OVER-THE-COUNTER MARKET FEATURED IN THIS ISSUE

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EDITORIAL

As We See It

Reports of the recent conference of the Secretary of the Treasury with the President has served to remind the public of the slim basis any party will have for advocating tax reduction next year—slim basis, that is, in sound reasoning and constructive public policy. It should, moreover, put members of the President's entourage on notice that problems are certain to arise in this connection next year which at best could be resolved constructively only by exercise of such influence as the President himself has of late years been able to exercise. It would be a good thing for the country if the Democratic party were to take full account of this situation and, politics notwithstanding, respond as thoughtful and constructive national leaders should.

The elements of this problem are simple and obvious. Barring substantial reduction in Federal spending next year, which no one expects, a balanced budget, or anything closely approaching a balanced budget, depends upon quite extraordinary business activity and prosperity. Not even with a business boom is there likely to be a balanced budget unless Congress next year refrains from important increases in Federal expenditures. And even if there should be a balanced budget based upon a boom in business, it is very doubtful if tax reduction would be wise since few better ways exist for assuring a wave of inflation in circumstances of this sort.

And so it comes about that at least two of the avenues upon which the politicians are counting upon traveling to office next year are closed, or ought to be. The Democrats apparently are planning to give the farmers largesse which could not

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Business in 1956—And 1965

By GROVER W. ENSLEY*
Staff Director, Joint Committee on Economic Report

Dr. Ensley foresees continued prosperity for 1955-56 and spectacular gains by 1965 in the national economy. Says no single private program has made a greater contribution to living standards than consumer credit. Denies consumer credit is too large, and lists as elements of strength in prospects for 1955-56: (1) the role of the government, (2) high level of private investment in plant and equipment, (3) large over-all consumer demand, and (4) easing of international tensions. Views potential trouble spots as: (1) unbalance between farm and other commodity prices, (2) chronically depressed urban areas, (3) excess of durable consumer goods, (4) high residential construction, and (5) inflexible credit restraint.

Probably no single private program in this generation has made a greater contribution to raising living standards for the masses of the American people than consumer credit. Consumer credit is a private stabilizing force which helps maintain and increase total demand during normal periods and which bolsters demand during periods of individual, community, and national adversity. It has made possible mass production and distribution which in turn have provided price, variety, and service benefits to the American consumer. To say that credit is too high today, simply because of the unprecedented size of the figures alone, is like saying that investment is proceeding too rapidly, or that consumption is too high, or that the general economy is too prosperous relative to our productive capacity. We have never been willing to settle for the

Grover W. Ensley

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*An address by Dr. Ensley before the 41st Convention of the National Consumer Finance Association, Boston, Mass., Oct. 5, 1955. The views expressed by Dr. Ensley do not necessarily represent the views of the Joint Economic Committee or individual members of that Committee.

World's Biggest Market Continues to Flourish

A panorama of the broad assortment of issues traded and a blue chip list of the unlisted. Completely revised tabulation of unlisted common stocks of companies that have paid cash dividends from 5 to 171 consecutive years presented. How the Over-the-Counter Market functions explained.

Once again we essay a brisk review of the biggest market in the world. Once again we come out with words of praise for a mart 30,000 issues wide where patrons of private enterprise can negotiate their buying and selling orders in a swift, efficient manner, simply by closing the gap between bid and asked. This gap closing takes place in all the major, and most of the sizable, cities in our land. While lacking the spot-lighted glamor of the Dow Jones quotation kaleidoscope, the Over-the-Counter Market handles a dollar volume of business each day many times the total of all listed transactions. The purpose of this analysis, as well as it predecessors, is to dispel the old myth, still tenaciously held by many unenlightened individuals, that the unlisted section is the native habitat of wide market spreads, and secondary securities. Just a few more semi-annual editions of this nature and we'll be in line for an honorary degree for pegging away (not pegging markets) at a much needed public relations job. And, we are happy to note, much progress has thus far been achieved in educating the public to the fine investment stature of the Over-the-Counter Market's securities.

We hardly need stress again that most of our debt securities, governments, municipals, county, highway, school and district bonds are traded

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PICTURES IN THIS ISSUE—Candid shots taken at the Annual Beefsteak Party of the Security Traders Association of New York appear on pages 33, 34, 35 and 36.

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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.)

N. JAMES DOUGLAS

Analyst: Clark, Landstreet & Kirkpatrick, Inc., Nashville, Tenn.
Member Midwest Stock Exchange

Litton Industries, Inc.

To the long-range speculator, who is willing to stake his money on a small company that might become a leader in a great industry, I would like to recommend a close look at Litton Industries, Inc. (Over-the-Counter Market, around 12).

N. James Douglas

Litton Industries, with headquarters in Beverly Hills, Calif., is a manufacturer of electronic components and systems. In its first fiscal year, a nine-month period that ended July 31, 1954, sales were slightly under $3 million. For the second fiscal year, just ended, volume was approximately $9 million.

The current sales rate is some $1,300,000 a month and management expects $18-$20 million for the full fiscal year 1956. The sales aim for fiscal 1958 is $75-$100 million—which seems like an impossible target until you realize that Litton's top officials helped manage a similar concern that grew even faster.

When the top management personnel of Hughes Aircraft left *en masse* in 1953, several of them decided to try on their own what they had helped do at Hughes—start small and build a great electronics company. They obtained eastern financial backing and started quietly buying up small electronics concerns in order to obtain scientists and engineers of proven ability as well as electronic products that fitted into their overall plans.

The first purchase was Litton Industries of California, from which the company's name was taken. The stock or assets of eight other companies (at last count) have been acquired. Charles B. (Tex) Thornton, former assistant general manager of Hughes Aircraft, is President and Chairman of Litton. Roy L. Ash, Vice-President in Charge of Finance, used to be chief comptroller for Hughes. Vice-President and Staff Engineer of Litton is H. W. Jamieson, former co-director of Hughes radar lab.

Litton is an important producer of magnetrons, the transmitting tube employed in radar systems. While it is not the largest manufacturer of these tubes, customers and competitors alike agree that the Litton product gives higher performance than any.

In addition to magnetrons, klystrons and carcinatrons, Litton makes other radar and countermeasure equipment, automatic flight control equipment, computers and controls, instrumentation and test equipment, communication and navigation equipment, servomechanisms, microwave components, potentiometers, delay lines, electronic hardware, terminal boards and etched or printed circuitry. Some of these products came to Litton through acquisition of other companies and some were the result of Litton's own research.

A product that is believed to have tremendous potential is the Litton 20, a small digital computer which went into production only a few months ago. This computer occupies about one cubic foot of space and does the job of other computers several times as large, complex and costly. At the moment all production is going to the military but future civilian business is expected to be large also. Litton has over 100 patents and patent applications, many basic, on the computing techniques employed.

A portable, non-electric X-ray machine also went into production a few months ago. Volume production will not be attained until late this year, however, because of the present short supply of radio-active thulium, its power source. Litton owns the patents on this machine, also.

Earnings for the nine-month 1954 fiscal year amounted to $229,000, or 30 cents per share on the 631,000 shares then outstanding. Within the last 12 months, issued stock has been increased to about 966,000 shares through conversion of bonds and preferred stock and by exchange of stock for a new company. Preliminary estimates for the year just ended put profits at $436,000, or about 44 cents per share. This profit total would have been much larger, perhaps double, except for the company's conservative accounting practice of writing off development costs of new products in the year incurred.

There are still some convertible preferred shares and common stock options which if exercised would increase outstanding shares to 1,334,023. There will doubtless be some further increases in outstanding stock as new concerns are acquired. But future acquisitions will not come as rapidly as in the past because Litton now has the staff to develop products internally at a rapid rate.

For the fiscal year 1956 Litton expects net after taxes to approach $1 million, or about $1 a share, despite further heavy write-offs of development expenses. If sales materialize as management projects, it is not difficult to envision profits of $2 to $4 a share on perhaps two million shares within a very few years. At least I think the chances are sufficiently good to have no hesitation in recommending speculative purchase of the stock at current levels.

ALLEN M. STEINER

Woolfolk & Shober, New Orleans 12
Members New Orleans Stock Exchange

Sulphur Exploration Company

Sulphur Exploration Company in the opinion of the writer is among the most attractive growth investment opportunities available to the public today.

Allen M. Steiner

Thumbnail history: Commenced operations in mid-1954 with public sale of 300,000 shares of common stock at $1.00. Total authorized 1,000,000 shares; outstanding 625,000 shares, including stock purchase options to certain key officers. Since that time several leases and interests in known elemental sulphur deposits have been acquired. (Elemental deposits are those containing practically pure sulphur, as opposed to those bearing sulphur compounds). Of these leases and interests, only the two most important will be discussed although others also show promise.

High Island. This so-called "island," on the Gulf of Mexico coast about 30 miles from Galveston, Texas, was formed in ages past by the upward movement of a huge dome of crystal-clear salt beneath the earth's surface. SEC acquired this 1,500 acre lease from Stanolind Oil & Gas Co. (Standard Oil of Indiana) in April, 1955, and the agreement requires SEC to begin construction of a $1,000,000 plant (300 tons per day capacity) within 135 days of June 24, 1955. Also, SEC is to recover the cost of the plant, after which each will receive 50% of the gross profit.

Known deposits are estimated at about 1,000,000 tons, but it is probable that total deposits when proven will amount to much more. Based on a conservative selling price of $28 a ton, it is estimated that net profit to SEC, if one million tons are extracted, will be between $4,500,000 and $5,000,000 after recovering the cost of the entire investment.

Mexico. Second only to the U. S. in sulphur production and proven reserves, Mexico may in the foreseeable future become first. Mexico and the United States possess the only known "dome" or elemental sulphur deposits in the world.

Three American-controlled companies are now producing in the Tehuantepec area, and one of these has recently become the world's third biggest producer.

Sulphur Exploration Company has acquired a 30% interest in Isthmus Sulphur Co., a company owning a 35,000 plus acres sulphur-rich concession on the Tehuantepec isthmus. The concession is traversed by a Gulf of Mexico to Pacific ocean rail line. This 30% ownership (they are the largest stockholder) amounts to a "practical" control of Isthmus Sulphur Co. and the acquisition cost includes the cost of initial exploratory drilling by Isthmus to be started before Nov. 15, 1955.

By virtue of prior test drilling, both within and offsetting the concession, sulphur is known to exist in vast quantities in several sections. The concession completely surrounds and dwarfs the Texistepec concession of Texas Gulf Sulphur Co., a proven area. Three separate domes are believed to underlie the Isthmus concession.

Sulphur, the wonder mineral, will be in growing demand in the years to come. Our U. S. deposits are rapidly depleting and major companies are seeking elsewhere for reserves to replace them. Chemical companies also desire assured supplies of sulphur. What would an oil company not give for vast proven reserves of crude oil! By the same token the major sulphur and chemical companies will aggressively go after ample present and future supplies. These basic needs should culminate in favorable connections and "deals"

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This Week's Forum Participants and Their Selections

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What's New In Finance?

By DONALD C. SLICHTER*
Vice-President, The Northwestern Mutual Life Insurance Co.

Pointing out though there is nothing absolutely new in recent financial developments, Mid-West insurance executive recounts the growth of some new forms of security issues. Reviews Treasury's long-term refunding policy, and its impact on the securities market. Finds the new corporate convertible issues another interesting area in contemporary finance. Foresees continuing large demand for new capital as new industries, new products and new services come into existence, and holds life insurance companies will continue to find outlets for policyholders' funds.

Capital raising instruments have been devised and developed through the slow process of evolution and not by the dramatic action of sudden invention. I do not, therefore, suggest that the year 1955 has witnessed new and startling developments in the area of finance or the form of security issues. As a matter of fact, I presume that what we may from time to time believe to be a new type of security is actually only an old device rearranged a bit to meet present-day conditions. Historians tell us the Chinese invented paper in 105 A. D., 1850 years ago. Over the subsequent centuries man has taken full advantage of the use of paper and has been busily engaged in devising new and imaginative financial arrangements. The Arabs, Italians, Scotch and British have all had a hand in this progress.

Donald C. Slichter

Americans, too, have made a contribution or so, including the no, no, no down payment mortgage (now abbreviated to the negative no mortgage) and the sub, sub-ordinated debentures. Consumer credit financing is not new, but as you know, 1955 is establishing all-time records for both its rate of growth and its capital and credit requirements. In the area of public finance, municipalities have found that revenue producing tunnels, bridges, etc. can be the basis for bond issues to supply funds for airports, expressways and other unrelated municipal facilities. But municipal revenue bond issues are not new in principle, even though some of the purposes for which they are issued are new.

The largest volume of financing carried out in 1955 has occurred in two distinctly different areas, namely, the United States Treasury financing and the great number of convertible issues offered by industrial and public utility companies. My comments will be confined to these two areas and a brief observation of near-term investment opportunities.

*An address by Mr. Slichter before the American Life Convention, Chicago, Ill., Oct. 14, 1955.

The New Treasury Offerings

One of the important financial events of 1955, as far as life insurance company investment operations are concerned, was the offering by the United States Treasury in February and again in July of its Forty Year 3% non-callable bonds. Neither the term nor the coupon rate is unique in the history of Treasury finance, but not since 1911 has the Treasury offered a bond having a term of over thirty years.

In that year, 1911, the Secretary of the Treasury also made financial history. It was the first U. S. Government bond offered in 48 years that did not carry the bank note circulation privilege. The coupon rate of 3% was in contrast to what the Secretary termed correctly the artificially low rate of 2% carried by previous issues. The amount of the issue was $50,000,000, its term 50 years, and the funds were used to help pay for the cost of the Panama Canal. The bonds were offered for subscription at competitive bid upon a basis similar to the present-day method of selling bills. Purely as a matter of financial history, the account of the sale is of interest. Over 10,000 bids were received and about 1,200 were accepted at prices averaging about 102½ or a 2.905% yield basis. The largest single allotment was made to Harvey Fisk & Sons and A. B. Leach & Company of New York City on a joint bid. They were awarded $10,000,000 of the bonds at 102.779. The National City Bank of New York bid for the entire $50,000,000 issue but only received $1,000,000 at 102.25, its highest bid.

The First National Bank of Council Bluffs, Iowa, was awarded 10 bonds and another bank having a more pretentious but less descriptive name, the Bank of Italy, was awarded 250. Events and years have had their impact. The names of Fisk and Leach have disappeared from finance and the bank in California decided the name "America" rather than "Italy" more appropriately forecast its destiny.

The sale was successful but in addition to the note circulation problem the Secretary of the Treasury was faced with quite a different financial question. Let me read one sentence from the *Commercial and Financial Chronicle* of June 24, 1911:

"It is still possible, for considerable intervals of time, to provide for the financing of the Panama Canal through the Treasury's gen-

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Articles and News

"WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH"

ARTICLE starting on the cover page "The World's Biggest Market Continues to Flourish" discusses the numerous investment opportunities available in securities traded exclusively in the Over-the-Counter Market. The article includes a tabulation showing the names of the unlisted banks, insurance companies, public utility companies and industrial corporations which have paid consecutive cash dividends for 10 to 171 years (Table 1, page 22) as well as those in the 5 to 10-year category (Table 11, page 51).

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Six Common Stocks Behind the Market

By ANTHONY GAUBIS
Anthony Gaubis & Co., Investment Counselors

Mr. Gaubis lists six issues for long-term and intermediate holdings, which are behind the market, are selling "ex popularity," and promise an early increase in earnings and dividends.

At this stage of the market cycle, it is particularly important to limit purchases of equities to the stocks of companies which: (1) are definitely behind the market from a long-term standpoint; (2) are selling "ex popularity" rather than at a premium for popularity, as judged by current prices in relation to demonstrated earning power; and (3) have a reasonably good prospect of recording an increase in both earnings and dividends within the 12 months immediately ahead.


Anthony Gaubis

The following six stocks satisfy these requirements and, in my opinion, are the most obvious purchases at the present time for both long-term and intermediate holding.

(1) **Air Reduction:** Recent reports indicate that this year's earnings are reasonably certain to approximate or exceed our estimate of $3.40 a share, which level would compare with income of only $1.86 a year reported for 1954. There is a good chance that the current dividend of 35c quarterly, which has been in effect since 1951, will be increased to at least 40c, and quite possibly to 45c, at the meeting to be held late this month. It is reported that Air Reduction is now working on a major plant expansion program which will be concentrated in a chemical product of a different type than is now being sold. This will go a long way towards improving the long-term prospects for a continued increase in sales and earnings. It would seem to be only a question of time before this stock will regain its former blue chip status, under its present aggressive management.

(2) **American Seating:** At current prices of about 31, this stock is selling for only about eight times the earnings in prospect for this year. There is little question but that the demand for schools, and therefore for school equipment, will increase further over the next few years. The probabilities are excellent that Congress will vote financial aid to municipalities for the purpose of building new schools, early in the new session which convenes in January. Earnings for the next two years could reach a level of $5 a share or more.

(3) **American Smelting:** The non-ferrous metal stocks have recently sold off on announcements of reductions in the price of copper by custom smelters, who had raised quotations to a level of 7c above the price maintained by the primary producers — including American Smelting. This superficial reaction to an inevitable and constructive development (of bringing the price of custom smelted copper back in line with its normal relationship to the official price charged by the larger mining companies), is helping to provide an opportunity to buy American Smelting at an attractive level. The current $2.40 rate of dividend payments, which provides a return of more than 5%, represents a disbursement of less than 50% of this year's probable income. An increase in payments next year would not be surprising. Earning power of as much as $8 a share is still a distinct probability within three or four years, when certain new properties will be in operation.

(4) **Food Machinery:** Food Machinery is rapidly expanding its chemical business, which was increased to a considerable extent by the acquisition of Westvaco in 1948, and the Buffalo Electric-Chemical Company in 1952. Earnings of the chemical division are likely to exceed those of the machinery end of the business from now on. The latter is also growing, and there is no reason to fear loss of leadership in the production of labor-saving, food-processing equipment. Earnings for the first quarter of 1955 were equal to only $1.02 per share, as compared with 92c in the first quarter of 1954. Income during the second three months rose to $1.47 a share, as compared with $1.18 during the corresponding three months of last year. The full year's income is expected to equal $4.50—$4.75 a share. With new products being developed in the machinery division, and with chemical sales rising sharply, a further gain in earnings of 10% to 20% would seem to be a reasonable expectancy during 1956.

(5) **Koppers:** The earnings report for the third quarter, which was released on Wednesday, confirms recent management estimates that the full year's income may approximate $5 a share as compared with earnings of only $2.77 a share reported for 1954. Earnings for this three months period were equal to $1.25 a share as compared with 61c a share in the corresponding quarter of 1954. Income for the nine months ended Sept. 30, was equal to $3.54 a share, as compared with only $2.16 a share for the first nine months of 1954. In view of the previously reported substantial increase in inquiries being studied by the engineering department, as well as completion of several new chemical plants, there is an excellent chance that earnings during 1956 will be at least 15% to 20% above this year's levels. The long-term outlook for the company's rapidly expanding chemical division is particularly good. The $2.50 dividend payments of recent years, including year-end extras of 50c a share, are quite certain to be maintained and provide a yield at current prices of almost 5%.

(6) **Mueller Brass:** The recent easing of the extreme shortage of copper and the resultant declines in premiums paid for this metal during the past 12 months, virtually assures a substantial upturn in profit margins from this point on. The rapidly expanding aluminum fabricating division is helping to keep earnings during the current fiscal year at a level of above $4 a share. It is officially estimated that this year's premium payments for copper have been equal to at least $2 a share on the common stock, after taxes. T e chances are excellent that the earnings for the year beginning Nov. 1 will be at least $5 a share, and might exceed $6 a share. An earning power of $8 a share is a distinct prospect within two or three years when certain new aluminum fabricating facilities will be completed. We know of no other company with as good a long-term growth record whose stock is currently available at the equivalent of only between six and seven times the minimum earnings in prospect for the next 12 months. In due course, this stock should again sell for the least 12 times earnings. (In some respects, the current position and outlook for Mueller Brass is comparable to that of Interchemical in late 1952, when our clients may recall that we strongly recommended its purchase in the 19-22 price zone, because of the long-term growth prospects, and because Interchemical was selling at a discount for unpopularity.)

John Linen to Address N. Y. Municipal Women

The Municipal Bond Women's Club of New York will begin its educational program for the 1955-56 season on Thursday, Oct. 20, with a talk by John S. Linen, Vice-President of The Chase Manhattan Bank. Mr. Linen's topic will be "Interesting Incidents in the Growth of the Municipal Bond Business."


John S. Linen

Guests are invited to the meeting which will be held in Room 1703, 15 Broad St., New York, N. Y., at 5:30 p.m.

White, Weld Partner

Thomas H. Choate will become a partner in White, Weld & Co., 40 Wall Street, New York City, members of the New York Stock Exchange, on Nov. 1.

Observations . . .

By A. WILFRED MAY

MORE INVESTING AIDS*

More scientific and specialized than the broker as an adviser is the investment counsel. Counsel are defined (under the Investment Advisers Act of 1940) as advisers gaining their major income from managing accounts, through the giving of continuous advice as to the investment of funds on the basis of the individual needs of each client, without engaging in other activities, related or unrelated, as brokerage or banking, or issuing bulletins or other services. They, as well as all other investment advisers, are forbidden to receive compensation based on clients' capital appreciation, and to act as a principal in security transactions with their own clients, or to act as a broker without written disclosure thereof.


A. Wilfred May

Ideal Compensation Basis

The tieing of his compensation to a fixed fee without being geared to transactions or other portfolio changes, or to capital or income results, has two vital and basic advantages. It avoids the wholly fictitious, if not definitely harmful, correlation of an agent's remuneration with his account's activity. Equally important, arrangement of the fixed fee arranged in advance without respect to results, makes it emphatically clear to the client that the service is being scientifically rendered.

The investment counsel system has the great procedural advantage of constructing and keeping expertly arranged a complete portfolio adapted to the client's own specific over-all needs; instead of merely offering sporadic disjointed advice about individual issues, usually coupled with attempts at timing.

In the emotional area, and apart from his expert technical knowledge, the counsel provides the vitally important advantage of a most useful sounding board for the harmonization of the involved client's complex subjective problems and decisions.

Advisory Services

For the individual for whom investment counsel is inappropriate, because of capital below the minimum or otherwise, there are an ample and sharply increasing number of advisory services available. Possibly the most easily accessible in this line is the commercial bank via its trust department. In a typical Investment Advisory Service of this kind, at the outset a portfolio is set up in consultation with the client. There follows continuing supervision, via an expert officer, with periodic review by a trust committee or some other higher authority. The ultimate decision regarding portfolio changes is vested in the owner; with physical custody left with the institution, which, for a small extra charge, issues detailed monthly statements, including data required for the income tax return. Costs vary, on principal up to $500,000, from an annual charge of one-half of 1% of the average monthly market value of the portfolio (with $300 as the minimum fee); to a levy on the income, of 6% on the first $2,000, 3% on the next $10,000 and 3% on the balance above 12%.

There are a number of other investing functions rendered by the banks, by way of trust arrangements outside of the testamentary area.

As a medium for the placement of funds, there is the increasingly popular *common trust* which requires the placement of a minimum amount of $25,000 or $50,000 through which money from several individuals is grouped together into a comingled fund; the fee, typically, is about 0.3% annually on capital value. There are two categories of these trust funds, differing as to investment restrictions. One, following the Prudent Man ratio often called *Legal*, keeps the common stock proportion at a 35% maximum. The other, the *Discretionary*, permits complete latitude in the range of the component securities.

Advantages and Disadvantages

The investing advantages of such trust media include management experience; impartiality and objectivity in investing decisions; and the fixed fee un-geared to transactions.

