sales. Retailers stepped up their promotions of fall merchandise; the response was usually favorable.

The total dollar volume of retail trade in the week ended this was past Wednesday was 2 to 6% higher than a year ago, according to estimates by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1954 levels by the following percentages: New England and Northwest —1 to +3; East +3 to +7; South and Middlewest +1 to +5; Southwest +6 to +10; Pacific Coast +5 to +9.

An increased response to the August furniture sales raised this week's sales volume considerably ahead of the corresponding 1954 level. There was a noticeable increase in the consumer demand for upholstered chairs and dining room sets. Bedding and bedroom furniture were popular. The interest in air conditioners and television sets diminished somewhat, while automobile sales increased in many areas.

Apparel stores reported a substantial rise in children's wear volume. The buying of fall clothing increased with women's suits and knit dresses in large call. While there was a decrease in the demand for beach and summer sportswear, men's walking shorts continued in large demand. Volume in men's furnishings and white shirts increased, although suits and overcoats moved slowly.

Food buying, steady and high, continued to top that of a year ago. In most regions consumers sought dairy products, frozen foods, fresh fruits, and cold cuts. There was a slight increase in fresh vegetable sales; housewives in the hurricane areas often increased their buying of canned foods. Fresh meat sales were sluggish.

Rise at Wholesale

The dollar volume of wholesale trade expanded moderately this week; volume was noticeably higher than a year ago. Buyer attendance at the major wholesale centers increased as retailers sought to round out their stocks in preparation for the fall selling season.

A large volume of orders was booked this week for fall apparel. There were increased orders for back-to-school wear, women's coats, and raincoats. Volume in wool knitted sportswear expanded and tweed dresses were very popular. There was considerable interest in women's woolen sport coats. Orders booked at the New York Jewelry Trade Show greatly surpassed last year's volume. Compacts, cigarette lighters, and men's jewelry were the most actively purchased items.

There was increased buying of refrigerators, automatic washers, and home freezers in the home furnishings markets this week. Modern designed cocktail tables were heavily purchased. Volume in electric ranges expanded, while there was a slight decline in the interest in air conditioners and television sets.

While there was a slight decrease in food buying this week, volume remained moderately above last year's level. Vegetable buying diminished with beans and cabbage showing the only increase in turnover. Although apple sales rose, trading in other fruit was sluggish. The demand for dried apricots rose considerably. Poultry trading remained steady; the demand for eggs diminished somewhat.

Trading in textiles slowed considerably at the end of the week. Sheeting and broadcloth bookings dropped off noticeably. Wool trading was sluggish, but there was considerable interest in fleece. Moderate-sized lots of cotton prints were ordered; there was increased re-ordering of dark cottons and drills.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated steel operations (percent of capacity)	Aug. 28	§91.4	*90.2	90.7	63.5
Equivalent to—					
Steel ingots and castings (net tons)	Aug. 28	§2,206,000	*2,176,000	2,190,000	1,515,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Aug. 12	6,635,400	6,639,500	6,626,400	6,157,500
Crude runs to stills—daily average (bbls.)	Aug. 12	¶7,647,000	*7,487,000	7,582,000	6,735,000
Gasoline output (bbls.)	Aug. 12	26,546,000	25,953,000	25,726,000	23,545,000
Kerosene output (bbls.)	Aug. 12	2,067,000	2,094,000	1,955,000	1,926,000
Distillate fuel oil output (bbls.)	Aug. 12	11,363,000	11,063,000	11,167,000	10,065,000
Residual fuel oil output (bbls.)	Aug. 12	7,990,000	7,146,000	8,156,000	7,597,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Aug. 12	154,983,000	156,476,000	158,822,000	156,328,000
Kerosene (bbls.) at	Aug. 12	32,811,000	32,475,000	31,381,000	33,105,000
Distillate fuel oil (bbls.) at	Aug. 12	122,214,000	119,479,000	108,932,000	107,753,000
Residual fuel oil (bbls.) at	Aug. 12	45,705,000	45,273,000	45,482,000	55,673,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Aug. 13	775,397	765,452	739,040	685,272
Revenue freight received from connections (no. of cars)	Aug. 13	634,292	644,251	521,304	574,439
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Aug. 18	$322,205,000	$334,458,000	$360,708,000	$258,939,000
Private construction	Aug. 18	188,081,000	188,211,000	228,094,000	157,099,000
Public construction	Aug. 18	134,124,000	146,247,000	132,614,000	101,840,000
State and municipal	Aug. 18	116,446,000	128,596,000	89,899,000	83,094,000
Federal	Aug. 18	17,678,000	17,651,000	42,715,000	18,746,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Aug. 13	9,320,000	*9,190,000	9,730,000	7,865,000
Pennsylvania anthracite (tons)	Aug. 13	440,000	456,000	463,000	474,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Aug. 13	100	97	97	97
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Aug. 20	10,812,000	10,729,000	10,620,000	9,207,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Aug. 18	216	169	172	246
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Aug. 16	5.174c	5.174c	5.176c	4.801c
Pig iron (per gross ton)	Aug. 16	$59.09	$59.09	$59.09	$56.59
Scrap steel (per gross ton)	Aug. 16	$43.83	$44.00	$40.83	$28.67
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Aug. 17	37.050c	35.700c	35.700c	29.700c
Export refinery at	Aug. 17	39.225c	38.125c	37.425c	29.475c
Straits tin (New York) at	Aug. 17	96.750c	96.625c	96.875c	92.625c
Lead (New York) at	Aug. 17	15.000c	15.000c	15.000c	14.000c
Lead (St. Louis) at	Aug. 17	14.800c	14.800c	14.800c	13.800c
Zinc (East St. Louis) at	Aug. 17	12.500c	12.500c	12.500c	11.000c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Aug. 23	94.71	95.17	94.20	100.17
Average corporate	Aug. 23	107.62	107.80	108.70	110.70
Aaa	Aug. 23	110.88	111.07	112.19	115.63
Aa	Aug. 23	109.24	109.60	110.52	112.56
A	Aug. 23	107.80	107.98	108.70	110.52
Baa	Aug. 23	102.96	103.13	103.64	104.48
Railroad Group	Aug. 23	106.39	106.56	107.09	109.24
Public Utilities Group	Aug. 23	108.16	108.52	109.24	110.88
Industrials Group	Aug. 23	108.34	108.52	109.60	112.00
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Aug. 23	2.89	2.86	2.93	2.48
Average corporate	Aug. 23	3.30	3.29	3.24	3.13
Aaa	Aug. 23	3.12	3.11	3.05	2.87
Aa	Aug. 23	3.21	3.19	3.14	3.03
A	Aug. 23	3.29	3.28	3.24	3.14
Baa	Aug. 23	3.57	3.56	3.53	3.48
Railroad Group	Aug. 23	3.37	3.36	3.33	3.21
Public Utilities Group	Aug. 23	3.27	3.25	3.21	3.12
Industrials Group	Aug. 23	3.26	3.25	3.19	3.06
MOODY'S COMMODITY INDEX	Aug. 23	403.8	398.2	405.8	420.5
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Aug. 13	259,523	367,978	228,679	237,882
Production (tons)	Aug. 13	274,078	278,376	225,674	248,147
Percentage of activity	Aug. 13	98	98	77	92
Unfilled orders (tons) at end of period	Aug. 13	671,986	691,068	642,619	401,966
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	Aug. 19	106.72	106.84	106.91	106.99
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION:					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	July 30	1,215,755	1,181,336	*1,138,539	1,162,832
Dollar value	July 30	$68,976,036	$62,963,160	*$64,376,998	$52,515,998
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	July 30	983,511	1,026,744	*984,987	1,150,209
Customers' short sales	July 30	8,875	6,740	*5,503	8,633
Customers' other sales	July 30	974,636	1,020,004	*979,484	1,141,576
Dollar value	July 30	$51,589,752	$52,325,371	$54,404,561	$48,237,271
Round-lot sales by dealers—					
Number of shares—Total sales	July 30	268,990	276,650	261,690	348,260
Short sales	July 30	------	------	------	------
Other sales	July 30	268,990	276,650	261,690	348,260
Round-lot purchases by dealers—					
Number of shares	July 30	460,770	455,040	402,490	367,620
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	July 30	497,970	491,690	470,800	542,010
Other sales	July 30	12,306,020	11,463,630	11,849,630	12,9 4,700
Total sales	July 30	12,803,990	11,955,320	12,320,430	13,536,710
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS:					
Transactions of specialists in stocks in which registered—					
Total purchases	July 30	1,395,580	1,546,480	1,487,630	1,512,300
Short sales	July 30	255,790	271,570	248,100	332,410
Other sales	July 30	1,189,580	1,323,940	1,276,710	1,208,540
Total sales	July 30	1,445,370	1,595,510	1,524,810	1,540,950
Other transactions initiated on the floor—					
Total purchases	July 30	258,040	327,900	272,780	438,460
Short sales	July 30	29,700	27,600	25,100	22,100
Other sales	July 30	285,700	293,470	254,610	386,640
Total sales	July 30	315,400	321,070	279,710	408,740
Other transactions initiated off the floor—					
Total purchases	July 30	482,432	496,165	483,272	475,360
Short sales	July 30	80,800	90,230	82,770	80,650
Other sales	July 30	612,854	582,525	688,559	529,923
Total sales	July 30	693,654	672,755	771,329	610,573
Total round-lot transactions for account of members—					
Total purchases	July 30	2,136,052	2,370,545	2,243,682	2,426,120
Short sales	July 30	366,290	389,400	355,970	435,160
Other sales	July 30	2,088,134	2,139,935	2,219,879	2,125,103
Total sales	July 30	2,454,424	2,589,335	2,575,849	2,560,263
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Aug. 16	110.3	*110.2	110.0	110.3
Farm products	Aug. 16	87.9	87.8	87.7	95.3
Processed foods	Aug. 16	101.5	100.9	102.0	106.1
Meats	Aug. 16	83.4	81.5	84.5	91.2
All commodities other than farm and foods	Aug. 16	116.8	*116.8	116.3	114.3

*Revised figure. ¶Includes 759,000 barrels of foreign crude runs. §Based on new annual capacity of 125,828,310 tons as of Jan. 1, 1955, as against Jan. 1, 1954 basis of 124,330,410 tons. †Number of orders not reported since introduction of Monthly Investment Plan.

	Latest Month	Previous Month	Year Ago
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of July	10,893	12,605	9,409
CONSUMER PRICE INDEX — 1947-49=100— Month of June:			
All items	114.4	114.2	115.1
Food	111.3	111.1	113.8
Food at home	110.3	110.0	113.3
Cereals and bakery products	124.0	123.8	121.3
Meats, poultry and fish	103.8	102.1	111.1
Dairy products	104.1	104.0	102.9
Fruits and vegetables	119.5	120.2	117.1
Other foods at home	107.7	108.4	115.2
Housing	119.7	119.4	118.9
Rent	130.4	130.3	128.3
Gas and electricity	110.7	110.9	107.6
Solid fuels and fuel oil	122.7	122.5	120.9
Housefurnishings	103.8	103.7	105.8
Household operation	119.2	119.0	117.2
Apparel	103.2	103.3	104.2
Men's and boys'	105.6	105.7	107.0
Women's and girls'	97.2	97.3	93.5
Footwear	117.4	117.4	116.3
Other apparel	90.1	90.3	91.0
Transportation	125.8	125.5	128.9
Medical care	127.6	127.5	125.1
Personal care	114.7	113.9	112.7
Reading and recreation	106.2	106.5	106.4
Other goods and services	119.9	119.9	120.1
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of June:			
Cotton Seed—			
Received at mills (tons)	18,525	*7,269	21 3'5
Crushed (tons)	197,030	284,731	270,266
Stocks (tons) June 30	243,315	*421,820	307,496
Crude Oil—			
Stocks (pounds) June 30	73,552,000	96,409,000	54,013,000
Produced (pounds	67,251,000	101,987,000	94,884,000
Shipped (pounds)	93,045,000	112,824,000	114,426,000
Refined Oil—			
Stocks (pounds) June 30	433,456,000	527,813,000	*995,638,000
Produced (pounds)	87,033,000	105,709,000	106,431,000
Consumption (pounds)	134,560,000	135,366,000	139,760,000
Cake and Meal—			
Stocks (tons) June 30	237,998	266,945	198,062
Produced (tons)	95,378	139,630	126,729
Shipped (tons)	124,325	145,783	122,139
Hulls—			
Stocks (tons) June 30	48,230	53,761	123,884
Produced (tons)	42,355	63,698	61,300
Shipped (tons)	47,886	65,976	60,317
Linters (running bales)—			
Stocks June 30	159,526	230,640	176,279
Produced	56,724	87,480	84,114
Shipped	127,838	142,527	106,916
Hull Fiber (1,000-lb. bales)—			
Stocks June 30	364	391	857
Produced	129	150	177
Shipped	156	201	266
Motes, Grabbots, etc. (1,000 pounds)—			
Stocks June 30	2,886	3,672	4,407
Produced	518	773	1,376
Shipped	1,304	1,084	2,592
CROP PRODUCTION — CROP REPORTING BOARD U. S. DEPT. OF AGRICULTURE— Crop reported as of Aug. 1 (in thousands):			
Corn, all (bushels)	3,477,711	3,449,667	2,964,639
Wheat, all (bushels)	910,958	860,331	969,781
Winter (bushels)	689,403	669,043	790,737
All spring (bushels)	221,555	197,288	179,044
Durum (bushels)	14,293	13,269	5,557
Other spring (bushels)	207,262	184,019	173,487
Oats (bushels)	1,625,264	1,513,498	1,499,579
Barley (bushels)	391,152	384,397	370,126
Rye (bushels)	28,448	27,245	23,688
Flaxseed (bushels)	43,752	43,396	41,534
Rice (bags)	47,974	47,214	58,853
Sorghum grain (bushels)	265,945	------	204,087
Cotton (bales)	12,728	------	13,696
Hay, all (tons)	109,101	109,184	104,380
Hay, wild (tons)	10,355	10,427	10,184
Hay, Alfalfa (tons)	53,097	53,282	49,328
Hay, clover and timothy (tons)	25,717	25,837	27,579
Hay, lespedeza (tons)	4,773	4,682	3,052
Beans, dry edible (bags)	18,776	19,221	18,839
Peas, dry field (bags)	2,933	2,540	3,484
Soybeans for beans (bushels)	420,043	------	342,795
Peanuts (pounds)	1,551,095	------	1,023,070
Potatoes (bushels)	398,715	400,335	356,031
Sweetpotatoes (bushels)	35,963	34,273	29,880
Tobacco (pound)	2,240,446	2,172,517	2,236,408
Sugarcane for sugar and seed (tons)	6,929	6,801	7,481
Sugar beets (tons)	12,124	11,981	14,091
Broomcorn (tons)	42	------	27
Hops (pounds)	38,700	38,102	43,363
Apples, commercial crop (bushels)	107,389	105,560	109,512
Peaches (bushels)	47,830	48,479	61,316
Pears (bushels)	30,863	30,599	30,434
Grapes (tons)	3,186	3,178	2,569
Cherries (12 States)	270	264	206
Apricots (3 States)	258	258	155
Pecans (pounds)	70,840	------	90,510
INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—1947-49=100—Month of July:			
Seasonally adjusted	140	139	123
Unadjusted	133	*139	116
LIFE INSURANCE—BENEFIT PAYMENTS TO POLICYHOLDERS — INSTITUTE OF LIFE INSURANCE—Month of June:			
Dealth benefits	$183,192,000	$187,324,000	$183,689,000
Matured endowments	50,254,000	50,619,000	45,644,000
Disability payments	9,236,000	9,171,000	8,861,000
Annuity payments	38,655,000	36,427,000	37,859,000
Surrender values	75,608,000	76,500,000	71,445,000
Policy dividends	87,980,000	79,900,000	79,921,000
Total	$444,925,000	$439,941,000	$427,419,000
METAL OUTPUT (BUREAU OF MINES)— Month of June:			
Mine production of recoverable metals in the United States:			
Gold (in fine ounces)	160,160	*154,916	180,675
Silver (in fine ounces)	3,164,059	*3,407,754	3,228,180
Copper (in short tons)	91,262	*90,789	72,959
Lead (in short tons)	27,250	*28,807	26,253
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of July:			
Net sales	------	------	$21,666,300
Net purchases	$74,776,300	$22,507,500	------

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

Academy Uranium & Oil Corp.
June 10 (letter of notification) 15,000,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For mining operations. **Office**—65 East Fourth South St., Salt Lake City, Utah. **Underwriter**—Western States Investment Co., same city.

Admiral Finance Corp., St. Louis, Mo.
July 29 filed $1,000,000 of participating junior subordinated sinking fund debentures due Sept. 1, 1970. **Price**—At 100% of principal amount. **Proceeds** — To retire $513,182.50 of outstanding junior subordinated debentures, series B, and for expansion and working capital. **Underwriter** — Paul C. Kimball & Co., Chicago, Ill. **Offering**—Expected early in September.

Admiral Finance Corp., St. Louis, Mo.
July 29 filed 50,000 shares of 60-cent cumulative preferred stock (par $5) and 10,000 shares of common stock (par 10 cents) to be offered in units of five preferred shares and one common share. **Price** — $50 per unit. **Underwriter** — Paul C. Kimball & Co., Chicago, Ill. **Offering**—Expected early in September.

● **Aldens, Inc., Chicago, Ill. (8/31)**
Aug. 10 filed $3,662,600 of convertible subordinated debentures due Sept. 1, 1970, to be offered first for subscription by common stockholders in the ratio of $100 principal amount of debentures for each 16 shares of stock held as of Aug. 30; rights to expire on Sept. 15. **Price**—To be supplied by amendment. **Proceeds**—For working capital and expansion purposes. **Underwriter**—Lehman Brothers, New York.

Allied Industrial Development Corp.
June 20 (letter of notification) 300,000 shares of class A common stock. **Price**—$1 per share. **Proceeds**—For oil and gas operations. **Office**—1508 Capitol Ave., Houston, Tex. **Underwriter** — Paul C. Ferguson & Co., same address.

Allstates Credit Corp., Reno, Nev.
June 27 (letter of notification) 27,000 shares of 7% cumulative preferred stock (par $10) and 27,000 shares of common stock (par $1) to be offered in units of one share of each class of stock. **Price**—$11 per unit. **Proceeds**—For working capital, etc. **Office**—206 No. Virginia St., Reno, Nev. **Underwriter**—Senderman & Co., same address.

Aloha, Inc., Las Vegas, Nev.
Aug. 8 filed 900,000 shares of common stock (par $1) and 900,000 shares of preferred stock (par $10) to be offered in units of one share of each class of stock. **Price**—$11 per unit. **Proceeds**—For construction of hotel and related activities and for contingencies, stock in trade, and working capital. **Underwriter**—None.

Alouette Uranium & Copper Mines, Inc., Montreal, Canada
July 22 (Regulation D) 1,000,000 shares of common stock. **Price**—30 cents per share. **Proceeds**—For exploration and development expenses, etc. **Underwriter**—Hudson-Bergen Securities, Inc., Cliffside Park, N. J.

American Asbestos Co., Ltd.
Feb. 17 (Regulation "D") 600,000 shares of common stock (par $1). **Price** — 50 cents per share. **Proceeds**—For general corporate purposes. **Underwriter**—Maine Investment Co., Ltd.

American Enka Corp., Enka, N. C.
July 28 filed 237,798 shares of common stock (par $5) being offered for subscription by stockholders on the basis of one new share for each 4.7 shares held as of Aug. 16; rights to expire on Aug. 30. **Price**—$46 per share. **Proceeds**—For new plant facilities and improvements. **Underwriter**—Harriman Ripley & Co. Inc., New York.