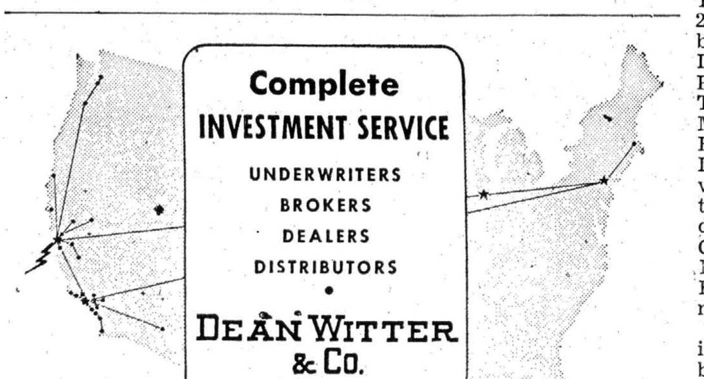
The main disadvantage is the great window-dressing temptation, and over-caution from a distorted view of the fiduciary functioning. But it must be admitted that up until now the resultant Blue Chipism has proven successful — at least capital value-wise, if not income-wise.

The Published Services

Published services also afford media for advisory service. The leading statistical organizations have in recent years added a number of supervisory services dealing with the overall portfolio as well as individual issues.

Again, a large number of "technical" services for market timing

*This is the second installment in a series summarizing lectures by the author in the course, "Your Investment Problems Today" at the New School for Social Research.



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have been springing up. These, generally are devoted to the discovery of that crucial *trend.* They seek sacred "signals" from analyzing the character of the market; measuring market psychology (who is doing what?) through various tools, as the odd-lotters transactions, volume pressure, etc., etc., etc. On the other hand, some "buck" that trend, in engaging in cycle study and *formula plans.*

In appraising the job done by these services, it may be said that they are uniformly excellent in the field of facts, particularly data involving statistics. But the area of forecasting entails results which although popularly sought after, necessarily are likely to be less happy.

Investors League Elects Officers

At the 13th Annual Meeting of members of the Investors League, Inc., held Oct. 18, the following directors were elected:


William Jackman


Paul J. Herold

Mrs. E. F. Eskridge, Investor, Jackson Heights, New York; Cathryne Gentry, Secretary, Investors League; Robert Gilbert, Investment Counsel, New York, N. Y.; William Jackman, President, Investors League; Major General Earl C. Long (R.), Investor, Menlo Park, Calif.; Mrs. Jessie R. Muni, Investment Counsel, Orange, N. J.; Julian S. Myrick, Chairman, American College Life Underwriters, N. Y.; Leo Niessen, Real Estate, Philadelphia, Pa.; Walter W. Ziege, Kentucky State Manager World Insurance Co., Louisville, Ky.

Mr. Niessen joins the Board after serving as Chairman of the League's Philadelphia Chapter since its inception two years ago. At the Board of Directors Meeting, following the Annual Meeting. The following officers were elected for the ensuing year:

President—William Jackman.
Vice-President—Paul J. Herold.
Treasurer—Mrs. Jessie R. Muni.
Secretary—Cathryne Y. Gentry.

Paul Herold will be in charge of the League's newly created Member Relations Department.

F. N. Shaver Now With First Florida Investors

(Special to THE FINANCIAL CHRONICLE)

ORLANDO, Fla. — Floyd N. Shaver has become associated with First Florida Investors, Inc., 21 South Court Street. Mr. Shaver has recently been with Beil & Hough.

The State of Trade and Industry

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

Some curtailment in output was noted in the period ended on Wednesday of last week in several industries, but over-all production was noticeably above the level of the similar week a year ago.

There was a slight increase in claims for unemployment insurance as a result of sizeable lay-offs for model change-overs in the automobile industry. Scattered labor disputes were reported in construction, textile and apparel industries.

The United States Department of Labor reported an increase in first claims for unemployment insurance benefits.

Idle workers' initial claims for jobless pay rose by 23,400 to 193,600 during the week ended Oct. 8. According to the department's Bureau of Employment Security, the increase was due primarily to model changeover lay-offs in a number of automobile plants. A year earlier initial claims totaled 241,400.

In the week ended Oct. 1, the total number of workers drawing jobless pay dropped by 11,700 to 812,700—the lowest since October 10, 1953. Some 37 states reported insured unemployment decreases as seasonal industries operated in high gear. In the like 1954 week, there were 1,535,000 job seekers drawing state unemployment pay.

Industrial output reached a new high for September despite an easing in auto output due to model changeovers, the Federal Reserve Board stated.

In its monthly summary of business conditions, the board said its preliminary unadjusted index of industrial production was 141% of the 1947-49 average. This topped August's record figure by two points and was 15 points above September a year ago.

Taking seasonal and trading day differences into account, the board's preliminary adjusted index also reached a new high of 141%. This was a point above August's revised index, the previous record. It surpassed September a year ago by 17 points.

Both these new highs came despite a dip in auto production, one of the past bulwarks of over-all output.

Steel consumers, large and small, are exerting pressure all over the country to obtain the steel they need from the mills, according to "The Iron Age," national metalworking weekly, this week. This pressure extends to warehouses as well.

Steel producers are pushing furnaces and rolling mills beyond rated capacities in an effort to cope with the situation. Despite the all-out push for production, consumer inventories generally are dropping. Even big companies are having a hard time placing orders and there are danger signs ahead, states this trade authority.

For one thing, maintenance problems are bound to grow. Blast furnaces, open hearths, and other facilities are groaning under the strain and the problem will worsen as the winter months approach.

Another possible danger is scrap. Mills have been using blast furnaces to the limit both to improve production from open-hearths and to conserve scrap. This also helps to keep scrap prices within reason, continues this trade magazine.

Scrap historically becomes harder to get in cold weather. Collection machinery slows up. Transport becomes a problem. Scrap exports also are worrisome. The Commerce Department scrap export restrictions are relatively mild, and foreign demand is strong.

An early close of the lake shipping season this year, or a late start next year, both depending on weather, conceivably could put a heavy strain on iron ore supplies next spring. In such an event, scrap would have to fill the gap, it adds.

The mills themselves are up against a steel procurement problem. They're trying to expand capacity to handle present and anticipated demand. But for each 10 tons of new capacity, about 2.5 tons are needed to build it. As time goes on this ratio will increase because of the widespread requirements—from ore to finishing mills. Some mills are trading steel with other mills to keep construction projects going, "The Iron Age" reports."

In the automotive industry the six-millionth new car of 1955 was sold on Tuesday of last week as all United States car manufacturers were either producing or preparing to produce 1956 model automobiles.

The Tuesday pin-pointing of the six-millionth United States retail delivery, said "Ward's Automotive Reports," is based on the assumption that new car sales during the first two weeks in October carried on September's 26,300-unit daily sales pace. The entire year of 1954 yielded 5,423,000 deliveries, "Ward's" noted, while sales in 1953 totaled 5,771,000.

Meantime, Buick, Oldsmobile and Studebaker remained the only companies idled by model changeovers last week as the industry assembled an estimated 104,876 cars. The total was 30.7% better than the previous week's turnout of 80,271 automobiles.

Aiding the swift production rebound, said "Ward's," was Chevrolet's rapid upsurge into 1956 model assembly, plus substantial increases at Pontiac and Cadillac as General Motors scheduled 26,800 cars last week, more than double the preceding week's output.

In addition, Ford Motor Co. continued car construction at a rapid tempo aiming for 47,500 units the past week. Chrysler showed marked growth in scheduling, too, as Plymouth attempted to turn out its largest weekly output since early May.

Studebaker primed its feeder lines last week for a big start on 1956 production on Monday last. Packard activity nearly doubled the past week—its third of 1956 model building. At American Motors, special Rambler assembly

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The Market Outlook

By AUGUST HUBER

Manager, Stock Depart., Spencer Trask & Co., New York City
Members: N. Y. Stock Exchange and American Stock Exchange

Commenting on the current decline in the stock market, Mr. Huber finds it was intensified by the element of surprise, coming at a time of ebbing confidence and price over-valuation. Foresees interim market rallies but a further extension of the decline, at a slow pace. Holds, in the market outlook, consideration should be given to: (1) the extent of decline that has taken place, (2) favorable last half-year earnings, and (3) prospective encouraging year-end dividend news.

The one thing certain about a sharp market set-back is that it would not occur if it had been foreseen by the great majority.


August Huber

The element of surprise, coming at a time when the market had reached an area of vulnerability, invariably brings in its wake a rapid revision of investment and speculative policies. The underlying market forces thus set in motion are usually then aggravated by ebbing confidence. Declining stock prices in themselves stimulate further selling just as advancing prices had generated more aggressive buying. During the more emotional phases of the stock market—in either direction—psychology tends to veer toward excesses. During such periods the basic factors of security evaluation are often relegated to a secondary consideration.

In my last Market discussion, dated Aug. 2, 1955, I expressed the view that:

(1) The over-all market, in its long advance from September, 1953, had moved from an undervalued level to a price area which must be considered above equilibrium.

(2) On the basis of earnings, dividends, and market price relationships, together with mounting private debt, in conjunction with the high level of industrial activity, I had stated that it is well to recognize the position of the market, with the realization that further price advances from that level would tend to aggravate the basic condition of "overvaluation" and increase commensurately the ultimate risk.

(3) The conclusion, therefore, was that while the air of optimism then prevailing could extend the upward movement somewhat further, a cautious market policy was advisable since I envision the development sometime during the balance of this year of either (a) a general downward correction in common stock prices, or (b) an irregular consolidating movement, characterized by cross-currents and market price adjustments in many shares which had at least temporarily over-run themselves.

Substantial market corrections, such as the one we are now witnessing, are usually touched off by some sudden, unpredictable development. The severity of the ensuing market reaction depends largely on the extent of the preceding advance and the degree of vulnerability which may have developed from economic and internal market excesses.

In this case, President Eisenhower's heart attack burst upon the nation as an incredible shock. First, as an impact on the sympathies of those who admired him as a man and President, and then the growing realization that this unfortunate occurrence has probably removed him from the all-important 1956 Presidential race. Such a prospect has raised misgivings concerning the longer range outlook for the business and investment confidence which the Administration, through its actions and policies, been restored.

As a resultant blow to confidence, with respect to the highly sensitive stock market, the effects have been rapid and the adverse reflection in market prices has already been substantial. With investment confidence running high for the future, stock prices had been capitalizing earnings and dividends as a relatively high rate. Buyers were confidently paying prevailing premium prices for anticipated higher profits and dividends expected to eventuate over the next few years.

The sudden revision of such investment and speculative thinking has had its initial impact. The market, as measured by the Dow Jones Industrial Averages, has declined sharply from a high of 487 to a present level of 435. In attempting to look beyond the present cloud of uncertainty, it is too early to gauge what the basic effects may be on business and industry generally. There is still a full year between now and the Presidential election. Meanwhile, business leaders will do all they can to maintain economic equilibrium. By the same token, the Administration will aid if industrial activity gives evidence of requiring stimulation. Among the strings to this government bow, among others, are (a) tax reduction next year; (b) reversal of the moderately restrictive credit policies, and (c) increase in money supply through Federal Reserve actions.

Consideration must be given, in appraising nearer term market prospects, to (1) the substantial extent of the decline already wit-

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Institutional Investors And the Stock Market

By G. KEITH FUNSTON*
President, New York Stock Exchange

Though acknowledging an increasing role played by institutional investors in the stock market, New York Stock Exchange President holds it cannot and will not become the most important single element in the market. Says market must serve equally its many types of investors. Recounts N. Y. S. E. study of institutional buying, and forecasts in our upward economy, value of institutional stockholdings will almost double in next decade. Holds new problems will be created by institutional investment, and new techniques are being developed by the N. Y. S. E. to meet institutional needs. Holds more equity financing and wider ownership of corporations is needed to offset long-range institutional purchases.

Between 9 o'clock this morning and 5 o'clock this afternoon the great and small financial institutions of this country can be expected to purchase an additional $6 million in the ownership of American business. They invested approximately this much additional money on Oct. 13, and, on the average, they can be expected to do so again on Monday, and on every business day of the year.

G. Keith Funston

I would like to speak with you about this astonishing figure—and what it implies for the country, the stock market and the institutions themselves. In the space of a relatively few years institutional investors have emerged as one of the most powerful influences in our economy. They are likely to play an even larger role in the future, and perhaps a decisive one in shaping future U. S. economic patterns.

I have been asked recently if institutions are not, in fact, becoming the most important single element in the market. I don't believe for a moment institutions can, ever will, or indeed should assume such an extensive role. The stock market is, after all, a living instrument that exists to serve the public, industry, and members of the securities business as well as institutions. And the question of relative market importance is something like the question asked of Andrew Carnegie as to whether he considered labor, capital or brains the most important factor in industry. Mr. Carnegie rendered the problem academic by replying, "Which is the most important leg of a three-legged stool?"

With considerable safety I can reply in the same vein. Certainly the market needs and must serve equally well its many types of investors. It is clear, though, from the Fulbright hearings earlier this year and from growing notices in the press, that people want to know a good deal more about institutional investors. And I am delighted at this opportunity to present some of the Exchange's views on this subject.

Balance of Economic Power Shifted

All of us here have, I believe, an enormous responsibility, of which we are well aware, for influencing the country's economic well-being. In the particular case of institutional managers, however, this responsibility is somewhat unique—and it is one I well appreciate in view of my own present association with the Metropolitan Life Insurance Company and former connection with the Connecticut General Life Insurance Company. You are, first of all, trustees of other people's money—in this case the funds of millions of middle-income and working people who have come to hold the real balance of economic power in the U. S. And second, as savings have been institutionalized, your rapid growth has given you an incredible though perhaps unanticipated and even unwelcome amount of economic authority and muscle. Institutions today represent millions of people from every walk of life and every economic strata who, by virtue of institutional stock investments, have become indirect owners of American business.

Implicit in the rise of financial institutions is the fact that a prosperous people are not only enjoying the best possible life today, but concurrently they are also planning for the good life tomorrow. They have discovered that in our arsenal of investment techniques the average man can put today's dollar to work whether his goal tomorrow is safety, income, or long-term appreciation. And they have, as a result, been pouring an impressive quantity of dollars into insurance companies, pension funds, savings banks, investment companies and other institutions, as well as into direct stock ownership. This literal flood of dollars has brought our institutions face to face with an old problem that has a new urgency and intensity: how are these funds to be put to work, productively and with reasonable safety, day after day, without let-up? The money should not be allowed to lie idle. It must be invested—whether in real estate, government securities, corporate bonds, or common or preferred stock. As a result of this pressure to find investment outlets, institutions have purchased common stocks heavily in recent years and thereby the American people, by the tens of millions, have become indirect owners of American business.

New N. Y. S. E. Study Shows Position of Institutions Today

The sharp growth of our institutions in the last decade, as this growth affects the securities markets, can best be seen in a New York Stock Exchange study, now nearing completion. This new study brings up to date—as of the beginning of this year—our knowledge of institutional investors. I would like to report some of the preliminary results to you and then mention what is perhaps more important: the insight the study provides as to what the future holds.

Ten years ago, the assets of our financial institutions—life, fire and casualty insurance companies, pension funds, charitable and educational groups, savings banks, and investment companies amounted to $85 billion. Now, these assets amount to $175 billion, and they are growing at the rate of $10 billion a year.

Ten years ago, institutions held approximately $11 billion in common and preferred stock. As of early this year, their equity holdings were worth $32 billion. Of course, much of the increased value of institutional holdings—perhaps 50% of it—has resulted from rising markets. Institutional holdings represent about 12% of the total marketable shares of American business. These figures, and others I shall refer to, do not include personal trusts administered by banks, which at the end of 1954 held stocks worth $37 billion.

When we look behind institutional holdings, we find that about 75% of their common and preferred stocks represent shares listed on our Exchange, and, in fact, amount to some 14% of the value of all our shares.

Since rising markets have been responsible for much of the increased value of institutional holdings, I would like to burden you with just one more set of statistics. It is, by all odds, the most dramatic set of figures that can be shed on the dimensions of institutional activity.

Ten years ago, institutions were making annual net purchases of stocks at a rate of about $250 million a year. Now, these net purchases are running at an annual rate of $1.5 billion.

It is difficult for most people to grasp what this last figure means to our economy and to the men like yourselves who are charged with making daily investment decisions. We have become so used to talking in millions and billions that the figures themselves have an air of unreality about them. But in this case, we are talking about dollars—single dollars, if you will, invested by millions of people. And as these dollars are funneled into our institutions day after day, and as you translate them into shareownership, they swell to a total big enough to stagger anyone but an astronomer. The number is so great we have broken it down to arrive at the figure I mentioned at the start of my talk: during the average business day, and on the basis of 1954 figures, U. S. institutions make net purchases of common and preferred stock of about $6 million. I am intrigued by the thought that this is equivalent to $750,000 every working hour. During our three-hour meeting this morning, institutions across the country have wrestled with problems involving the collective purchase of an additional $2.2 million in equities of the country's industrial enterprises. And these figures concern only net purchases. In addition to investing new money, institutions are constantly readjusting their portfolios as conditions warrant, switching in and out of common and preferred stocks. There may, of course, be many days when institutions will be sellers of equities on balance.

Value of Institutional Stockholdings Will Almost Double in Next 10 Years

Measured against present activity, what does the future hold?

When we study the next decade, of course, our projections assume that there will be an increase in population, production, the number of shares and shareholders. But, in order to develop our estimates conservatively, we have not assumed any change in stock prices beyond the levels of 1954. We learned long ago that there is no profit to a Stock Exchange President attempting to be a prophet as to the future course of the market. We recognize, of course, that historically stock values do appreciate as the economy expands. Since 1929, according to Department of Commerce figures, the real growth of the

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*An address by Mr. Funston at the 59th Annual Meeting of the American Life Convention, Chicago, Ill., Oct. 14, 1955.

Outlook for Mortgage Loan Rates in 1956

By GORDON W. McKINLEY*
Director of Economic Research
The Prudential Insurance Company of America

Dr. McKinley, after describing the factors determining mortgage loan rates, discusses the fluidity of funds in the various segments of the money market, and the influence of business fluctuations in the trend of interest rates. Says 1956 will be a record business year, and the demand for capital funds will continue to grow. Forecasts continued Federal Reserve restraint on bank credit expansion. Looks for no immediate easing of mortgage loan rates, and predicts a fairly tight money market next year.

I want to talk today about the future of mortgage loan rates. Specifically, are mortgage loan rates likely to move into higher ground during 1956, or have we perhaps already experienced as much of a strengthening as can be expected over the near term future?

Gordon W. McKinley

As all of you know, the housing market in the United States is importantly affected by what is happening to business in general. It has been pointed out over and over again that although family formation is extremely important in estimating the volume of new residential construction, it is equally important to know how much money people have to spend on homes. In other words, the housing market is not an economy all of its own—it is a part of the overall economy. It reflects the prosperity or depression of the overall economy, and of course contributes its own share to that prosperity or depression.

Just as activity in the housing market is tied closely to activity in other parts of the economy, so the volume of funds demanded or supplied in the mortgage loan market is partly a reflection of what is happening in the government securities market, in the corporate bond market, and in all the other money and capital markets of the country. There is really only one tremendous market for money in the United States, and all borrowing and lending is tied into and affected by the performance of this overall market.

It is true, of course, that this overall capital market is made up of many sub-markets, which have important and unique characteristics. The sub-markets differ from each other according to the term of loans, according to the security offered for the loans, according to the size of the loans, according to the geographic area in which the loans are made, and according to a host of legal, traditional, and other differences.

Some lenders operate in only one of these sub-markets. Some savings and loan associations, for instance, are limited by law in the geographic area in which they can make loans. These associations therefore operate in a very narrow sub-market which is not only limited to the geographic area in which the association is situated, but is also limited to one broad type of loans, that is, to mortgage loans. Apart from investment in government securities, these associations have no alternative outlet for their funds beyond the local mortgage market.

Fluidity of Funds in Segments of The Money Market

Most lending institutions, however, are not so narrowly limited. Commercial banks and life insurance companies, for example, have a wide variety of possible outlets for their loanable funds. By this, I do not mean to imply that these latter institutions are not strictly regulated. They are. But within the limits imposed by law, by regulation, and by custom, they nevertheless can invest in a wide variety of sub-markets, and can move their funds from one of these sub-markets to another. It is this fluidity of funds, moving between sub-markets in response to yield, risk, and cost differentials, which ties all the sub-markets into one single money and capital market. Although interest rates differ between the sub-markets and even within the same sub-market, all interest rates are nevertheless tied to each other by the possibility of a flow of funds from one market to another.

Now, while interest rates generally move in the same direction, some are more sensitive and flexible than others. Probably the most sensitive rate in the United States is the Federal Funds rate, which often fluctuates violently from close to zero up to the Federal Reserve Bank discount rate. Next in line of sensitivity comes the Treasury bill rate. And after that the rates on all government securities. Still less sensitive, but nevertheless quite flexible, are the rates on bankers acceptances, corporate bonds, and commercial paper.

As we begin to move away from these sensitive rates, we come to the sticky, slow-moving end of the rate spectrum. Here we find the mortgage loan rate, the published prime commercial bank rate, and, finally, perhaps stickiest of all, the consumer loan rate.

When an overall movement in interest rates begins, the movement is of course first reflected in the sensitive end of the spectrum. The yields on Federal funds, Treasury bills and other Government securities will perhaps begin to move upward. More slowly will follow bankers acceptance, corporate bond, and commercial paper rates. If the movement continues long enough, changes will finally occur in mortgage loan rates, and the prime commercial bank rate. Only a very long and wide movement in the rest of the market will cause a change in consumer loan rates.

Now of course there can be many movements in the flexible rates which are never reflected at all in the sticky rates. We frequently have Government securities moving up and down with no apparent effect on mortgage loan rates. This is because the movement is not continued long enough and is not drastic enough to work its way into the sticky part of the spectrum. But if the flexible rate movement is persistent, we can be sure that eventually the slow-moving rates will follow suit.

This sequence in the movement

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*An address by Dr. McKinley at the 2nd Annual Mortgage Lending Conference of the New Jersey Bankers Association, Princeton, N. J., Oct. 7, 1955.

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Rising Mercury

By IRA U. COBLEIGH

Enterprise Economist

A current appraisal of this ancient metal—its uses, old and new, its present and prospective producers; and its mercurial market action.

Mercury is a mysterious and magic metal. It stays liquid from 38 degrees below zero (Fahrenheit) to 675 degrees above; and you could take a bath in it without getting wet. It's heavier than lead; yet fluid as a flood. It's a real old timer among metals. Aristotle, around 330 B. C. dubbed it "liquid silver" and, with due allowance for translation from the Greek, it's been called quick silver ever since. Its widely useful too. The first use you think of is in thermometers, clinical and meteorological. When the "doc" takes your blood pressure, and says it's 140/100, the figures relate to millimeters of mercury. There are mercury electric switches, mercury lamps. It is used, in a frozen state, for making mould patterns (Mercasting). Mercury might some day replace the water in your car radiator; and mercury vapor can be used in place of steam in electric generating plants.

Ira U. Cobleigh

To all these known uses something new has been added. We don't know what it is but we do know that mercury is on the strategic stockpile purchase list of the U. S. Government. There is lively conjecture that mercury may be used in guided missiles; that mercury vapor may be used as a medium in heat exchangers in atomic reactor units. But this is pure guessing. Government use is secret and classified, and such applications as the foregoing have been repeatedly and officially denied.

We do know, however, that the General Services Administration has, since July 6, 1954, had an order to purchase 100,000 flasks of mercury (U. S. produced) and 75,000 Mexican at $225 a flask, good until Dec. 31, 1957. The government hasn't, apparently, had much luck filling this order since the open market price range since December of last year has been between $254 and $325 for this curiously sized, 76 pound flask. The demand today is brisk and there is strong suspicion that much of the recent floating supply of the metal in Europe, has disappeared behind the Iron Curtain. At all events, the present demand for this magic liquid is such that experts in metal mining are now combing North America for cinnabar, the gaudy red ore that produces mercury. This is logical, since if mercury is a strategic metal, we should not depend on Europe to supply us (as she has been doing) with some 70% of our needs. We should get the stuff here.

Traditionally, the largest producer of mercury has been the Almaden (government owned) mine in Spain. This has been going strong for 2,000 years. The Romans, the Visigoths and the Moors all took a crack at mining it, and altogether this mine alone has probably delivered over 7,000,000 flasks, down through the centuries. Its highest recent production was 51,800 flasks in 1951. Other major foreign production comes from Italy, Jugoslavia and Mexico.

Our own production has flagged until quite recently due to price. For example, in 1950 flasks of mercury sold at $80. That was below production costs, so many mines were closed. With the present open market price of $280 and a government floor price of $225, there's real money to be made with a good producer, so there's been a wholesale scurry to get back in production. This is not only because of present price attraction, but stems from the belief that the many new uses and applications of mercury open up a romantic vista of long-term mining profitability. There's a new Mercury in the auto show rooms. There'll also be a lot of shiny new mercury in flasks shortly!

The largest American producer is the mine at New Idria, Calif., owned and operated by New Idria Mining and Chemical Company. This mine is over 100 years old and still some 60% undeveloped. In the 12 months ended June 30, 1955, New Idria produced 4,121 flasks. Exploration, leading to greater production here, is proceeding, encouraged by a Defense & Minerals Exploration Administration subsidy contract (further evidence of government interest) in the amount of $129,331. New Idria is also a producer of tungsten and uranium. Its common is listed on American Stock Exchange and currently selling at 3.

The Sonoma Quicksilver Mine near Guerneville, Calif., is in production, Buckman Laboratories Inc. is turning out over 100 flasks a month. Kennametal Inc. is bringing back into production an old mine in Central Oregon. The Abbott mine, which began production in California in 1860, is now being developed by California Quicksilver Mines Inc. There's also the Cordero mine, an important producer, owned by Sun Oil Co. This mine is in Jefferson County, Oregon, and goes by the improbable name of Horse Heaven. U. S. Mercury Corporation, a subsidiary of Shawano Development Corp., has a promising subsidiary, U. S. Mercury Corp., with ore property in Oregon and Nevada. The Black Butte Mine, second largest producer in Oregon, will shortly be reopened, and operated by Mercury & Chemical Corp.

Alaska, too, includes mercury in its vast storehouse of mineral riches. There's an interesting company, DeCoursey-Brewis Minerals, Ltd. This outfit has opened up the Red Devil group of mining claims, intermittent producers of cinnabar, since 1942, and has, in addition, the Willis claim at Sleetmute (Alaska), and nine claims at DeCoursey Mountain; plus a few uranium and gold claims thrown in. Several hundred thousands of tons of quite rich ore are believed to exist on these properties, and $50 per ton have been estimated as operating costs. A pilot plant for treating 40 tons a day is nearing completion. The company has a contract to deliver 1,500 flasks F.O.B. Seattle at $255 on Aug. 1, 1956. For the speculators here there's the common stock selling at around $1, the warrants (to buy at $1 till Dec. 31, 1956 and then at $1.50 till Dec. 31, 1957) sell at 40c and there's a $1,000 6% debenture, selling at 124 carrying on its back 1,000 of the aforesaid warrants. Mercury speculators are thus afforded interesting, albeit highly sporting choices in securities.

An attractive American entry deserving of exploration by the mercury minded is found in the shares of United Mercury Corporation now selling over the counter around 1½. This enterprise started out as a uranium company, but its discoveries centering in the McCoy Mercury Mine, near Battle Mountain, Nevada, have caused the management to concentrate on quicksilver. Reserves, originally estimated at 900,000 tons, are now believed to be more than twice that. The ore is of good commercial quality with test assays running 5 lbs. of mercury to the ton. The efficient new kiln and condensing plant, recently completed, have a capacity up to 125 tons of ore per day. Here, then, is a well managed mine ready to enter substantial and profitable quicksilver production. Further, United Mercury Corp. has uranium acreage (800 acres) in Grand County, Colo., and 14,000 acres of oil leases in Nebraska. For those informed speculators, mindful of mining risks, the long run profit possibilities of United Mercury might well be explored.

One point to stress, for all those seeking a mercurial rise in market wealth, is that in this metal, the "wildcatting" is pretty well eliminated. Instead of exploring and hoping (basic ingredients of most mining companies), in most of the properties we've mentioned above, there is a known orebody which has waited only for a profitable price, to be worked anew. Modern management and mining methods, modern kilns and condensers, and adequate money for operations can now be applied to make these proven mines more productive and profitable than they ever were before. The demand is there and the price is attractive, not only for present mining, but conducive to eager search for additional ore bodies.

Wonder metals of the moment such as titanium, thorium, selenium, and germanium may prove to be but vanishing comets in the mineral marts, while mercury tested by centuries of time (23 of them) is going stronger than ever. Presently, the United States produces but 20,000 flasks of mercury a year—a mere fraction of our total existing needs. (Foreign producers have to pay a tariff of $19 per flask.) With the growing variety and insistence of commercial demand, added to the vital and strategic needs of our government for this versatile and volatile fluid, it doesn't require an Einstein to predict booming mercury mines. This powerful demand factor, coupled with the relative scarcity of large scale cinnabar ore deposits throughout the world, suggests that bankers, mining engineers and economists who have been avidly sponsoring and directing activation of producing mines, are not wasting their time. Mercury is rising not only in barometers, but in price, production, profitability and public interest.

Meyer Mgr. in Chicago For Salomon Bros.

CHICAGO, Ill.—Salomon Bros. & Hutzler, members New York Stock Exchange, announce that Julian L. Meyer has been appointed manager of the firm's Chicago office, 231 South La Salle Street. Mr. Meyer has been with the organization for many years.

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(Special to THE FINANCIAL CHRONICLE)

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

Area Resources—Booklet describing resources of area served by the company—Dept. M, Utah Power & Light Co., 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.

Banks and Trust Companies of New York—Comparative figures for quarter ended Sept. 30, 1955 on 14 New York City banks—New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Business Review—Circular—David L. Babson and Company, Incorporated, 40 Broad Street, Boston 9, Mass.

Chilean Copper Situation — Report — Bache & Co., 36 Wall Street, New York 5, N. Y. Also available is a study of **Pittston Company** and **Clinchfield Coal.**

Delaware Valley — Illustrated supplement from Philadelphia Inquirer—Stroud & Company, Incorporated, 123 South Broad Street, Philadelphia 9, Pa.

Graphic Stocks—1,001 charts showing monthly highs and lows, volume of trading, earnings and dividends, latest capitalization and 50 group averages for 12 years, up to date, on virtually every stock listed on the New York and American Stock Exchanges—single copy, spiral bound, $10; yearly (six revised books), $50—F. W. Stephens, 87 Nassau Street, New York 38, N. Y.

Guided Missiles—Bulletin—Calvin Bullock, Ltd., 1 Wall Street, New York 5, 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.**

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

Natural Gas Industry—Analysis—Morgan & Co., 634 South Spring Street, Los Angeles 14, Calif. Also available are analyses of **Detroit Harvester Company, Great Western Corporation, Rockwell Manufacturing Company, Strategic Materials Corporation,** and **Telecomputing Corporation.**

New York City Bank Stocks—Earnings comparison for third quarter 1955—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Nippon Electric Industry — Analysis in current issue of "Weekly Stock Bulletin"—The Nikko Securities Co., Ltd., 6, 1-chome, Kabuto-cho, Nihonbashi, Chuo-ku, Tokyo, Japan. Also in the same issue are analyses of **Fuji Communications Apparatus Manufacturing** and **Mitsui Mining & Smelting.**

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.

Resistance—Bulletin on issues resisting selling pressure—Cohu & Co., 1 Wall Street, New York 5, N. Y.

Tax Exempt Income—Bulletin—John Nuveen & Co., 135 South La Salle Street, Chicago 3, Ill.

Tax Savings—Suggestions—J. R. Williston & Co., 115 Broadway, New York 6, N. Y.

Tire and Rubber Industry—Analysis in current issue of "Market Pointers"—Francis I. duPont & Co., 1 Wall Street, New York 5, N. Y. Also in the same issue are an analysis of **Carpet Makers** and lists of "Stocks for the Future," "Stocks Cheap on Plowed-Back Earnings," and "Long Term Dividend Payers." In the current issue of "Gleanings" there are analyses of **Public Utility Stocks** and the **Aircraft Manufacturers.**

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Air Springs, Inc.—Information—d'Avigdor Company, 63 Wall Street, New York 5, N. Y. Also available are data on **Saaty Fuel Injector Corp.**

American Express Company — Analysis — Clayton Securities Corporation, 79 Milk Street, Boston 9, Mass.

Atlantic Refining Company—Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill. Also available is an analysis of **Merritt-Chapman & Scott Corporation.**

Automobile Banking Corporation—Analysis—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is an analysis of **Simmons Company.**

Basco Oil & Gas Co. Ltd.—Analysis—C. M. Oliver & Company, Limited, 821 West Hastings Street, Vancouver 1, B. C., Canada.

Bowater Paper — Memorandum — De Pontet & Co., 50 Wall Street, New York 5, N. Y.

Burnt Hill Tungsten Mines, Ltd.—Analysis—Holton, Hull & Co., 210 W. Seventh Street, Los Angeles 14, Calif. Also available is an analysis of **Southwest Gas Producing Co., Inc.**

Campbell Soup — Data — Bruns, Nordeman & Co., 52 Wall Street, New York 5, N. Y. Also in the same bulletin are data on **Oliver Corporation** and **Long Island Lighting.**

Canadian Pacific Railway Company—Review—James Richardson & Sons, 173 Portage Avenue, East, Winnipeg, Canada and Royal Bank Building, Toronto, Canada.

Diamond Match Co.—Memorandum—Blyth & Co., Inc., 14 Wall Street, New York 5, N. Y.

Foote Mineral Co.—Report—Schmidt, Poole, Roberts & Parke, 123 South Broad Street, Philadelphia 9, Pa.

Gary-General Telephone—Analysis—Gerstley, Sunstein & Co., 121 South Broad Street, Philadelphia 7, Pa.

General Gas—Analysis—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

W. R. Grace & Co.—Semi-annual report—W. R. Grace & Co., 7 Hanover Square, New York 5, N. Y.

Gulf Coast Leaseholds, Inc.—Circular—Singer, Bean & Mackie, Inc., 40 Exchange Place, New York 6, N. Y.

Hodgson Houses, Inc.—Analysis—Draper, Sears & Co., 50 Congress Street, Boston 2, Mass.

International Harvester Co. — Memorandum — Talmage & Co., 111 Broadway, New York 6, N. Y.

International Railways of Central America—Memorandum—Oppenheimer & Co., 25 Broad Street, New York 4, N. Y.

Lakeside Laboratories, Inc.—Analysis—Loewi & Co., 225 East Mason Street, Milwaukee 2, Wis. Also available is a report on **Dewey Portland Cement Company.**

Lewisohn Copper Corporation—Circular—George F. Breen, 115 Broadway, New York 6, N. Y.

Litton Industries, Inc. — Analysis — Hill Richards & Co., 621 South Spring Street, Los Angeles 14, Calif.

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

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

Old Hickory Copper Co.—Report—General Investing Corp., 80 Wall Street, New York 5, N. Y.

Peabody Coal Co. — Memorandum — Cruttenden & Co., 209 South La Salle Street, Chicago 4, Ill.

Pecos Exploration Company — Bulletin — Boston Securities Company, Tower Petroleum Building, Dallas 1, Tex.

Producing Properties, Inc.—Analysis—Saunders, Stiver & Co., Terminal Tower, Cleveland 13, Ohio.

Reeves Ely Laboratories, Inc.—Memorandum—Kneeland & Co., Board of Trade Building, Chicago 4, Ill.

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

Shumway Uranium Mining—Circular—Frank C. Moore & Co., 42 Broadway, New York 4, N. Y.

Silex Co.—Memorandum—Homer O'Connell & Co., 120 Broadway, New York 5, N. Y.

Singer Manufacturing Company—Analysis—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Standard Oil Company of Indiana—Review—H. Hentz & Co., 60 Beaver Street, New York 4, N. Y.

Texas Natural Gasoline Corporation — Analysis — Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y.

Tucson Gas, Electric Light & Power Co. — Memorandum — Rauscher, Pierce & Co., Mercantile Bank Building, Dallas 1, Tex.

Warner Lambert Pharmaceutical Company—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Continued from page 5

Market Outlook

nessed in a brief period of time; (2) favorable last half earnings reports, and (3) prospective encouraging year-end dividend news and moderately improved yields on the lower market prices.

Recognizing these factors, I can visualize the development of interim market rallies, arising from technical market conditions and near-term earnings and dividend news. Yet the shock suffered by the market can have repercussions which are likely to delay the materialization of a full-scale recovery movement. Basic market policy, I believe, should be geared to the expectation of either (a) an irregular sidewise consolidating movement in the wake of the present severe market slump, or (b) a further extension of the decline but at a slower pace, interspersed with rallies, over a period of possibly a few months. In either event, apart from individual issues which are likely to warrant buying for certain reasons peculiar to themselves, the continuation of a conservative market approach appears fully warranted.

Continued from page 2

The Security I Like Best

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(Special to The Financial Chronicle)

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The Dynamic Future of The Railroad Industry

By DAVID C. BEVAN*
Vice-President — Finance
The Pennsylvania Railroad Company

Railroad financial executive expresses view that with the promise of more equitable competitive conditions and more aggressive merchandising, along with technological improvements, a new era of prosperity is ahead for the railroads. Says railroads must be freed from "the handcuffs" of unrealistic regulation and they must be allowed to earn enough to attract not only bond money, but equity funds as well. Points out insurance companies must play a vital part in preserving and improving the railroad industry.

I am enough of a realist to recognize that there are bound to be some skeptics in this audience as to whether or not the future of the railroads is dynamic. Personally, I am not a skeptic. Not long ago I attended a luncheon in New York. I came into the room just in time to hear an investment counsellor complacently state that there was not a single railroad security in any account with which he was connected. Strangely enough, he apparently was actually proud of being able to make such a statement. To me it was a sad commentary on his investment ability.

David C. Bevan

I will readily admit that I have often heard laymen in an offhand manner talk about the dying railroad industry, and although I do not particularly like it, it does not disturb me. However, when we come to the investment fraternity, I think the situation is somewhat different; at least I like to think so. We are supposed to be professionals in our field, and either directly or indirectly we have assumed responsibility to a great many investors. To be a credit to the investment fraternity I think we must possess to the highest degree possible intellectual integrity, the ability to be an independent thinker, and above all else we must be willing to dig for the hard facts in regard to any situation and not be satisfied with superficial analyses. Particularly in this last respect I do take my hat off to practically all the railroad analysts whom I know. They are willing to go anywhere at almost any time, including going on their own time, in order to dig out what they consider the essential facts of a given situation. I do not know a harder working group!

A Good Record for Railroad Securities

As to the past history of the railroad industry, contrary to the belief of many people, the record of well-selected railroad securities has been excellent. We do not have time to go into detail about that today, but I can refer you to a most excellent coverage of this by one of your own people, Sherwin Badger, Financial Vice-President of the New England Mutual Life Insurance Company, who covered the subject excellently in the speech he made at Swampscott, Massachusetts, in 1952, before the Annual Meeting of the Treasury Division of the Association of American Railroads. If you have not already done so, I strongly urge you to get a copy of this speech and read it thoroughly.

However, that has to with the past. Most of the skepticism arises as to the future outlook.

The railroad industry is not a dying industry by any conceivable stretch of the imagination in my judgment. Technological developments in the railroad industry over the past 25 years have been many and far-reaching. The diesel alone has probably reduced operating costs $500 million a year, not to mention tremendous improvements in maintenance-of-way equipment, freight cars, signaling devices, and many other such items. At the moment we are experimenting with lightweight trains, tructrain service (which is the movement of trucks on railroad flatcars), development of roller bearings and improved mechanical refrigeration on an economical basis, welded rail, and so on.

The Pennsylvania Railroad alone in the postwar period has made capital expenditures of over $1 billion. Perhaps I am just a country boy, but that still sounds like a lot of money to me for any company in any industry to spend. Does it not border on the ridiculous to assume that any management would put that amount into a dying industry?

I believe that most people become pessimistic about the railroad industry primarily because they see the rapid rise in air travel, and to be perfectly honest with you I think it will continue to rise, and that we will be like an ostrich hiding its head in the sand if we do not plan our future passenger activities on the basis that the air lines are going to get most of the travel over 1,000 miles. There is no question that they can outdo us on speed, and at the present time, primarily because of subsidies, they are in a position to meet or undercut us on charges to the traveler. However, I think we will for a long while continue to outdo them in relaxed comfort and dependability.

Again, in the field of freight transportation, admittedly you cannot drive along the highways without being impressed by the rapidly growing truck industry, which is also the beneficiary of substantial subsidies. However, with the advent of tructrain service I think we have found a most happy solution, and also one based on sound economics, to the problems involved in coordinated transport. We not only regain for the railroads a substantial amount of this traffic but we actually make the operations of the trucker more profitable. From the standpoint of the public, we take boxcars off the highways that were never constructed to carry them. This in turn decreases the cost both of maintenance of present roads and construction of new roads and makes them more available to the passenger car. In this connection I might say that we started our tructrain service in March and that in every month we have experienced a substantial increase in this traffic. At the present time our volume is at the rate of about $10 million annually in this category, and within five years we hope it will hit the $100 million figure.

Prospects for Freight Business

Now for a moment let us project the future of the railroad industry and its participation in the over-all transportation field ten years hence. Obviously, the primary question is, how much freight will the railroads be carrying 10 years from now and what will be their percentage participation over-all in the transportation field? There are many uncontrollable and unknown factors which will be involved, but I do believe that past experience is oftentimes the best guide as to future expectations.

In 1954 this country had a population of 162 million people. The Gross National Product totaled $357 billion. The average family income after taxes amounted to $5,300. There was somewhat over a trillion ton miles of intercity freight traffic, including all segments of the transportation industry. (Please remember a trillion is one thousand billion.) Of the trillion ton miles, the railroads handled 51%.

Now let us look at 1965. If the experts are correct, we will have a population of 190 million, a Gross National Product of $535 billion. Automobile registrations are expected to increase 20 million, and trucks and buses 3 million during this period. Think what this alone means. Based on today's averages, the automobiles in service would require 35 million more tons of steel than they do today, 2 million more tons of rubber, three-quarters of a million more tons of aluminum and one million more tons of glass. Couple this to the $100 billion road highways program involving heavy usage of cement and steel, and 150 million ton production predicted for steel, plus the optimism of the coal people. Further, family income is expected to rise to $6,000 in 1965.

With this background, here is what we estimate it is going to mean to the railroad industry. First, the intercity traffic in this country should approximate one and a half trillion ton miles, or 43% more than in 1954.

Now for the $64,000 question! To what extent can the railroads reasonably expect to participate in this traffic? First, assume the downward trend in rail transportation in the past 10 years continues unabated in the next 10 years. On this basis, by 1965 the railroads would be called upon to handle 650 billion ton miles of intercity freight or 17% more than last year. To me that is a pessimistic rather than a conservative estimate. Second, assume the railroads maintain their 1954 participation. In that event, they will be called upon to handle 42% more than last year. Now frankly, everyone has to have a minimum goal, and we believe in the case of the railroads we should be able to get 55% of the total tonnage, and we certainly hope we do not have to wait until 1965 to get it. In a minute I will give you reasons why we think this percentage is attainable, but in the meantime let me say that if we do it will mean the railroads would handle 53% more than last year and 14% more than they have ever handled in their history, including the record year of 1944, a war year.

Reasons for Optimism

Now why do we expect not only to reverse the downward trend of our participation but to increase the overall percentage to be handled by the railroad industry?

First, we anticipate a much better climate in which to work. Right here I might say that I have worked in the commercial banking field, which is regulated, the life insurance field, which I consider to be more regulated, and now I am in the railroad field, which I believe is the most regulated, but what makes it strangest of all is that we are regulated as a monopoly while all our competitors, with the exception of the pipelines, are subsidized. If each segment of the transportation industry were allowed to find its own economic niche, starting tomorrow our only problem would be to find the equipment to handle the business.

However, we believe this situation is changing although we have no expectation of a complete right-about-face in the immediate future. The best indication of what I have in mind is the recent report of the Cabinet Committee to President Eisenhower, commonly known as the Weeks Report, which clearly recognizes the importance of the railroad industry in the overall transportation picture, and that it is one of the greatest assets of our peacetime economy and an absolute necessity in time of war. This report recommends changes in the national transportation policy to meet the needs of the nation. We are hopeful that we will soon see legislation enacted that will carry out the recommendations of that distinguished Committee.

Second, the railroads today are more aggressive than ever before in attempting to meet competition. If the recommendations of the Weeks Report are carried out, we will be placed in a position to be more competitive.

Third, we are embarking on a

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*An address by Mr. Bevan before the Financial Section of the American Life Convention, Chicago, Ill., Oct. 14, 1955.

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October 19, 1955

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Federal Reserve Bank of St. Louis

Outlook for the Home Appliance Industry

By ROGER M. KYES*
Vice-President, General Motors

Asserting that over the next decade or so there is an opportunity to make the appliance industry as important a factor in the economy as the automobile is today, General Motors executive gives as reasons: (1) growth of the economy, with more people earning better incomes; (2) the vast replacement market; (3) the new concept of the kitchen as an important part of each home, and (4) the vast amount of research aiming at new products. Concludes, all this will lead to better living and a desire to utilize modern conveniences.

Progress comes by evolution rather than revolution. But evolution can be terribly slow, or it can be speeded up by imaginative and determined effort.


Roger M. Kyes

No one understands this better than you who are in the field of communications. As you have observed and reported the contemporary scene you have watched the meteoric rise of some industries while others, because they failed to anticipate and interpret customer wants, fell into lethargy.

But you are more than observers and reporters. You are a direct and important factor in the evolution of progress. As thought-leaders you stimulate the consumer to expect better products and the manufacturer to supply them. You pave the way for new ideas.

The experience of the appliance industry amply illustrates this fact. The rise of women's magazines and women's pages together with programs devoted to homemaking, and the growing use of mechanical appliances in the American home have gone hand in hand. This is also true of every means of communication.

You who bear the editorial responsibility and we in manufacturing serve the same individual: the customer — in our particular case the American home-maker.

I submit that your opportunities and ours for service and constructive accomplishment in this field are greater than ever before—and growing year by year. Over the next decade or so we have the opportunity to make the appliance industry as important a factor in the economy as the automobile industry is today. But even more important, we can make a contribution to the homemakers of America.

Reasons for Growth of Appliance Industry

I make this assertion having in mind four specific reasons:

First, the looked-for growth of our vigorous economy, with more people earning better incomes than ever before;

Second, the vast replacement market that awaits the enterprising merchant in our industry as the manufacturer brings out new and improved products, thus creating what we call dynamic obsolescence;

Third, the rising new concept of the kitchen as an important part of the living area in each home, its effect on kitchen design and number of appliances per family;

Fourth, and most important for the longer term, the vast amount of reserch being carried on looking to new products, and new concepts of better homes and better living.

Let me comment on each of these points briefly:

Our income as a nation is rising more rapidly than most forecasters had believed possible a few years ago. Ten years hence American consumers may well enjoy a dollar and a half of income for every dollar they have today. This means that more and more consumer funds will be available for discretionary spending—more left over for comforts and conveniences. I am firmly convinced that if we work for it we can get a larger percentage of these discretionary funds channeled into our industry.

I look for substantial increases in the sale of all household appliances. Specifically, I predict that by 1965 the industry will increase refrigerator sales by a million units a year, and automatic washer sales by approximately the same amount. Volume of electric dryers should more than double, that of dishwashers and food waste disposers more than quadruple.

Strides in Home Air-Conditioning

Truly dramatic forward strides will be made in home air-conditioning.

As of now, just about $2\frac{1}{4}$ million homes out of 50 million have some form of cooling or are air-conditioned—less than five out of a hundred. By 1965 I expect 60 out of every hundred homes to be so equipped. There will also be millions of air-conditioned automobiles on our highways by then.

My second point, and a principal factor in making me optimistic on the industry's outlook, has to do with opportunities available in the replacement market through stimulating the process of dynamic obsolescence.

The automobile industry presents an outstanding example of what we mean by dynamic obsolescence. New and improved models are brought out each year. The rate of improvement has been accelerating, particularly over the past five years. Thus the 1955 Chevrolet V8 is a better performing car all around than the 1950 Cadillac was when new. Meantime the Cadillac as well as all other General Motors cars have made equally outstanding gains.