American Mica Processing Co., Atlanta, Ga.
Aug. 11 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For plant and equipment and other general corporate purposes. **Offices**—743 E. Penn Street, Philadelphia, Pa.; and 1131 Healey Building, Atlanta, Ga. **Underwriter**—Franklin Securities Co., Atlanta, Ga.

American Republic Investors, Inc., Dallas, Texas
July 15 filed 800,000 shares of common stock (par $1). **Price**—$10 per share. **Proceeds**—For working capital, etc. **Underwriter**—None.

★ **American Service Publishing Co., Inc.**
Aug. 8 (letter of notification) 40,000 shares of class A common stock (par $1). **Price**—$5 per share. **Proceeds** — For equipment and working capital. **Office** — 400 Walker Bldg., Washington, D. C. **Underwriter**—Landrum S. Allen & Co., Inc., same city.

● **American Telephone & Telegraph Co. (9/2)**
Aug. 2 filed up to $640,000,000 of 12-year 3⅞% convertible debentures dated Oct. 13, 1955, to be offered for subscription by stockholders of record Aug. 25, 1955, on the basis of $100 of debentures for each eight shares held; rights to expire on Oct. 13, 1955. The debentures are to be convertible into common stock beginning Dec. 13, 1955, at $148 per share, payable by surrender of $100 of debentures and payment of $48 in cash. **Price**—At face amount. **Proceeds**—For construction program. **Underwriter**—None. **Warrants**—Rights are to be mailed on or about Sept. 2.

Arcturus Electronics, Inc.
Aug. 9 (letter of notification) approximately 500,000 shares of common stock. **Price**—Approximately eight to nine cents per share. **Proceeds** — To D. E. Replogle, President. **Office**—101 Hazel St., Paterson, N. J. **Underwriter**—McCoy & Willard, Boston, Mass.

★ **Atlantic Casualty Insurance Co.**
Aug. 15 (letter of notification) 5,474 shares of capital stock to be offered for subscription by minority stockholders of record Aug. 24, 1955 on a share-for-share basis; rights to expire on Sept. 9. Atlantic Casualty Insurance Co., will subscribe for an additional 44,526 shares. **Price**—$10 per share. **Proceeds**—For working capital. **Office**—484 Central Avenue, Newark 7, N. J. **Underwriter**—None. **Change in Name**—Stockholders on Aug. 24 were to vote to change company's name to Automobile Association Insurance Co., effective on or after Jan. 1, 1956.

Automatic Remote Systems, Inc.
March 3 filed 540,000 shares of common stock (par 50 cents). Price—$3.75 per share. Proceeds—For manufacture of Teleac Sending and Receiving Units, working capital and general corporate purposes. Office—Baltimore, Md. Underwriter—Mitchell Securities, Inc., same city. Statement effective.

★ **Axe-Houghton Fund A, Inc., Tarrytown, N. Y.**
Aug. 17 filed 1,500,000 shares of capital stock (par $1). **Price**—At market. **Proceeds**—For investment.

Baldor Electric Co., St. Louis, Mo.
July 6 (letter of notification) 19,124 shares of common stock (par $10) being offered for subscription by stockholders of record June 1 on a 1-for-4 basis; rights expire on Sept. 1. **Price**—$15 per share. **Proceeds**—To expand production facilities and/or repair of building and equipment; to increase inventories; and for working capital. **Office**—4327-63 Duncan Ave., St. Louis 10, Mo. **Underwriter**—None.

★ **Bank-It-Company, Denver, Colo.**
Aug. 12 (letter of notification) $100,000 of 6% second series debentures dated Aug. 1, 1955 and due serially from 1958 to 1961. **Price**—At par (in denominations of $100 each). **Proceeds**—To help pay in part the cost of a

Continued on page 32

NEW ISSUE CALENDAR

August 26 (Friday)
Atlas Sewing Centers ---------- Common
(R. S. Dickson & Co.) $300,000
Maloney (M. E.) & Co., Inc. ---------- Common
(A. C. Champlain & Co.) $289,000

August 29 (Monday)
Genung's, Inc. ---------- Debentures
(P. W. Brooks & Co., Inc. and Blair & Co. Inc.) $1,000,000
Genung's, Inc. ---------- Common
(P. W. Brooks & Co., Inc. and Blair & Co. Inc.) 25,000 shares

August 30 (Tuesday)
Baltimore & Ohio RR ---------- Bonds
(Glore, Forgan & Co.; Halsey, Stuart & Co. Inc.; and Alex. Brown & Sons) $280,000,000
California Electric Power Co. ---------- Bonds
(Bids 9 a.m. PDT) $6,000,000

August 31 (Wednesday)
Aldens, Inc. ---------- Debentures
(Offering to stockholders—underwritten by Lehman Brothers) $3,662,600
Pacific Telephone & Telegraph Co. ---------- Common
(Offering to stockholders—no underwriting) $133,919,600

September 1 (Thursday)
Cuba (Republic of) ---------- Bonds
(Allen & Co.) $3,000,000
General Minerals Corp. ---------- Common
(Sanders & Newsom; Rauscher, Pierce & Co.; and Laird & Co.) $3,700,000
Rea (J. B.) Co., Inc. ---------- Common
(Smith, Barney & Co. and William R. Staats & Co.) $400,000

September 2 (Friday)
American Telephone & Telegraph Co. ---------- Debentures
(Offering to stockholders—no underwriting) $650,000,000

September 5 (Monday)
Hilo Electric Light Co., Ltd. ---------- Common
(Offering to stockholders—no underwriting) 25,000 shares
Housatonic Public Service Corp. ---------- Common
(Offering to stockholders—no underwriting) $246,950

September 6 (Tuesday)
Cromwell Uranium & Development Co., Inc. ---------- Common
(James Anthony Securities Corp.) $300,000
Eastern Lime Corp. ---------- Debentures
(Stroud & Co. Inc. and Warren W. York & Co., Inc.) $800,000
Eastern Lime Corp. ---------- Common
(Stroud & Co. Inc. and Warren W. York & Co., Inc.) 30,000 shs.
Gob Shops of America, Inc. ---------- Common
(Weill, Blauner & Co. Inc.) $297,000
St. Regis Uranium Corp. ---------- Common
(M. J. Reiter Co.) $300,000
Splendora Film Corp. ---------- Common
(J. H. Lederer Co., Inc. and McGrath Securities Corp.) $600,000

September 8 (Thursday)
Day-Brite Lighting, Inc. ---------- Common
(Scherck, Richter Co.) 259,419 shares
Food Fair Properties, Inc. ---------- Debs. & Common
(Offering to stockholders of Food Fair Stores, Inc.—underwritten by Eastman, Dillon & Co.) $7,691,250
New York Central RR. ---------- Equip. Trust Ctfs.
(Bids noon EDT) $7,500,000
Tel-A-Sign, Inc. ---------- Common
(Victers Brothers) $300,000

September 9 (Friday)
Yale & Towne Manufacturing Co. ---------- Common
(Offering to stockholders—underwritten by Morgan Stanley & Co.) 106,931 shares

September 12 (Monday)
Boren Oil & Gas Corp. ---------- Debentures
(Offering to stockholders—underwritten by Burt, Hamilton & Co., Inc. and N. R. Real & Co.) $600,000

September 13 (Tuesday)
Bank of California, N. A. ---------- Common
(Offering to stockholders—underwritten by Blyth & Co., Inc.) $3,654,000
Massachusetts Indemnity Insurance Co. ---------- Common
(Estabrook & Co.) 60,000 shares
Utah Power & Light Co. ---------- Bonds
(Bids noon EDT) $15,000,000
Utah Power & Light Co. ---------- Common
(Bids noon EDT) 177,500 shares

September 14 (Wednesday)
Camco Corp. ---------- Common
(Lee Higginson Corp.) $1,000,000

September 15 (Thursday)
Colohoma Uranium, Inc. ---------- Common
(General Investing Corp. and Shaiman & Co.) $1,250,000

September 19 (Monday)
Lamson & Sessions Co. ---------- Preferred
(McDonald & Co.) $3,000,000

September 20 (Tuesday)
Ohio Power Co. ---------- Preferred
(Bids 11 a.m. EDT) $6,000,000
Ohio Power Co. ---------- Bonds
(Bids 11 a.m. EDT) $22,000,000

September 21 (Wednesday)
Columbia Gas System, Inc. ---------- Debentures
(Bids to be invited) $40,000,000
Tampa Electric Co. ---------- Common
(Offering to stockholders) 197,532 shares

September 27 (Tuesday)
Pacific Power & Light Co. ---------- Bonds
(Bids noon EDT) $10,000,000

October 1 (Saturday)
Mountain States Telephone & Telegraph Co. ---------- Common
(Offering to stockholders—no underwriting) $48,688,100

October 4 (Tuesday)
Public Service Electric & Gas Co. ---------- Debentures
(Bids 11 a.m. EDT) $35,000,000
Rochester Telephone Corp. ---------- Common
(Offering to stockholders—may be underwritten by The First Boston Corp.) 195,312 shares

October 5 (Wednesday)
Pacific Power & Light Co. ---------- Preferred
(Expected by local dealers) $3,000,000

October 17 (Monday)
Southern Bell Tel. & Tel. Co. ---------- Debentures
(Bids to be invited) $30,000,000

October 18 (Tuesday)
Worcester County Electric Co. ---------- Bonds
(Bids to be invited) $8,500,000

October 19 (Wednesday)
New York State Electric & Gas Corp. ---------- Bonds
(Bids to be invited) $25,000,000
Southern Co. ---------- Common
(Offering to stockholders—bids 11 a.m. EDT) 1,004,870 shares

November 29 (Tuesday)
San Diego Gas & Electric Co. ---------- Bonds
(Bids 11:30 a.m. EDT) $18,000,000

December 6 (Tuesday)
Virginia Electric & Power Co. ---------- Preferred
(Bids to be invited) $12,500,000

Continued from page 31

new plant. **Office**—2590 Walnut Street, Denver, Colo. **Underwriters**—Peters, Writer & Christensen, Inc. and Garrett-Bromfield & Co., both of Denver, Colo.

Black Hills Uranium & Minerals Corp.
Aug. 11 (letter of notification) 1,200,000 shares of non-assessable common stock (par one cent). **Price** — 25 cents per share. **Proceeds**—For mining expenses **Address**—P. O. Box 1363, Rapid City, S. D. **Underwriter**—Morris Brickley, Harney Hotel, Rapid City, S. D.

Black Panther Uranium Co., Oklahoma City, Okla.
July 12 filed 500,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To explore and drill leases and claims in State of Utah. **Underwriter**—Porter, Stacy & Co., Houston, Tex., on "best efforts basis."

Blackstone Uranium Mines, Inc., Denver, Colo.
Aug. 3 (letter of notification) 15,000,000 shares of common stock (par one cent). **Price**—2½ cents per share. **Proceeds**—For expenses incident to mining activities. **Office**—801 Custis Street, Denver, Colo. **Underwriter**—Columbia Securities Co., Inc., same city.

★ **Blake Tungsten & Uranium Corp., Los Vegas, Nevada**
Aug. 15 (letter of notification) 2,520,000 shares of capital stock. **Price** — 10 cents per share. **Proceeds** — For expenses incident to mining activities. **Office**—Suite 110 Friedman Building, 300 Fremont Street, Las Vegas, Nev. **Underwriter**—None; shares to be offered by the officers and directors of the company.

Blenwood Mining & Uranium Corp., Denver, Colo.
July 29 (letter of notification) 1,000,000 shares of common stock (par 10 cents). **Price** — 30 cents per share. **Proceeds** — For expenses incident to mining operations. **Office**—612 Kittredge Bldg., Denver, Colo. **Underwriter**—Peters, Writer & Christensen, Inc., Denver 2, Colo.

Bojo Uranium Co., Salt Lake City, Utah
July 8 (letter of notification) 3,000,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For expenses incident to mining operations. **Office**—403 Felt Building, Salt Lake City, Utah. **Underwriter**—J. E. Call & Co., Salt Lake City, Utah.

★ **Bonista Co., New Orleans, La.**
Aug. 10 (letter of notification) 2,500 shares of common stock. **Price**—At par ($100 per share). **Proceeds**—For construction of motel with restaurant. **Office**—1609 Orleans Avenue, New Orleans, La. **Underwriter**—None.

Bonnyville Oil & Refining Corp., Montreal, Can.
April 29 filed $2,000,000 5% convertible notes due July 1, 1975 to be offered for subscription by common stockholders at rate of $100 of notes for each 100 shares of stock held. **Price**—95% of principal amount to stockholders and 100% to public. **Proceeds**—For development costs and general corporate purposes. **Underwriter**—None. Statement effective June 21.

● **Boren Oil & Gas Corp. (9/12)**
July 26 filed $600,000 of 6% convertible debentures due July 15, 1975, to be initially offered for subscription by stockholders on the basis of $100 of debentures for each 100 shares (or fraction thereof held). **Price**—At 100% of principal amount. **Proceeds**—To pay current debt; for drilling expenses and development program. **Office**—Wichita Falls, Tex. **Underwriters**—Burt, Hamilton & Co., Inc., Dallas, Tex.; and N. R. Real & Co., Jersey City, N. J.

California Electric Power Co. (8/30)
July 2 filed $6,000,000 of first mortgage bonds, due 1985. **Proceeds**—For reduction of bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blair & Co. Incorporated; White, Weld & Co.; Blyth & Co., Inc.; Kidder, Peabody & Co. **Bids**—Tentatively scheduled to be received up to 9 a.m. (PDT) on Aug. 30.

Calumet & Hecla, Inc.
June 9 filed 116,832 shares of common stock (par $5) being offered in exchange for all of the issued and outstanding capital stock of Goodman Lumber Co., Goodman, Wis., on the following basis: 18 shares for each share of Goodman common stock; eight shares for each share of Goodman 2nd preferred stock; and eight shares for each share of Goodman 1st preferred stock; offer to terminate on Sept. 15, 1955 (subject to withdrawal by Calumet if the required number of Goodman shares have not been deposited and accepted within 30 days from the date of the mailing of the prospectus to the Goodman stockholders). **Underwriter** — None. Statement effective July 20.

Canadian Petrofina Ltd. (Montreal, Canada)
July 15 filed 1,434,123 shares of non-cumulative participating preferred stock (par $10), of which 270,943 shares are being offered in exchange for shares of $1 par capital stock of Calvan Consolidated Oil & Gas Co. on the basis of one share of Canadian Petrofina for each four shares of Calvin stock and 1,163,180 shares are offered in exchange for shares of common stock of Western Leaseholds Ltd. or Leasehold Securities Ltd. on the basis of three shares of Canadian Petrofina for each 10 shares of Western Leaseholds or Leasehold Securities stock held. These offers will expire on Sept. 15. **Underwriter**—None.

Canadian Uranium Mines, Ltd., Montreal, Canada
June 3 (regulation "D") 2,000,000 shares of common stock (par one cent). **Price**—15 cents per share. **Proceeds**—For exploration and development expenses. **Underwriter**—Tellier & Co., Jersey City, N. J.

Caribou Ranch Corp., Denver, Colo.
July 15 filed 505,000 shares of common stock (par $1.) **Price**—$4 per share. **Proceeds**—For acquisition of property and equipment, construction of additional facilities, etc. **Underwriter**—Mountain States Securities, Inc., Denver, Colo.

Carlisle Corp., Carlisle, Pa.
Aug. 4 (letter of notification) 7,000 shares of capital stock (par $1). **Price**—At market (estimated at $6.12½ per share). **Proceeds**—To Furber Marshall, President. **Underwriter**—Cohu & Co., New York, N. Y.

Cedar Springs Uranium Co., Moab, Utah
June 8 (letter of notification) 300,000 shares of common stock (par five cents). **Price**—$1 per share. **Proceeds**—For mining expenses. **Underwriter**—Universal Investment Corp., Washington, D. C.

Century Controls Corp.
Aug. 5 (letter of notification 100,000 shares of common stock (par $1). **Price**—$1.75 per share. **Proceeds**—For product research and development, machinery and working capital. **Office**—Allen Boulevard, Farmingdale, L. I., N. Y. **Underwriter**—P. J. Gruber & Co., Inc., New York.

Charleston Parking Service, Inc.
Aug. 1 (letter of notification) 120,000 shares of non-voting common stock, class A—(par 50 cents) and 60,000 shares of voting common stock, class B (par 10 cents) to be offered in units of two class A and one class B share. **Price**—$5 per unit. **Proceeds**—For general working capital. **Office**—505 National Bank of Commerce Building, Charleston, W. Va. **Underwriter**—Crichton Investment Co., same address.

Chieftain Uranium Mines, Inc.
April 22 (letter of notification) 4,000,000 shares of capital stock. **Price**—At par (five cents per share). **Proceeds**—For mining operations. **Office**—223 Phillips Petroleum Bldg., Salt Lake City, Utah. **Underwriter**—Empire Securities Corp., same city.

Cisco Uranium Corp., Salt Lake City, Utah
Aug. 10 (letter of notification) 7,000,000 shares of capital stock (par one cent). **Price**—Three cents per share. **Proceeds**—For mining expenses, etc. **Office**—2630 South 2nd West, Salt Lake City, Utah. **Underwriter**—Denver Securities, Inc., Denver, Colo.

Clad (Victor V.) Co., Philadelphia, Pa.
June 17 (letter of notification) 120,000 shares of common stock (par 25 cents). **Price**—$2.50 per share. **Proceeds**—For equipment and working capital. **Underwriter**—Barrett Herrick & Co., Inc., New York.

Clad-Rex Steel Co., Denver, Colo.
June 6 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To retire outstanding debts and for working capital. **Office**—40th Ave. and Ulster St., Denver, Colo. **Underwriters**—Mountain States Securities Corp. and Carroll, Kirchner & Jaquith, Inc., both of Denver, Colo.

● **Colohoma Uranium, Iinc., Montrose, Colo. (9/15)**
April 21 filed 2,960,000 shares of common stock (par one cent), of which 2,500,000 shares are to be offered publicly. **Price**—50 cents per share. **Proceeds**—For exploration and development expenses and for general corporate purposes. **Underwriters**—General Investing Corp., New York; and Shaiman & Co., Denver, Colo.

Colorado Oil & Uranuim Corp.
June 7 (letter of notification) 300,000 shares of common stock (par 20 cents). **Price**—$1 per share. **Proceeds**—For oil and mining activities. **Office** — 350 Equitable Bldg., Denver, Colo. **Underwriter**—Birkenmayer & Co., same city.

Commercial Standard Life Insurance Co., Fort Worth, Texas
July 28 (letter of notification) 10,000 shares of common stock (par $10). **Price**—$15 per share. **Proceeds**—For capital and surplus. **Underwriter**—Commercial Standard Insurance Co., Commercial Standard Building, Fort Worth 1, Texas.

Commercial Uranium Mines, Inc.
July 12 (letter of notification) 15,000,000 shares of common stock (par one cent). **Price**—Two cents per share. **Proceeds**—For expenses incident to mining operations. **Office**—170 Vista Grand Road, Grand Junction, Colo. **Underwriter** — Columbia Securities Co., Denver and Grand Junction, Colo.

Community Credit Co., Omaha, Neb.
June 6 (letter of notification) 1,000 shares of 5½% cumulative preferred stock. **Price**—At par ($100 per share). **Proceeds**—For working capital. **Office**—3023 Farnam St., Omaha, Neb. **Underwriter**—Wachob-Bender Corp., same city.

Conjecture Mines, Inc., Coeur d'Alene, Idaho
May 5 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—25 cents per share. **Proceeds**—For mining expenses. **Office**—326 Wiggett Bldg., Coeur d'Alene, Idaho. **Underwriter**—M. A. Cleek, Spokane, Wash.

Consolidated Fiberglass, Inc.
Aug. 4 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—For advance to Alumin-Aire, Inc., a subsidiary, and for acquisition of, advances to and investment in other companies that may be organized or acquired. **Office**—118 West 22nd St., New York City. **Underwriter**—J. J. Riordan & Co., Inc., New York City.

★ **Consumers' Cooperative Services, Inc.**
Aug. 18 (letter of notification) 7,000 shares of common stock. **Price**—At par ($5 per unit). **Proceeds**—For expansion and modernization of its grocery store. **Office**—38 Park Row, New York, N. Y. **Underwriter**—None.

Cook Industries, Inc., Dallas, Texas
Aug. 1 (letter of notification) 107,915 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For general corporate purposes. **Underwriter**—Central Securities Co.

Copper Blossom Uranium & Mining Co.
June 24 (letter of notification) 5,000,000 shares of capital stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining operations. **Office**—65 East 4th South, Salt Lake City, Utah. **Underwriter** — Empire Securities Corp., same city.

Copper Blossom Uranium & Mining Co.
June 24 (letter of notification) 5,000,000 shares of capital stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining expenses. **Office**—65 East 4th South, Salt Lake City, Utah. **Underwriter**—Empire Securities Corp., same city.

Cordillera Mining Co., Denver, Colo.
June 8 (letter of notification) 2,995,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining operations. **Offices** — 738 Majestic Bldg., Denver, Colo., and 317 Main St., Grand Junction, Colo. **Underwriter**—Lasseter & Co., Denver, Colo.

Cortez Uranium & Mining Co., Denver, Colo.
May 27 (letter of notification) 3,000,000 shares of common stock (par one cent). **Price**—10 cents per share. **Proceeds**—For mining expenses. **Office**—404 University Building, Denver, Colo. **Underwriter**—Peters, Writer & Christensen, Inc., Denver, Colo.

Coso Uranium, Inc., Long Beach, Calif.
May 31 (letter of notification) 3,000,000 shares of capital stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office**—2485—American Ave., Long Beach 6, Calif. **Underwriter**—Coombs & Co., of Los Angeles, Inc., San Francisco and Los Angeles, Calif.

● **Cromwell Uranium & Development Co., Inc. (9/6)**
May 25 (regulation "D") 300,000 shares of common stock (par five cents). **Price**—$1 per share. **Proceeds**—For exploration and development expenses, etc. **Offices**—Toronto, Canada, and New York, N. Y. **Underwriter**—James Anthony Securities Corp., New York.

Crown Uranium Co., Casper, Wyo.
May 6 (letter of notification) 225,435 shares of common stock (par five cents). **Price**—At market (estimated at about 15 cents per share). **Proceeds**—To selling stockholder who received these shares in exchange for shares of Kontika Lead & Zinc Mines, Ltd. **Office**—205 Star Bldg., Casper, Wyo. **Underwriter**—Justin Steppler, Inc., New York.

Cuba (Republic of) (9/1)
Aug. 10 filed $3,000,000 of Veterans, Courts and Public Works 4 %bonds due 1983. **Price**—To be supplied by amendment. **Proceeds** — To Romenpower Eletra Construction Co. which had received them in consideration of construction work. **Underwriter**—Allen & Co., New York.

Dawn Uranium & Oil Co., Spokane, Wash.
June 16 (letter of notification) 1,500,000 shares of common stock. **Price** — 10 cents per share. **Proceeds**—For uranium and oil exploration. **Office**—726 Paulsen Bldg., Empire State Bldg., same city.

Day-Brite Lighting, Inc., St. Louis, Mo. (9/8)
Aug. 12 filed 259,410 shares of common stock (par $1), of which 50,000 shares are for the account of the company and 209,410 shares for three selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Underwriter** — Scherck, Richter Co., St. Louis, Mo.

Denver-Golden Oil & Uranium Co.
June 23 (letter of notification) 2,999,000 shares of common stock (par one cent). **Price**—10 cents per share. **Proceeds**—For oil and gas operations. **Office**—Denver Club Bldg., Denver, Colo. **Underwriter**—Carroll, Kirchner & Jaquith, Inc., Denver, Colo.

★ **Dinosaur Uranium Corp., Salt Lake City, Utah**
Aug. 15 (letter of notification) 15,000,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For expenses incident to mining activities. **Office**—15 Exchange Place, Salt Lake City, Utah. **Underwriter**—Western States Investment Co., same city.

Dinosaur Uranium Corp., Seattle, Wash.
June 20 (letter of notification) 1,750,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office**—1226-1411 Fourth Ave. Bldg., Seattle, Wash.

Dix Uranium Corp., Provo, Utah
Aug. 10 (letter of notification) 6,000,000 shares of non-assessable capital stock. **Price**—At par (five cents per share). **Proceeds**—For mining expenses. **Office**—290 North University Ave., Provo, Utah. **Underwriter** — Weber Investment Co., Provo, Utah.

Dome Uranium Mines, Inc., Denver, Colo.
July 12 (letter of notification) 1,300,000 shares of common stock (par one cent). **Price** 20 cents per share. **Proceeds** — For expenses incident to mining operations. **Office**—352 Colorado National Bldg., Denver, Colo. **Underwriters**—R. L. Hughes & Co., Denver, Colo. and G. W. Allen & Co., Cheyenne, Wyo.

Dow Chemical Co., Midland, Mich.
Aug. 5 filled 200,000 shares of common stock (par $5) to be offered to employees of company and certain of its subsidiaries and associated companies. Subscriptions will be accepted from Sept. 6 through Sept. 30. **Price**—To be determined near the end of August, 1955. **Proceeds**—For General corporate purposes. **Underwriter**—None.

● **Eastern Lime Corp., Kutztown, Pa. (9/6-7)**
Aug. 10 filed $800,000 of 15-year 6% convertible debentures due Sept. 1, 1970, and 30,000 shares of common stock (par $2). **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and to establish a new quarry in Oley, Pa. **Underwriters**—Stroud & Co., Inc., Philadelphia, Pa.; and Warren W. York & Co., Inc., Allentown, Pa.

★ **Electric Truck Co. of America, Inc.**
Aug. 19 (letter of notification) 98,000 shares of common stock (par 10 cents). **Price**—50 cents per share. **Proceeds** — For experimentations with present working model of electric truck; to acquire two additional models; and for other general corporate purposes. **Office**—11 West 42nd St., New York, N. Y. **Underwriter**—None.

★ **Empire Southern Gas Co., Fort Worth, Tex.**
Aug. 4 (letter of notification) 12,000 shares of common stock (par $5) to be offered for subscription by stockholders. **Price**—To stockholders, $21 per share; and to public, at market (estimated at $25 per share). **Proceeds**—For construction of pipeline. **Office**—2509 West Berry Street, Fort Worth, Texas. **Underwriter**—None.

★ **Erie County Investment Co., Sandusky, Ohio**
Aug. 10 (letter of notification) 7,500 shares of cumulative preferred stock (par $20) and 7,500 shares of common stock (par $10), to be offered in units of one share of each. **Price**—$35 per unit. **Proceeds**—For working capital to finance general expansion. **Office**—169 East Washington Row, Sandusky, Ohio. **Underwriter** — The First Cleveland Corp., Cleveland, Ohio.

Fairway Uranium Corp., Salt Lake City, Utah
May 23 (letter of notification) 275,000 shares of capital stock (par 50 cents). **Price**—$1 per share. **Proceeds**—For mining expenses. **Office**—2320 South Main Street, Salt Lake City, Utah. **Underwriter** — Eliason, Taylor, Cafarelli Co., Las Vegas, Nev.

Farm Family Mutual Insurance Co., Albany, N. Y.
June 28 filed $1,500,000 of 5% debentures to be offered directly to members of the American Farm Bureau Federation and to State Farm Bureau Federations and local organization. **Price**—At 100% of principal amount (in denominations of $250 each). **Proceeds**—To provide company with necessary funds to comply with requirements of surplus to policyholders under New York and other state laws. **Underwriter**—None.

Fidelity Insurance Co., Mullins, S. C.
March 25 (letter of notification) 86,666 shares of common stock (par $1). **Price**—$1.87½ per share. **Proceeds**—To increase capital and surplus. **Underwriters**—McDaniel Lewis & Co., Greensboro, N. C.; Dietenhofer & Heartfeld, Southern Pines, N. C.; and Calhoun & Co., Spartanburg, S. C.

Five States Uranium Corp.
June 30 (letter of notification) 3,000,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office**—1019 Simms Bldg., Albuquerque, N. M. **Underwriters** — Coombs & Co. of Ogden, Inc., Odgen, Utah; and Shelton Sanders Investments, Albuquerque, N. M.

★ **Florida Flight Engineering Corp.**
Aug. 12 (letter of notification) 300,000 shares of class A common stock. **Price**—At par ($1 per share). **Proceeds**—For purchase of inventory, operating expenses, advertising and promotion. **Office**—269 Giralda Ave., Coral Gables, Fla. **Underwriter**—None.

★ **Food Fair Properties, Inc., Jersey City, N. J. (9/8)**
Aug. 17 filled $7,691,250 of 20-year debentures due Sept. 1, 1975, and an aggregate of 2,342,075 shares of common stock (par one cent), of which the deebntures and 1,692,075 shares of stock are to be offered for subscription by common stockholders of Food Fair Stores, Inc. of record Sept. 8 on the basis of $50 of debentures and 11 shares of stock for each 20 shares of Food Fair Stores common stock held; rights to expire on or about Sept. 27. The remaining 650,000 shares of common stock are to be placed privately. **Price**—$50 per unit; and $1 each for the 650,000 shares. **Proceeds** — To purchase from Food Fair Stores two tracts of land and for improvements thereon. **Underwriter** — Eastman, Dillon & Co., New York.

Foremost Dairies, Inc.
July 21 filed $20,000,000 of 4½% subordinated debentures due Jan. 1, 1981, of which $15,000,000 are being offered first to holders of the outstanding $4.50 preferred stock (par $100), 4½% cumulative preferred stock, sinking fund series (par $50) and 4½% cumulative preferred stock, sinking fund series of 1955 (par $50) at the offering price; and $5,000,000 are being offered in exchange, par for par, for the outstanding 50,000 shares of Philadelphia Dairy Products Co., Inc. first preferred stock. Both offers will expire on Aug. 31. **Price** — 105% of principal amount. **Proceeds**—To redeem preferred stocks. **Underwriters**—Allen & Co. and Salomon Bros. & Hutzler, both of New York.

★ **Foremost Dairies, Inc.**
Aug. 18 filed 202,925 shares of common stock (par $2) to be offered in exchange for 43,807 shares of second preferred and 3,349 shares of common stock of Philadelphia Dairy Products Co., Inc., on the basis of 4¼ shares of Foremost common for each Philadelphia preferred share and five shares of Foremost common for one Philadelphia common share. **Underwriter**—None.

Fort Pitt Packaging International, Inc.
June 30 filed 300,000 shares of common stock (par 10¢), of which 250,000 shares of for account of company and 50,000 shares of five selling stockholders. **Price**—$3 per share. **Proceeds**—For working capital; for exploitation of "Totosave" system; and for marketing of "Tropic-Ray" infra-red space heater. **Office** — Pittsburgh, Pa. **Underwriter**—Barrett Herrick & Co., Inc., New York.

Fowler Telephone Co., Pella, Ia.
May 6 (letter of notification) $260,000 of 4% first mortgage bonds, series A, due May 1, 1975. **Price**—At par (in denominations of $1,000 each). **Proceeds**—To retire existing debt, acquire Northwestern Bell properties in Leighton, Ia., and for conversion of both exchanges to dial operation. **Underwriter** — Wachob-Bender Corp., Omaha, Neb.

Freedom Insurance Co., Berkeley, Calif.
June 6 filed 1,000,000 shares of common stock (par $10). **Price**—$22 per share. **Proceeds**—For capital and surplus. **Business**—All insurance coverages, except, life, title and mortgage. **Office**—2054 University Avenue, Berkeley, Calif., c/o Ray B. Wiser, President. **Underwriter**—Any underwriting agreement will be made on behalf of this company by Uni-Insurance Service Corp.

Fremont Uranium Co., Salt Lake City, Utah
Aug. 1 (letter of notification) 15,000,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For mining expenses. **Office**—515 Deseret Bldg., Salt Lake City, Utah. **Underwriter** — Moab Brokerage Co., Western States Investment Co., Potter Investment Co., Mid-America Securities, Inc. of Utah, and Cashin-Emery, Inc., all of Salt Lake City, Utah.

GAD Enterprises, Inc., Alexandria, Va.
March 15 (letter of notification) 260,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For purchase of factory and working capital. **Office**—1710 Mount Vernon Avenue, Alexandria, Va. **Underwriter**—T. J. O'Connor and Associates, Washington, D. C.

Gallina Mountain Uranium Corp.
July 29 (letter of notification) 500,000 shares of common stock (par one cent). **Price**—An aggregate of $50,000. **Proceeds**—For mining expenses. **Office**—82 Beaver St., New York. **Underwriter** — Prudential Securities Corp., same address.

Gas Hills Mining & Oil, Inc., Kemmerer, Wyo.
Aug. 1 (letter of notification) 1,000,000 shares of capital stock (par five cents). **Price** — 25 cents per share. **Proceeds**—For oil and mining expenses. **Underwriter**—Empire Securities Corp., Las Vegas, Nev.

★ **Gemco Corp., Baltimore, Md.**
Aug. 8 (letter of notification) 14,800 shares of class A preferred stock (par $10); 100 shares of class B common stock (par $10); and 10,000 shares of class C common stock (par 10 cents). **Price** — At par. **Proceeds** — For rental of building; purchase of equipment; and other corporate purposes. **Office**—1445 Meridene Drive, Baltimore 12, Md. **Underwriter**—None.

★ **General Capsule Corp., Fraser, Mich.**
Aug. 9 (letter of notification) 285,000 shares of class A common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For equipment and engineering; inventory, promotion and sales and working capital. **Office** — 31425 Fraser Drive, Fraser, Mich. **Underwriter**—General Investing Corp., New York, N. Y.

General Homes, Inc.
Dec. 15 filed 300,000 shares of common stock (par $1). Price—$5 per share. Proceeds—For plant expansion, new equipment, inventory and working capital. Office—Huntington Station, L. I., N. Y. Underwriter—S. D. Fuller & Co., New York.

● **General Minerals Corp., Dallas, Texas (9/1)**
July 21 filed 1,850,000 shares of common stock (par $1). **Price**—To be supplied by amendment (may be around $2 per share). **Proceeds**—To purchase the production payments to which the company's oil properties are now subject; to pay an obligation of S. Y. Guthrie, President; and for acquisition of additional uranium properties and exploration, development and mining of its present properties. **Underwriters** — Sanders & Newsom and Rauscher, Pierce & Co., both of Dallas, Tex.; and Laird & Co., Wilmington, Del.

● **Genung's, Inc. (8/29-9/2)**
Aug. 5 filed $1,000,000 of 5¾% sinking fund debentures due 1975 (with detachable seven-year warrants to purchase 50 shares of $1 par common stock for each $1,000 of debentures, at prices ranging from $8 to $15 per share over the period), together with 25,000 shares of common stock. **Price**—100% of principal amount for the debentures and $7 per share for the stock. **Proceeds** — Approximately $290,000 to pay insurance company loan, reduce certain borrowings and increase working capital. **Office**—Mount Vernon, N. Y. **Underwriters**—P. W. Brooks & Co., Inc. and Blair & Co. Incorporated, both of New York.

Gibralter Uranium Corp., Aurora, Colo.
July 18 (letter of notification) 2,000,000 shares of common stock (par one cent). **Price** — 15 cents per share. **Proceeds**—For expenses incident to mining. **Office**—701 Moline St., Aurora, Colo. **Underwriter**—Robert J. Connell, Inc., Denver, Colo.

★ **Global Tours, Inc., Hyattsville, Md.**
Aug. 5 (letter of notification) 40,000 shares of common stock (par 25 cents). **Price**—$1 per share. **Proceeds**—For working capital. **Office**—3504—56th Street, Hyattsville, Md. **Underwriter**—None.

★ **Gob Shops of America, Inc., Pawtucket, R. I. (9/6)**
July 27 (letter of notification) 99,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Underwriter**—Weill, Blauner & Co., Inc., New York.

Great Eastern Mutual Life Insurance Co.
June 23 (letter of notification) 45,583 shares of common stock (par $1) to be offered for subscription by stockholders of record June 10 in the ratio of one new share for each three shares held; stock not subscribed for by Sept. 10, 1955 will be offered to public. **Price**—To stockholders, $3 per share; and to public, $5 per share. **Proceeds**—To increase capital and surplus accounts. **Office**—210 Boston Bldg., Denver, Colo. **Underwriter**—None.

Great Yellowstone Uranium Co.
June 29 (letter of notification) 1,200,000 shares of common stock (par 10 cents). **Price**—25 cents per share. **Proceeds**—For mining operations. **Office**—139 N. Virginia St., Reno, Nev. **Underwriters**—Cromer Brokerage Co. and Walter Sondrup & Co., both of Salt Lake City, Utah.

Half Moon Uranium Corp., Ogden, Utah
Aug. 10 (letter of notification) 8,000,000 shares of capital stock. **Price**—At par (two cents per share). **Proceeds**—For mining expenses. **Office**—E-17 Army Way, Ogden, Utah. **Underwriter**—United Intermountain Brokerage Corp., Ogden, Utah.

Hardy-Griffin Engineering Corp., Houston, Texas
July 8 (letter of notification) 240,000 shares of common stock (par one cent). **Price**—$1.25 per share. **Proceeds**—For purchase of machinery and equipment and working capital. **Underwriter**—Benjamin & Co., Houston, Texas.

Hawk Lake Uranium Corp.
April 12 filed 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds** — For mining expenses, etc. **Underwriter**—Dobbs & Co., New York City, will act as agents.

Hilo Electric Light Co., Ltd., Hilo, Hawaii (9/5)
Aug. 1 filed 25,000 shares of common stock to be offered for subscription by stockholders of record Sept. 5 on the basis of one new share for each five shares; unsubscribed shares to be first offered to employees at rate of five shares for each full year of employment; then to general public. **Price** — To stockholders and employees, at par ($20 per share); and to public, at prevailing market price ($25.87½ per share on July 22, 1955). **Proceeds** — For expansion and improvement. **Underwriter**—None.

Home-Stake Production Co., Tulsa, Okla.
May 12 filed 60,000 shares of capital stock (par $5) and 1,000 debentures (par $100) to be offered for sale in units of 60 shares of stock and one $100 debenture, or multiples thereof. **Price**—$400 per unit. **Proceeds**—For working capital. **Underwriter**—None. O. Strother Simpson, of Tulsa, Okla., is President.

★ **Housatonic Public Service Corp. (9/5)**
Aug. 15 (letter of notification) 11,225 shares of common stock (par $15) to be offered for subscription by common stockholders of record Aug. 23 on the basis of one new share for each 33 shares held; rights to expire on Sept. 26. **Price**—$22 per share. **Proceeds**—For construction expenditures. **Office**—33 Elizabeth St., Derby, Conn. **Underwriter**—None.

Inca Uranium Corp., Salt Lake City, Utah
April 25 (letter of notification) 15,000,000 shares of capital stock. **Price**—At par (one cent per share). **Proceeds**—For mining expenses. **Office**—1946 S. Main St., Salt Lake City, Utah. **Underwriter** — Guss & Mednick Co., Salt Lake City, and Moab, Utah.

Industrial Hardware Mfg. Co.
May 12 (amendment) $1,500,000 of 5% debentures due 1975 and 300,000 shares of common stock (par 50 cents), of which 85,000 shares are to be sold to Seymour and Bernard Offerman at $5 per share. **Price**—To be supplied by amendment. **Proceeds**—To purchase Hugh H. Eby Co. and Wirt Co. **Underwriters**—Hallowell, Sulzberger & Co., Philadelphia; and Baruch Brothers & Co., Inc. and Weill, Blauner & Co., Inc., both of New York.