With improvements so substantial and coming so rapidly, the customer realizes he is better off investing in the new product, compared to keeping his money in the savings bank and struggling along with the old.

Better Values in Automobiles

Of course, customers have to be made aware of the better values available. Automobile customers are. Why? Because the automobile is one of the most written and talked about subjects in America. In newspapers and magazines, among high school boys at recess, in shop and office at lunch time, even between strangers on a train or bus — the "new models" are topic A. Certainly few Americans would agree that they do not know a lot about automobiles.

A well-informed customer is a discriminating customer. He knows and demands value. And generally he gets it. Customer appreciation of value has been the driving force behind rapidly advancing automotive technology—and, consequently, new car replacement sales. Today the automobile industry has 17 million customers who habitually buy new cars, as against only seven million before the war.

This means that cars get channeled into the used-car market more rapidly—and that market in the automobile business is lively. By comparison, replacement sales of appliances are sluggish, and so is the market for used appliances.

I grant you a new car has more prestige value than a new refrigerator. Even the TV antenna on the roof has more. But I am convinced that the American homemaker can be persuaded to part with her older appliances with greater rapidity than she is now doing. If we on the manufacturing side provide the product—and, speaking for General Motors, we mean to do just that—you on the editorial side will have new incentive to spread the word to your customers and ours. And so together we should be able to achieve for the electrical appliance industry the same stature now enjoyed by the automotive industry.

We are going to do something else to help along this process of dynamic obsolescence. What we propose is a more orderly and satisfactory method for arriving at trade-in values of used products. Our method is based on a point system that will take account of the age and condition of the product to be traded in and other pertinent factors. The customer will be able to calculate along with the salesman, step by step. This new trade-in method will furnish an accurate appraisal of the value of the used product in terms the customer can understand and even determine himself. We expect, by thus instilling customer confidence in the trade-in, the replacement market will be substantially stimulated.

Incidentally, I see no reason why we should not have two-refrigerator families as well as two-car families. About 10 million such families—not an unrealistic goal at all—should certainly add impetus to the market.

The Kitchen as a Living Area

And this brings me to my third point—the kitchen as a living area rather than mere work space. The housewife certainly spends more of her waking hours in the kitchen than in any other room of the house, and other members of the family more time than they realize.

This no doubt is the reason why builders have found that the kitchen is the room that sells the home. But they have also discovered that the kitchen is a difficult room to plan and arrange, to build and install, to design and decorate.

While there have been some attempts to solve this problem, these have fallen far short of the desired solution. Today Frigidaire brings you another "first" — a practical, complete solution of this problem. I refer of course to the modular, completely integrated kitchen as a component for builders' homes—pre-engineered, predesigned, pre-styled, and internally plumbed and wired.

When you consider that we may be approaching the day when two million homes a year will be built in this country, you can appreciate what such a concept might mean in terms of Frigidaire appliance sales.

Furthermore, it has been the experience that any period that sees substantial activity in new residential construction is either accompanied or followed by a high activity in home modernization. That, too, can mean more appliance sales.

We consider this integrated kitchen a most significant development for both the building and appliance industries. You in the women's editorial field have been rightfully urging that more thought and effort be devoted to kitchen design. I am confident you will recognize this as a great stride toward improved kitchens for American homemakers.

Research for New Products

The fourth point I cited to support my optimism for the industry's outlook was research.

It is my opinion that we have hardly begun to explore the possibilities for making the American home truly a good place to live in, and a good place for our housewives to manage. I am certain that a generation hence people will no more understand how the housewife of today got along with all the drudgery she had to endure, than we today understand how our grandmothers managed with a woodburning stove and a washboard.

Consider the many chores and annoyances today's homemaker submits to — without question, taking them for granted.

Mopping the floor for instance; handling all forms of trash and waste; washing the windows; cleaning everything in the house; making the beds; the bother with electrical connection cords; the worry over keeping the house free of moisture, dirt and odors.

Why should we take these things for granted? Why not, for example, a house that is 100% climate controlled, providing a home environment of always agreeable temperature and moisture content, with dust, dirt, undesirable odors and even germs entirely banished?

That would not only be a more healthful environment, but also a more economical one. Think of the reduction in cleaning expenses, and the added life and utility of curtains, drapes, carpeting and the like. Moreover, we are alert to the inefficiencies in the use of time and motion in the household. We have had long experience in devising processing techniques and methods designed to conserve human effort in industry. We intend to apply this experience in our future developments for the home.

In General Motors we distinguish between product improvement, advanced engineering and research. The first has to do with existing products; how we can make them serve you still more efficiently and more economically a year or two from now.

Advanced engineering, on the other hand, takes a proven process or principle and attempts to seek out worthwhile commercial applications. Here we deal with entirely new products, new approaches to old problems.

And finally research, in the broader sense, deals with new concepts of living as they might be realized a generation or so from now.

Whether in product improvement, advanced engineering, or broader research, our objective is always to simplify. We are not trying to turn the homemaker into a "kitchen engineer." On the contrary. We try to make existing products less complex and more efficient.

We try to come up with new products that will do old jobs better and easier. And we are contemplating new concepts of perfecting and integrating mechanized household services that would make existing appliances look crude by comparison.

I think you will agree that with conveniences such as the thinking

Continued on page 57

*An address by Mr. Kyes at the Press, Radio and Television Preview of 1956 Frigidaire Products, General Motors Technical Center, Detroit, Mich., Oct. 6, 1955.

This announcement is not an offer to sell or a solicitation of an offer to buy these securities. The offering is made only by the Prospectus.

$8,500,000

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From Washington Ahead of the News

By CARLISLE BARGERON

To understand the controversy about Vice-President Nixon in his own State of California, you have got to go back several years. In 1946, just back from the war, he knocked off the nationally known leftist, Congressman Jerry Voorhees. Far be it from me to suggest that Jerry was a Communist, but he was about as leftist as they come.

Carlisle Bargeron

What got it into the head of young Nixon that he could defeat Jerry I don't know. Jerry had a powerful political following. But, nevertheless, having served in Washington in the government as a young lawyer, the idea did get into Nixon's head. This inflamed the Leftists and the Communists throughout the land.

It so happened that I had an opportunity to observe this freshman Congressman in his first year as a member of the House Labor Committee. The Committee was formulating the Taft-Hartley Act. The Republicans had come into power in this Eightieth Congress and there was never much doubt as to the sort of bill the House Labor Committee would report out. The committee held long hearings and the labor and industrialist leaders appeared before it with their various songs and laments. The pro-business members of the committee would ask friendly questions of business witnesses and the pro-labor members would ask friendly questions of the labor witnesses. It was all very meaningless.

But Nixon, the newcomer, the young lawyer, would ask penetrating questions of both sides. Months later, meeting him socially, I told him that I did not want to be gratuitous but I thought he was a very able member of Congress and that I intended to follow his career.

That I have done. He served two terms in Congress and then do you know what the young whippersnapper did?

Why, he challenged the beauteous Helen Gahagan Douglas, the darling of the Leftists, in her bid for the United States Senate.

He did this without any support from then Governor Warren, now Chief Justice of the United States Supreme Court, who as Governor never liked controversy, never liked any quarrels even between Republicans and Democrats, and whose attitude, even when he ran for the Vice-Presidency with Dewey in 1948 was: oh, there are no differences between us Republicans and Democrats, no difference between us and Truman, but somehow Dewey should be President and I should be Vice-President. We are all patriotic Americans trying to do the best we can, and so on.

Four years before, Warren had said in my presence that the idea of his taking second place on the ticket with "that young pipsqueak from New York" was ridiculous, but in 1948 having been nominated for second place with the same Dewey, he appeared on the platform at the Philadelphia convention, giggling and saying hee, hee, hee, if anybody had told him he would be nominated for Vice-President he wouldn't have believed him. His subsequent campaign as Dewey's running mate was in the same vein, his theme being that we are all happy Americans together, there are not really any issues, but you ought to vote for me and Dewey because we are both good fellows.

Comes now 1952. Youngish Nixon had no allegiance to Warren. Senator Knowland felt that he did have, though I don't understand just why. Knowland's father, publisher of the Oakland, Calif. "Tribune," had more to do than any other one man with making Warren Governor. As a result, Warren appointed young Knowland to the Senate to fill a vacancy. Knowland subsequently won hands down in his own right.

In 1952 young Knowland was for Taft for the Republican Presidential nomination. He had a tremendous admiration for the Ohioan. But Warren insisted he was a candidate. If Warren didn't know he didn't have a chance, he was one of the few informed people in the country who didn't. But he insisted upon holding the large California delegation for him through the preliminary stages of the Taft-Eisenhower Chicago convention battle.

Probably, the only political trade Bob Taft ever offered was when he went to young Knowland and told him if he would break the California delegation he, Knowland, would get second place on the Taft ticket. Had Knowland done this, Taft would have won and Knowland would today be President.

But out of his loyalty to Warren, unnecessary I think, young Knowland refused, though the closeness between him and Taft was later disclosed when Taft, becoming ill, delegated Knowland to take over his Senate leadership.

Young Nixon had nothing to do with these loyalties. He had come up in California on his own and, no doubt, at the displeasure of Warren, who never wanted unpleasant things to be brought up in politics, such as Communists or any other issues.

The Senate was having a long and late session in the summer of 1952 as the national conventions approached. Young Nixon gave the matter some thought and made a decision. He caught a plane and went to Denver to enlist in the Eisenhower cause and subsequently rode into the Chicago convention on what the Eisenhower people were calling the "victory" train, and that it turned out to be.

So Eisenhower plucked Nixon as his running mate and after Eisenhower became President, he recognized Warren's service in holding the California delegation against Taft and making his nomination possible, and named him Chief Justice. Thus all three of the California big shots were taken care of, two at the instance of Eisenhower, one, Knowland, at the instance of Taft. You must think that Nixon had a little something to do with the recognition of Warren. Certainly he was in a position to be a stumbling block. Anyway, you would think they would all be satisfied.

That is, except for the present California Governor, "Goodie" Knight. When you consider his acting up, you must get a downright laugh. As Lieutenant Governor, he was never loyal to Warren.

The Republicans have been officially warned by the Americans for Democratic Action that they had better not run Nixon for President in 1956. That is one of the best reasons why they should run him, Eisenhower being unavailable.

Brokerage Business Comes to Medical Convention

Bache & Co., members of the New York Stock Exchange and other leading Securities and Commodity Exchanges, are sponsoring an exhibit at the Hotel Statler in connection with the Seventh Annual Scientific Assembly of the New York State Academy of General Practice which opened on Monday, Oct. 17 and continues through Oct. 20. The display shown above, is the first of its type to be presented at the Scientific Assembly. Featured in the booth are an under-sized version of the automatic stock and bond quotations board, literature on owning shares in America, and Bache staff members who are prepared to answer questions on investments. As part of its exhibit, the brokerage firm is also presenting a film entitled "Your Share in America."

Represents Henderson

SAC CITY, Iowa — Mrs. Hilda Philips has become associated with T. C. Henderson & Co., Inc., Empire Building, Des Moines, members of the New York Stock Exchange.

A. G. Edwards Adds

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Ralph G. Perry is now with A. G. Edwards & Sons, 409 North Eighth Street, members of the New York and Midwest Stock Exchanges.

White & Co. Add

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Walter J. Gibala has been added to the staff of White & Company, Mississippi Valley Building, members of the Midwest Stock Exchanges.

This announcement is not an offer to sell or a solicitation of an offer to buy these securities. The offering is made only by the Prospectus.

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October 18, 1955.

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Public Utility Securities

By OWEN ELY

Interesting Over-Counter Utilities

Central Maine Power serves about two-thirds of the state of Maine, including the cities of Augusta, Portland and Lewiston. With 46% of revenues derived from residential and rural customers, the company enjoys a relatively stable business. Revenues have about doubled in the postwar period. The company is planning to install 30,000 kw hydro and 118,000 kw steam capacity (compared with the present total of 363,000 kw) indicating anticipated future growth. The equity ratio was 32% following the recent sale of stock. The company gained three rate increases during 1953-54 totaling about $2.5 million. With favorable hydro conditions, earnings for 1955 are estimated at $1.82 on the recently-increased number of shares, and future earnings (when new funds are fully employed) are estimated around $2. At the recent price around 24½ and paying $1.40, the stock yields 5.7%—an unusually good return.

El Paso Electric supplies electricity to El Paso and a strip of territory extending 230 miles along the Rio Grande Valley. It is one of the smaller growth companies in the south; revenues of about $10 million are about two and one-half times those of 1945. Share earnings of $2.43 for last year compare with 79c in 1945—each year of the postwar period having shown a gain. This year may prove an exception, however, since only $2.35 was reported for the 12 months ended July. At the recent price around 39 the stock yields 4.1% and sells at about 16.6 times earnings.

Iowa Electric Light & Power, with annual revenues of about $27 million, is one of five Iowa utilities of which four are roughly equal in size. The company's operations include electricity, manufactured and natural gas, steam and hot water. The area served includes Cedar Rapids and also the central Iowa corn belt, considered the nation's richest farming area. Diversified manufacturing plants contribute 19% of electric revenues. The company has shown surprising growth, with current revenues about three and a-half those of 1945. During the same period share earnings have increased from 51c to $1.77, the improvement being fairly regular except for a setback in 1950. The equity ratio is about 33%. An increase in the dividend rate appears likely since current payout is only about 64%. At the current price around 24½ the stock yields over 5% and sells for less than 13 times earnings.

Kentucky Utilities, with revenues of $36 million, is only slightly smaller than Louisville G. & E. although the latter appears better known to investors. The company serves Lexington, the Blue Grass region of Kentucky, and some of the coal-mining areas. Revenues more than doubled during 1947-54. Share earnings have also shown an upward trend, the recent figure of $2.16 comparing with $1.01 in 1947. The dividend has been gradually raised from 80c to the present $1.28, but payout is extremely conservative, amounting to only 59% of share earnings—further increases from time to time would therefore be logical. The equity ratio is 34%, after sale of common stock last April. At the recent price around 26½, the stock yields about 4.8%, but sells at the low price-earnings ratio of 12.3.

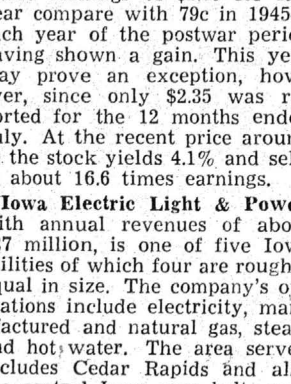
New England Gas & Electric is a holding company with system revenues of about $37 million, serving Cambridge, Worcester, New Bedford and the Cape Cod area. About 54% of revenues are electric, 41% natural gas and 5% steam heating. While the company receives natural gas from two pipelines, it also has a very efficient standby manufacturing plant used for peak shaving and for future expansion. Share earnings have remained within a narrow range in the postwar period, the latest figure being $1.26 on average shares for the 12 months ended August. At the recent price around 17, the stock yields 5.9%, as compared with industry average around 5%.

Pacific Power & Light is one of the hydro-electric growth companies of the Pacific Northwest. Share earnings increased from 63c in 1948 to $1.80 in 1952, but following the merger with Mountain States Power have declined to $1.60. At the recent price around 25¾ the stock yields over 5%. The company recently acquired a small Wyoming utility and other mergers appear possible in future years.

Northern Indiana Public Service is the largest electric utility company in the over-counter list, the company having revenues of about $68 million. The stock sells at only 13.8 times earnings compared with the general average around 15, probably due to the below-average payout of 65%, and the rather substantial proportion of heavy industrial business in its area.

Tucson Gas, Electric Light & Power is a small rapid-growth utility, revenues approximating $11 million compared with only $3 million in 1946. Share earnings have increased consistently from 84c in 1950 to $1.72 recently. At 27, the yield is only 3.9% and the P-E ratio is above average. However, the 40% equity ratio is a plus factor and the stock does not seem unreasonably priced as compared with growth utilities generally.

Texas Gas Transmission at the recent price of 24 yields only 4.2%, but if the 2% stock dividend paid in the last two years can be considered a regular feature, the combined yield would exceed 6%. It is one of the important natural gas pipeline companies, and last year's revenues were over 10 times those of 1946 as the result of mergers, new construction, and other growth. Share earnings of $1.63 for the 12 months ended June 30 compared with 39c in 1946, but have been somewhat erratic in recent years. The equity ratio approximates 27%.



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Bank and Insurance Stocks

By ARTHUR B. WALLACE

This Week—Insurance Stocks

The very last year or two of the nineteenth century saw the start of the trend in the insurance business of the formation of fleets, or groups of companies under single ownership or management. It was the beginning of the decline in specialization in the field, and this trend continues today with the steady drift toward multiple-line writing.

Three important reasons behind the development of fleets were, first, the desire of many of the fire companies to participate in the newer and fast-growing division of the insurance industry, casualty-surety lines; secondly, the desire to acquire further agency outlets in a manner that would short-cut the establishing of expensive new additions to a company's agency plant; and, finally, many state laws forbade the writing of certain lines by fire-marine companies and practically forced the incorporation of separate units to enable the fire writers to share in the casualty lines.

Several forms of fleet organization came into being. One was to buy out and take over entirely an already existing casualty or fire writer that would become a direct subsidiary, or to incorporate a new unit, the stock of which would be held by the parent or organizing company. Another was via the management route, in which several companies turned over to a management organization the operation of their underwriting and investment activities. Examples of this are the Crum & Forster fleet of companies and the Chubb & Co. fleet.

A fourth method was for a large insurance company to take over the management of a group under contract. An example of this was Home Insurance Company's arrangement with some ten relatively smaller units. This last arrangement was outlawed by the Supreme Court in 1944 and in this case it resulted in the consolidation into one company of all of the managed affiliates of Home Insurance.

Not only did fire companies either take over existing casualty units or incorporate new ones; but, as in the case of United States Fidelity & Guaranty Company, casualty writers acquired control of fire companies as subsidiaries. And other casualty carriers have done this in more recent years, mainly to utilize more intensively their agency plants, and to give them a multiple-line status.

The trend that continued to add more subsidiaries to fleet organizations was rather intensively competitive in the 1920's, and some leading parent companies had as many as eight or ten affiliates either wholly or largely controlled. It peaked out in 1929 when there were some 90 fleets containing 357 separate companies. In the depression 1930's a number of these consolidated, and a reduction in numbers resulted. This was followed by a period in which a number of new companies were organized.

Then some states let down the bars that had existed to forbid fire companies writing casualty lines, or casualty units to go into the fire field, and multiple-line business by a single unit became possible. This has resulted in absorptions of subsidiaries by parent companies, although the movement has not yet reached major proportions. As one of the principal reasons for this shift to fewer units in some fleets is operating economies, it is probable that the move will grow. Another factor present in this connection is the legalizing of insurance stocks for investment by savings banks in some states, notably some of those in New England. As company size is a consideration for legalization in some places, consoldations will tend to get some units on the legal list sooner.

It might be relevant to bring out that there are cases of moves by life insurance companies into the casualty and fire portions of the business, and vice versa. But it is doubtful that this will be a widespread movement, as there are marked dissimilarities of operation to be overcome. More probable will be an expansion of the consolidation move within fleets; it is a trend of the times as industry becomes bigger; and there is no reason why it may not be expected to affect the insurance industry.

Smith Polian Effects Gas Cos. Merger

OMAHA, Neb.—The merger of the Seattle Gas Company and the Washington Gas & Electric Company will be effective Nov. 1, 1955.

This very logical merger was affected after many months of intensive work. Smith, Polian & Company, Omaha, Neb., represented both companies in the merger, and through their efforts the consolidation of these two companies was completed. Such a consolidation will result in many economies of operation, and will also result in other savings because of the increased size of the new company.

With First New Hampshire

(Special to THE FINANCIAL CHRONICLE)

ROCKLAND, Maine — Edward R. Veazie has become associated with The First New Hampshire Corporation of Concord, N. H. Mr. Veazie for many years has been associated with Lincoln E. McRae.

EARNINGS COMPARISON ON

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Michael Heaney Co. Admits Edw. Heaney

Michael J. Heaney & Co., 120 Broadway, New York City, members of the American Stock Exchange, on Oct. 1 admitted Edward J. Heaney to partnership.

Chicago Analysts to Hear

CHICAGO, Ill. — Charles R. Fay, Vice-President and Comptroller of the Pittsburgh Plate Glass Company will address the luncheon meeting of the Investment Analysts Society of Chicago on Oct. 27 at 12:15 p.m. in the Adams Room of the Midland Hotel.

2 With Townsend, Dabney

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Helen A. Kennedy and Eric M. Wellman have become connected with Townsend, Dabney & Tyson, 30 State Street, members of the New York and Boston Stock Exchanges.

With E. F. Hutton Co.

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, Mo.—Glenn K. Woodard has become associated with E. F. Hutton & Company, 111 West Tenth Street. Mr. Woodard was formerly for many years with Francis I. du Pont & Co.

REPORT OF CONDITION OF

Underwriters Trust Company

of 50 Broadway, New York 4, N. Y., at the close of business on October 5, 1955, published in accordance with a call made by the Superintendent of Banks pursuant to the provisions of the Banking Law of the State of New York.

ASSETS	
Cash, balances with other banking institutions, including reserve balances, and cash items in process of collection	$7,169,607.85
United States Government obligations, direct and guaranteed	17,666,572.64
Obligations of States and political subdivisions	2,497,993.09
Loans and discounts (including $212.71 overdrafts)	13,572,809.32
Banking premises owned, none; furniture and fixtures and vaults	99,906.30
Other assets	192,207.30
TOTAL ASSETS	$41,199,096.50

LIABILITIES	
Demand deposits of individuals, partnerships, and corporations	$20,747,768.86
Time deposits of individuals, partnerships, and corporations	3,889,622.32
Deposits of United States Government	186,219.88
Deposits of States and political subdivisions	11,685,358.21
Deposits of banking institutions	475,297.47
Other deposits (certified and officers' checks, etc.)	614,043.49
TOTAL DEPOSITS $37,598,310.23	
Other liabilities	206,025.71
TOTAL LIABILITIES	$37,804,335.94

CAPITAL ACCOUNTS	
Capital †	$1,000,000.00
Surplus fund	1,000,000.00
Undivided profits	1,385,590.56
Reserves	9,170.00
TOTAL CAPITAL ACCOUNTS	$3,394,760.56
TOTAL LIABILITIES AND CAPITAL ACCOUNTS	$41,199,096.50

†This institution's capital consists of common stock with total par value of $1,000,000.00.

MEMORANDA	
Assets pledged or assigned to secure liabilities and for other purposes	$9,704,229.15
(a) Loans as shown above are after deduction of reserves of	63,822.67
(b) Securities as shown above are after deduction of reserves of	168,419.75

I, William D. Pike, Secretary of the above-named institution, hereby certify that the above statement is true to the best of my knowledge and belief.

WILLIAM D. PIKE.

Correct—Attest:

C. W. KORELL
JOSEPH B. V. TAMNEY } Directors
JOHN E. BOOTH

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Geneva Atomic Highlights

By NEWTON I. STEERS, JR.
President, Atomic Development Mutual Fund, Inc.

Mr. Steers reports on his impressions of the Geneva Atomic Conference, which he attended. Says our margin of superiority over the Russians is not so great as to lead to complacency. Points out new and favorable information regarding thorium as an atomic fuel was made available, but most significant revelation by the government from a commercial point of view was the announcement the Atomic Energy Commission will sell three items, important to atomic energy work. Warns, atomic industry "is just born," and in time may lead to a whole gamut of new industries.

I would like to run over briefly some of the points of interest which stand out in my mind as a result of my recent trip to Europe during which I attended the Geneva Atomic Conference.

Newton I. Steers, Jr.

It was, of course, a pleasure to find that the atmosphere was extremely favorable, particularly in view of the "summit" conference which had taken place in Geneva just a few days earlier. Many of the people with whom I came in contact went out of their way to comment on the fact that President Eisenhower had emerged as the outstanding figure at the World Counsel table. It seems that all Americans, regardless of party, can take pride in his ability to deal with persons whose languages and customs are so different from our own.

Exhibits

Without a doubt, the exhibits that were to be seen there were outstanding. There is no question that they were far more complete and informative than anything that has ever been previously exhibited. The only things which I have seen which even approached them I saw while I was associated with the Atomic Energy Commission. The United States, I think, can fairly be said to have had the best all around exhibit, although many other exhibits were also very good. In particular, our reactor models were engaging the interest of those scientifically inclined, for they quickly conveyed a wealth of information about each of the five major reactor designs which our Government is concurrently developing. The general public, with little or no scientific background, seemed to be captivated by the "real live" reactor, which was in a separate building next to the old League of Nations Building where the other Governmental exhibits were. The Russian exhibit, of course, attracted great interest, not only because it was an interesting and well presented display, but because of the complete absence of any previous information which had been available to the world at large about the Russian atomic program. It seemed to be agreed by all that the Russians were undoubtedly not abreast of the latest United States technology. On the other hand, our margin of superiority equally apparently is not so great as to furnish any ground for complacency.

In addition to the governmental exhibits I have already mentioned, there was a comprehensive industrial exhibit in downtown Geneva, and it was at this exhibit that many of the companies with which readers are familiar showed their wares. General Electric, Westinghouse, General Dynamics, American Machine & Foundry, and Bendix Aviation were among the large American industrial corporations represented. Other names significant in the atomic field were Nuclear Development Corp. of America (NDA), Vitro Corporation, High Voltage Engineering, and our own company, to name but a few.

Thorium

New and favorable information regarding thorium was made available. For those of you not familiar with the atomic field, I might say that thorium, like uranium, is an element. Its ore is radioactive, though it, itself, is not fissionable. By saying that it is not fissionable, I mean that it is not possible to carry on a nuclear chain reaction with thorium as it is possible with the U-235 variant of uranium. On the other hand, 99% of the uranium found in nature is not fissionable either, but can be made fissionable if bombarded with neutrons. At Geneva, it was revealed that "thermal breeding" appears more efficient with thorium than with uranium. Breeding, or the production of more fissionable material than is consumed, has been demonstrated before. But breeding cannot start with thorium. It must start with uranium. But it appears that thorium has a greater advantage than heretofore realized as a fertile material—that is, a material in which breeding can take place.

Atomic Prices

No doubt, the most significant revelation by the Government from a commercial point of view was the announcement by Admiral Strauss that the AEC will sell three items, each of which is very important in atomic energy work. Although the uses to which this material may be put are restricted, they are useful in identifying the approximate cost level for the items involved. Metallic uranium, refined but unenriched, is $18 per pound. One pound of uranium which is enriched to 20% U-235 will cost $2,700. Notice that 20% enriched metal contains more than 28 times as much U-235 as the $18-pound variety, which is only 0.7% U-235. The third price announcement was that heavy water would be sold for $28 per pound. It consists of oxygen and heavy hydrogen, and the heavy variety of hydrogen is found in nature to the extent of one part in about 5,000, but it makes a much more satisfactory moderator than ordinary water because it absorbs relatively few neutrons, compared to ordinary hydrogen. Neutrons, you will recall, are the nuclear particles emitted when fission takes place and which cause the nuclear chain reaction to proceed. If insufficient neutrons are present, the chain reaction dies. One of the great advantages of heavy water is that it permits the chain reaction to proceed with normal, unenriched uranium. This is exceedingly difficult with ordinary water, although graphite and beryllium are important competitors of heavy water.

Fusion

The newshawks seized on the subject of controlled fusion, and naturally early accomplishment of this difficult feat would be a great advance in the march of science. Certainly, we who have long been among the optimists with respect to the development of atomic energy are still to be classified in that category. However, it seems certain that fusion will not render uranium obsolete. Great advances have been made in recent years, and there can be no doubt that we have only just begun to learn about the nature of matter. There is a high probability that we will advance scientifically at an ever increased velocity. There are, however, a number of chastening considerations. I draw to your attention that wireless radio became a reality more than half a century ago. The telephone did not, however, become obsolete as a result, nor do I think then or now that AT&T stock should be dumped. Solar energy is considered by many to be a potential competitor of uranium energy, and indeed the financial organization with which I am associated is keeping in very close touch with developments on the solar energy front, but there are very strong reasons for believing that, just as uranium has not displaced and is not expected to displace oil, so fusion energy is not expected to alter the fact that uranium is a major natural resource.

Dr. Laurence Hafstad was one of the people in attendance at Geneva. He was formerly in charge of the entire reactor development program at the Atomic Energy Commission, including both military propulsion and civilian power reactors. He later became Atomic Energy Adviser to the Chase Manhattan Bank and was recently appointed a Vice-President of the General Motors Corporation in charge of their entire research program. He explained to me how it happened that his particular field of investigation, back in the 1930's, had included possibilities of fusion. He stated that the leaders in the field felt they had met a stone wall in the fusion direction, and it was for this reason that they turned to fission with such relief. He stated that no major break-through had occurred since that time, nor were there any signs that a break-through was in the offing.

On the other hand, it should be conceded that break-throughs are, practically by definition, unpredictable. They are generally looked upon as unusually quick advances in scientific technology, and, as such, they constitute milestones which stand out among the innumerable smaller advances, the cumulative effect of which is also important to science. These facts must be considered when deciding as to the feasibility of a "crash" program. It appears as though large Governmental expenditures can achieve great results in developmental engineering and did, in fact, accomplish wonders in connection with both the atomic bomb and H-bomb. Unfortunately, in the case of fusion, what is needed is another Einstein flash of insight which saw the convertibility of mass to energy. What is needed is another brilliant deduction like that of Lisa Meitner in realizing that uranium fission had been accomplished in 1939. There is no assurance that a $100 million program, or a $1 billion dollar program, will yield an Einstein or a Meitner any sooner than the present Government plan. Should a sufficiently promising lead be uncovered, then of course, we should not hesitate to throw our entire national resources into the remaining problems which would, no doubt, still be formidable.

Fusion is, of course, the reverse of fission. Both are truly atomic, or, more accurately, nuclear. In fission, a heavy atom like uranium splits. The resulting fragments do not weigh as much as the original atom, and the difference in weight is converted into energy, which, according to the Einstein equation, equals the loss of weight times the velocity of light (186,000 miles per second) **squared.** In fusion, light elements combine. But this time the whole weighs less than the parts, and again, the energy released is equivalent to the loss in weight multiplied by the gigantic Einstein factor.

There are important differences between fission and fusion, and one of the most important is the fact that fusion has never been accomplished except at enormous temperatures, in the hundreds of thousands of degrees. Fission, on the other hand, from the very outset was accomplished at a temperature of a few hundred degrees. The door to fission was unlocked by discovering the key. In fusion, the door must be bashed down.

The fascinating problem presented has been that of containing the uncontainable. Centuries, ago, philosophers debated as to what container might be used for a universal solvent that would dissolve anything. The fusion process gets so hot that it disintegrates whatever container it is placed in. The fascinating container for the uncontainable is not a tangible object with walls. It is a series of electromagnetic fields. The fusion reaction is trapped in space, as it were, by creating fields of force around it.

Since the 1930's, progress has been recorded in creating and controlling these intangible electromagnetic fields of force, but the key has not been found. Indeed, it may never be found. Fusion is still a high-temperature process and no break-through to a low-temperature process has been attained. Indeed, as the frontier of knowledge is pushed back, we may learn to get electricity directly from the atom without going through the inefficient heat cycle. We now talk of protons, neutrons and electrons with the same assurance as we once spoke of atoms. But we are just beginning to realize that these sub-atomic particles, in turn, are electrical in nature. How numbers of them can hang together as they do in the atomic nucleus despite their like, and hence repulsive, charges is still almost a total mystery. If the key of this mystery is ever discovered, fusion will be as obsolete as fission.

In the meantime, our interest from a financial point of view centers in developments which can have an effect on profits in the foreseeable future. We think it is clear that the application of nuclear fusion, if and when it comes, will be done by companies with nuclear know how—for the most part by those leading the pack in the field of nuclear fission.

In conclusion, I should like to quote from AEC Chairman Strauss, who said, just a year ago, "We must not forget that atomic industry is just being born. Since it is of a new species, we have no experience to tell us how it will grow, what size or shape it will assume at maturity, or what will be the limitations on its capabilities. Certainly its horizons are too broad and too distant to chart them now. . . . The significance of atomic energy for you, it seems to me, is at least a whole gamut of new industries."

This advertisement is neither an offer to sell nor a solicitation of offers to buy any of these securities. The offering is made only by the Prospectus.

NEW ISSUE October 19, 1955

303,407 Shares

New York State Electric & Gas Corporation

Common Stock

(Without Par Value)

Holders of the Company's outstanding Common Stock are being offered the right to subscribe at $37 per share for the above shares at the rate of one share for each ten shares of Common Stock held of record on October 18, 1955. Subscription Warrants will expire at 3:30 P.M., Eastern Standard Time, on November 3, 1955.

The several Underwriters have agreed, subject to certain conditions, to purchase any unsubscribed shares and, both during and following the subscription period, may offer shares of Common Stock as set forth in the Prospectus.

Copies of the Prospectus may be obtained from any of the several underwriters only in States in which such underwriters are qualified to act as dealers in securities and in which the Prospectus may legally be distributed.

The First Boston Corporation

Lehman Brothers **Wertheim & Co.**

Merrill Lynch, Pierce, Fenner & Beane

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News About Banks and Bankers

CONSOLIDATIONS
NEW BRANCHES
NEW OFFICERS, ETC.
REVISED CAPITALIZATIONS

The First National City Bank of New York has announced the appointments of Rollin C. Bush of the Municipal Division of the bank's Bond Department, and John E. Thilly of the Fifth Avenue Office as Vice-Presidents. Mr. Bush will continue in his present assignment. Mr Thilly will remain at the bank's Fifth Avenue Office which, since the recent death of Hobart M. McPherson, has been placed under the direction of Saxon C. Barnes, Vice-President.

Rollin C. Bush

John E. Thilly

* * *

The First National City Bank of New York opened a new branch on Oct. 13 in **Beirut, Lebanon.** This is its 60th overseas branch in 21 foreign countries. Establishment of the Beirut Branch is the second step in a move to bring expanded world-wide banking facilities to the Middle East. In April of this year the bank opened a branch in Cairo, Egypt, the first Middle East branch it is said of any American bank.

* * *

It was also announced on Oct. 17 by the **First National City Bank of New York** that it has established a military banking facility at the **U. S. Naval Air Station, Iwakuni, Japan.** This new unit will provide complete banking services for members of the U. S. Armed Forces and civilian components living at the Air Station.

* * *

Edward L. Love, Executive Vice-President of **The Chase Manhattan Bank of New York,** has asked to be relieved of his executive responsibilities in the bank and has therefore elected to retire as of Oct. 31, 1955 under the early retirement provision of the bank's pension plan. On arrangement with the bank, however, he will continue his association with it in a general consulting capacity and will be available for advice and consultation on all matters relating to the bank. He will continue as a director of **The Chase Bank,** which is a wholly-owned subsidiary of The Chase Manhattan Bank operating under the Edge Act and conducting operations outside the United States. Mr. Love will maintain his office with the Bank in the head office building at 18 Pine Street. Mr. Love whose career in New York banking circles covers a period of over 40 years, has specialized in corporate and utility financing; for many years he was one of the senior officers of The Chase National Bank, and since the merger of that bank with the Bank of The Manhattan Company has been an Executive Vice-President of the merged bank.

* * *

THE CORPORATION TRUST COMPANY, NEW YORK

	Oct. 5,'55	June 30,'55
Total resources	$3,459,671	$3,195,406
Deposits	503,740	625,439
Cash and due from banks	1,879,433	1,619,993
U. S. Govt. security holdings	431,321	431,333
Undivided profits	486,523	373,866

* * *

The appointment of Harold F. Klein as an Assistant Vice-President of **Manufacturers Trust Company of New York** was announced on Oct. 13 by Horace C. Flanigan, President. Mr. Flanigan also announced on Oct. 14 the appointment of William J. Vizdos as an Assistant Vice-President of Manufacturers Trust. Mr. Klein after serving as a reporter for the "Brooklyn Eagle" in the 1920's was advanced to Assistant Financial Editor. He joined the staff of Brooklyn Trust Company in 1930 at the invitation of George V. McLaughlin who was then President. At Brooklyn Trust, Mr. Klein served as Public Relations Representative and Research Assistant to Mr. McLaughlin. He became an officer of Manufacturers Trust at the time of the merger in 1950 and has been in the bank's Advertising and Publicity Department.

Mr. Vizdos' first job was with Manufacturers Trust Company in 1927 when he began as a clerk in the bank's 79th Street Office. He later advanced to Chief Clerk and to Assistant Manager and in 1951 he was appointed an Assistant Secretary. At present, Mr. Vizdos is assigned to the Queens Branch Administration Department, at the bank's Queens Plaza Office, Long Island City.

* * *

Increased from $623,220, the **Long Island National Bank of Hicksville, New York** now has a capital as of Oct. 1, of $750,000. The amount was enlarged to the last named figure as a result of the sale of $115,000 of new stock and a stock dividend of $11,780.

* * *

The Board of Governors of the Federal Reserve System reports that the **Bank of Amityville,** at **Amityville, Long Island, N. Y.,** a State member, and the **South Side Bank, of Bay Shore, N. Y.,** an insured non-member, merged under the charter of the latter bank and the new title of the **State Bank of Suffolk.** A branch was established in the former location of The Bank of Amityville. In these columns Sept. 22, page 1182, it was noted that on Sept. 14 the New York State Banking Department had authorized the **South Side Bank** of Bay Shore to increase its capital stock from $250,000 to $487,500 and that application had been made by the bank to the Banking Department to change its name to the **State Bank of Suffolk.**

* * *

Increased from $750,000 the **First National Bank in Yonkers, N. Y.** as of Sept. 28 enlarged its capital to $1,000,000. The addition thereto was brought about by a stock dividend of $150,000 and the sale of $100,000 of new stock.

* * *

Archie E. Prout was elected Vice-President of the **National Bank of Westchester** at **White Plains, N. Y.** at the October meeting of the directors, Ralph T. Tyner, Jr., President has announced. A specialist in mortgage activities, Mr. Prout is in charge of the mortgage division of National Bank of Westchester. He is an associate member of the Westchester County Realty Board and a member of the Westchester Home Builders Association.

President Tyner has also announced that the application of the National Bank of Westchester to open a branch office in Bedford Hills, N. Y. has been approved by the Comptroller of the Currency in Washington. The office, which will be located in the vicinity of the Railroad Station Plaza in Bedford Hills will be opened in the near future. The bank has 13 offices operating at present, and applications have been approved for additional facilities in West White Plains, Tarrytown and Montrose.

* * *

The First National Bank of Binghamton, N. Y. and the **City National Bank of Binghamton** were consolidated, effective Oct. 3 under the name of the **First-City National Bank of Binghamton, N. Y.** Each of the uniting banks had a capital of $1,000,000. The consolidated bank has been formed with a capital of $2,500,000, in 125,000 shares of common stock, par $20 each, surplus of $2,500,000 and undivided profits of not less than $500,000.

* * *

The election of Allen M. Mills to the board of directors of the **Camden Trust Company of Camden, N. J.** was announced by Robert J. Kiesling, President on Oct. 17. Mr. Mills is Executive Vice-President and a director of The Camden Fire Insurance Association.

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities. The offer is made only by the Prospectus.

New Issue

243,469 Shares

United Aircraft Corporation

Preference Stock, 4% Series of 1955

$100 par value (convertible prior to November 1, 1965, unless previously redeemed)

The Corporation is offering to holders of its Common Stock the right to subscribe for the 1955 Preference Stock on the basis of one share of 1955 Preference Stock for each 20 shares of Common Stock. The Subscription Offer will expire at 3:30 P.M., Eastern Standard Time, on November 1, 1955.

Subscription Price $100 a Share

During the subscription period the several Underwriters, including the undersigned, may offer and sell 1955 Preference Stock, including stock purchased or to be purchased by them through the exercise of Subscription Warrants, at prices not less than the Subscription Price set forth above less any concession to dealers and not greater than the highest known price at which the 1955 Preference Stock is then being offered by other dealers, plus the amount of any concession to dealers.

Copies of the Prospectus are obtainable from the undersigned and such other dealers as may lawfully offer these securities in the respective States.

Harriman Ripley & Co.
Incorporated
63 Wall Street, New York 5, N. Y.

BOSTON PHILADELPHIA CHICAGO
CLEVELAND DETROIT READING

October 19, 1955.

How Wall Street Goes to Main Street

By LOUIS ENGEL*

Partner in Charge of Advertising of Merrill Lynch, Pierce, Fenner & Beane, Members N. Y. S. E.

Maintaining unbelievable ignorance constitutes main reason for resistance to stock buying, Mr. Engel declares Wall Street's main problem is to sell a market that is financially illiterate. Maintains brokerage firms' principal interest should be to persuade people to own securities, and secondarily to use their particular facilities. Expects important support to come from other businesses.

No matter how you slice it, politically, socially, economically, personally—it is good for people to own stock. Although you may think that is self evident, the great bulk of America does not know—does not understand—does not accept that. There is one reason for the fact that people do not buy stocks. Ignorance. An abounding, abysmal, unbelievable ignorance about our business. That fact has been documented in surveys reported by the N. Y. Stock Exchange. One study shows that only 23% of the people in this country had even the vaguest idea of what common stocks were and only 23% of those same people would consider buying common stock if they had the resources.

Louis Engel

And that is our problem today. We have got to sell a market that is financially illiterate. And the only mass tool we have available for a mass selling operation is the same tool that General Motors and General Electric and every other successful company in this country is using. Advertising.

We don't mean the kind of advertising that offers to sell stock or solicits people to buy stock. That's the kind of advertising that tries to sell or give people a post graduate course when they haven't got out of kindergarten yet. People are not going to put their money at risk in new ventures, or even in expansions of old ventures, unless they are familiar with the basic concepts of owning stock. Unless they know something about General Motors and General Electric and U. S. Steel. Unless they own some of those securities first.

Security Ownership Primary

So, the primary objective of all of our advertising and sales promotion here is to sell the idea of security ownership first, and very secondarily the idea of buying securities through Merrill Lynch.

We must ask ourselves, "Is this ad—this piece of literature—contributing to the acceptance of the fact that it is good to own common stock?"

We ran our first educational piece as a full page ad in the New York "Times" seven years ago. It contained 6,000 words of very small print under a simple heading, "What Everybody Ought to Know About the Stock and Bond Business." The text answered a whole series of basic questions about the securities business.

It was an ad that succeeded in spite of itself. We received 5,000 letters inside of two weeks. We have since used that same ad in 150 different papers and in "Time" magazine as a three-page ad. Despite its use and re-use, the last time it ran in the New York "World Telegram-Sun," about a year ago, it produced 10% more inquiries than it did in 1948. This is the most convincing evidence of the eagerness of people to know about what we are doing.

We have tried to make an ad that is more sprightly but it doesn't seem to pull as well as a straight simple type of ad. It must be because people who are concerned with investing with their own money don't want to feel they are being high pressured or that they are being advertised-to. In our business more than in any other, the absolute confidence of the customer is vital . . . and it is just possible the plain simple type ad does something to bolster his confidence. It gives him the feeling that we are just talking to him.

Support From Other Businesses

I think the day is going to come when we are going to have a very sizable measure of support for our business from other businesses. The interest which large corporations have shown in the last half dozen years in educating their own employees through their house organs is a very healthy thing. The day may even come when advertisers, if they are not too worried about the SEC in selling their own stock, are going to say in their advertising not only that they have a good product, but that theirs is a pretty good company in case you would like to buy stock in it.

The money we actually spend in the majority of our local markets is less than other people are spending, for which I am very glad. The more money everybody spends on advertising the more we are all going to profit. The bigger we can make this pie, the bigger our particular little piece is going to be. That's one of the reasons why Mr. Merrill is willing to see us use our advertising money just to sell this basic idea of stock ownership.

*Summary of an address by Mr. Engel before the Advertising Women of New York, Inc. at the Astor Hotel, New York City, Oct. 18, 1955.

COMING EVENTS

In Investment Field

Nov. 16-18 (New York, N. Y.)
Association of Stock Exchange Firms meeting of Board of Governors.

Nov. 19, 1955 (New York City)
Security Traders Association of New York cocktail party and dinner dance at the Hotel Commodore.

Nov. 27-Dec. 2, 1955 (Hollywood, Florida)
Investment Bankers Association annual Convention at Hollywood Beach Hotel

Dec. 2, 1955 (New York City)
Security Traders Association of New York Annual Meeting at the Bankers Club.

Oct. 24-27, 1956 (Palm Springs, Calif.)
National Security Traders Association Annual Convention.

Nov. 3-6, 1957 (Hot Springs, Va.)
National Security Traders Association Annual Convention.

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Future World Demand for Oil

By ALBERT NICKERSON*
President, Socony Mobil Oil Company, Inc.

Prominent oil executive gives data regarding petroleum production and consumption. Says industry is in good shape to meet the demand of the heating season, and foresees a steady growth in domestic demand during next decade, accompanied by shifts in the pattern of oil consumption. Looks also for increased foreign demand for petroleum products. Estimates world demand for petroleum in 1965 at over 21 million barrels daily, an increase of 65% over current daily demand.

Demand for liquid hydrocarbons in the United States last year amounted to about 7,750,000 barrels a day, an increase of only 2% from the previous year. In the beginning of 1954 an increase of 4% was expected and the lesser increase came as a real and still not wholly understood disappointment to the industry. Domestic production was actually slightly less than the previous year.


Albert L. Nickerson

This year the reverse situation seems to be occurring. Demand is running ahead of earlier estimates and may exceed 8,300,000 barrels daily, an increase of over 7%. Gasoline demand in the month of August was 9% ahead of August 1954, an exceptionally good showing, and distillate fuels are running over 9% ahead for the first eight months. Domestic production is ahead 5.6% for the same period.

The simplest explanation for these occurrences is that business was not as good as we expected last year and better than we expected this year. I think you will agree with me that the kind of surprise we are getting this year is a lot easier to take.

Meeting the Heating Load

As we stand at the threshold of the heating season we have the same worries we always have at this time of year. Are stocks too high? Are runs too high? Will cold weather stimulate demand soon enough? No one knows the answer to these questions. It looks as though industry is in good shape to meet the heating load if we have normal weather in the heavy consumption areas. And if we have, we should all enjoy good business. We must plan for normal weather. The public will forgive us if during a warm winter our tanks overflow and our prices drop. It will not forgive us if we fail to meet the demand during a colder than normal winter. Looking ahead to 1956 we forecast total domestic demand at 8,650,000 barrels daily, a further increase of 4% over 1955.

On the basis of estimates made by our company, we expect steady growth in domestic demand during the decade 1956-1965. Our estimate for 1960 is 9,700,000 barrels daily, or an increase of nearly 17% over 1955. And for 1965 we forecast an additional 10% increase over 1960.

Shifts in Pattern of Consumption

If we compare today's demands for individual petroleum products with those forecast for 1960, a number of shifts in the pattern of oil consumption in the United States appear to be in prospect. On a percentage basis, the most striking of these is a gain of 93% in demand for jet fuel, reflecting the replacement of conventional piston engines by turbojet and jet engines in military and civilian aircraft. By 1960 demand for jet fuel is forecast at over 300,000 barrels a day. Our forecasts indicate increases of about 44% in demand for asphalt and of about 39% in demand for liquefied petroleum gas in the same period.

We expect demand for gasoline to rise at about the same rate as total domestic demand over the next five or six years. Demand for distillates, we think, will increase more sharply. On the other hand, demand for kerosene in 1960 is expected to be smaller than it is today. And our forecast indicates demand for residuals will remain almost stationary.

Turning to the free world outside the United States, we estimate that demand for liquid hydrocarbons amounted to a little more than 5,300,000 barrels a day in 1954. Our forecast for this year is for an 11% increase and next year we expect a further increase of 8%.