Inland Oil & Uranium Corp., Denver, Colo.
July 18 (letter of notification) 1,200,000 shares of common stock (par 10 cents). **Price** — 25 cents per share. **Proceeds**—For expenses incident to oil and gas activities. **Office**—3975 East 58th Ave., Denver, Colo. **Underwriter**—Shaiman & Co., Denver, Colo.

Interstate Amiesite Corp.
July 19 filed $438,200 of 5½% convertible debentures due 1965, to be offered first for subscription by stockholders at the rate of $20 of debentures for each 16 shares held. **Price** — To be supplied by amendment. **Proceeds** — For working capital. **Business** — Bituminous concrete paving materials. **Office**—Delaware Trust Bldg., Wilmington 99, Del. **Underwriter**—None.

Iola Uranium Corp.
July 26 (letter of notification) 1,200,000 shares of common stock (par one cent). **Price**—25 cents per share. **Proceeds**—For mining costs. **Office**—1414 So. Michigan Avenue, Chicago 5, Ill. **Underwriter**—Columbia Securities Co., Denver, Colo.

★ **Iowa Continental Telephone Co., Grinnell, Iowa**
Aug. 11 (letter of notification) 12,000 shares of 5½% cumul. preferred stock. **Price**—At par ($25 per share). **Proceeds**—For extension and improvement of the company's plant and equipment. **Office**—913½ Broad St., Grinnell, Iowa. **Underwriters**—White, Weld & Co., Chicago, Ill. and Quail & Co., Davenport, Iowa. **Offering**—Now being made.

Israel Pecan Plantations, Ltd.
Feb. 28 filed 24,900 shares of ordinary common stock (par one Israeli pound). Price—$10 per share. Proceeds—For capital expenditures. Underwriter—None. Offices—Natanya, Israel, and New York, N. Y.

★ **Johnston Container Corp., Indianapolis, Ind.**
Aug. 12 (letter of notification) 10,000 shares of common stock (par $1). **Price**—$10 per share. **Proceeds**—For purchase of machinery and equipment, obtain a manufacturing plant and for working capital. **Office** — 145 Berkley Rd., Indianapolis, Ind. **Underwriter**—None.

Kachina Uranium Corp., Reno, Nev.
May 12 (letter of notification) 600,000 shares of common stock (par 10 cents). **Price**—50 cents per share. **Proceeds**—For mining expenses. **Office**—206 N. Virginia St., Reno, Nev. **Underwriter**—Whitney, Cranmer & Schulder, Inc., Denver, Colo.

Kirby Oil & Gas Co.
July 8 filed 200,000 shares of common stock (par $1), of which 100,000 shares are for the account of the company and 100,000 shares for the account of the Murchi-

Continued on page 34

Continued from page 33

son-Richardson financial interests of Texas. **Price**—To be supplied by amendment. **Proceeds**—To retire outstanding bank loans and for exploration of oil and gas leases. **Underwriters**—Allen & Co., New York; and Rauscher, Pierce & Co., Dallas, Texas. **Offering** — Postponed.

Knapp Uranium & Development Co.
April 21 (letter of notification) 20,000,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For mining expenses. **Office**—2174 S. Main St., Salt Lake City, Utah. **Underwriter** — Guss & Mednick Co., same city.

★ **Lander Valley Uranium & Oil Corp.**
Aug. 15 (letter of notification) 3,000,000 shares of common stock (par two cents). **Price**—10 cents per share. **Proceeds**—For expenses incident to mining activities. **Office**—c/o Warren E. Morgan, President, 1705 East First South, Salt Lake City, Utah. **Underwriter**—Empire Securities Corp., Las Vegas, Nev.

Leborn Oil & Uranium Co.
June 8 (letter of notification) 6,000,000 shares of capital stock. **Price**—At par (five cents per share). **Proceeds**—For mining expenses. **Office** — 124½ South Main St., Newcastle, Wyo. **Underwriter** — Mid-American Securities, Inc. of Utah, Salt Lake City, Utah.

Life and Accident Insurance Co. of Alabama
June 2 filed 750,000 shares of class B (non-voting) common stock (par $1). **Price**—$3 per share. **Proceeds**—To increase capital and surplus. **Office**—Gadsden, Ala. **Underwriter** — None, sales to be handled by Burlus Randolph Winstead, Secretary and Treasurer of the company.

Link-Belt Co., Chicago, Ill.
Aug. 12 filed 134,433 shares of common stock (par $5) to be offered in exchange for the common stock of Syntron Co. at rate of 5.4 shares of Link-Belt stock for each Syntron share. The exchange will become effective if 95% of the 24,895 shares of outstanding Syntron stock are deposited for exchange; but Link-Belt reserves the right to declare the exchange effective if not less than 80% of Syntron shares are so deposited in exchange.

Lone Star Uranium & Drilling Co., Inc.
April 7 (letter of notification) 570,000 shares of common stock (par 10 cents). **Price**—50 cents per share. **Proceeds**—For mining expenses. **Office**—1100 Fidelity Union Life Bldg., Dallas, Tex. **Underwriter** — Christopulos-Nichols Co., Las Vegas, Nev.

• **Lyman-Farnsworth Corp.**
May 6 (letter of notification as amended) 3,000,000 shares of capital stock (par one cent). **Price**—10 cents per share. **Proceeds**—For mining operations. **Office**—201 No. Main St., Salt Lake City, Utah. **Underwriter**—Pioneer Investments, Las Vegas, Nev.

Mackey Airlines, Inc., Ft. Lauderdale, Fla.
July 29 filed 333,334 shares of common stock (par 33⅓ cents), part of which are to be offered for subscription by common stockholders and part to Joseph C. Mackey, President of company. **Price**—To be supplied by amendment. **Proceeds** — For purchase of equipment and for general corporate purposes. **Underwriters**—Atwill & Co., Miami Beach, Fla., and Emerson Cook Co., Palm Beach, Fla.

Magnolia Park, Inc.
Aug. 8 (letter of notification) maximum of 600,000 shares of common stock (par 10 cents) to be offered first for subscription by stockholders. **Price**—To stockholders, 50 cents per share; unsubscribed shares to public, 62½ cents per share. **Proceeds**—For general corporate purposes. **Underwriters**—Gearhart & Otis, Inc. and Hunter Securities Corp., both of New York City; and T. J. Feibleman & Co., New Orleans, La.

• **Maloney (M. E.) & Co., Inc. (8/26)**
Aug. 5 (letter of notification) 289,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For working capital. **Business** — General contractors. **Office** — 511 Center Ave., Mamaroneck, N. Y. **Underwriter**—A. C. Champlain & Co., New York, N. Y.

• **Marine Midland Corp., Buffalo, N. Y.**
Aug. 5 filed 43,000 shares of common stock (par $5) being offered in exchange for all of the outstanding capital stock of The Citizens National Bank of Springville on the basis of 4¼ Marine Midland common shares for each one share of Citizens stock held as of Aug. 19. The offer is subject to acceptance by holders of not less than 80% (8,000 shares) of Citizens stock and will expire Sept. 9.

★ **Mascot Mines, Inc.**
Aug. 1 (letter of notification) 300,000 shares of common stock (par 35 cents). **Price** — 62½ cents per share. **Proceeds** — For expenses incident to mining activities. **Underwriter**—Standard Securities Corp., Spokane, Wash.

★ **Massachusetts Indemnity Insurance Co. (9/13)**
Aug. 19 filed 60,000 shares of capital stock (par $5). **Price** — To be supplied by amendment. **Proceeds** — To certain selling stockholders. **Underwriter**—Estabrook & Co., Boston, Mass.

Medical Abstracts, Inc., Philadelphia, Pa.
June 15 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For working capital, etc. **Office**—825 Western Savings Fund Bldg., Philadelphia, Pa. **Underwriter** — Carl J. Bliedung, Washington, D. C.

Merritt-Chapman & Scott Corp., New York
June 28 filed 314,718 shares of common stock (par $12.50) being offered in exchange as follows: 102,250 shares to class A stockholders of Devoe & Raynolds & Co., Inc. on basis of 1⅔ shares for each Devoe share; 6,621 shares to class B common stockholders of Devoe on 1⅓-for-1 basis; 127,623 shares to common stockholders of New York Shipbuilding Corp. on a share-for-share basis; 53,324 shares to common stockholders of Tennessee Products & Chemical Corp. on a 1¼-for-1 basis; 13,453 shares to common stockholders of Newport Steel Corp. on a 1-for-2.1 basis; 10,899 shares to common stockholders of Marion Power Shovel Co. on a 1½-for-1 basis; and 548 shares of class B common stockholders of The Osgood Co. on a 1-for-1½ basis. Offer will expire on Sept. 30. **Underwriter**—None.

Mesa-Loma Mining Corp., Fort Collins, Colo.
July 13 (letter of notification) 2,955,000 shares of common stock (par one cent). **Price** — 10 cents per share. **Proceeds**—For expenses incident to mining operations. **Office**—415 Peterson St., Fort Collins, Colo. **Underwriter**—Bay Securities Corp., 115 Broadway, New York, N. Y.

Meteor Air Transport, Inc.
July 29 (letter of notification) 5,963 shares of Class A stock (par $1) to be issued upon exercise of warrants at $1.50 per share. **Proceeds**—For working capital. **Underwriter**—Eisele & King, Libaire, Stout & Co., New York. No general offering is planned.

★ **Ministers' Service Society, Stevenville, Md.**
Aug. 15 (letter of notification) $5,000 of 20-year sinking fund 4½% series A bonds. **Price**—At par (in denominations of $25, $50, $100, $250 and $500). **Address**—P. O. Box 42, Stevenville, Md. **Underwriter**—None.

• **Mississippi Valley Gas Co.**
July 28 filed $2,000,000 of 4¼% convertible subordinate debentures due 1975, being offered for subscription by common stockholders of record Aug. 18, 1955, on the basis of $100 of debentures for each 25 shares held; rights to expire on Sept. 8. **Price** — 100% of principal amount. **Proceeds**—To retire $1,500,000 of outstanding 4¼% bonds due 1974 and prepay $457,000 of 4¼% notes due to 1956. **Office**—Jackson, Mich. **Underwriter** — Equitable Securities Corp., Nashville, Tenn.

Mitchell Mining Co., Inc., Mount Vernon, Wash.
May 13 (letter of notification) 500,000 shares of common stock (par 10 cents). **Price**—50 cents per share. **Proceeds**—For mining expenses. **Address**—P. O. Box 301, Mount Vernon, Wash. **Underwriter**—Standard Securities Corp., Spokane, Wash.

Moab King, Inc.
April 4 (letter of notification) 10,000,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For mining expenses. **Office**—210 Zions Savings Bank Building, Salt Lake City, Utah. **Underwriter** — Potter Investment Co., same city.

Monte Carlo Uranium Mines, Inc.
June 6 (letter of notification) 6,000,000 shares of common stock. **Price**—At par (five cents per share). **Proceeds**—For mining expenses. **Office** — 706 Newhouse Bldg., Salt Lake City, Utah. **Underwriter**—Mid-Continent Securities, Inc., same city.

★ **Monte Cristo Uranium Corp.**
Aug. 19 filled 2,000,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For purchase of certain claims designated "Lower Claims Group." **Office**—Salt Lake City, Utah. **Underwriter**—None.

Morning Sun Uranium, Inc., Spokane, Wash.
June 14 (letter of notification) 700,000 shares of common stock (par 10 cents). **Price** — 25 cents per share. **Proceeds**—For mining expenses. **Office** — 415 Paulsen Bldg., Spokane, Wash. **Underwriter**—Pennaluna & Co., same city.

Mortgage Associates, Inc., Philadelphia, Pa.
June 7 (letter of notification) 20,000 shares of 60-cent convertible preferred stock (par $5) and 20,000 shares of common stock (par 10 cents). **Price**—For preferred, $10 per share; and for common, $2.50 per share. **Proceeds**—For construction loans and acquisitions. **Underwriters**—Rambo, Close & Kerner Inc., Philadelphia, Pa.; and J. S. Hope & Co., Scranton, Pa.

Narda Corp.
Aug. 8 (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 products and for working capital. **Business**—Electronic test equipment. **Office**—160 Herricks Road, Mineola, L. I., N. Y.

National Credit Corp., Phoenix, Ariz.
May 6 filed 300,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For working capital. **Underwriter**—None.

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

Neva-U-Tex Uranium, Inc., Goldfield, Nev.
July 15 (letter of notification) 4,000,000 shares of capital stock. **Price**—Five cents per share. **Proceeds**—For mining expenses, etc. **Office**—312 East Crook St., Goldfield, Nev. **Underwriter** — Utah Uranium Brokers, Salt Lake City, Utah.

★ **New Mexico Oil & Gas Co.**
July 27 (letter of notification) 2,500,000 shares of common stock (par one cent). **Price**—Three cents per share. **Proceeds** — For general corporate purposes. **Office** — Bethesda, Md. **Underwriter**—Lewellen-Bybee Co., Washington, D. C.

Oasis Uranium & Oil Corp., Fort Worth, Texas
June 8 (letter of notification) 265,000 shares of common stock (par 50 cents). **Price**—$1 per share. **Proceeds**—For uranium and oil exploration. **Office**—Fortune Arms Bldg., Fort Worth, Tex. **Underwriter**—Standard Securities, Inc., Salt Lake City, Utah.

★ **O'Bannon Uranium Co., Odessa, Texas**
Aug. 12 (letter of notification) 600,000 shares of common stock (par 10 cents). **Price**—50 cents per share. **Proceeds**—For expenses incident to mining activities. **Address**—P. O. Box 1205, Odessa, Tex. **Underwriter**—None.

★ **Ohio Power Co. (9/20)**
Aug. 17 filled $17,000,000 of first mortgage bonds due Sept. 1, 1985. **Proceeds**—To repay bank loans and for new construction. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Harriman Ripley & Co. Inc. and Stone & Webster Securities Corp. (jointly); Kuhn, Loeb & Co.; Blyth & Co., Inc.; Union Securities Corp. and Salomon Bros. & Hutzler (jointly); The First Boston Corp. **Bids**—To be received up to 11 a.m. (EDT) on Sept. 20.

★ **Ohio Power Co. (9/20)**
Aug. 17 filed 60,000 shares of cumulative preferred stock (par $100). **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probablel bidders: Blyth & Co., Inc.; Lehman Brothers; Kuhn, Loeb & Co.; Harriman Ripley & Co., Inc. and Stone & Webster Securities Corp. (jointly); The First Boston Corp.; Union Securities Corp. and Salomon Bros & Hutzler (jointly). **Bids**—To be received up to 11 a.m. (EDT) on Sept. 20.

★ **Opportunities U. S. A. Inc., Wilkesbarre, Pa.**
Aug. 15 (letter of notification) 12,000 shares of class A voting stock (par $2) and 240,000 shares of class B non-voting stock (par $1). **Price**—For class A stock $5 per share and for class B stock $1 per share. **Proceeds**—For erection of a factory, purchase of machinery and equipment, and for research and general corporate purposes. **Office**—Suite 813, Miners Nat'l Bank Bldg., Wilkesbarre, Pa. **Underwriter**—None.

Orange Hotel, Inc., Dallas, Texas
July 19 filed $450,000 of registered 4% sinking fund debentures due May 1, 1985, which are to be offered in exchange for $375,000 principal amount of registered 4% debentures and 3,750 shares of $20 par stock of Orange Community Hotel Co. in the ratio of $120 of new debentures for each $100 of debentures and 20 shares of stock of the Community company. **Underwriter**—None.

★ **Pacific International Metals & Uranium, Inc.**
Aug. 12 (letter of notification) 12,000,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For expenses incident to mining activities. **Office**—419 Judge Bldg., Salt Lake City, Utah. **Underwriter**—Guss Securities Co., Salt Lake City, Utah.

Pacific Telephone & Telegraph Co. (8/31)
July 29 filed 1,339,196 shares of common stock (par $100) to be offered for subscription by preferred and common stockholders in the ratio of one new share for each six shares held as of Aug. 31; rights to expire on Sept. 30. American Telephone & Telegraph Co., the parent, owns 90.89% of Pacific's outstanding stock and intends to subscribe for 1,199,849 of the new shares. **Price**—At par. **Proceeds**—To repay bank loans. **Underwriter**—None.

Pacific Uranium & Oil Corp.
June 6 (letter of notification) 3,000,000 shares of common stock (par two cents). **Price**—10 cents per share. **Proceeds** — For mining expenses. **Office** — 811 Boston Bldg., Denver, Colo. **Underwriter**—Amos C. Sudler & Co., same city.

Palestine Economic Corp., New York
July 1 filed 50,000 shares of common stock (par $25) and $2,000,000 of five-year 5% notes, series 1955. **Price**—Of stock, $28 per share; and of notes, at 100% of principal amount. **Proceeds** — For further development of Israel industry; development of urban and suburban areas; extension of credit; financing of exports to Israel; and working capital and general corporate purposes. **Underwriter**—None, sales to be handled through company officials and employees.

Panama Minerals, Inc., S. A. (Republic of Panama)
June 30 filed 400,000 shares of common stock (par $1). **Price**—$1.25 per share. **Proceeds**—For mining expenses. **Office**—Denver, Colo. **Underwriter**—None.

Pandora Uranium Mines, Inc.
July 14 (letter of notification) 3,000,000 shares of common stock (par one cent). **Price** — 10 cents per share. **Proceeds**—For expenses incident to mining operations. **Office**—530 Main St., Groad Junction, Colo. **Underwriter**—Columbia Securities Co., Denver 2, Colo. and Salt Lake City, Utah.

Pelican Uranium Corp., Salt Lake City, Utah
May 25 (letter of notification) 300,000 shares of common stock (par five cents). **Price**—10 cents per share. **Proceeds** — For mining expenses. **Office** — 688 East 21st South, Salt Lake City, Utah. **Underwriter** — Trans-Western Brokerage Co., New Orleans, La., and Salt Lake City, Utah.

Penn-Utah Uranium, Inc., Reno, Nev.
Aug. 4 (letter of notification) 2,000,000 shares of common stock (par three cents). **Price**—15 cents per share. **Proceeds**—For expenses incident to mining activities. **Office**—206 N. Virginia Street, Reno, Nev. **Underwriter**—Philip Gordon & Co., Inc., New York, N. Y.

Permian Basin Uranium Corp.
June 2 (letter of notification) 640,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining costs. **Office**—613 Simms Building, Albuquerque, N. Mex. **Underwriter** — Western Securities Corp., Salt Lake City, Utah.

Pioneer Mortgage & Development Corp.
April 27 filed 300,000 shares of common stock (par $1) with warrants attached entitling the holder to purchase one additional share at prices ranging from $13 to $20 depending upon the exercise date. **Price**—$10 per share

"as a speculation." **Proceeds**—For working capital and general corporate purposes. **Office**—Houston. Tex. **Underwriter**—None. Statement effective July 14.

★ Plastic Wire & Cable Corp., Jewett City, Conn.
Aug. 11 (letter of notification) 1,036 shares off common stock (par $5), to be offered to stockholders through warrants. **Price**—$9 per share. **Proceeds**—For additional working capital and to finance current plant expansion. **Office**—East Main St., Jewett City, Conn. **Underwriter**—Putnam & Co., Hartford, Conn.

Prospect Hill Golf & Country Club, Inc.
July 8 (letter of notification) 11,900 shares of preferred stock. **Price**—At par ($25 per share). **Proceeds**—For swimming pool, club furnishings and equipment, golf course and organization and develoment expense. **Office**—Bowie, Md. **Underwriter**—L. L. Hubble & Co., Inc., Baltimore, Md.

Pyramid Electric Co.
May 3 filed 50,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** — To selling stockholders. **Underwriter** — S. D. Fuller & Co., New York.