In the decade 1956-1965 demand in the free foreign countries is expected to rise much faster than in the United States. By 1960, our forecast indicates that demand will reach 8,300,000 barrels a day, an increase of almost 41% over this year. By 1965 the demand is estimated to be 29% above the level five years earlier.

Foreign Petroleum Demands

Starting from a lower base but climbing at a sharper rate, we estimate that demand in the free foreign countries will just about equal United States demand in 10 years. Crude production in the free world outside the United States, as you know, caught up with U. S. production this year.

The large increases in petroleum demand in prospect for the free foreign countries reflect the notable progress made by most of these countries in solving the difficult problems of postwar reconstruction. In Western Europe particularly, economic recovery has been very rapid in the last two or three years. All of the countries in this area are even now much better off than they were before World War II. Industrial plants have been modernized and industrial production is far above pre-war levels. As Americans, we can be justly proud of our contribution to this recovery. Without our help in the form of economic and military aid it might well not have taken place. The political repercussions in this event would have been of the utmost gravity, as you can well appreciate.

The pattern of product consumption abroad is basically different from that in the United States, and our forecasts of demand lead us to believe that it is likely to remain so for some time. Residual fuel oil is in greater demand abroad than any other product, whereas in this country gasoline demand is more than twice as large as demand for residuals. Extraordinarily high taxes on gasoline, levied to save foreign exchange and to raise internal revenue, have discouraged its consumption in virtually all foreign countries. Our estimates of products demands in the free foreign countries during the next several years indicate continued strong markets for distillates and residuals, with a sharp increase in the demand for jet fuel.

The World Demand

Adding United States demand to that of the rest of the free world, we have a total free world daily demand for liquid hydrocarbons spiraling from 13,000,000 barrels in 1954 to 21,400,000 barrels in 1965—an increase of 65%.

I think I can understand how an oil producer operating in Texas this month on a 16-day producing schedule might consider these figures a little remote. But the probability of continued strong demand for petroleum products over the next decade, not only in the United States but throughout the free world should be a source of real encouragement to all of us. Before leaving the subject of demands, let's project them for one more decade, to 1975. That after all isn't any farther away than 1935, and to many of us that doesn't seem very long ago.

Our forecast of total free world demand in 1975 is 26,700,000 barrels a day, 25% more than in 1965. Forty-six percent of this total demand will occur in the United States and the balance, 54%, abroad.

Impact of Nuclear Energy

You may wonder whether, in making these long-range forecasts, we have taken into account the development of nuclear energy. The answer is that we have tried to do so. We believe that those of us who are engaged in the business of supplying petroleum energy—whether as integrated companies or as non-integrated producers of oil and gas—have more than an ordinary interest in the development of this new energy source. Perhaps then it would be appropriate to discuss some aspects of nuclear energy and some of its probable effects on future demand for petroleum.

This is a good time to do so. Just a little over six weeks ago the first International Conference on the Peaceful Uses of Atomic Energy concluded its sessions at Geneva. A large amount of information about nuclear energy which had previously been classified was exchanged. On the basis of this information we can put the future role of nuclear energy in somewhat better perspective than before and see a little more clearly what part petroleum is likely to play in future world economic development.

The scientists at Geneva pointed out that some parts of the world, because they are remote from conventional fuel sources, could even now be economically served by nuclear electric power plants. They expect that nuclear generating costs, which are now estimated at about nine mills per kilowatt hour in the United States and Great Britain, can be reduced sufficiently by about 1965, to make nuclear power competitive in many areas. By way of comparison, the present cost of electricity generated at a new plant in New York City using conventional fuels is about seven and a half mills.

Within the last few months the electric power industry in the United States has been sufficiently impressed by the prospects for future reductions in nuclear power costs to commit a quarter of a billion dollars in capital funds to build nuclear reactors with a total capacity of close to one million kilowatts of electricity—about 1% of the country's present installed capacity.

What all this adds up to is probably a gradual shift from conventional fuels to nuclear fuels as new electric power stations are built and as nuclear power becomes increasingly competitive. There doesn't seem to be much likelihood that present power stations will in the foreseeable future convert to nuclear fuels. So to the petroleum industry this will mean initially that the demand for its least valuable product—residual fuel oil—may not rise as rapidly in the future as it otherwise would have.

Next on the timetable may be the use of nuclear fuels to propel ships and to provide central heat and energy sources for industrial operations. As you know, the *U. S. S. Nautilus*, although it is an experimental ship, is now fully operational and other more efficient nuclear-powered submarines are in various stages of construction. This suggests that the petroleum industry can expect eventually to lose some of its potential markets for diesel fuels as well as for heavy fuel oils.

In our industry we are accustomed to looking ahead as much as 10 years from the time we start looking for oil in a new area to the time when the oil we have found can be used by the consumer. So we cannot afford to disregard the possibility that sometime between 1965 and 1975 technological advances may also make nuclear electricity economical in some areas as a central source of heat for homes and power for railroads.

Oil As Automobile Fuel

Barring some major technological breakthrough, however, it does not now seem likely that petroleum will be challenged during our lifetime for its largest and most valuable market — automotive fuel. Before nuclear fuel can be used directly in small or moderate-sized mobile power plants, the immensely difficult problem of safe packaging must be overcome. Our important asphalt market will be unaffected by nuclear developments and, so far as can now be seen, nuclear energy does not threaten our markets for lubricants.

And of course we have our rapidly expanding field of petrochemicals. The fact that this field now accounts for but a small fraction of total crude runs should not cause us to forget that annual sales value has doubled since 1950 to nearly $4 billion and that

Continued on page 23

*An address by Mr. Nickerson before the Texas Mid-Continent Oil and Gas Association, Dallas, Texas, Oct. 4, 1955.

NEW ISSUE IDENTIFYING STATEMENT

This is not an offer to sell these securities. They are subject to the registration and prospectus requirements of the Federal Securities Act. Information about the issuer, the securities and the circumstances of the offering is contained in the Prospectus which must be given to the buyer.

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SPLENDORA FILM CORPORATION

Common Stock

(Par Value 10c Per Share)

BUSINESS: The company intends to engage in the business of producing relatively low-cost motion pictures, mainly utilizing the creative, artistic and technical abilities of the American Negro. Both dramatic and musical films are planned for exhibition in theatres and on television.

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Continued from first page

As We See It

fail to add materially to Federal outlays. It is evident enough too that many of the politicians in the Republican party are mortally afraid of the farmer vote next year, and are prepared to go to almost any length to prove that they too are friends of the farmer. Some further "liberalization" of the social security program appears more or less in the cards for next year. Thanks in substantial part to similar amendments in the law, outlays have been rising ominously. We should not consider adding further to these burdens in any event; we simply must avoid it if we are to have any reasonable basis for considering tax reduction next year.

Good Politics, Bad Public Policy?

We sometimes wonder if there really is no way to render it good politics in an election year to refuse to play politics. If we have ever had a leading national figure with the courage to try the experiment, his day has long since passed. Possibly the late Senator Taft came as near it as any other man in public life, but, of course, he had his weaknesses, too. But if there is no way in which the voters of this country can be persuaded to reward statesmanship over sly political maneuvering, then our boasted democracy must remain a lame and impotent thing—as well as an essentially dangerous thing. If farmers vote for the man who will give them the most or promise them the most; if the wage earner will heed the urgings of his union leaders and cast his ballot for the man who will most easily and most completely knuckle under; and if various other elements in the population follow similar patterns of political behavior, how shall we ever get calm, clear thinking and action on any of the public issues of the day?

Contemplation of these facts is stimulated and rendered the more disheartening by the circumstance that on all sides it is now apparently accepted not only as inevitable but more or less the natural thing for statesmanship to be thrown to the winds in an election year. Everywhere one hears the simple statement that tax reduction next year is a foregone conclusion, and from that point on conversation turns on what such a reduction implies for business in the immediate future. Rarely — distressingly rarely —is any analysis of the economic warrant for tax reduction. Not whether it should come or not, but merely what policy on the part of the individual or the business would best take advantage of this reduction in taxes—this is the gist of current conversations on the subject.

The Trouble

The trouble — or one of them—is, of course, that it is so easy for the beneficiary of public largesse to convince himself that special favors to him are in the public interest —and so little effort is made at least by the influential politician to dispel such notions. The farmer is a clear example of this. He has been told so often by so many smooth politicians — and we must say a good many others, too—that he is the foundation of the economic system, that he must be prosperous, that any step or measure which makes him prosperous redounds to the benefit of all the rest, and that this gain by other elements in the population far outweighs the cost of the largesse they supply the farmer—he has had this buncombe dinned into his ears so often and so long that he has become an inveterate physiocrat, and ready to demand almost anything from the remainder of the people in the country.

The same in effect is true of the labor union members, or many of them. Something in the nature of the "old school spirit" is generated among them, and they are inclined not to ask questions, but rather to do as they are told and to think as they are told. Certain issues are made sacrosanct. This and that in the nature of public policy in his favor become "right" and proper, and the politician who is willing to give them to him is his "friend"; all others being his enemy. No questions need be asked, and no other considerations are to be taken into account. And so politicians often command his vote regardless of what they have done or may do in other areas of public business. Fortunately, evidence comes to hand from time to time that not all members of the unions can thus be led around by the nose, as it becomes clear at intervals that there are farmers who think for themselves and farther ahead than the end of their noses. But these mass appeals to large groups on obviously back-scratching proposals are much too formidable for the rank and file of the politicians whose first thought is always to get elected.

These random thoughts are given poignancy this year and for next by reason of the special political situation which results from the illness of the President. The Democratic party has not yet chosen its leader for next year's affray, but there need be no doubt that the party managers whoever they are will be under great temptation to cuddle up to the farmer at the expense of the taxpayer. It has always "played ball" with the unions' leaders, or at least has done so in recent years. Besides, it is part and parcel of the accepted political strategy for the "outs" to promise much. There are some able men in the Republican party, but can they take charge and make themselves effective in the current situation without "Ike" at the head of the party? In these circumstances, it is hoping for a good deal to demand that next year's election be conducted in a statesmanlike way, but the country sadly needs such a campaign.

All these shares having been sold, this advertisement appears as a matter of record only.

NEW ISSUE

200,000 Shares

Lewisohn Copper Corporation

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Price $1.50 per Share

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To Be Kamen & Co.; Leibert a Partner

On Oct. 27 Morris Z. Pasternack member of the New York Stock Exchange, will withdraw from Kamen, Pasternack & Co, 25 Broad Street, New York City, and the firm name will be changed to Kamen & Co. Edward F. Leibert will acquire a membership in the New York Stock Exchange and on the same date will be admitted to partnership in the firm.

To Be Stetson Partner

Donald S. Kennedy on Nov. 1 will become a partner in Stetson & Co., 41 East 42nd Street, New York City, members of the New York Stock Exchange. Mr. Kennedy is an officer of the firm's affiliate, Stetson Securities Corporation.

THE MARKET . . . AND YOU

By WALLACE STREETE

The stock market simmered down this week from its hectic ways of the last three weeks and interest centered mainly on issues featuring good earnings or better dividends. The over-all tone, consequently, while one of cautious trading, was better stability for a change, along with the ensuing comforts.

* * *

The respite did little to solve any of the basic problems. Market students, still somewhat stunned at the severity of the reaction, in the face of so many intangibles weren't overly given to firm convictions that more strange things cannot happen again. A popular round figure in vogue is that another psychological upheaval could carry the industrial average a hundred points under its 1955 high. This, in addition to other things, was tacit admission that the dampened sentiment will preclude any unbridled bull enthusiasm for some time to come, and could greatly restrict the usual yearend rally. At the low of the reaction, incidentally, about half of that extreme distance had been traversed.

* * *

In the slow trading the standout features were somewhat scarce. DuPont, however, held the limelight briefly when the notion became widespread that the monthly meeting of the directors this week would be the time for the long-hoped stock split. When it turned out that the dividend meeting won't be held until next month, the stock had some wide gyrations including one extreme retreat running 10 points from the peak.

* * *

A somewhat newer item in the spotlight was American Hawaiian Steamship on a similar runup when hopes were high that the Supreme Court would hear its appeal for a compensatory payment from the government of more than twice what the lower courts had awarded. It, too, ran up sharply and fell back just as fast.

* * *

Aircrafts Higher

Washington indications that cuts in military appropriations will stabilize for a bit, plus the interest fanned up by the first firm jet transport orders booked for Pan American Airways helped keep the aircrafts in a better fettle than most major groups and, for that matter, than the section has shown for some time. Douglas and Boeing, who will share the civilian transport order, were the better acting issues obviously but the rest were able to participate in the strength to a good degree.

* * *

Steels, while pursuing a somewhat uncertain course over-all, nevertheless were able to stand out occasionally on strength as some of the early earnings reports fully bore out advance predictions, including $2.29 a share for Allegheny Ludlum against 27 cents in the same period a year ago which was one of the more marked comparisons. The climax will come next week when the dividend actions of U. S. Steel and Bethlehem are slated.

* * *

Motors were desultory marketwise, largely because Chrysler's third quarter report will reflect lower earnings after the early changeover to the new models. That the independents aren't faring overly well profitwise also tended to keep interest restricted in this group, and forecasts still indicate that American Motors has yet to struggle into the black-ink column.

* * *

Foggy Copper Picture

The non-ferrous metals, which recently ran out of steam rather abruptly after a good whirl, were also caught in crosscurrents. This encompassed a sudden easing in the copper shortage to offset some zinc price firming while at the same time there was some price easing in the scrap markets. It kept the picture clouded generally. Magma Copper was the wider-moving among the coppers and some of its losses were of the several-point variety in a single session.

* * *

Despite the decline in prices generally in the last month, the uncertainties over whether the reaction is complete kept the buy recommendations of specific issues to a rather light load. Some of the issues well-depressed before the latest correction were culled out and gingerly offered as examples of good yields with a little more shelter than the favorites on the runup of the last two years. American Tobacco was suggested both because it has not participated overly in the rise, offers a good return, and is a candidate for a higher dividend eventually, some analysts placing the timing as early next year.

* * *

Oil Well Suppliers Liked

Oils have been rather undistinguished and few of the producers have merited much

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in the way of recommendations. The oil well supply companies, including National Supply and A. O. Smith, however, have been favored by some of the market commentators since activity holds up well and they, too, have been somewhat pointedly neglected in the bull swing of earlier this year.

* * *

United Dye & Chemical marketwise was among the features with a runup to the best price in history on some fat gains as it appeared that a new management had the resources and the plan to finally eliminate the preferred issue which has long been a block in the way of making the common worthwhile. The feat in uncertain markets was doubly stark.

* * *

American Telephone, which had been largely ignored when the going was easier in favor of the more dramatic and dynamic growth issues, was back making an occasional appearance in the market letters. This largely stemmed from its yield of better than 5%, where the earlier enthusiasm had run other faster moving issues up to where the return was down to 2 and 3%. Telephone was somewhat more buoyant after the pressure of the latest rights offering was lifted with almost two months to go before the weight of the first heavy conversions of debentures into capital stock might be felt.

* * *

Store Stocks Recommended

Stores and food chains continued to attract some attention from the investment advisors and again it was a case of a group that hadn't been overly popular in the two-year bull market climb. Yields in the group are liberal against the norm with such as Cities Stores, the larger department chains and Woolworth still earning favorable comment. It has probably been pointed out more times than any other single fact concerning one issue that the value of Woolworth's British holdings alone nearly equals the price of the stock itself.

* * *

Rails continue to lag behind the industrials despite all the favorable facets and even, this week, in the face of easing a long doubt. The interim fare increases slated to expire this year were given permanence by Interstate Commerce Commission edict. It was offset to some degree by statements of the heads of the roads that it would clear the way for adopting tentative improvement plans and help offset higher wage rates—indicating little of a concrete nature immediately for stockholders. New York Central was one of the few that featured in many market discussions with some of its followers predicting doubled dividends and market price for the stock "in a few years." Marketwise, it helped the issue maintain good buoyance.

[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.]

Glen Kolb Opens

(Special to The Financial Chronicle)

DENVER, Colo.—Glen G. Kolb is engaging in a securities business from offices at 509 17th Street. Mr. Kolb was previously with Honnold & Co.

Russell Slade Opens

DENVER, Colo.—Russell Slade is engaging in a securities business from offices in the Railway Exchange Building, under the firm name of Russell Slade Investment Securities.

SMOKING PLEASURE . . . PAST AND PRESENT

"The best Tobacco under the Sun!"

In the lively days of Queen Elizabeth I, the tobacco that came to London was, indeed, the "best tobacco under the sun." And the fashionable tobacconists of the time took care to give it the billing it deserved. Their ads were classics of clarity. In sonorous Latin and lilting French, they strummed their single theme . . . and for those who must run as they read, they appended a translation in pure Elizabethanese.

In the 350 years from Elizabeth I to Elizabeth II, tobacco and tobacco products have been improved immeasurably. And for nearly 200 of those years, P. Lorillard Company, founded in 1760, has been leading the way.

Our single-minded devotion to smoking pleasure has brought us new friends every year. OLD GOLDS—regular, king size and filter kings—are today more popular than ever. And KENT, the cigarette with the amazing MICRONITE filter, continues as a leader in the high filtration field.

There's only one reason for this popularity . . . for the continuing loyalty of Lorillard customers to *every* Lorillard product, and for the confidence of Lorillard stockholders in the future of their company. It's the result of two centuries of Lorillard leadership in *smoking pleasure.*

P. Lorillard Company

AMERICA'S OLDEST TOBACCO MERCHANTS · ESTABLISHED 1760

Leading Products of

P. LORILLARD COMPANY

Cigarettes

OLD GOLD · *Regular, King Size and Filter Kings*
KENT · *Regular and King Size*
EMBASSY · *King Size*
MURAD
HELMAR

Smoking Tobaccos

BRIGGS
UNION LEADER
FRIENDS
INDIA HOUSE

Cigars

MURIEL
HEADLINE
VAN BIBBER
BETWEEN THE ACTS

Chewing Tobaccos

BEECH-NUT
BAGPIPE
HAVANA BLOSSOM

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"Human Relations"— A New Profession

By ROGER W. BABSON

Holding the old misnamed "public relations" job is being built up to a "human relations profession," Mr. Babson points out this profession should not be mixed up with advertising, and must not be any part of secret propaganda. Lays down six fundamental rules for success in the profession.

Yes, it is the old misnamed "public relations" job which is fast being built up into a new and distinctive "human relations" profession. Furthermore, it is open to both men and women — yes, even to "shut-ins." I forecast it is headed for a brilliant future.

Roger W. Babson

Many lawyers are being used as "public relations" men; but it is not a work for lawyers. You yourself know that a lawyer's letterhead scares you! It is indicative of force. A good human relations man or woman **cannot** use force or, directly or indirectly, threaten. I may be wrong, but in my opinion, to be most successful a human relations expert should not be a lawyer and should never have taken a case to court.

Unfortunately, human relations work has got mixed up with advertising. Although I am a great believer is wise advertising—yet it must be open and above-board. It must not be any part of secret progaganda. The human relations expert, whether man or woman, should frankly state he or she is in the employ, at the time, of certain corporations (one or more). But the terms of "public" or "human" relations need not appear on his letterhead. If the corporation's letterhead is used, no reference should be made to a Public Relations Department or to such an office as "Vice-President in charge of Public Relations." In fact, the terms should be avoided at all times in any public way.

Rules for Success

These are some fundamental rules for success in this profession:

(1) Always be honest. (2) Handle cases only in the community in which you live and are known to be a person of excellent character and in which, preferably, you are connected with some church. (3) Avoid threatening, bribing, or being party to ultimatums. In case of labor troubles, "keep the ball in the air," so to speak. Unless a fire is constantly fed with fuel, it ultimately goes out. (4) Avoid using the words "never" or "always." (5) To use a slang phrase, a good public relations person will not "attempt to tell a father how to raise his children." (6) Avoid writing letters, except to the corporation which you are serving. Keep all work very informal and personal, without a secretary or other go-between.

To succeed in this new profession, a person must be patient, starting with only one corporation as a client; but the person MUST know more about said corporation than anyone else in the community. Of course this takes time, patience, and prayer; but think of the time and money which one who is training to be a doctor must spend before he gets his first patient. On the other hand, such a public relations man needs no office, but can operate from his home; in fact, an office might be a handicap. The work should be done either by telephone or through personal talks. Every such person should be a careful reader and indexer of the local newspaper and get the friendship of all local merchants.

Work Should Be Informal

It does not harm and perhaps may help such persons to do other things for a corporation client, also. I, however, cannot overemphasize the importance of absolute integrity and the recognition by the entire community—bankers, merchants, labor leaders, and wageworkers—that you stand for such. As for income, your fee for each case must depend upon the time consumed and the results achieved. I should say that these fees might run from $100 to $5,000. But let the corporation determine the fee. Your task is to have every one connected with the problem satisfied with the outcome.

The public relations group have a monthly publication called "Public Relations Journal." Several text books are available to those desiring to read about this new profession.

Rudolf Smutny Director of Webb & Knapp

Rudolf Smutny, senior partner of Salomon Bros. & Hutzler, investment bankers, has become a director of Webb & Knapp, Inc.

Rudolf Smutny

The real estate company announced Mr. Smutny's election following a meeting of the Board.

Mr. Smutny is Chairman of the New York Group of the Investment Bankers' Association of America and for many years has been a member of the Governmental Securities Committee of the Investment Bankers Association. He is also a director of Rail-Trailer Co., Inc. Chicago.

First of Michigan Adds

(Special to THE FINANCIAL CHRONICLE)

DETROIT, Mich.—Raymond C. Leonard is now with First of Michigan Corporation, Buhl Building, members of the Detroit and Midwest Stock Exchanges.

UPSON, *an honored name*

From its inception 46 years ago The Upson Company has pioneered in the research and development of better wall and ceiling linings. In recent years these explorations have included outside, as well as inside, walls.

Keeping pace with precision manufacturing methods and maintenance of quality controls is Upson's friendly and cooperative dealer policy, which has established for the company an enviable reputation for integrity among its 16,000 dealers.

This is reflected in the company's growth. From a modest little plant of 15,000 sq. ft. in 1910, and capitalized at $50,000, The Upson Company has grown to a huge plant which today occupies some 40 buildings, extending over 23 acres—the largest fibre wall panel plant under one roof in the world. With ever increasing demands for dry-wall construction and expanding industrial uses of Upson panels, the growth potential of the company seems excellent.

With its customers, its stockholders, its employees, UPSON inspires confidence. It is an honored name.

THE UPSON COMPANY UPSON LOCKPORT, NEW YORK

Our Reporter on Governments

By JOHN T. CHIPPENDALE, JR.

The surprise move last Friday on the part of the large commercial banks in raising the prime bank rate from 3¼% to 3½% shows that the demand for loans is as large as ever and the money picture with these institutions is still very tight. The call rate and the prime bank rate are again at the same level. The upping of the prime bank rate had more of an effect upon the short-term money market, because the yield on Treasury bills went to the highest levels registered in the current move.

With the yield on the shortest Treasury obligation above the rediscount rate, this naturally raised the question as to what is going to happen to the rate which the Central Banks charge for borrowings by the member institutions. At the moment, it seems as though not a few money market specialists are not looking for an immediate increase in the rediscount rate from 2¼% to 2½%. This kind of thinking appears to be based on the opinion that the monetary authorities will be inclined to give the money markets more of an opportunity to evaluate and digest the recent increase in the prime bank rate before further action is taken.

New Yield Curve Evolving

A new pattern appears to be evolving in the money market and it is believed in some quarters that this new development will become more definite with the passing of time. It is being assumed, to be sure, that the prevailing policy of the monetary authorities does not undergo any important change in the interim. Current trends seem to indicate that the Government market is giving rather distinct evidence that yields of the short-term issues and the longer term obligations are likely to move in opposite directions under existing money market conditions. The interest rate raising and credit limiting operations of the powers that be, is having its effect on the money market, and this is bringing about divergent rate movements, with higher yields for the shorter maturities, while the yields of the more distant obligations are showing a tendency to stabilize or decline.

Yields Advance on Short-Term Debt

The near-term segment of the Treasury market appears to be feeling more fully the effects of present policy of the monetary authorities, because funds are not available to those that are the usual buyers of these securities. It is evident that the competition from loans of all kinds is one of the most important forces which is taking money away from the shortest Government obligations. Liquidity preference has always been a very strong feature with most of these lending institutions and, under ordinary conditions, this would tend to decrease the yield on short-term Government securities.

However, since the full pinch of the credit availability policy of the powers that be, is being felt by the customary buyers of short-term Treasury issues, the yield on these securities have been advancing.

Prices Rising on Long Bonds

On the other hand, the more distant Government obligations have been moving up in price, which in turn means that the yield on these issues has been declining. The shift in attitude towards the longer-term Treasury securities has been attributed to many factors, among which are the decline in prices of equities, reports that some of the measures taken by Government agencies is tending to slow down to a certain degree the demand for mortgage funds, as well as the desire on the part of owners of common stock to shift from these securities into fixed income bearing obligations.

However, it seems as though one of the other strong forces in the movement which has brought new buying into the more distant Government obligations is the belief that monetary policy will be eased in the future. This sort of thinking comes about in a large measure because of the opinion that the interest rate raising and credit limiting operations of the monetary authorities will, in not too long a time, slow down the boom which we have been experiencing. Already there are definite signs that credit is being limited and is not as available as it was not so long ago.

Change in Monetary Policy Anticipated

Up to the present time, it is evident that a fairly substantial part of the buying which has gone on in the more distant Government obligations has been of an anticipatory nature. This has resulted in the establishing or reestablishing of position among institutions as well as traders and dealers. The somewhat bolder attitude in evidence towards the more distant Government obligations has moved prices of these issues up because the market for these securities is still thin and rather limited. However, it is also evident that set-backs in quotations have brought buyers into the market for these bonds, because the belief seems to be that positions should continue to be expanded even when quotations ease.

It is indicated that some money market specialists believed now is a good time to build positions in order to get ready for the future, because, when a change does come in monetary policy, it will be too late to acquired the more distant Government issues at prices that will be as favorable as they are currently.

Hill Brothers Partners

ST. LOUIS, Mo.—On Oct. 31 Hill Brothers, Security Building, members of the New York and Midwest Stock Exchanges, will admit A. Wessel Shapleigh, Jr. and William A. Herbst to partnership in the firm.

G. C. McCormick Opens

LONG BEACH, Calif.—Gordon C. McCormick is conducting a securities business from offices in the Security Building.

Atwill Adds Four

(Special to THE FINANCIAL CHRONICLE)

MIAMI BEACH, Fla.—Paul J. Bauer, Clarence F. Hofer, George I. Reed and Robert H. Wheat have joined the staff of Atwill and Company, 605 Lincoln Road.

With Hamilton Managem't

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—John W. Bonner has become affiliated with Hamilton Management Corporation, 445 Grant Street.

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Patty to Manage New Harris Upham Branch

BEVERLY HILLS, Calif.—Harris, Upham & Company, nationwide investment brokerage firm with 35 offices coast to coast and members of the New York Stock Exchange, has announced that Frank Leslie Patty, recently admitted as a general partner of the firm, will be in charge of Harris, Upham's new Beverly Hills, Calif. office located in the Beverly-Hilton Hotel and scheduled to open in late November.

Frank Leslie Patty

Mr. Patty was a partner in the Los Angeles firm of Mitchum, Tully & Co. from 1933 to 1942 prior to entering the naval service from which he was discharged in October, 1945 with the rank of Lieutenant Commander. He was associated with National Securities Corporation, Los Angeles, from October, 1945 to June, 1946 when he joined the Paine, Webber, Jackson & Curtis organization in Los Angeles. Since October, 1948, Mr. Patty has been associated with Harris, Upham as manager of the firm's present Beverly Hills office at 137 El Camino Drive.

Nat'l Bank Women Elect New Officers

Miss Virginia A. Rehme, Vice-President, Southern Commercial and Savings Bank, St. Louis, Mo., was elected President of the National Association of Bank Women at its Annual Convention held at the Westward-Ho Hotel, Phoenix, Ariz., Oct. 13-16, 1955.

Other officers elected were:

Vice-President: Mrs. Bee Bush, Assistant Vice-President, Valley National Bank, Phoenix, Ariz.

Recording Secretary: Miss Viola Welling, Assistant Cashier, Alton Banking and Trust Company, Alton, Ill.

Corresponding Secretary: Miss Louise Van Niece, Secretary-Treasurer, The Trust Company of Kirkwood, Kirkwood, Mo.

Treasurer: Miss Florence C. Otten, Comptroller, Citizens Savings Bank and Citizens Trust Company, Providence, R. I.

Eight Regional Vice-Presidents chosen were:

Lake Division: Miss Mary L. Jessee, Assistant Trust Officer, Gary National Bank, Gary, Ind.

Middle Atlantic Division: Miss Charlotte A. Engel, Trust Officer, National Savings and Trust Company, Washington, D. C.

Mid-West Division: Mrs. Grace C. Moore, Assistant Cashier, First National Bank of Joplin, Joplin, Mo.

New England Division: Miss Amy F. Birracree, Assistant Secretary, The Chelsea Savings Bank, Norwich, Conn.

Northwestern Division: Miss Mary De Martini, Assistant Trust Officer, First National Bank of Portland, Portland, Ore.

Southern Division: Mrs. Olive H. Gillespie, Assistant Cashier, The Citizens National Bank, Bowling Green, Ky.

Southwestern Division: Miss Iweta Miller, Assistant Vice-President, The City National Bank of Houston, Houston, Tex.

Western Division: Mrs. Marion Anderton, Assistant Cashier, Bank of America, N.T. and S.A., 300 Montgomery Street, San Francisco, Calif.

The new officers were installed at a breakfast of the Convention on Sunday, Oct. 16, 1955. Following the inaugural talk by Miss Virginia A. Rehme, the Convention was adjourned.

Bernard Aronson Admits

On Nov. 1 Bernard Aronson & Co., 745 Fifth Avenue, New York City, members of the New York Stock Exchange, will admit Audrey Aronson to partnership.

Henry J. McKay Opens

Henry J. McKay is engaging in a securities business from offices at 110 William Street, New York City

Obendorfer Partner In Salomon Bros.

PHILADELPHIA, Pa.—Salomon Bros. & Hutzler, members of the New York Stock Exchange, announce that Herbert Obendorfer has been admitted to the firm as a general partner, resident in the Philadelphia office, 123 South Broad Street. Mr. Obendorfer has been associated with the firm for many years.

Form Missouri Mutual

CLAYTON, Mo.—Missouri Mutual Funds, Inc. has been formed with offices at 215 North Meramec Avenue. A Clifford Jones is a principal of the firm.

Kingsley Barham III With Makris Invest.

MIAMI, Fla.—Kingsley Barham III, has become associated with Makris Investment Bankers, Ainsley Building. Mr. Barham in the past was President of Barham and Company and was a partner in Barham and Cleveland in Coral Gables, Fla.

W. Henry Bryant and Albert N. Ivanoff have also joined the firm's staff.

Mid-America Secs.

OGDEN, Utah—The firm name of Melvin K. Flegal & Co. of Ogden, 359 24th Street, has been changed to Mid-America Securities Inc. of Ogden.

All State Secs. Co. Formed in New York

Announcement is made of the formation of All States Securities Dealers, Inc., with offices at 79 Wall Street, New York City. Amos S. Treat, President of the new organization, has for 10 years been head of Amos Treat & Co. Eugene O. Kronisch is Vice-President of the organization.

G. A. Saxton Wire to Clayton Securities

G. A. Saxton & Co., Inc., 70 Pine Street, New York City, have installed a direct wire to Clayton Securities Corporation, 79 Milk Street, Boston, Mass.

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World's Biggest Market Continues to Flourish

Continued from first page

over-the-counter—often in markets so close as to carry to three figures to the right of the decimal point. What could we do with $275 billion of government debt if we didn't have an unlisted market?

Turnpike and Toll Road Bonds

A section of the unlisted market deserving a special salute is the toll bond division. Since World War II some $2 billion face amount in turnpike and toll road revenues bonds have been delivered to investors. They have had certain specifically attractive qualities, including tax exemption coupled with higher yields than generally obtainable on traditional issues of municipals. Their capacity to meet interest and principal payment requirements is geared to toll revenues, which, depending on the individual highway, run between 1c and 2c per passenger car mile. Before the super broad ribbons of concrete or asphalt are built, experts in the field make extensive calculations of potential traffic and revenues. These projections are critical as a bad overestimate means a turkey highway, and a soggy market for the bonds.

That the traffic potential and revenue forecasts are generally on the ultra-conservative side finds ample testimony in the splendid manner in which many of these throughways have performed to date. Moreover, just like their originally "unseasoned" counterparts in the unlisted corporate sphere, it was only a matter of time before most of the toll road bonds had demonstrated their worth as quality investments. There are several arteries, of course, which up to now have not lived up to advance hopes and billings insofar as traffic and revenues are concerned. Experience, however, reflects the unwisdom of pre-judging the merits of any of these concrete vehicular expressways on the basis of early performance.

Among the throughways which have done handsomely are the Connecticut Expressway, the New Jersey Turnpike and the Pennsylvania Turnpike. These latter two, coupled with the Ohio and Indiana turnpikes, create a virtually complete throughway between New York and Chicago. Other excellent fare among the bonds that toll would include the superways in Massachusetts, Kentucky, Kansas, Oklahoma, Florida, and a super-speed saddle path between Dallas and Fort Worth for those tall in the Cadillac. Likewise meriting inclusion in any discussion of securities of the toll variety are the obligations of the excellently operated and managed Port of New York Authority. Also, the New York State Thruway Authority, part of whose obligations are backed by the State's guarantee, with the others being of the revenue type.

Finally, it is well to remember that to buy, sell, or quote any or all of the bonds issued to finance these speedways, there is only one place to go—in the Over-the-Counter Market.

Bank and Insurance Stocks

There are 14,000 banks in the country. Many are small town banks with their capital shares closely held by a few of the financially elite "fat cats" in the town. As the banks expand, however, they either get more capital by subscription, or they merge. In either case, shares will come on the Over-the-Counter Market—and you will have an opportunity to buy one of the choicest security types you can own—a bank stock. These you just can't buy in any listed market. We've had some lively swings in bank shares this year—Chase and Manhattan, First National and National City, Bankers Trust and Public National, Corn Exchange and Chemical churning about on prospect of merger and winding up in unified bliss as man and wife in a single certificate (corporate not marriage). We haven't zoomed our bank shares up to the nose bleed levels of the 1929 era, but we've pretty well closed, in the trading markets, the gap between book, and market, value. In some cases, we've moved a bit ahead of book — with shares like Franklin National on Long Island and Bank of America on the coast selling well above book value.

Moving on to other financial institutions, did you ever see anything like the over-the-counter swings in life insurance company shares? For example, in the first half of 1955, Aetna gained 37%; Continental Assurance advanced 37%; and Travelers Insurance gained 31%. With Travelers splitting 25-for-1, the new stock should attract a far wider following around the $100 level. Compare these trends with some listed leaders and you'll perceive you don't have to read tape symbols to get fancy market gains from securities of surpassing excellence. Further, this section of the Over-the-Counter Market is catching on, coast-to-coast, and many an eager buyer who, a year ago, never even heard of life stocks, is now shopping among lesser known values, maybe sleepers such as Northwestern National Life; Kansas City Life; and California Western States—all over the counter.

When you consider the major importance of these life insurance companies, and the fact that you many only become a stockholder in them in the Over-the-Counter Market, you are offered another powerful reason why you should not neglect unlisted shares.

The Equipment Trust Obligations

Another unlisted security that has been a favorite of banks and institutional investors for years is the equipment trust. Since that day back in Philadelphia many decades ago when a bright lawyer conceived the idea of having a trust company keep title to railway cars and loco-

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FOOTE MINERAL CO.
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motives till they were paid for, the equipment trust issue (invariably of serial maturity) has been highly esteemed. It has had the best record for faithful payment of interest and principal of any railway security, not excluding first mortgage bonds. You simply can't run a road if some great bid trust company comes along and takes away your rolling stock; so you jolly well pay for it. Our salutation goes to equipment trusts; keep 'em rolling — over the rails and over the counter!

Nucleonics and Natural Resources

For those interested in nucleonics, there's a wide assortment to choose from over-the-counter. There's Standard Uranium, 4 Corners Uranium, producers on the Colorado Plateau; and dozens of development companies. A selected mineral, lithium, is turned out by Foote Mineral, and Lithium Corp. of America—both unlisted. Kerr McGee is building a uranium mill, and Vitro Corp. and Victoreen are researchers in many radioactive products.

In natural gas production, there are Republic Hugoton, Three States Natural Gas, and Western Natural Gas. If you'd like to assemble a good group of pipe line equities how could you do better than consider a couple of the best Tennessee Gas Transmission, and Transcontinental Gas Pipe Line? And there are, as well, Texas Eastern Transmission, East Tennessee Natural Gas, Missouri Kansas Pipe Line—all over-the-counter.

Fact is, there's a broad horizon of diversification yours just for the asking among the great unlisted.

If you want freighting on the Mississippi, there is American Barge Line. If you like late editions, there's the "Boston Herald Traveler." Want waterfront piers or storage? Bush Terminal Bldg. is your answer. The most exciting 3D film companies, Cinerama and Magna Theatre, are putting you in the picture by over-the-counter financing. Are you thirsty? Consider Jamaica Water Supply Co. Did you like "Gone with the Wind"? MacMillan Co., one of the world's largest publishers, put it out and sold over 13 million copies. Feel like going up in the air without a running start? Then get with Piesecki or Doman Helicopters.

If you're hungry, Chinese fashion, try River Brand Rice. Scranton Lace delivers that gossamer product (but you have to bring your own arsenic!). Want to cash in on the Davy Crockett deal? Buy Walt Disney Productions. Are you a Hi Fi devotee or a recording bug? Consider Webster-Chicago Corp. and if you're a little shy of lumber for your do-it-yourself work bench, the biggest woodsman of them all is waiting to serve you—Weyerhauser. Salk vaccine suppliers, too, will be found in the unlisted market.

All of these and literally thousands of other well known corporate enterprises are accessible to new shareholders, only via the Over-the-Counter Market.

The simple fact of the matter is that you can prepare an absolutely top grade investment list, whether in bonds or stocks by selecting only over-the-counter issues. You can get broad diversification, big name, and wonderfully progressive, solvent, and expanding corporate equities solely from the unlisted market. Hundreds such have proved their worth to generations of investors by paying dividends without a miss for decades, and scores of years and, in some instances, almost two centuries. Over-the-counter equities like these are ones you can count on.

The "Proof of the Pudding"

Immediately following this topical review of the world's biggest market, you will find a tabulation of some of the finest securities available anywhere, issues of corporations, in many cases leaders in their lines, which have paid continuous and consecutive dividends for as many as 171 years in a row. If diversification is sought, here are hundreds of sound stocks to pick from. If you're shopping for bargains, many shares await you in the Over-the-Counter Market which can be found quoted well below quick asset values enabling the favorable purchase of dollars at a discount. And, for the growth minded, many equities are here available that one day will be major blue chips — in electronics, chemicals, avionics or nucleonics. The time to buy them is when they are young and relatively unknown, and the place — the Over-the-Counter Market.

So again we say, consider the unlisted market —fabulous, diverse, resplendent with rock ribbed dividend payers, and dynamically expanding enterprises. You can bank on the Over-the-Counter Market; it insures breadth and quality of selection; and you pay no premium for tinsel or

Continued on page 22

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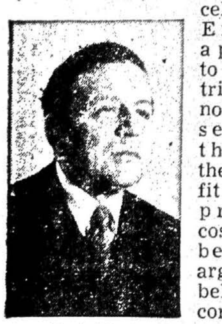
British Price-Wage-Profit Triangle

By PAUL EINZIG

Dr. Einzig, commenting on the policy of the British Government to hold down wages and to lower profit margins, so as to avoid price rises, says the key to the solution of this Price-Wage-Profit Triangle lies with the trade unions. Sees lower industrial profits discouraging investment in British Corporate equities.

LONDON, Eng.: On the occasion of the annual conference of the Conservative Party on Oct. 6, Mr. Butler, the British Chancellor of the Exchequer, appealed to the industrial workers not to try to secure for themselves the full benefit of a cut in production costs. That benefit, he argued, should belong to the community as a whole. In a subsequent speech he appealed to industrial firms to be content with smaller profit margins and to reduce their prices. These speeches appear to indicate a new Government attitude in respect to the prices-wages-profits triangle. Hitherto Mr. Butler emphasized the need for self-imposed restraint in wages demands and in the distribution of dividends, and appealed to industrial firms to plough back into their business their increased undistributed profits. Now he wants them to earn lower profits as a result of price cuts.



Paul Einzig

There are two reasons for this change of attitude. First, there is a growing tendency on the part of workers of industrial firms to put forward additional wages demands each time their firms succeeded in lowering production costs. The conception is gaining ground that the employees are entitled to the full benefit, or at any rate the major part of the benefit, derived from modernization of plant or from a lowering of costs through mass production. The result of the extensive application of this principle would be the development of some striking discrepancies between pay rates in various industries for more or less identical work. The distribution of increased industrial earnings among the lower income groups stimulates inflation, for the propensity of workers to save is very low, so that practically the whole surplus is spent.

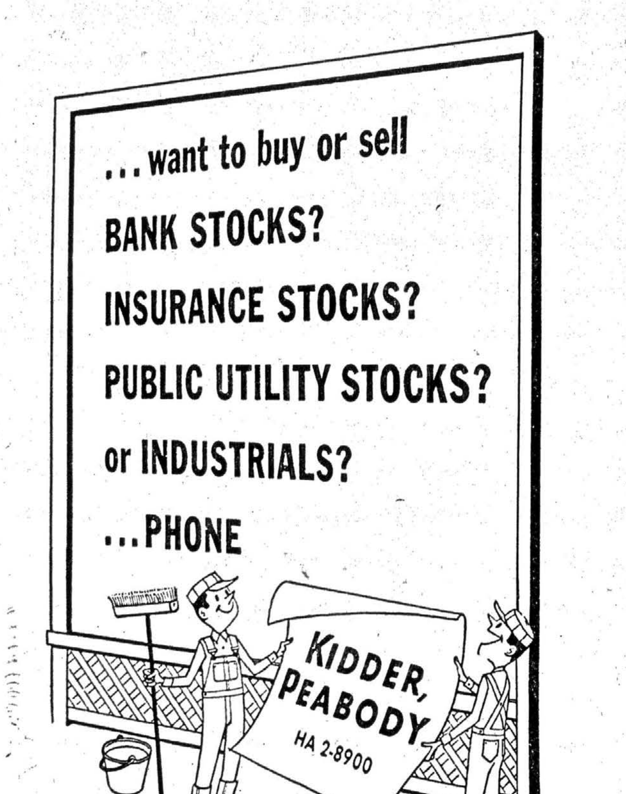
The second reason for Mr. Butler's new attitude lies in the growing evidence of an excessive increase in industrial investment in fixed capital. During the 12 months ended March 31, 1955, the factory space under construction increased by 62%. In view of the prevailing inflationary conditions, the Government now wishes to discourage, for the time being, this spectacular expansion of industrial investment. Moreover, if the credit squeeze and the other disinflationary measures produce their effect, there is bound to be a sharp decline in consumer demand, in which case there would be a tendency to defer putting of the new plants into operation, for fear that their products would remain unsold. In reality, insofar as the new plants add to the total output, they would have to add also to the total payments for raw materials, wages, etc., so that there would be additional consumer income to pay for the additional goods. Nevertheless, if a deflationary atmosphere should develop by the time the factories are ready to begin production, their owners may feel disinclined to start production in view of the unfavorable market prospect.

Owing to these two considerations, the government now intends to press employers to lower their profit margins by cutting prices. In doing so they would reduce the extent to which high profits tend to stimulate new wages demands. They would also reduce the amount of undistributed capital available for further investment in fixed assets. Moreover, lower profits and lower dividends would discourage the public from investing in industrial equities, and new capital issues would become more difficult even in the absence of a further increase of the bank rate.

The question is, will employers and employees fall in with the government's wishes? From this point of view, the result of the "dividend freeze" and "wages freeze" policy adopted by Sir Stafford Cripps under the Labour Government is not very encouraging. While the dividend freeze was fairly effective, the wages freeze was largely ineffective. For this reason, industrial firms are not very keen on a voluntary reduction of their profits through lowering their prices, in the vague hope that the trade unions would respond to it by abstaining from further wages demands. It would be the government's task to persuade the trade unions to agree to this policy, before they will be able to induce employers to co-operate.

The natural economic trend is likely to help the government effectively in its efforts to obtain an all-round cut in prices. The government's disinflationary measures are likely to bring about a noteworthy curtailment of consumer demand in the near future. On the other hand, it will not be easy for industries to curtail their output immediately. The goods in the pipeline will have to be completed. Moreover, manufacturers have organized themselves for a certain scale of production, and are likely to carry on for the time being. In order to be able to sell their goods in face of the declining demand, they will have to lower their prices. Pressure by the government would merely accelerate the process of price cutting, and would make virtue of necessity, Unless the trade unions are prepared to cooperate by moderating their wages claims, however, consumer demand will be maintained by rising wages. In that case no amount of government pressure would be able to induce industrial firms to lower their profits and prices.

The key of the solution lies with the trade unions. It is possible that the idea of a curtailment of profits will appeal to them sufficiently to induce them to restrain their members from pressing forward with their excessive wages demands. During the coming months the Minister of Labour, Sir Walter Monckton, will engage in difficult and delicate negotiations with employers and employees, the outcome of which will determine the solution of Britain's present economic difficulties.



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BOSTON, Mass. — William J. Hines is now with Waddell & Reed, Inc. He was formerly with Draper, Sears & Co.

Continued from page 21

WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

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Difference Between Listed and Over-the-Counter Trading

Following the tables appearing hereunder, we present a discourse on the difference between the listed and Over-the-Counter Market, for the benefit of those who are not conversant with how the Over-the-Counter Market functions.