★ R. & E. Manufacturing Co., Inc., Ridgway, Pa.
Aug. 8 (letter of notification) 100,000 shares of class A common stock (par 20 cents). **Price** — $3 per share. **Proceeds**—For electronic production and its components. **Underwriter**—None.

Radium Hill Uranium, Inc., Montrose, Colo.
July 19 (letter of notification) 625,000 shares of common stock (par one cent). **Price**—32 cents per share. **Proceeds** — For expenses incident to mining operations. **Office**—Bryant Bldg., Montrose, Colo. **Underwriters**—General Investing Corp., New York, N. Y., and Shaiman & Co., Denver, Colo.

Rampart Uranium Co., Colorado Springs, Colo.
July 19 (letter of notification) 2,475,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For expenses incident to mining operations. **Office**—Mining Exchange Bldg., Colorado Springs, Colo. **Underwriter**—Al J. Johnson & Co., same address.

Rea (J. B.) Co., Inc. (9/1)
Aug. 12 filed 4,590 shares of common stock (par $100) and 4,590 shares of class B common stock (no par), of which 4,000 common shares are to be offered for sale to public at par and 590 common shares and 590 class B shares are to be offered to employees other than Dr. and Mrs. James B. Rea at $100 and $1 per share, respectively. The other 4,000 class B shares are to be issued to Dr. and Mrs. Rea in consideration of services rendered by Dr. Rea. **Proceeds**—To repay short-term indebtedness, for inventory and working capital and other general corporate purposes. **Office**—Santa Monica, Calif. **Underwriters**—Smith, Barney & Co., New York; and William R. Staats & Co., Los Angeles, Calif. **Offering**—May be placed privately.

Revere Realty, Inc., Cincinnati, Ohio
March 8 filed $1,000,000 of 5½% cumulative convertible debentures due Jan. 1, 1980 and 25,000 shares of common stock (no par). **Price**—Par for debentures and $100 per share for stock. **Proceeds** — To purchase real estate or interest therein. **Underwriter**—Stanley Cooper Co., Inc., Cincinnati, O.

● Rio de Oro Uranium Mines, Inc.
Aug. 15 filed 3,000,000 shares of common stock (par one cent). **Price**—15 cents per share. **Proceeds**—For expenses incident to mining operations. **Office**—Grand Junction, Colo. **Underwriter**—Tellier & Co., Jersey City, N. J., on a best-efforts basis. If 85% of issue is not sold, monies will be refunded. **Offering**—Expected in about a month.

Rocket Mining Corp., Salt Lake City, Utah
July 15 (letter of notification) 6,000,000 shares of capital stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining operations. **Office**—530 Judge Bldg., Salt Lake City, Utah. **Underwriter**—Mid America Securities, Inc., of Utah, 26 W. Broadway, Salt Lake City, Utah.

★ Royal Consolidated Uranium, Inc., Denver, Colo.
Aug. 12 (letter of notification) 3,000,000 shares of capital stock (par one cent). **Price**—10 cents per share. **Proceeds**—For expenses incident to mining activities. **Office**—407 Denver Nat'l Bldg., Denver, Colo. **Underwriter**—None.

Royal Uranium Corp.
May 26 (letter of notification) 200,000 shares of common stock (par five cents). **Price**—At market (total not to exceed $150,000). **Proceeds**—For working capital. **Office**—Walker Bank Bldg., Salt Lake City, Utah. **Underwriter**—Whitney & Co., same city. No general offer planned.

★ Royalties Investment Corp., Las Vegas, Nev.
Aug. 15 (letter of notification) 1,000,000 shares of common stock. **Price**—At par (20 cents per share). **Proceeds**—For expenses incurred in connection with additional royalties and working capital. **Office**—708 U. S. Nat'l Bank Bldg., Denver, Colo. **Underwriter**—None.

Saint Anne's Oil Production Co.
May 9 (letter of notification) 20,000 shares of common stock (par $1) to be first offered to stockholders. **Price**—$6.25 per share. **Proceeds** — For oil and mineral and related activities. **Office**—Northwood, Iowa. **Underwriter**—None.

St. Regis Paper Co., New York
June 28 filed 329,327 shares of common stock (par $5) being offered in exchange for common stock of General Container Corp. on basis of 2⅜ shares of St. Regis for one General share. Offer, which will expire on Aug. 26, is conditioned upon St. Regis obtaining 30% of outstanding General stock. The Cleveland Trust Co., Cleveland, Ohio, is depository and exchange agent. **Underwriter**—None.

★ St. Regis Uranium Corp., Denver, Colo. (9/6)
Aug. 15 (letter of notification) 1,500,000 shares of common stock (par one cent). **Price**—20 cents per share. **Proceeds** — For expenses incident to mining activities. **Office**—2285 South Jackson, Denver, Colo. **Underwriter**—M. J. Reiter Co., New York, N. Y.

Sanitary Products Corp., Chicago, Ill.
June 27 (letter of notification) 15,000 shares of common stock (par $1). **Price**—At market (estimated at $1.62½ to $2 per share). **Proceeds**—To selling stockholder. **Office**—10 So. LaSalle St., Chicago, Ill. **Underwriter**—Cruttenden & Co., Chicago, Ill.

Santa Fe Uranium & Oil Co., Inc.
May 26 (letter of notification) 2,959,500 shares of common stock (par one cent). **Price** — 10 cents per share. **Proceeds**—For mining operations. **Office**—416 Independence Bldg., Colorado Springs, Colo. **Underwriter**—Columbia Securities Co., Denver, Colo.

● Savoy Oil Co., Inc., Tulsa, Okla.
July 8 (letter of notification) 20,000 shares of common stock (par 25 cents) to be offered for subscription by stockholders on a 1-for-13 basis, new dates to be announced later). **Price**—$7 per share. **Proceeds**—For exploration, development and acquisition of properties. **Office**—417 McBurney Bldg., Tulsa, Okla. **Underwriter**—None.

Shoni Uranium Corp., Riverton, Wyo.
April 21 (letter of notification) 2,000,000 shares of common stock (par one cent). **Price** — 15 cents per share. **Proceeds** — For mining expenses. **Address** — Box 489, Riverton, Wyo. **Underwriter** — Melvin F. Schroeder, Denver, Colo.

Shumway Uranium, Inc., Moab, Utah
June 20 (letter of notification) 1,200,000 shares of common stock (par one cent). **Price**—25 cents per share. **Proceeds**—For mining expenses. **Office** — 6 Kirby St., Moab, Utah. **Underwriter**—Skyline Securities Inc., Denver, Colo.

Silvaire Aircraft & Uranium Co.
June 17 (letter of notification) 3,000,000 shares of common stock (par one cent). **Price** — 10 cents per share). **Proceeds**—For mining operations. **Office**—Fort Collins, Colo. **Underwriter**—Carroll, Kirchner & Jaquith, Inc., Denver, Colo.

Smith-Dieterich Corp.
July 12 (letter of notification) 8,677 shares of capital stock (par $2.50) to be offered for subscription by stockholders on basis of one new share for each 10 shares held. **Price**—$5.50 per share. **Proceeds**—To obtain additional patents; to repay certain loans; and working capital. **Business**—Photographic equipment. **Office**—50 Church St., New York. **Underwriter**—None.

Sonoma Quicksilver Mines, Inc.
April 27 filed 800,000 shares of capital stock (par 10 cents), of which 80,000 shares are to be initially offered to public. **Price**—To be fixed on the basis of the market value at the time of their first sale or $1 per share, which ever is lower. **Purpose** — To increase facilities and invest in other quicksilver properties; and for working capital. **Office**—San Francisco, Calif. **Underwriter**—Norman R. Whittall, Ltd., Vancouver, B. C., Canada.

★ Southern Construction & Mortgage Co., Inc.
Aug. 11 (letter of notification) 300,000 shares of class A common stock. **Price**—At par ($1 per share). **Proceeds** To increase working capital to enable the company to eliminate high cost financing. **Office**—307 So. 21st Ave., Hollywood, Fla. **Underwriter**—None.

★ Southwestern Investment Co., Amarillo, Texas
Aug. 22 filed $2,500,000 of 5% sinking fund capital debentures, series A, dated Sept. 1, 1955. Holders of presently outstanding 5% and 5½% capital debentures will be offered the opportunity to exchange their debentures for the new debentures. **Price** —100% of principal amount. **Proceeds**—To retire debt and increase working capital. **Underwriter**—The First Trust Co. of Lincoln, Neb.

★ Southwestern Petroleum Corp., Wilmington, Del.
Aug. 15 (letter of notification) 9,799 shares of common stock. **Price**—$5 per share. **Proceeds**—For drilling operations. **Office**—910 West St., Wilmington, Del. **Underwriter**—None.

Spirit Mountain Uranium, Inc., Cody, Wyo.
July 29 (letter of notification) 25,200,000 shares of common stock. **Price**—At par (one cent per share). **Proceeds**—For expenses incident to mining activities. **Office**—1507-8th Street, Cody, Wyo. **Underwriter**—Utah Uranium Brokers, Las Vegas, Nev.

● Splendora Film Corp., New York (9/6)
July 27 filed 1,200,000 shares of common stock (par 10 cents). **Price**—50 cents per share. **Proceeds**—For equipment and accessories; for financing film productions; and for working capital. **Underwriters**—J. H. Lederer Co., Inc., and McGrath Securities Corp., both of New York.

● Stancan Uranium Corp., Toronto, Canada
April 18 filed 200,000 shares of cumulative convertible preferred stock, series A (par one cent). **Price**—To be supplied by amendment. **Proceeds**—For exploration and development expenses and for general corporate purposes. **Underwriters**—Gearhart & Otis, Inc. and F. H. Crerie & Co., Inc., both of New York. Statement withdrawn.

Sun Finance & Loan Co.
Aug. 1 (letter of notification) $200,000 of 6% subordinated debentures due 1965 and 6,000 shares of common stock (par $1) to be offered in units of a $1,000 debenture and 30 shares of stock. **Price**—$1,075 per unit. **Proceeds**—For working capital and general corporate purposes. **Underwriter**—Beil & Hough, Inc., St. Petersburg, Fla.

● Sun Hotel, Inc., Las Vegas, Nev.
Feb. 16 filed (as amended) 3,750,000 shares of common stock (par one cent). **Price**—$2.50 per share. **Proceeds**—To construct hotel and for working capital. **Underwriters**—Golden-Dersch & Co., Inc., New York; and Coombs & Co. of Las Vegas, Inc., Las Vegas, Nev. **Offering**—Postponed.

Susan B. Uranium Corp., Carson City, Nev.
Aug. 11 (letter of notification) 300,000 shares of non-assessable common stock. **Price**—At par ($1 per share). **Proceeds**—For mining expenses. **Office**—Virginia Truck Bldg., Carson City, Nev. **Underwriter**—Coombs & Co. of Las Vegas, Nev.

Target Uranium Co., Spokane, Wash.
Aug. 12 (letter of notification) 1,000,000 shares of non-assessable stock (par five cents). **Price**—20 cents per share. **Proceeds** — For mining expenses. **Office** — 726 Paulsen Bldg., Spokane, Wash. **Underwriter** — Percy Dale Lanphere, Empire State Bldg., Spokane, Wash.

Tasha Oil & Uranium Co., Denver, Colo.
May 11 (letter of notification) 6,000,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining operations. **Office**—1890 S. Pearl St., Denver, Colo. **Underwriter** — Carroll, Kirchner & Jaquith, Inc., same city.

★ Tel-A-Sign, Inc., Chicago, Ill. (9/8)
Aug. 10 (letter of notification) 150,000 shares of common stock (par 20 cents). **Price**—$2 per share. **Proceeds**—To retire debt; and for new plant and equipment. **Underwriter**—Vickers Brothers, New York.

Tennessee Life & Service Insurance Co.
June 20 (letter of notification) 9,200 shares of common stock (par $5) to be offered for subscription by stockholders. **Price**—$30 per share. **Proceeds**—To increase working capital for agency expansion. **Office** — 1409 Magnolia Ave., Knoxville, Tenn. **Underwriter**—Jesse C. Bowling, 16 M Street, Bedford, Ind.

★ Texas Adams Oil Co., Inc., New York, N. Y.
Aug. 11 (letter of notification) 66,600 shares of common stock (par 10 cents). **Price**—75 cents per share. **Proceeds**—To selling stockholders. **Office**—39 Broadway, New York, N. Y. **Underwriter**—Philip Gordon & Co., Inc., New York, N. Y.

Texas Eastern Transmission Corp.
July 25 filed 273,906 shares of common stock (par $7) being offered in exchange for shares of capital stock of Texas Eastern Production Corp. in the ratio of one share of Transmission stock for each 2.6 shares of Production stock. The offer is contingent upon the tender on or before Sept. 12 of at least 263,402 shares of Production Company so that Transmission will thereafter own 80% or more of Production capital stock. Statement effective Aug. 5.

Texas Toy Co., Houston, Texas
July 8 (letter of notification) 300,000 shares of common stock (par 25 cents). **Price**—$1 per share. **Proceeds**—For payment of accounts payable of operating company; expansion and working capital. **Office**—2514 McKinney Ave., Houston, Texas. **Underwriter**—Ray Johnson & Co., Inc., Houston.

Texas Western Oil & Uranium Co., Denver, Colo.
June 15 (letter of notification) 5,960,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining expenses. **Office** — 407 Denver National Bldg., Denver, Colo. **Underwriter**—Floyd Koster & Co., same address.

Texboard, Inc., Dallas, Texas
Jan. 17 filed $1,500,000 of 6% series A debentures due serially from Feb. 1, 1957 to Aug. 1, 1961, and $1,000,000 of 6% series B convertible debentures due serially from Feb. 1, 1962 to Aug. 1, 1966. **Price**—To be supplied by amendment. **Proceeds**—To construct and operate a manufacturing plant near Orange, Tex., for the purpose of manufacturing insulation building products. **Underwriter**—None. C. F. McDougal of Dallas, Tex., is President.

Thunderbird Uranium Corp.
June 9 (letter of notification) 3,000,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office**—915 Simms Bldg., Albuquerque, N. M. **Underwriter**—Hicks, Newton & Co., Inc., Denver, Colo.

Trans-National Uranium & Oil Corp.
July 1 filed 2,000,000 shares of common stock (par 20 cents). **Price**—To be supplied by amendment (expected at $1.50 per share). **Proceeds**—To acquire part of properties presently subject to option in favor of company, and for expenses incident to mining and oil activies. **Office** — Dallas, Tex. **Underwriter** — Garrett Brothers, Inc., Dallas, Tex.

Triangle Mines, Inc., Salt Lake City, Utah
May 3 (letter of notification) 100,000 shares of common stock. **Price**—At par (50 cents per share). **Proceeds**—For mining operations. **Office** — 506 Judge Bldg., Salt Lake City, Utah. **Underwriter** — Lewellen-Bybee Co., Washington, D. C.

Tri-State Natural Gas Co., Tucson, Ariz.
July 6 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—For expenses incident to oil and gas activities. **Office**—15 Washington St., Tucson, Ariz. **Underwriter**—Frank L. Edenfield & Co., Miami, Fla.

Tungsten Mountain Mining Co., Fallon, Nev.
June 8 (letter of notification) 149,800 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For mining operations. **Address** — P. O. Box 456, Fallon, Churchill County, Nev. **Underwriter**—H. P. Pratt & Co., Seattle, Wash.

Continued on page 36

Continued from page 35

Turner Uranium Corp.
April 1 (letter of notification) 2,000,000 shares of common stock (par 2½ cents). **Price**—10 cents per share. **Proceeds**—For mining operations. **Office**—130 Social Hall Avenue, Salt Lake City, Utah. **Underwriter**—Melvin G. Flegal & Co., same city.

Two Jay Uranium Co., Salt Lake City, Utah
May 16 (letter of notification) 3,000,000 shares of common stock (par three cents). **Price**—10 cents per share. **Proceeds**—For mining expenses. **Office**—32 Exchange Place, Salt Lake City, Utah. **Underwriter** — Western States Investment Co., Tulsa, Okla.

Ucon Uranium Corp., Salt Lake City, Utah
June 2 (letter of notification) 5,000,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining costs. **Office**—406 Judge Building, Salt Lake City, Utah. **Underwriter**—Empire Securities Corp., Las Vegas, Nev.

U-Kan Uranium & Oil Co., Salt Lake City, Utah
May 5 (letter of notification) 260,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For mining expenses. **Office** — Judge Bldg., Salt Lake City, Utah. **Underwriter** — Northern Securities, Inc., Seattle, Wash.

Union of Texas Oil Co., Houston, Texas
July 12 (letter of notification) 61,393 shares of common stock (no par). **Price**—$1.25 per share. **Proceeds**—To reduce bank loans, and for development costs and other corporate purposes. **Underwriter**—Mickle & Co., Houston, Texas.

United American Investment Co., Atlanta, Ga.
July 19 filed 3,500,000 shares of common stock no par. **Price**—$2 per share. **Proceeds**—For organization of two wholly-owned insurance compaies, to be named United American Life Insurance Co. and Tourists Indemnity Co.; balance to be used to engage in mortgage loan business and related fields. **Underwriter**—None.

★ United States Thorium Corp.
July 21 (letter of notification) 250,000 shares of capital stock. **Price**—At par ($1 per share). **Proceeds**—For general corporate purposes. **Underwriter**—Doxey-Merkley & Co., Salt Lake City, Utah.

Universal Oil & Uranium Corp.
July 26 (letter of notification) 5,998,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds** — For mining operations. **Office** — 7900 West Colfax Avenue, Denver, Colo. **Underwriter** — Columbia Securities Co., Denver, Colo.

● Universal Service Corp., Inc., Houston, Texas
July 8 filed 500,000 shares of common stock (par two mills). **Price**—$2.50 per share. **Proceeds**—For equipment, mining costs, oil and gas development, and other corporate purposes. **Underwriter** — None. **Offering** — Postponed.

Uranium Prince Mining Co., Wallace, Ida.
April 18 (letter of notification) 1,750,000 shares of common stock. **Price** — 10 cents per share. **Proceeds**—For mining operations. **Address** — Box 709, Wallace, Ida. **Underwriter**—Wallace Brokerage Co., same city.

Uranium Properties, Ltd., Virginia City, Nev.
June 13 filed $600,000 of Grubstake Loans to be offered in amounts of $25 or multiple thereof. **Proceeds**—75% to be invested in U. S. Savings bonds and the balance for equipment and exploration and development expenses. **Underwriter**—None.

Uranium Technicians Corp., Salt Lake City, Utah
June 30 (letter of notification) 30,000,000 shares of common stock (no par). **Price**—One cent per share. **Proceeds** — For mining activities. **Office** — 1101 South State St., Salt Lake City, Utah. **Underwriter**—Anderson-Hackett Investment Co., same city.

★ Utah-Arizona Uranium, Inc., Salt Lake City, Utah
Aug. 1 (letter of notification) 600,000 shares of common stock (par 16⅔ cents). **Price**—50 cents per share. **Proceeds**—For expenses incident to mining activities. **Office**—Greyhound Terminal Building, West Temple & South Temple Streets, Salt Lake City, Utah. **Underwriter**—Trans-Western Brokerage Co., New Orleans, La.

★ Utah Grank, Inc., Reno, Nev.
Aug. 15 (letter of notification) 270,000 shares of capital stock. **Price**—At par ($1 per share). **Proceeds**—For expenses incident to mining activities. **Office**—312 Byington Bldg., Reno, Nev. **Underwriter**—Lester L. LaFortune, Las Vegas, Nev.

Utah Power & Light Co. (9/13)
July 26 filed $15,000,000 of first mortgage bonds due 1985. **Proceeds**—To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Union Securities Corp. and Smith, Barney & Co. (jointly); Kidder, Peabody & Co.; Salomon Bros. & Hutzler; White, Weld & Co. and Stone & Webster Securities Corp. (jointly); The First Boston Corp.; Lehman Brothers and Bear, Stearns & Co. (jointly). **Bids**—To be received up to noon (EDT) on Sept. 13 at Two Rector Street, New York, N. Y.

Utah Power & Light Co. (9/13)
July 26 filed 177,500 shares of common stock (no par). **Proceeds**—To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Lehman Brothers; Union Securities Corp. and Smith, Barney & Co. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Blyth & Co., Inc.; The First Boston Corp. **Bids**—To be received up to noon (EDT) on Sept. 13 at Two Rector Street, New York, N. Y.

Utah Southern Uranium Co., Las Vegas, Nev.
June 6 (letter of notification) 3,000,000 shares of capital stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office**—210 N. Third St., Las Vegas, Nev. **Underwriter**—Lester L. LaFortune, same city.

Utore Uranium & Diata, Inc., Vale, Ore.
July 8 (letter of notification) 10,000,000 shares of common stock (par one cent). **Price**—Two cents per share. **Proceeds**—Expenses incident to mining operations. **Office**—Lytle Building, Vale, Ore. **Underwriter**—Hansen Uranium Brokerage, Salt Lake City, Utah.

Vactron Corp.
May 13 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To manufacture, process, rebulid and market television pictures tubes, etc. **Underwriter** — Zone Investments Co., Fort Worth, Texas.

Vanura Uranium, Inc., Salt Lake City, Utah
June 16 (letter of notification) 3,000,000 shares of common stock (par one cent). **Price** — 10 cents per share. **Proceeds** — For mining expenses. **Underwriter** — I. J. Schenin & Co., New York. **Name Change**—The company was formerly known as San Miguel Uranium, Inc.

Vas Uranium & Drilling Co., Monticello, Utah
June 20 (letter of notification) 2,000,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining operations. **Underwriter**—Skyline Securities Inc., Denver, Colo.

★ Viking Oil Co., Muskegon Heights, Mich.
Aug. 16 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For expenses incident to drilling of oil. **Office**—6 E. Broadway, Muskegon Heights, Mich. **Underwriter** — None.

Wabash Uranium Corp., Moab, Utah
June 10 (letter of notification) 10,000,000 shares of capital stock. **Price**—At par (three cents per share). **Proceeds**—For mining expenses. **Underwriter**—Moab Brokerage Co. and National Securities, Inc., 368 South State St., Salt Lake City, Utah.

Washington Plywood Co., Inc., Lowell, Wash.
June 13 filed 296 shares of common stock (par $5,000). **Proceeds**—To purchase plywood mill of Walton Plywood Co., Inc., etc. **Underwriter**—Albert Walter Braedt.

Wet Mountain Mining, Inc.
June 29 (letter of notification) 6,000,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds** — For mining activities. **Office** — 105½ East Pikes Peak, Colorado Springs, Colo. **Underwriter** — Hicks, Newton & Co., Inc., Denver, Colo.

White Horse Uranium, Inc., Salt Lake City, Utah
June 9 (letter of notification) 2,900,000 shares of capital stock (par 2½ cents). **Price**—10 cents per share. **Proceeds**—For mining expenses. **Office**—1030 South Sixth West St., Salt Lake City, Utah. **Underwriter**—J. W. Hicks & Co., Inc., Denver, Colo.

Wicker-Baldwin Uranium Mining Co.
May 26 (letter of notification) 900,000 shares of common stock. **Price**—At par (25 cents per share). **Proceeds**—For mining expenses. **Office**—616 Sixth St., Rapid City, S. D. **Underwriter**—Driscoll-Hanson, Inc., same city.

★ Wonder Mountain Uranium, Inc., Denver, Colo.
Aug. 12 (letter of notification) 2,380,000 shares of common stock (par one cent). **Price**—10 cents per share. **Proceeds** — For expenses incident to mining activities. **Office**—414 Denver Nat'l Bldg., Denver, Colo. **Underwriter**—Floyd Koster & Co., Denver, Colo.

Wyoming Uranium Corp., Salt Lake City, Utah
April 22 (letter of notification) 833,333 shares of common stock (par one cent). **Price**—3½ cents per share. **Proceeds**—For mining expenses. **Office**—522 Felt Bldg., Salt Lake City, Utah. **Underwriter**—James E. Reed & Co., Salt Lake City, Utah; and Coombs & Co., of Washington, D. C.

★ Yale & Towne Manufacturing Co. (9/9)
Aug. 19 filled 106,931 shares of capital stock (par $25) to be offered for subscription by stockholders of record Sept. 9 on the basis of one new share for each six shares held; rights to expire on Sept. 26. **Price**—To be supplied by amendment. **Proceeds**—To repay $1,000,000 bank loans and for working capital and general corporate purposes. **Underwriter**—Morgan Stanley & Co., New York.

Yellow Circle Uranium Co.
July 22 (letter of notification) 5,000,000 shares of common stock. **Price**—At par (five cents per share). **Proceeds** — For mining expenses. **Office** — 223 Petroleum Building, Salt Lake City, Utah. **Underwriter**—Morgan & Co., same city.

★ Yellow Wing Uranium Corp., Las Vegas, Nev.
Aug. 12 (letter of notification) 6,000,000 shares of common stock (par one cent). **Price**—Three cents per share. **Proceeds**—For expenses incident to mining activities. **Office**—1112 Fremont Street, Las Vegas, Nev. **Underwriter**—None.

★ Yellowknife Uranium Corp., Toronto, Canada
Aug. 19 filed 1,000,000 shares of common stock (par one cent), of which 700,000 shares are to be sold for account of company and 300,000 shares for account of Stancan Uranium Corp. **Price**—$1.50 per share. **Proceeds**—For payments under purchase and option agreements for claims; for working capital and reserve funds; and for other general corporate purposes. **Underwriters**—Gearhart & Otis, Inc. and F. H. Crerie & Co., Inc., both of New York City.

York Oil & Uranium Co.
June 3 (letter of notification) 10,000,000 shares of capital stock. **Price**—At par (two cents per share). **Proceeds**—For mining and oil activities. **Address**—P. O. Box 348, Newcastle, Wyo. **Underwriter**—Empire Securities Corp., Salt Lake City, Utah.

Prospective Offerings

● Arkansas Power & Light Co.
May 27 it was reported company plans to issue and sell about 80,000 shares of cumulative preferred stock (par $100). **Proceeds**—To repay bank loans and for new construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Lehman Brothers; Blyth & Co., Inc. and Smith, Barney & Co. (jointly); Equitable Securities Corp. and Union Securities Corp. (jointly); White, Weld & Co. **Offering**—Originally planned for Oct. 25, has been postponed.

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

★ Atlas Sewing Centers (8/26)
Aug. 17 it was reported an issue of 80,000 shares of common stock is soon expected to be offered publicly. **Price**—$3.75 per share. **Underwriter**—R. S. Dickson & Co., Charlotte, N. C.

★ Baltimore & Ohio RR. (8/30)
Aug. 19 it was announced company plans a new issue of $280,000,000 first consolidated mortgage sinking fund bonds to consist of $80,000,000 of 3¾s, series A, due Aug. 1, 1970; $80,000,000 of 4s, series B, due Sept. 1, 1980; and $120,000,000 of 4⅛s, series C, due Oct. 1, 1995. **Proceeds** — For refunding. Existing bond holders will have a priority for the first two weeks in exchanging their bonds for $60,000,000 of the series A bonds, $40,000,000 of the series B and $20,000,000 of the series C. **Underwriters**—Glore, Forgan & Co.; Halsey, Stuart & Co. Inc.; and Alex Brown & Sons.

Bangor & Aroostook RR.
Aug. 1, the ICC granted exemption from competitive bidding of an issue of $4,000,000 40-year income debentures. **Proceeds**—To redeem 38,280 shares of outstanding $5 cumulative preferred stock,

Bank of California, N. A. (9/13)
Aug. 10 it was announced stockholders on Sept. 13 will vote on approving the issuance of 52,200 additional shares of capital stock (par $20), which will first be offered for subscription by stockholders of record Sept. 13, 1955 on the basis of one new share for each 10 shares held; rights to expire on Oct. 7, 1955. **Price**—$70 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—Blyth & Co., Inc., San Francisco, Calif.

Blackhawk Fire & Casualty Insurance Co.
April 5 it was reported company plans to issue and sell 200,000 shares of common stock. **Price**—Expected at $5 per share. **Proceeds**—To acquire Blackhawk Mutual Insurance Co., Rockford, Ill. **Underwriter** — Arthur M. Krensky & Co., Inc., Chicago, Ill.

★ Camco Corp. (9/14)
Aug. 22 it was reported early registration is expected of 100,000 shares of common stock, of which 75,000 shares are to be sold by the company and 25,000 shares for the account of selling stockholders. **Price** — Expected to be about $10 per share. **Underwriter**—Lee Higginson Corp., New York.

Campbell Chibougamau Mines, Ltd.
Aug. 15 it was reported a secondary offering of about 150,000 shares of common stock will be registered with the SEC. **Business**—Company, recently formed, is a copper mining undertaking on Merrill Island, Quebec, Canada. **Underwriter**—Allen & Co., New York. **Offering**—Not expected for three or four weeks.

Cavendish Uranium Mines Corp.
April 19 it was announced company plans issue and sale of a debenture issue of several million dollars. **Proceeds**—For a concentrating mill, mining equipment and for underground development. **Underwriter**—James Anthony Securities Corp., New York.

Central Maine Power Co.
Dec. 31, W. F. Wyman, President, stated that company plans to issue and sell some additional common stock, par $10 (probably to stockholders) in the latter part of 1955. **Proceeds**—For construction program. **Underwriter**—May be determined by competitive bidding. Probable bidders: The First Boston Corp. and Coffin & Burr, Inc. (jointly); Harriman Ripley & Co. Inc.; Blyth & Co., Inc. and Kidder, Peabody & Co. (jointly). **Meeting**—Stockholders on May 11 voted to increase the authorized common stock from 3,250,000 to 3,500,000 shares. **Offering**—Probably in September.

Chicago, Milwaukee, St. Paul & Pacific RR.
July 13 stockholders approved the creation of an issue of $60,000,000 5% income debentures, series A, due Jan. 1, 2055, being offered in exchange for 600,000 shares of outstanding 5% $100 par preferred stock, series A, on a par for par basis; offer commenced Aug. 1 and will run through Aug. 31. **Dealer-Manager** — Merrill Lynch, Pierce, Fenner & Beane, New York.

Columbia Gas System, Inc. (9/21)
July 25 it was reported company plans to issue and sell $40,000,000 of debentures due 1980. **Proceeds**—To repay bank loans and for construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders—Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Planned for Sept. 21. **Registration**—Expected on Aug. 25

Commonwealth Edison Co.
Jan. 24, Willis Gale, Chairman, announced it should be Fall before the company undertakes its next financing. **Proceeds**—For new construction, which, it is estimated,

will cost about $125,000,0000 in 1955. **Underwriters**—For last equity financing were The First Boston Corp. and Glore, Forgan & Co.

Consolidated Edison Co. of New York, Inc.
June 14 it was announced company expects to sell from $40,000,000 to $50,000,000 bonds some time during the current year. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; The First Boston Corp.

Consolidated Uranium Mines, Inc.
July 23, 1954, stockholders authorized issuance and sale of not to exceed $6,000,000 convertible debenture bonds in connection with the acquisition of Uranium Mines of America, Inc. stock. Public offering of $2,000,000 bonds expected early in 1955. **Underwriter** — Tellier & Co., Jersey City, N. J.

Continental Aviation & Engineering Co.
June 13 it was reported company plans sale in near future of $2,000,000 convertible debentures. Stockholders on Sept. 7 will vote on approving a proposal for additional financing. **Underwriter**—Van Alstyne, Noel & Co., New York.

Continental Can Co., Inc.
April 18, preferred stockholders approved creation of not to exceed an additional $25,000,000 of debentures or other indebtedness maturing later than one year after the date thereof. The company has no present plans for making any additional borrowings. **Underwriters**—Goldman, Sachs & Co. and Lehman Brothers, both of New York.

Daitch Crystal Dairies, Inc.
April 28 stockholders approved a proposal to increase the authorized common stock (par $1) from 500,000 shares to 1,000,000 shares to provide for future financing and expansion. **Underwriter**—Hirsch & Co., New York.

Delaware Power & Light Co.
July 26, Stuart Cooper, President, announced that the company is presently discussing arrangements for temporary financing through banks and is planning the subsequent issuance of bonds and equity securities. It appears that the first step in the permanent financing of the program will take place sometime late this fall. The present construction program includes two plants which will cost approximately $40,000,000. **Underwriters**—To be determined by competitive bidding. Probable bidders: (1) For bonds—Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. and Salomon Bros. & Hutzler (jointly); Lehman Brothers; Union Securities Corp.; The First Boston Corp. and Blyth & Co., Inc. (jointly); White, Weld & Co. and Shields & Co. (jointly); Merrill Lynch, Pierce, Fenner & Beane and Kidder, Peabody & Co. (jointly); W. C. Langley & Co. (2) For common stock (which may be first offered to stockholders)—W. C. Langley & Co. and Union Securities Corp. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Carl M. Loeb, Rhoades & Co.; Blyth & Co., Inc. and The First Boston Corp. (jointly); White, Weld & Co. and Shields & Co. (jointly): Lehman Brothers. (3) On preferred stock—Blyth & Co., Inc. and The First Boston Corp. (jointly); White, Weld & Co. and Shields & Co. (jointly); Lehman Brothers; W. C. Langley & Co. and Union Securities Corp. (jointly); Morgan Stanley & Co.

● **Denver National Bank, Denver, Colo.**
July 28, stockholders of record that date were given the right to subscribe on or before Sept. 7 for 50,000 additional shares of capital stock (par $10) on the basis of one new share for each four shares held. **Price**—$30 per share. **Proceeds**—To increase capital and surplus.

Detroit Edison Co.
May 2 stockholders approved a proposal authorizing about $60,000,000 of convertible debentures. Previous offer of convertible debentures was made to stockholders without underwriting.

Detroit Steel Corp.
Aug. 8 directors approved a plan which will include the public sale of $30,000,000 15-year first mortgage bonds and the sale to present common shareholders of 503,000 additional shares of common stock on a one-for-five basis (with an oversubscription privilege). **Price**—Of stock, to be not more than 80% of the market value immediately prior to the offering. **Proceeds**—To retire first mortgage note held by RFC in amount of $38,180,000, through payment of $32,180,000 in cash and issuance of $6,000,000 in 6% cumulative preferred stock at par ($100 per share); the remainder will be used for working capital. **Underwriter**—Halsey, Stuart & Co. Inc., New York and Chicago. **Offering**—Expected late in September. Stockholders to vote Sept. 15.

Doman Helicopters, Inc.
Feb. 17 Donald S. B. Waters, President, announced stockholders voted to increase authorized capital stock from 1,000,000 shares to 3,000,000 shares in anticipation of expansion of the company's activities. **Underwriter**—Previous financing handled by Greene & Co., New York.

Du Mont Broadcasting Corp.
Aug. 10 it was announced that corporation, following issuance to stockholders of Allen B. Du Mont Laboratories, Inc. of 1,000,000 shares of common stock as a dividend, contemplates that additional shares will be offered to its stockholders. This offering will be underwritten. Kuhn, Loeb & Co. and Van Alstyne, Noel & Co. handled Du Mont Laboratories class A stock financing some years ago.

Essex County Electric Co.
July 18 it was reported company plans to issue and sell some additional first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Blair & Co. Incorporated.

★ **Fischer & Porter Co., Hatboro, Pa.**
Aug. 18, Kermit Fischer, President, announced that the company expects to offer additional common shares to the public in the near future. **Underwriters**—Offering of participating preference shares in October, 1954, was underwritten by Hallowell, Sulzberger & Co.; Boenning & Co.; and Suplee, Yeatman & Co., Inc.; all of Philadelphia, Pa.

Florida Power Corp.
April 14 it was announced company may issue and sell between $10,000,000 and $12,000,000 of first mortgage bonds. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Lehman Brothers and Blyth & Co., Inc. (jointly); Glore, Forgan & Co.; and The First Boston Corp. **Offering**—Expected late in 1955 or early 1956.

Ford Motor Co., Detroit, Mich.
March 15 it was reported that following a probable 10-for-1 stock split, an offering of approximately 4,000,000 new shares will be made to the public. **Price**—Expected to be around $60 per share. **Proceeds** — To the Ford Foundation. **Offering**—Probably not until "latter part of 1955, if then."

Gulf States Utilities Co.
May 16 it was reported company may issue and sell $10,000,000 first mortgage bonds if market conditions permit. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Merrill Lynch, Pierce, Fenner & Beane and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Union Securities Corp. (jointly); Kuhn, Loeb & Co. and A. C. Allyn & Co., Inc. (jointly); Lee Higginson Corp. and Carl M. Loeb, Rhoades & Co. (jointly); Stone & Webster Securities Corp.

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

Heller (Walter E.) & Co.
July 18 it was reported that the company may be considering some new financing. **Underwriter**—F. Eberstadt & Co. Inc., New York.

Hupp Corp.
May 13 stockholders approved a proposal increasing the authorized capital stock from 3,000,000 to 4,200,000 shares (200,000 of such increased shares shall be (new) serial preferred stock, $50 par value and 1,000,000 shares shall be common stock, $1 par value); also waiving of preemptive rights to such increased shares.

International Bank, Washington, D. C.
April 25 it was announced company, in addition to placing privately an issue of $500,000 convertible debentures, will offer additional convertible debentures to shareholders, the latter probably sometime in the Autumn of this year. **Office** — 726 Jackson Place, N. W., Washington, D. C. **Business**—Industrial merchant bankers.

International Oil & Metals Corp., Seattle, Wash.
May 23 it was reported company may do some financing some time in the future. William D. Bost of Whitcomb & Co., New York, is Chairman of the Board.

International Resources Fund, Inc.
July 20 it was announced this company will be formed to specialize in worldwide investment in the field of natural resources companies. An offering of $15,000,000 of stock is planned in the Fall of this year. **Investment Adviser** — Capital Research & Management Co., Los Angeles, Calif. **Underwriter**—Kidder, Peabody & Co., New York.

Isthmus Sulphur Co. (Texas)
March 30 it was reported early registration is planned of an undertermined number of common shares. **Underwriters**—L. D. Sherman & Co., New York, and Garrett & Co., Dallas, Tex.; and others.

Kaiser Aluminum & Chemical Corp.
July 11 it was reported that company is understood to be contemplating the sale to the public of 700,000 shares of sinking fund preferred stock this Fall and private debt financing of about $40,000,000. Stockholders will vote Aug. 12 on approving an increase in the authorized preferred stock from 700,000 to 1,500,000 shares. **Proceeds**—For expansion program and working capital. **Underwriters**—The First Boston Corp., New York; and Dean Witter & Co., San Francisco, Calif.

Kayser (Julius) & Co.
Aug. 17, it was announced plans an offering of stock to its shareholders and borrowing through long-term bank loans. **Proceeds**—To finance acquisition, through purchase, of the net current assets of Holeproof Hosiery Co. (latter's stockholders to vote on proposal on Sept. 6).

Keystone Wholesale Hardware Co., Atlanta, Ga.
Jan. 27 it was stated that the company plans at a later date to offer additional shares for sale nationally. An offering of 16,666 shares of common stock was recently made to residents of Georgia only at $3 per share. **Office**—517 Stephens St., S.W., Atlanta, Ga.

Laclede Gas Co.
Aug. 8 it was stated company plans sale of about $10,000,000 convertible first preferred stock to stockholders. **Underwriter**—To be determined by competitive bidding. Probable bidders: Lehman Brothers, Merrill Lynch, Pierce, Fenner & Beane and Reinholdt & Gardner (jointly); White, Weld & Co.; Stone & Webster Securities Corp.; Blair & Co. Incorporated. **Bids**—Probably this fall.

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. **Underwriter**—McDonald & Co., Cleveland, Ohio. **Registration**—Expected late in August.

Lanolin Plus, Inc.
Aug. 15 it was reported company (name to be changed from Consolidated Cosmetics, Inc.) plans registration in September of about 200,000 shares of common stock (part for selling stockholders).

Lithium Developments, Inc., Cleveland, Ohio
June 9 it was announced that company plans soon to file a registration statement with the SEC covering a proposed issue of 600,000 shares of common stock. **Proceeds**—For general corporate purposes. **Underwriter**—George A. Searight, New York, will head group.

Long Island Lighting Co.
April 23 it was announced company plans to sell an issue of $15,000,000 first mortgage bonds, series H, due 1985. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders—Halsey, Stuart & Co. Inc.; The First Boston Corp. and Blyth & Co., Inc. (jointly); W. C. Langley & Co.; Smith, Barney & Co.; Baxter, Williams & Co. **Offering**—Expected late in 1955.

Lucky Stores, Inc.
April 20 stockholders approved a proposal to increase the authorized common stock (par $1.25) from 1,000,000 shares to 2,000,000 shares (there are 804,063 shares outstanding). It was reported previously that the company proposed to raise approximately $1,500,000 through the sale of 150,000 shares. However, no immediate financing is planned. **Underwriter**—Probably Blair & Co. Incorporated, New York.

Maine Central RR.
Feb. 14, E. Spencer Miller, President, said company has not given up the idea of refunding the $17,000,000 5⅛% first mortgage and collateral trust bonds due 1978. Probable bidders for new bonds may include Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; W. C. Langley & Co.; Coffin & Burr, Inc.; The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane; Blyth & Co., Inc.; Glore, Forgan & Co.

Majestic Auto Club, Inc.
Aug. 25 it was announced company plans to offer 500,000 shares (par five cents) to the motorist and general public shortly after completion of the current offering of 100,000 shares to service station owners and operators. Office—Room 717, 141 Broadway, New York 6, N. Y.

★ **Marquette Cement Manufacturing Co.**
Aug. 12 directors approved a $16,000,000 plant expansion program. Certain details of financing and engineering remain to be completed. **Underwriter**—A. G. Becker & Co. Inc., Chicago, Ill.

★ **Michigan Consolidated Gas Co.**
Aug. 15 it was reported company may issue and sell this fall $27,000,000 of first mortgage bonds due 1985. **Proceeds**—To repay bank loans and for new construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co. and Lehman Brothers (jointly); Smith, Barney & Co. and Blyth & Co., Inc. (jointly); Harriman Ripley & Co. Inc. and Union Securities Corp. (jointly).

Morris Plan Co. of California
Aug. 2 it was announced company plans to offer to its stockholders of record Aug. 8 the right to subscribe on or before Aug. 29 for 30,600 additional shares of capital stock (par $10) on the basis of one new share for each six shares held. Unsubscribed shares to be publicly offered by company after Sept. 6, 1955. **Price**—$30 per share. **Proceeds**—For working capital. **Underwriter**—None.

Mountain States Telephone & Telegraph Co. (10/1)
July 19 directors authorized an offering to stockholders of 486,881 additional shares of capital stock on basis of one new share for each five shares held as of Sept. 27; rights to expire on Oct. 28. Warrants will be mailed on Oct. 1. **Price**—At par ($100 per share). **Control**—American Telephone & Telegraph Co. owns about 86.7% of the presently outstanding common stock. **Underwriter** — None.

● **National Fuel Gas Co.**
Aug. 23 company filed with the SEC an application to offer its common stock in exchange for shares of Pennsylvania Gas Co., a principal subsidiary, on a basis of 1.45 National shares for each Pennsylvania Gas share.

New Haven Clock & Watch Co.
Aug. 3 it was announced that stockholders approved a plan of recapitalization and plans to raise not less than $300,000 of new capital. **Underwriter**—Probably Reynolds & Co., New York.

New Orleans Public Service Inc.
Feb. 4 it was announced that company plans this year to issue some first mortgage bonds due 1985. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Blair & Co. Incorporated; The First Boston Corp.; Equitable Securities Corp. and Union Securities Corp. (jointly); Kuhn, Loeb & Co. and A. C. Allyn & Co. Inc. (jointly); Kidder, Peabody & Co. and Stone & Webster Securities Corp. (jointly); and Lehman Brothers.

New York Central RR. (9/8)
Bids will be received up to noon (EDT) on Sept. 8 for the purchase from the company of $7,500,000 equipment trust certificates to mature annually to and including 1970. Probable bidders: Halsey, Stuart & Co., Inc.; Salomon Bros. & Hutzler.

Continued on page 38

Continued from page 37

New York State Electric & Gas Corp. (10/19)
July 8 it was announced company plans to issue and sell $25,000,000 of first mortgage bonds due 1985. **Proceeds**—To repay bank loans and for new construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Harriman Ripley & Co. Inc.; The First Boston Corp. and Glore, Forgan & Co. (jointly); Blyth & Co., Inc. and Smith, Barney & Co. (jointly); **Bids**—Expected to be received on Oct. 19.

New York Telephone Co.
Jan. 17, Keith S. McHugh, President, announced that the company will have to raise more than $100,000,000 of new capital money to aid in carrying out its expansion and improvement program which will cost approximately $200,000,000. Underwriter—For and bonds, to be determined by competitive bidding. Probable bidders: Morgan Stanley & Co.; **Halsey, Stuart & Co. Inc.**

Northern Illinois Gas Co.
June 14, Marvin Chandler, President, announced that the company plans to spend $60,000,000 on new construction through 1958, and that about $25,000,000 would be raised through the sale of bonds in the period. **Underwriters**—The First Boston Corp., Halsey, Stuart & Co. Inc. and Glore, Forgan & Co.

Northern States Power Co. (Minn.)
March 29 it was announced that new capital requirements for 1955 will approximate $31,000,000. **Present plans contemplate these funds will be obtained temporarily from short-term bank loans to be repaid from proceeds of the sale of additional bonds late in 1955 or early 1956. Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Beane, Kidder, Peabody & Co. and White, Weld & Co. (jointly); Equitable Securities Corp. and Union Securities Corp. (jointly); Smith, Barney & Co.; Lehman Brothers and Riter & Co. (jointly); Glore, Forgan & Co.

Nuclear-Electronics Corp.
June 28, it was announced that it is planned, following proposed merger into company of Olympic Radio & Television, Inc., and Victoreen Instrument Co., to issue and sell $2,500,000 of debentures. **Underwriters**—Van Alstyne, Noel & Co. and Barrett Herrick & Co., Inc., both of New York. **Meeting** — Stockholders to vote on merger in August, 1955.

Ohio Water Service Co.
March 28 it was reported company plans to issue and sell $1,000,000 of first mortgage bonds and $300,000 of additional common stock (the latter to stockholders) in near future. Proceeds—To retire bank loans and reimburse the company's treasury for construction expenditures.

Pacific National Bank, San Francisco, Calif.
Aug. 6 directors approved offer to stockholders of about 35,764 shares of additional capital stock on basis of one new share for each four shares held on or about Aug. 23; rights to expire on Sept. 13. **Price** — $35 per share. **Underwriters**—Elworthy & Co.; Schwabacher & Co.; Davis Skaggs & Co.; Pfluger & Baerwald; and J. Barth & Co.; all of San Francisco, Calif.

Pacific Power & Light Co. (9/27)
July 6 it was reported company plans to issue and sell $10,000,000 of first mortgage bonds due 1985. **Underwriter**—To be determined by competitive bidding. Probable bidders—Halsey, Stuart & Co. Inc.; Union Securities Corp. and Kidder, Peabody & Co., (jointly); Lehman Brothers, Bear, Stearns & Co. and Salomon Bros. & Hutzler (jointly); Blyth & Co., Inc. and White, Weld & Co. (jointly). **Bids**—Tentatively planned to be received up to noon (EDT) on Sept. 27. **Registration**—Expected on or about Aug. 24.

Pacific Power & Light Co. (10/5)
July 5 it was reported company plans to issue and sell 30,000 shares of cumulative preferred stock (par $100). **Underwriter**—Expected to be local dealers. **Registration**—Expected on Aug. 24.

Pennsylvania Electric Co.
Feb. 15 it was reported company plans to issue and sell later this year $9,300,000 of first mortgage bonds. Proceeds—To repay bank loans and for new construction. **Underwriter—To be determined by competitive bidding. probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Kuhn, Loeb & Co.; Kidder, Peabody & Co.; Equitable Securities Corp.; Harriman Ripley & Co., Inc.**

Pennsylvania Electric Co.
Feb. 21 it was reported company proposes issuance and sale of $7,500,000 of preferred stock later this year. Proceeds—For construction program. **Underwriter—To be determined by competitive bidding. Probable bidders: Kuhn, Loeb & Co.; W. C. Langley & Co. and Glore, Forgan & Co. (jointly); Kidder, Peabody & Co.; The First Boston Corp.; Smith, Barney & Co.; Harriman Ripley & Co. Inc.**

Pennsylvania Power & Light Co.
April 19, Charles E. Oakes, President, announced that company plans this year to issue and sell $15,000,000 of first mortgage bonds and use the proceeds for its construction program. Previous bond financing was arranged privately through Drexel & Co. and The First Boston Corp.

Peoples National Bank of Washington, Seattle, Wash.
June 30 it was announced Bank plans to issue 25,000 shares of capital stock (par $20) as a stock dividend, and a like number of shares will be offered for subscription by stockholders.

★ Portland Trust Bank, Portland, Ore.
Aug. 15 the Bank offered to its stockholders of record Aug. 11 the right to subscribe on or before Sept 12 for 10,000 additional shares of capital stock (par $20) at the rate of one new share for each four shares held. **Price**—$35 per share to stockholders; $37 per share to public. **Proceeds**—To increase capital and surplus. **Underwriter**—Blyth & Co., Inc., San Francisco, Calif.

Public Service Electric & Gas Co. (10/4)
Aug. 8 company applied to New Jersey Board of Public Utility Commissioners for authority to issue and sell $35,000,000 of debentures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co. and Lehman Brothers (jointly), Morgan Stanley & Co. and Drexel & Co. (jointly); The First Boston Corp. **Bids**—Expected to be received up to 11 a.m. (EDT) on Oct. 4.

Public Service Electric & Gas Co.
Aug. 8 it was announced that company may issue and sell early in October 250,000 shares of cumulative preferred stock (par $100). **Underwriters**—May be Morgan Stanley & Co., Drexel & Co. and Glore, Forgan & Co.

Puget Sound Power & Light Co.
April 5, Frank McLaughlin, President, **said that "it will be necessary in 1955 to obtain funds for construction purposes from outside sources—at least to the extent of several million dollars." The company has scheduled** a large-scale expansion program, involving **$79,000,000 in order to keep abreast of estimated load growth over** the next five years. **Underwriters**—Probably Stone & Webster Securities Corp.. **The First Boston Corp** and Smith, Barney & Co. Halsey, Stuart & Co. Inc., is reported to head a group to bid for approximately $25,000,000 of bonds.

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

Radio Receptor Co., Inc.
Feb. 28 it was reported **that a public offering is soon expected of about 250,000 shares of common stock, of which 100,000 shares will be sold for account of company and 150,000 shares for selling stockholders. Underwriter**—Bache & Co., New York.

Reading Co.
June 7 stockholders approved a proposal **increasing the authorized indebtedness of the company to $125,000,000.** Funded debt at Dec. 31, 1954 totaled **$84,077,350. If, in the future, the directors should deem it in the best interests of the company to issue bonds, the board will** determine the amount of the issue and the terms and conditions of the bonds. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.

Rochester Telephone Corp. (10/4)
July 25 company advised New York P. S. Commission that it plans to make an offering of 195,312 additional shares of common stock to its stockholders on the basis of one new share for each four shares held as of about Oct. 4; rights to expire on Oct. 19. **Price**—To be determined later. **Proceeds**—For construction program. **Underwriter**—The First Boston Corp., New York. **Registration**—Planned for Sept. 13.

St. Croix Paper Co.
Aug. 1 it was announced company plans to offer to its common stockholders an issue of about 125,000 additional shares of common stock (par $12.50). **Proceeds**—From sale of stock, and from issue of sinking fund notes to a bank and an insurance company, for new equipment and general corporate purposes. **Underwriter**—Estabrook & Co., Boston and New York.

San Diego Gas & Electric Co. (11/29)
Aug. 2 it was reported company plans to sell $18,000,000 of bonds. **Proceeds**—To repay bank loans and for new construction. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Blyth & Co., Inc.; Union Securities Corp. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Lehman Brothers; The First Boston Corp.; White, Weld & Co. and Shields & Co. (jointly). **Bids**—Expected to be received up to 11:30 a.m. (EDT) on Nov. 29.

★ South Texas Oil & Gas Co.
Aug. 18 it was announced stockholders will vote Aug. 30 on authorizing issuance of 110,000 shares of cumulative convertible preferred stock (par $10). **Proceeds** — For exploration and drilling program, etc. **Underwriter**—Previous financing was handled by Hunter Securities Corp., New York.

★ Southern Bell Telephone & Telegraph Co. (10/17)
Aug. 22 it was announced the directors have authorized the issuance and sale of $30,000,000 40-year debentures to be dated Oct. 15, 1955. **Proceeds**—To be applied to construtcion program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected to be received on Oct. 17. **Registration**—Planned for on or about Sept. 28.

Southern California Gas Co.
Feb. 28 it was reported company plans to issue and sell $40,000,000 of first mortgage bonds. Application has been filed with California P. U. Commission for exemption from competitive bidding. Bids received on last sale of bonds were from Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; White, Weld & Co. and Union Securities Corp. (jointly); Lehman Brothers.

Southern Co. (10/19)
July 28 it was announced company plans to offer first to common stockholders 1,004,870 additional shares of common stock (par 5) on a basis of one new share for each 18 shares held about Oct. 19; rights to expire on Nov. 10. Warrants to be mailed on Oct. 21. **Price**—To be named by company on Oct. 17. **Proceeds**—To repay bank loans and for investment in additional stock of subsidiary companies. **Underwriter**—To be determined by competitive bidding. Probable bidders: The First Boston Corp., Ladenburg, Thalman & Co., Carl M. Loeb Rhoades & Co. and Wertheim & Co. (jointly); Blyth & Co., Inc., Bear, Stearns & Co. and Dean Witter & Co (jointly); Union Securities Corp. and Equitable Securities Corp. (jointly); Lehman Brothers; Morgan Stanley & Co.; Kidder, Peabody & Co., and Merrill Lynch Pierce, Fenner & Beane. **Bids**—Tentatively scheduled to be received up to 11 a.m. (EDT) on Oct. 19. **Registration**—Not expected until Sept. 21.

Southland Frozen Foods, Inc.
April 18 it was reported company plans to offer **$600,000 of 6% debentures and 60,000 shares of common stock. Office—160 Broadway, New York City. Underwriter—Eisele & King, Libaire, Stout & Co., New York Offering**—Expected later this year.

Tampa Electric Co. (9/21)
Aug. 17 it was announced company plans to offer to its common stockholders of record Sept. 20 an issue of 197,532 additional shares of common stock (par $7) on the basis of one new share for each 10 shares held rights to expire on Oct. 6. Warrants are to be mailed on Sept. 21. **Price**—Expected to be set by the directors on Sept. 20. **Proceeds**—To repay bank loans and for new construction. **Underwriter**—If determined by competitive bidding, probable bidders may be: Goldman Sachs & Co.; Stone & Webster Securities Corp.; White Weld & Co. and R. W. Pressprich & Co. (jointly).

Texas Gas Transmission Co.
March 15 it was reported company plans to sell **additional first mortgage bonds later to finance cost of new construction, which is estimated at about $17,500,000 Underwriter**—Dillon, Read & Co. Inc., New York.

● Union Electric Co. of Missouri
Jan. 24 it was reported company expects to sell **about $30,000,000 30-year first mortgage bonds late in 1955 Proceeds**—To repay bank loans and for new construction. **Underwriter** — **To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc. and Union Securities Corp. (jointly); The First Boston Corp.; Lehman Brothers** and **Bear, Stearns & Co. (jointly): White, Weld & Co. and Shields** & Co. (jointly). **Offering**—Deferred until next spring.

United Gas Corp.
Feb. 24, N. C. McGowen, President, announced that corporation plans to raise $35,000,000 to $40,000,000 through the sale of additional common stock to stockholders. **Proceeds**—For construction program of company and of United Gas Pipe Line Co., a subsidiary. **Underwriter**—None. **Offering**—Expected in September or October.

United Gas Corp.
Feb. 24, N. C. McGowen, President, **stated that company might be doing some debt financing, with this year's total financing program reaching about $50,000,000 (including about $35,000,000 to $40,000,000 of common stock). Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Morgan Stanley & Co.; White, Weld & Co. and Equitable Securities Corp. (jointly); Harriman Ripley & Co. Inc. and **Goldman, Sachs & Co. (jointly).**

★ Vendo Co., Kansas City, Mo.
Aug. 22 it was reported this company plans early registration of between 125,000 and 200,000 shares of common stock, of which 50,000 shares are to be sold for account of the company and the remainder for account of selling stockholders. **Price**—Around $12 per share. **Business** — Manufactures coin operated vending machines and other products. **Underwriter**—Kidder, Peabody & Co., New York.

Virginia Electric & Power Co. (12/6)
Aug. 2 it was announced that company plans to issue and sell 125,000 shares of cumulative preferred stock (par $100). **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Stone & Webster Securities Corp.; Merrill, Lynch, Pierce, Fenner & Beane.

Worcester County Electric Co. (10/18)
The company proposes to file a **registration statement with the SEC early in September with respect to sale of $8,500,000 first mortgage bonds, series D, due 1985. Proceeds**—For payment of bank loans and new construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Beane. Salomon Bros. & Hutzler and Stroud & Co., Inc. (jointly); **Coffin & Burr, Inc.: Kidder, Peabody & Co., Blyth & Co., Inc.** and White, Weld & Co. (jointly); Blair & Co. Incorporated and Baxter, Williams & Co. (jointly); **The First** Boston Corp. **Bids**—Tentatively scheduled to be received on Oct. 18 at company's office, 441 Stuart St., Boston **16,** Mass.

York County Gas Co., York, Pa.
June 29 it was announced company contemplates **the** issuance and sale later this year of a new series of **its** first mortgage bonds, in an aggregate amount not yet determined. **Proceeds**—To pay for new construction and probably to refund an issue of $560,000 4¾% **first** mortgage bonds due 1978. **Underwriter**—May be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; A. C. Allyn & Co. Inc.; White, Weld & Co. and Shields & Co. (jointly). It is **also** possible that issue may be placed privately.

New Bonbright Branch

BATAVIA, N. Y.—George D. B. onbright & Co., members of the ew York Stock Exchange, has pened a branch office in the resge Building under the management of Mark F. Hanrahan.

New Orvis Branches

Orvis Brothers & Co., members f the New York Stock Exchange, ave opened a branch office at 181½ East College Street, Florence, Ala., under the management f Ernest C. Hardie, and at 3½ West Side of Square, Huntsville, Ala., under the direction of Edvin G. Pinac.

Hoppin Bros. to Admit

Hoppin Bros. & Co., 120 Broadway, New York City, members of he New York Stock Exchange on Sept. 1 will admit Charles B. Cook, Jr. to partnership.

Joins C. A. Evans

(Special to The Financial Chronicle)

SAVANNAH, Ga.—William J. Bull has joined the staff of Clement A. Evans & Company, Inc., Liberty National Bank Building.

With C. E. Hasselbach

(Special to The Financial Chronicle)

ST. LOUIS, Mo.—Ruth M. Dunlap, Joseph F. McFarland and Myrtle R. Steiner have become associated with C. E. Hasselbach Co., 611 Olive Street. Mr. McFarland was formerly with Waddell & Reed, Inc. Miss Steiner was with A. A. Tibbe & Co.

With Coombs & Co.

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Joseph Simpson, Jr., has become connected with Coombs and Company, 602 West Sixth Street.

Crowell, Weedon Add Two

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Otis H. Blasingham and Robert E. Gram are now connected with Crowell, Weedon & Co., 650 South Spring Street.

Logan Adds to Staff

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Robert K. Brown, Richard S. Clark, Lynn C. Cobb, Jr., Henry C. Cota, Robert B. Elliott, Lloyd L. Fitch, Spyros N. Halikas, Richard R. Holechek, Pierre E. Pambrun, Charles L. Potts, Douglas S. Robinson and Henry V. Thomas are now with J. Logan & Co.

Samuel Franklin Adds

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Francis E. Motch is now with Samuel B. Franklin & Company, 215 West Seventh Street.

With Marshall Co.

(Special to The Financial Chronicle)

CHICAGO, Ill. — Raymond H. Dunphy has joined the staff of The Marshall Company, 30 North La Salle Street.

Rogers & Tracy Add

(Special to The Financial Chronicle)

CHICAGO, Ill. — Raymond K. Jorgensen has been added to the staff of Rogers & Tracy, Inc., 120 South La Salle Street.

DIVIDEND NOTICES

CITY INVESTING COMPANY
25 BROAD STREET, NEW YORK 4, N. Y.

The Board of Directors of this company on August 17, 1955, declared the regular quarterly dividend of \$1.375 per share on the outstanding 5½% Series Cumulative Preferred Stock of the company payable October 1, 1955 to stockholders of record at the close of business on September 15, 1955.

EDWARD FRAHER, Secretary.

BASIC ATOMICS, Inc.
11 West 42nd St.
New York, N. Y.

On August 5, 1955, the board of directors voted the issuance of two (2) shares of BASIC ATOMICS, INC., common stock for each share now outstanding of record as of August 19, 1955. Delivery of the shares will be made on or about September 7, 1955.

W. K. MANLY, Sec'y.

August 5, 1955.

CSC
COMMERCIAL SOLVENTS Corporation
DIVIDEND No. 83

A dividend of twenty-five cents (25c) per share has today been declared on the outstanding common stock of this Corporation, payable on September 30, 1955, to stockholders of record at the close of business on September 6, 1955.

A. R. BERGEN, Secretary.

August 22, 1955.

HOMESTAKE MINING COMPANY
DIVIDEND NO. 897

The Board of Directors has declared Dividend No. 897 of forty cents (\$.40) per share of \$12.50 par value Capital Stock, payable September 12, 1955, to stockholders of record September 1, 1955. Checks will be mailed by Irving Trust Company, Dividend Disbursing Agent.

JOHN W. HAMILTON, Secretary.

August 5, 1955.

Johns-Manville Corporation
DIVIDEND

The Board of Directors declared a dividend of 75c per share on the Common Stock payable September 9, 1955, to holders of record August 29, 1955.

ROGER HACKNEY, Treasurer

DIXIE CUP COMPANY

The Board of Directors of Dixie Cup Company, makers of paper drinking cups and food containers, has declared the following dividends:

5% Convertible Preferred Stock, Series A—Dividend No. 8 (quarterly)—62½c per share—payable October 10, 1955 to stockholders of record September 9, 1955.

Common stock—Dividend No. 91 (quarterly)—15c per share—payable September 25, 1955 to stockholders of record September 9, 1955.

H. R. WECKERLEY, Secretary

Dated: August 22, 1955.

INTERNATIONAL SALT COMPANY
DIVIDEND NO. 165

A dividend of ONE DOLLAR a share has been declared on the capital stock of this Company, payable October 1, 1955, to stockholders of record at the close of business on September 15, 1955. The stock transfer books of the Company will not be closed.

HERVEY J. OSBORN
Exec. Vice Pres. & Sec'y.

CHEMICALS · FIBERS · PLASTICS

CELANESE CORPORATION OF AMERICA
180 Madison Avenue, New York 16, N.Y.

THE Board of Directors has this day declared the following dividends:

4½% PREFERRED STOCK, SERIES A
The regular quarterly dividend for the current quarter of \$1.12½ per share, payable October 1, 1955, to holders of record at the close of business September 2, 1955.

7% SECOND PREFERRED STOCK
The regular quarterly dividend for the current quarter of \$1.75 per share, payable October 1, 1955, to holders of record at the close of business September 2, 1955.

COMMON STOCK
12½ cents per share payable September 23, 1955, to holders of record at the close of business September 2, 1955.

R. O. GILBERT, Secretary

August 23, 1955.

DIVIDEND NOTICES

IBM INTERNATIONAL BUSINESS MACHINES CORPORATION
590 Madison Ave., New York 22

The 162nd Consecutive Quarterly Dividend

The Board of Directors of this Corporation has this day declared a dividend of \$1.00 per share, payable September 10, 1955, to stockholders of record at the close of business on August 19, 1955. Transfer books will not be closed. Checks prepared on IBM Electric Punched Card Accounting Machines will be mailed.

A. L. WILLIAMS,
Executive Vice President & Treasurer

June 28, 1955

INTERNATIONAL HARVESTER COMPANY

The Directors of International Harvester Company have declared quarterly dividend No. 162 of fifty cents (50¢) per share on the common stock payable October 15, 1955, to stockholders of record at the close of business on September 15, 1955.

GERARD J. EGER, Secretary

IRVING TRUST COMPANY
One Wall Street, New York

August 18, 1955

The Board of Directors has this day declared a quarterly dividend of 30 cents per share on the capital stock of this Company, par \$10, payable October 1, 1955, to stockholders of record at the close of business September 1, 1955.

RALPH B. PLAGER, Secretary

KENNECOTT COPPER CORPORATION
161 East 42d Street, New York, N.Y.

August 19, 1955

A cash distribution of One Dollar and Twenty-five Cents (\$1.25) a share has been declared today by Kennecott Copper Corporation, payable on September 26, 1955, to stockholders of record at the close of business on September 1, 1955.

PAUL B. JESSUP, Secretary

DIAMOND ALKALI CHEMICALS

Dividend Number 15 on 4.40% Cumulative Preferred Stock

Regular Quarterly Dividend on Common Stock

The Directors of Diamond Alkali Company have on Aug. 18, 1955, declared a dividend of \$1.10 per share for the quarter ending Sept. 15, 1955, payable Sept. 15, 1955, to holders of 4.40% Cumulative Preferred Stock of record Aug. 29, 1955, and a regular quarterly dividend of 37½ cents per share, payable Sept. 6, 1955, to holders of Common Capital Stock of record Aug. 29, 1955.

DONALD S. CARMICHAEL, Secretary

Cleveland, Ohio, Aug. 19, 1955

DIAMOND ALKALI COMPANY

DIVIDEND NOTICES

MIAMI COPPER COMPANY
61 Broadway, New York 6, N. Y.

July 20, 1955

A quarterly dividend of fifty (50¢) cents per share was declared, payable September 27, 1955, to stockholders of record at the close of business September 15, 1955.

An extra dividend of fifty (50¢) cents per share was declared, payable September 27, 1955, to stockholders of record at the close of business September 15, 1955.

JOHN G. GREENBURGH, Treasurer.

LIBERTY PRODUCTS CORPORATION
Farmingdale, New York

August 23, 1955

The Board of Directors of Liberty Products Corporation declared a regular quarterly dividend of Thirty-seven and one-half Cents (37½¢) per share on its common stock, payable September 30, 1955, to stockholders of record at the close of business on September 16, 1955.

William G. Holman, Treasurer

SOUTHERN PACIFIC LINES

SOUTHERN PACIFIC COMPANY
DIVIDEND NO. 151

A QUARTERLY DIVIDEND of Seventy-five Cents (\$.75) per share on the Common Stock of this Company has been declared payable at the Treasurer's Office, No. 165 Broadway, New York 6, N. Y., on September 19, 1955, to stockholders of record at the close of business August 29, 1955.

E. J. GOODWIN, Treasurer.

New York, N. Y., August 18, 1955.

TEXAS UTILITIES COMPANY

DIVIDEND NOTICE

The Board of Directors today declared a dividend of 58 cents per share on the Common Stock of the Company, payable October 1, 1955 to stockholders of record at the close of business September 1, 1955.

D. W. JACK, Secretary

August 19, 1955

DIVIDEND NOTICES

UNITED GAS CORPORATION
SHREVEPORT, LOUISIANA

Dividend Notice

The Board of Directors has this date declared a dividend of thirty-seven and one-half cents (37½¢) per share on the Common Stock of the Corporation, payable October 1, 1955, to stockholders of record at the close of business on September 9, 1955.

B. H. WINHAM, Secretary

August 24, 1955

UNITED FRUIT COMPANY
225th Consecutive Quarterly Dividend

A dividend of seventy-five cents per share on the capital stock of this Company has been declared payable Oct. 14, 1955, to shareholders of record Sept. 9, 1955.

EMERY N. LEONARD
Secretary and Treasurer

Boston, Mass., August 15, 1955

Southern California Edison Company

DIVIDENDS

The Board of Directors has authorized the payment of the following quarterly dividends:

ORIGINAL PREFERRED STOCK
Dividend No. 185
60 cents per share.

CUMULATIVE PREFERRED STOCK, 4.32% SERIES
Dividend No. 34
27 cents per share.

The above dividends are payable September 30, 1955, to stockholders of record September 5. *Checks will be mailed from the Company's office in Los Angeles, September 30.*

P. C. HALE, Treasurer

August 19, 1955

Edison

TENNESSEE GAS TRANSMISSION COMPANY
HOUSTON, TEXAS
AMERICA'S LEADING TRANSPORTER OF NATURAL GAS

DIVIDEND NO. 32

The regular quarterly dividend of 35c per share has been declared on the Common Stock, payable October 1, 1955 to stockholders of record on September 9, 1955.

J. E. IVINS, Secretary

Washington . . . And You

Behind-the-Scene Interpretations from the Nation's Capital

WASHINGTON, D. C. — In a manner of speaking, the Hoover Commission's work to all practical political purposes is a corpse, but it is a corpse which will make a lot of noise over the next several years.

The Hoover Commission has completed a mountain of work. Its recommendations for getting the government out of business, for reducing subsidy, and for promoting economy, are simply enormous. Most skeptical observers here are most favorably impressed with the outturn of work achieved by the latest Hoover Commission.

IF the Eisenhower Administration were in fact dedicated to getting the government out of business, beating a small retreat from the Welfare State concept, and of getting the Federal budget under control, the Hoover Commission has pointed many details of the way.

Furthermore, by conservative standards, the Hoover Commission sounds to many like the "middle of the road" approach which the Eisenhower Administration professes to follow. The Commission itself was mild and kindly toward many a Welfare program, and it proposed a gradual and not a suddenly revolutionary change. The Commission recommendations were, for the most part, notably gentle compared with some of the Commission's task force recommendations.

This latest Commission job was understandably more realistic than the job turned out by the Hoover Commssion in 1949. The earlier Commission lacked the clear statutory mandate of the later body, to question the appropriateness of an activity to the Federal governmental domain. In any case the preceding Commission had planned to take a more vigorous approach toward big governmentalism, until the re-election of Harry Truman in November 1948 indicated the practical, political obsolescence of such an approach.

So the 1949 Hoover Commission was primarily dedicated to forms and arrangements of administration of government, of putting bureaucratic "round pegs into round holes, and square pegs into square holes," to use a figure of speech.

As a consequence of this limited scope, the Commission often came up with some weird ideas from the point of view of practical politics and practical governmental administration, in its objective of somehow trying to promote economy without being able to recommend what economy must achieve if it is to succeed—a reduction in Federal undertakings.

Opposes Trends

In the main, the tenor of the Hoover Commission recommendations are diametrically the opposite to the actual trend of legislation sponsored by the Eisenhower Administration, especially since the death of Senator Bob Taft.

What makes this difficult to comprehend for persons not afflicted with the full-time job of watching the progress of government, is that the Eisenhower Adminstration *modus operandi* often is to talk one way and act another.

Thus, the professed purpose of the Housing Act of 1954 was to "lessen the dependence of the housing industry upon government." The actual legislation to achieve the professed goal, written with the White House blessing, increased the scope of governmental mortgage credit aids, projected the government farther into the business of controlling housing development, and boosted the subsidy aspects far more than it went in the direction of the profession.

How conflicting the Hoover Commission is with respect to the concrete legislation written by the Eisenhower Administration is most sharply illustrated by the Commission's recommendations with respect to getting government subsidy and control out of lending agencies.

In brief, there has not been even one noteworthy piece of legislation sponsored by the Eisenhower Administration to decrease Federal undertakings in the credit field. In fact, there have been many in the opposite direction. Most notable of these was the proposed aid of local school financing. In the agricultural field the Eisenhower Administration has explicitly backed numerous new, and potentially broad undertakings to subsidize and underwrite credit.

Congress Also Opposes

And of course the basic reach of the Hoover Commission recommendations are in conflict with the present "liberal" trend in Congress. This was concretely illustrated by the final piece of appropriations legislation which purported to command the Executive establishement to avoid putting to death some thousands of government-in-business activity without first getting the clear advance permission of the Appropriations committees.

As an aside, this piece of legislation gave the White House a beautiful opening of which it took quick advantage. It said that forbidding the Executive to curtail government-in-business activities was an encroachment upon Executive prerogatives. This thus enabled the White House to take the position of seeming to be against governmental-in-business without necessarily committing itself to curtail a single such activity.

Furthermore, Congress in the net balance has not kicked about new responsibilities for the Welfare concept, or for new and indirect ways of projecting governmental activities into business and agriculture via the dodge of "insured" or guaranteed credit.

Some Officials Are Interested

In appraising prospects for possible action to put into effect some of the Hoover Commission recommendations, these background factors can be borne in mind:

(1) There ARE some officials left in the Eisenhower Administration who will buck the "liberal" trend of the White House when they can get away with it. Notable among these are Secretary Wilson at Defense, Secretary Weeks at Commerce, and Rowland R. Hughes, the Director of the Budget.

Such men can be expected to give a shove for putting into effect some Hoover Commission recommendations when they can get away with it, such as when they do not hit too hard at pressure groups with vested interests in Federal aids of many sorts. This of course, will limit the concrete achievements considerably.

It is from these motivations that have come, or shortly will be coming, pieces of announcements from the Budget Bureau and these departments, purporting to move in the direction of putting into effect Hoover Commission recommendations.

(2) Dating from the 1949 Commission report, there is considerable momentum in the public mind behind the vague idea that the Hoover Commission has recommended some good things. This momentum has been aided enormously by the activities of the Citizens Committee for the Hoover Commission, a fat cat organization which has and will continue constantly to needle both the Executive and Congress to do something about these Commission recommendations.

(3) It is imperative that the Eisenhower Administration make some gestures designed to keep Republicans of traditional persuasion happy. Even though the present Administration has swiped most of the inventory of the Opposition, it cannot safely count upon simultaneously swiping the Democratic voting customers. Ordinary political prudence would require dangling some tidbits of hope for conservatives.

Most Moves Will Probably Be Phony

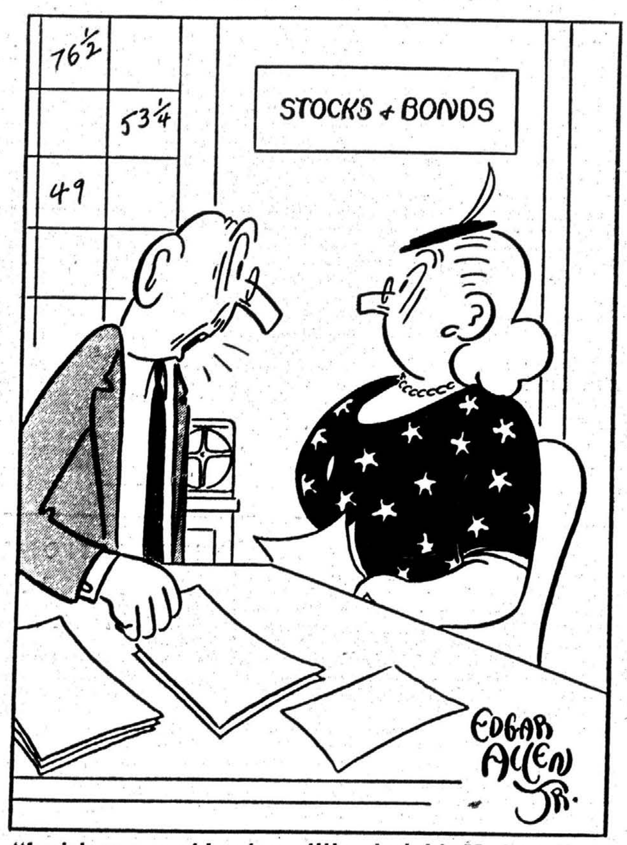
In the light of these circumstances, most of the moves to "implement" the recommendations of the Hoover Commission recommendations probably will bear more of a superficial than a substantive relationship to the concrete and specific proposals of the Commission.

So it was with the 1949 Commission proposals. Whenever the Executive, Truman, or the Congress wanted to put something across in the way of a reorganization, if it bore the faintest resemblance to a recommendation of the 1949 Hoover Commission, it was given the Hoover Commission label.

And so it will be from here on. That is the total kind of a situation which suggested the opening idea. Substantively the Hoover Commission as a set of possible developments is largely a corpse, but it is a corpse which will make a lot of noise.

(This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's own views.)

BUSINESS BUZZ



"I wish you would get my title straight, Madam, I'm a customer's man—not a confidence man!"

W. R. Dickson Formed

ROCK SPRINGS, Wyo.—W. R. Dickson is engaging in a securities business from offices at 119 Bank Court under the firm name of W. R. Dickson Agency.

Forms Franklin Secs.

ATLANTA, Ga.—Frank Siersma is engaging in a securities business from offices in the Healey Building under the name of Franklin Securities Co.

COMING EVENTS

In Investment Field

Sept. 8, 1955 (Des Moines, Iowa)
Iowa Investment Bankers Association annual field day at the Des Moines Golf and Country Club.

Sept. 11-14, 1955 (Mackinac Island, Mich.)
National Security Traders Association annual convention.

Sept. 16, 1955 (Chicago, Ill.)
Municipal Bond Club of Chicago 19th annual field day at the Medina Country Club (preceded by cocktails and dinner Sept. 15 at the Union League Club of Chicago).

Sept. 16-17 (Chicago, Ill.)
Investment Bankers Association Fall meeting of Board of Governors.

Sept. 16, 1955 (Philadelphia, Pa.)
Bond Club of Philadelphia 30th Annual Field Day, at Huntingdon Valley Country Club, Abington, Pa.

Sept. 21-23, 1955 (Denver, Colo.)
Association of Stock Exchange Firms meeting of Board of Governors.

Sept. 22, 1955 (Omaha, Neb.)
Nebraska Investment Bankers annual field day at the Omaha Country Club—to be preceded by a cocktail party Sept. 21.

Nov. 16-18 (New York, N. Y.)
Association of Stock Exchange Firms meeting of Board of Governors.

Business Man's Bookshelf

Business Enterprises of the Department of Defense—Subcommittee report of the Commission on Organization of The Executive Branch of the Government—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper) 55c.

Specialty Steels—Illustrated guide to specialty steels — Carpenter Steel Co., 3078 West Bern Street, Reading, Pa. (paper).

U. S. Participation in the U. N.—Report by the President to the Congress for the year 1954—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper) 70c.