TABLE I

OVER-THE-COUNTER

Consecutive Cash

DIVIDEND PAYERS

for

10 to 171 YEARS

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Abercrombie & Fitch Large variety of sporting goods	18	1.50	27½	5.5
Abrasive & Metal Products Abrasives	a16	0.20	4⅞	4.1
Aetna Casualty & Surety Liability and casualty insurance, and banking coverages	47	3.35	257	1.3
Aetna Insurance (Hartford) Diversified and group insurance	82	2.40	74	3.2
Aetna Life Ins. (Hartford) Life, accident, health	21	3.00	278	1.1
Aetna-Standard Engineering Design & manufacture steel mill finishing equipment	15	†1.43	25⅛	1.1
Agricultural Insurance Co. Diversified insurance	91	1.60	37¼	4.3
Aircraft Radio Corp. Communication and navigation equipment	21	1.25	17	7.4
Alabama Dry Dock & Ship Building Co. Shipbuilding & repair	21	3.50	53	6.6
Alamo Iron Works Machinery	16	0.40	8½	4.7
Alamo National Bank (San Antonio)	19	1.20	61	2.0
Alba Hosiery Mills, Inc. Silk & nylon hosiery	15	0.40	7¾	5.2
Alberene Stone Corp. of Virginia Soapstone	16	0.75	8	9.4
Allied Paper Mills (Mich.) Specialty papers	11	2.00	36½	5.5
Allis (Louis) Co. Generators & elec. motors	*18	2.00	35	5.7
Aloe (A. S.) Co. Medical supplies	20	†0.99	28½	3.5
American Air Filter Co. Filters and miscellaneous heating and ventilating equipment	21	1.40	27½	5.1
American Auto Insurance Diversified insurance	21	†1.10	28½	3.9
American Barge Lines Co. Operates on Ohio and Mississippi Rivers	14	1.60	26¼	6.1
American Box Board Co. Manufacturer paperboard, folding paper boxes, corrugated and fibre shipping containers	14	†1.33	37¼	3.6
American Dist. Teleg. Signal service protection against fire, burglary and holdup	52	1.25	40½	3.1
American Enka Corp. Producers of rayon and nylon	21	2.00	54¾	3.7
Amer Equitable Assurance Co. of New York Fire and allied lines of insurance	21	1.70	42½	4.0
American Express Co. Money orders; travelers' checks	73	1.20	27½	4.4
American Felt Co. Manufacturer of felt	16	1.50	22	6.8
American Fidelity & Casualty Diversified insurance	17	1.20	38	3.2

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
American Fletcher National Bank & Trust Co., Indianapolis Formed Dec. 31, 1954 through consolidation of Fletcher Trust Co. and American National Bank, both of Indianapolis. Fletcher Trust, oldest of the two institutions, paid cash dividends consecutively for 43 years. At time of consolidation, stock of the new bank was quoted at 30 bid, 31 asked	43	n1.00	33	n3.1
American Forging & Socket Auto body hardware	12	0.65	8¼	7.9
American Furniture Large furniture manufacturer	15	0.35	3¼	10.7
American General Insur. Co. Fire and casualty insurance	26	1.40	100	1.4
American Hair & Felt Misc. hair & felt products	13	1.00	16¾	6.0
American Hardware A leading producer of hardware	53	0.35	24⅜	1.4
American Hoist & Derrick Hoists, cranes, cargo equip.	15	1.20	20⅜	5.9
American Insulator Corp. Custom moulder plastic material	15	0.80	11¼	7.1
American Insur. (Newark) Diversified insurance	82	1.25	34½	3.6
American Locker, Class B Maintains lockers in public terminals	12	0.30	4¼	7.1
American Maize Products Manufactures various corn products	*27	1.55	35¾	4.3
American National Bank of Denver	20	8.50	150	5.7
Amer. Natl. Bank & Trust Co. (Chattanooga)	39	1.90	60	3.7
Amer. Natl. Bk. Tr. (Chic.)	20	†5.70	355	1.6
American Phenolic Corp. Precision parts for aircraft and electronic industries	10	0.50	14⅝	3.4
Amer. Piano Corp., Class B Retails pianos, organs, etc., in Boston	15	1.50	20	7.5
American Pipe & Construct'n Boilers, tanks, pipelines	16	1.00	18½	5.4
American Pulley Power transmission and other equipment	15	1.20	20	6.0
American Re-Insurance Diversified insurance	33	1.10	28¾	3.8
American Screw Screws and bolts	56	3.00	43	7.0
American Stamping Co. Pressed steel parts and stamping	18	0.80	10½	7.6
American Surety Co. Diversified insurance	21	d3.75	95	3.2
American Thermos Bottle Co. Vacuum ware	21	1.25	19½	1.5
Amer. Trust (Charlotte, N. C.)	53	†2.13	83	2.6
Amer. Trust (S. F.)	19	1.45	43	3.4
American Wringer Washing machine parts	12	0.25	19¼	1.3
Ampco Metal, Inc. Copper-base (bronze) alloys and products	14	0.40	5⅝	7.1
Anheuser Busch Inc. Leading brewer	24	†1.18	23¼	5.1
Apex Smelting Co. Aluminum smelting	23	1.75	27	6.5
Arden Farms West Coast dairy	11	1.00	16½	6.1
Arizona Public Service Operating public utility	35	0.87½	26½	3.3
Arkansas-Missouri Power Co. Electric and gas utility	19	†1.11	25	4.4
Arkansas Western Gas Natural gas public utility, production and transmission	16	0.90	20¼	4.4
Armstrong Rubber Co., Cl. B Auto & truck tires	*18	2.00	31½	6.3
Arrow-Hart & Hegeman Electric wiring devices and controls	26	3.00	51½	5.8
Arrow Liqueurs Corp. Cordials & liqueurs	*10	0.20	4	5.0
Art Metal Construction Co. Office furniture	19	2.75	42¾	6.5
Associated Spring Corp. Precision springs	21	1.60	28½	5.6
Atlanta Gas Light Operating public utility	*18	1.20	26⅛	4.6
Atlantic National Bank (Jacksonville)	*31	1.20	210	0.6
Atlantic Steel Steel producing and distributing	34	†1.62½	24⅞	6.5
Atlas Press Co. Lathes & presses	18	0.30	7	4.3

* Details not complete as to possible longer record.
n New annual rate. Yield based on new dividend rate.
† Adjusted for stock dividends, splits, etc.
d Current annual rate is $3 and yield is figured on that basis. Amount of $3.75 is due to change from semi-annual to quarterly payment basis.

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Continued from page 15

Future World Demand for Oil

today 25% of all chemicals made in the United States are derived from oil and gas refinery streams and from natural gas. Within the next 10 years this figure may jump to as high as 50%.

As a matter of fact if nuclear power becomes an economic reality the possibility of great increases in the standard of living and a corresponding expansion in man's use of energy, especially in areas presently remote from deposits of coal or oil, might well promote new uses for petroleum that would tend to offset those uses that might be lost to the atom.

It takes a very wise man or a very foolish one to talk with any certainty about the development of nuclear energy. All that can be said at this time with assurance is that the best brains in our industry, and so far as I can find out, outside the industry as well, predict a steadily rising rate of liquid fuel consumption throughout the free world through 1975. It may be well to add that very few industries indeed can plan consumer demand further into the future than this.

Before leaving the subject of nuclear developments, it would perhaps not be inappropriate to mention at least briefly the possible effect of radiation on petroleum processing. You undoubtedly know that besides releasing heat the process of nuclear fission also produces radiation. Although work has barely started in this field, scientists have already discovered that by the irradiation of hydrocarbons changes are brought about that insofar as we know can now be obtained in no other way. If the refiner can find the means to control and direct these chemical changes he may develop some entirely new and different products from crude oil. Thus nuclear radiation may present the refiner with another powerful new tool and the field of radiation chemistry may open the door to new and wholly unconventional types of refining processes. It is our hope, obviously, that this may result in more efficient and therefore less expensive petroleum processing or in better products, or in new products, or in some combination of all three, thereby stimulating still further the demand for both crude and natural gas.

U. S. Production Must Increase Three Million Barrels Daily

The demand forecast I cited earlier indicated that 10 years from now, in 1965, with nuclear energy still a fledgling commercially, we shall need in the United States three million more barrels of liquid hydrocarbons daily than we did last year. Twenty years from now, in 1975, when nuclear energy is expected to be a more important contributor to the total energy supply, our economists estimate that nearly four and a half million barrels daily more than last year will be required. This increase alone is well over half of last year's consumption.

Let's consider now some of the factors that will affect the ability of the petroleum industry of the United States to carry its share of the load in meeting the energy supply problems of the future.

If we add up the total demand for liquid hydrocarbons forecast for the United States over the 10-year period 1956-1965, the total comes to nearly 36 billion barrels. This figure corresponds almost exactly to this country's present proved reserves.

From time to time since the dawn of our industry's history, the statement has been made that we're running out of oil. There are many reason why this statement is as misleading today as it always has been before. But we all know that it's getting harder and more expensive to build up our reserves. This is true not only because oil is becoming harder to find but because our need for it is increasing so rapidly.

Since the end of World War II the domestic industry has undertaken the biggest drilling program in its history—one that has gathered momentum as it went along. The results are a tribute to the ingenuity and skill of those of you here today and others like you through the length and breadth of the oil country. Since 1946, the proved reserves of the United States have increased by one-half—from 24 to about 36 billion barrels today.

In spite of this unprecedented drilling effort, the United States' share of the proved reserves of the free world has declined significantly since the end of the war—from 38% at the end of 1946 to about 20% at the end of 1954. We do not expect this relationship to improve. Our forecast indicates that by 1960 the domestic industry will be producing one-half of the free world's oil from only one-fifth of the proved reserves.

On a footage basis the domestic industry is doing six times as much exploratory drilling now as it did in the years 1939 through 1941, just before we entered World War II. In spite of this increased oil-finding effort, new reserves resulting from wildcat discoveries have not quite doubled. The major additions to our reserves continue to come, not from discoveries of new oil fields, but from development and extension of old fields and from revised estimates of the oil to be recovered from existing fields as a result of better-than-expected performance, unitization, and the application of improved recovery practices. And new fields being discovered these days appear to be smaller on the average than those found in the past.

In the five years before World War II the domestic industry was adding about two barrels to the country's crude oil reserves for every barrel of crude produced—leaving a net gain in reserves of one barrel. Since the war the ratio has been declining. Over the last five years the average has been less than one and a half barrels of reserves for every barrel produced, so that the net gain in reserves during the period has been less than half a barrel for every barrel produced.

Still another measure of success in building up reserves is the ratio between footage drilled and additions to reserves. Since the beginning of 1937 an average of

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Future World Demand for Oil

23 barrels of oil has been added to reserves for every foot of hole drilled. In the nine pre-war and war years the ratio was considerably above this average. In the nine-year period 1946 through 1954, the ratio has been below this average.

Unless these trends can be reversed, producers in the United States will find it increasingly difficult to meet the large future demand for petroleum.

The United States now may have a reserve producing capacity of some 2,000,000 barrels a day. This reserve capacity has been built up over the last eight years and has been accompanied by a progressively higher drilling rate. It seems probable that this upward trend in drilling will continue for several years. Because reserve capacity is so vital to national defense, however, it is important that the meaning of this two-million-barrel figure should not be misunderstood.

During and immediately after World War II, when the domestic industry was producing oil at maximum efficient rates of production, the annual rate of production never significantly exceeded 8% of United States reserves. It may fairly be assumed then that this figure of 8% was at or very near the upper limit imposed by the efficient productivity of our wells at that time. I would like to suggest that if we were faced with a similar situation today the strong probability is that we would not be able to produce more than 8% of our total proved reserves each year *on a sustained basis.*

For example, if our 1954 total domestic producing rate had been increased during the whole year 1954 by the two million barrel daily excess producing rate I have already referred to, we would have been producing our reserves at an annual rate of 9½%—and it is unlikely that this rate could be maintained for any prolonged period. It appears from this illustration that the two million barrel figure may represent the country's reserve capacity to produce oil at any given time, but it probably does not accurately measure our ability to produce for any period longer than a few months.

Last year the industry produced 2,560,000,000 barrels of oil and natural gas liquids in the United States. Eight percent of our reserves would be 2,780,000,000 barrels. The difference between these figures is 220,000,000 barrels, or 600,000 barrels a day. This may represent the country's approximate reserve producing capacity at MER over any sustained period and may be a more realistic figure of a dependable reserve productivity than the 2,000,000 barrel figure so often referred to.

At the risk of repetition, I should like to emphasize that there is nothing sacred about this figure of 600,000 barrels a day. It is the result of a calculation in which the actual experience of the 1940-1946 period is projected into the immediate future. However, as such, I believe it merits very careful consideration and justifies a few further remarks and projections.

Over the five-year period 1950 through 1954, the domestic industry has proved an average of 3,760,000,000 barrels of petroleum in the United States each year. This figure includes both actual production and net additions to reserves.

If we assume that oil is imported into the United States during the decade 1956 through 1965 at the rates recommended earlier this year by the Cabinet committee appointed by President Eisenhower, and if we assume also that the 8% ratio between production and reserves is maintained over this same period, it follows that we would then need to prove an average of 4,100,000,000 barrels a year over the decade in order to meet domestic demands forecast for those years.

From this point of view, then, during the next 10 years production plus net additions to reserves, whether from new discoveries or from additions to know fields, would have to be stepped up by an average of 340,000,000 barrels a year over the average for the last five years.

On the same basis, the average annual requirement for the decade 1966 through 1975 would be 4,370,000,000 barrels. This is 610,000,000 barrels a year more than the average for the last five years.

These then may well be the approximate dimensions of the job ahead for our industry in this country. We all realize that no one can look very far into the future with any accuracy. There are many imponderables ahead—domestic economic conditions and the state of international affairs are two that come most readily to mind. When the future becomes the present, actual conditions may differ substantially from what we may now expect them to be, but as we see it at this moment, the next 10 to 20 years are likely to be years of steadily increasing demand. If the industry continues to be confronted with economic conditions similar to those we have with us today, its justly earned reputation for ingenuity, continued technological advancement, and tireless hard work will be put to still further tests to provide adequate petroleum supplies for all expected requirements.

H. R. Lofgreen Joins Stifel, Nicolaus & Co.

ST. LOUIS, Mo.—Howard R. Lofgreen has become associated with Stifel, Nicolaus & Company, Incorporated, 314 North Broadway. Mr. Lofgreen was formerly with Olsen, Donnerberg & Co., Inc. and prior thereto was with V. C. Weber & Co. and Reinholdt & Gardner.

New First Nat'l Branch

The First National City Bank of New York has announced that it has established a military banking facility at the U. S. Naval Air Station, Iwakuni, Japan.

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Auto Finance Co.	*18	†0.80	30¼	2.6
Finances autos, trucks, tractors & trailers				
Automobile Insur. (Hartford)	26	2.20	167	1.3
Diversified insurance				
Avondale Mills	51	0.70	15½	4.5
Cotton fabrics and yarns				
Avon Products	36	†1.37	62	2.2
Cosmetics				
B/G Foods, Inc.	11	0.60	10¼	5.9
Restaurant chain				
Badger Paint & Hardware Stores, Inc.	24	2.50	44	1.7
Paints, enamels & hardware				
Badger Paper Mills	21	5.00	78	6.4
Sulphite pulp and paper				
Bangor Hydro-Electric	30	1.80	35½	5.1
Operating public utility				
Bank of Amer. NT&SA	24	1.60	39¾	4.0
Nation's largest bank				
Bank of California, N. A.	76	2.40	75	3.2
Bank of the Commonwealth (Detroit)	18	6.00	170	3.5
Bank (The) of New York	170	†9.50	250	3.8
Bank of Virginia (Richmond)	30	1.00	23¾	4.2
Bankers & Shippers Insur.	30	†1.87	63	3.0
Diversified insurance				
Bankers Trust Co., N. Y.	51	2.40	63⅜	3.8
Acquired Public National Bank and Trust Co., New York, in April, 1955. Holders of Public National received 1⅛ shares of Bankers stock for each share.				
Barcalo Mfg. Co.	14	0.36	5¼	6.9
Furniture and merchanics' hand tools				
Bareco Oil Co.	11	0.50	6¼	8.0
Michocrystalline wax				
Barnett National Bank (Jacksonville)	*45	6.00	300	2.0
Bartgis Brothers Co.	11	0.90	22	4.1
Boxboard & cartons				
Batavia Body Co.	15	1.00	17	5.9
Refrigerator bodies				

Unlisted Companies Which Paid Consecutive Dividends From 5 to 10 Years Appear in the Second Table Starting on Page 51

Bassett Furniture Industries, Inc.	*19	1.12½	20⅝	5.5
Complete line of domestic furniture				
Baxter Laboratories, Inc.	22	0.81¼	13½	6.0
Manufacturers of pharmaceuticals				
Baystate Corp.	28	2.00	47½	4.2
Holding company, banks				
Belknap Hardware & Mfg.	27	0.85	12	7.1
Hardware & furniture wholesaler				
Belmont Iron Works	19	3.00	41	7.3
Designer and erector, structural steel				
Belt Rail Road	65	2.00	36	5.6
Leased by Indianapolis Union Ry.				
Bemis Bros. Bag Co.	25	8.00	189	6.7
Sacks and bagging				
Beneficial Corp.	27	0.50	11¾	4.3
Holding company affiliate of Beneficial Loan Corp.				
Berks County Trust Co. (Reading)	23	1.00	21	4.8
Berkshire Hathaway, Inc.	22	n1.00	13⅞	n7.2
Fine cottons				
Bibb Mfg. Co.	68	1.40	36¾	3.8
Cotton goods; sheetings, etc.				
Biddleford & Saco Water Co.	34	5.00	98	5.1
Operating public utility				
Bingham-Herbrand	*12	0.30	12⅝	2.4
Forgings, stamping and tools				
Bird Machine Co.	19	1.25	15	8.3
Machinery for paper mills				
Bird & Son	31	1.25	28	4.5
Asphalt Shingles				
Birmingham Trust Natl. Bank (Ala.)	13	2.00	110	1.8
Birtman Electric Co.	28	1.00	25¾	3.9
Household appliances				
Black-Clawson (Ohio)	23	1.00	17½	5.7
Makes paper & pulp mill machinery				
Black Hills Power & Light	15	1.32	25⅞	5.1
Operating public utility				
Blue Bell, Inc.	31	0.70	16½	4.2
Mfr. of work and play clothes				
Boatmen's Natl. Bk. St. Louis	83	†2.39	57	4.2

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
n New annual rate. Yield based on new dividend rate.

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Bobbs-Merrill Co. — Book publisher	12	0.50	12¼	4.0
Boston Herald Traveler Corp. — Newpaper publisher	21	1.15	15½	7.4
Boston Insurance Co. — Diversified insurance	80	1.50	41⅞	3.6
Boston Real Estate Trust — Mass. Voluntary Assn.	60	3.00	42½	7.1
Boston Woven Hose — Rubber & cotton hose & belting	16	0.10	11⅜	0.9
Bourbon Stock Yard Co. — Louisville stockyards	*30	2.50	na	--
Bourne Mills — Cotton cloth & sateen	22	2.00	29	6.9
Boyertown Burial Casket — Misc. funeral supplies	25	0.80	12½	6.4
Branch Banking & Trust Co. (Wilson, N. C.)	51	b6.00	225	2.7
Bridgeport-City Trust Co. (Conn.)	a101	3.30	70	4.7
Bridgeport Hydraulic — Supplies water to several Connecticut communities	55	1.60	32	5.0
Brinks, Inc. — Armored car service	18	1.70	32¼	5.3
Bristol Brass — Metal fabricator	23	1.25	19½	6.4
Brockway Glass Co. — Glass containers	28	†1.94	18	10.8
Brockway Motor Co. — Heavy and medium trucks	16	1.25	35½	3.5
Brown-Durrell Co. — "Gordon" hosiery & Underwear	13	0.40	5	8.0
Brown & Sharpe Mfg. — Machine tools	*19	1.20	24¾	4.8
Bryant Chucking Grinder Co. — Internal grinders, precision boring machine	22	0.90	12	7.5
Buck Creek Oil — In Continental Oil group	14	0.20	2⅝	7.6
Buckeye Steel Castings Co. — Production of steel castings	17	1.75	25¼	6.9
Buffalo-Eclipse Corp. — Bolts, nuts, screws	14	1.15	13¼	8.7
Bullock's Inc. — Department and specialty stores	23	2.05	39¾	5.2
Burdine's Inc. — Florida retailer	16	0.60	14	4.3
Burgess Battery Co. — Dry cell batteries and battery using devices	a21	†1.17½	22½	5.2
Burgess-Manning Co. — Industrial acoustics, radiant ceiling, recording and controlling instruments	11	2.50	26½	9.0
Butler Manufacturing Co. — Metal products	17	†1.60	37	4.3
Butlers, Inc. — Southern shoe chain	15	0.50	9	5.6
California Bank (L. A.)	34	1.75	57	3.1
California Oregon Power — Operating public utility	13	1.60	31¾	5.0
California-Pacific Utilities — Operating public utility	12	1.47½	30	4.9
California Portland Cement — Cement and lime products	28	3.50	160	2.2
California Water Service Co. — Water supplier	25	2.20	41⅜	5.3
Calaveras Land & Timber Corp. — California timber lands	12	2.50	26¾	9.3
Cannon Shoe Co. — Manufacturer & retailer of shoes	*19	0.45	7¼	6.2
Carolina Telephone & Telegraph Company — Operates telephone exchanges	54	8.00	146	5.5
Carpenter Paper Co. — Distributor of paper and paper products. Mfg. of paper products.	58	1.60	33¼	4.8
Caspers Tin Plate Company — Metal sheets for containers	16	0.70	10¼	6.8
Central Cold Storage Co. — Refrigeration	21	3.50	50½	6.9
Central Electric & Gas — Distributes natural gas, Nebraska and South Dakota	13	0.80	16⅛	5.0
Central Fibre Products Co., Vot. — Paper & wall board	*18	1.50	29¾	5.0
Central Illinois Elec. & Gas — Operating public utility	23	1.60	40	4.0
Central Louisiana Elec. Co. — Electric, gas and water utility	21	1.20	29½	4.1
Central Maine Power Co. — Electric utility	12	1.25	26	4.8
Central Nat. Bank, Cleveland	13	1.60	36¼	4.4
Central Natl. Bank & Trust Co. (Des Moines)	18	12.00	270	4.4

* Details not complete as to possible longer record.
a Including predecessors.
b Plus 1/15th share of Jefferson Standard Insurance Co. for each share held.
† Adjusted for stock dividends, splits, etc.

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Business in 1956—And 1965

status quo in the past, and I am sure we are not ready to now.

In America we are accustomed to setting new economic records. We have done so nearly every year in the post-war period, and probably every decade since the first colonists set foot on the shores of Virginia and Plymouth Rock nearly 350 years ago. This is truly the land of enduring progress. Statisticians must keep eraser and chalk handy to post the latest figures. Even in recent war periods, this nation made real gains in living conditions.

Long-Run Trends

Appraisals of the economic outlook for the next month, the next year, or the next decade must be made within the framework of this notable long-run trend of ever-increasing production and rising standards of living. Such projections must provide for innovation and allow for significant economic adjustments, because history demonstrates that they will take place. A major purpose of our free enterprise system and our democratic processes is to facilitate these innovations and adjustments. Projections based on static conditions, or yesterday's or even today's magnitudes, are most unreliable.

The economic prospects and problems for the next year will be clearer, therefore, if we first examine where longer-run trends appear to be taking the economy during the next decade. Obviously these projections are not presented as a prediction of what actual events will take place in 1965 or during the intervening years. Instead, they show merely the probable results of reasonable, and, I would add, conservative assumptions. These projections assume the continuing achievement of the 1946 Employment Act's objective of maximum economic growth. Some allowance, however, is made for minor fluctuations from year to year.

On the basis of present fertility rates and trends in mortality rates, population will likely increase by about 2.5 million persons a year, or from 165 million people today to about 190 million in 1965. This will be equivalent to adding the population of the city of Los Angeles, or Detroit, or Philadelphia, each year.

A pretty good estimate can be made of the working force between now and 1965. We can assume that there will always be a small percentage of the labor force temporarily unemployed as a result of the usual turnover that is constantly taking place in a dynamic economy. Today, about 3.3% are unemployed. A year ago, over 5% were unemployed, which was too many.

In agriculture, output per manhour can be expected to increase about 3% per year, somewhat less than in recent years, but at a higher rate than the 1910-1953 average. In other industries, the rise is assumed to average about 2.5% per year; again, slightly above the average of the past. These advances in output per manhour are the key to our rising wages, profits, and real income.

One of the major contributions of the expected increasing productivity will be opportunities for more leisure time. Hours of work are expected to continue to decline by nearly 1% a year on the average, or by about 200 hours per year per worker by 1965. We will see more pressure in this direction in the early 1960's when the working force increases at a faster pace with the maturing of the huge war and postwar baby crop. A decade hence, the three-day weekend will likely be spreading through industry.

If these trends for the labor force, productivity, and hours are combined, by 1965 the total national output could increase to about $540 billion in today's prices—an increase of over 3% a year, and about 40% in a decade.

How much of this potential national output will be purchased by consumers, by business, by government? Will there be total real demand to warrant such an increase in production?

Federal, State and local government expenditures are likely to rise, even with national security outlays stabilized at present or even slightly lower levels, because of the large backlog and rapidly growing needs for roads, schools, hospitals, sanitation systems, and other traditional public services. Thus, total government demand for goods and services will likely approach $100 billion in the year 1965 compared to about $75 billion currently.

To provide increased and modern industrial capacity, as well as adequate housing for the probable 56 million households, gross private investment expenditures should increase from the current record annual rate of $60 billion to about $80 billion in 1965.

An economy expanding at a rate of over 3% per year would generate a rise in real per capita income of over 30% in a decade. If people continue to save, net, about 6% of their disposable income—the rate prevailing during the first six months of 1955—then consumer expenditures would rise to about $360 billion in 1965 compared to an annual rate of $250 billion today. This would mean that the average American, man, woman, and child, could spend $370 more per year on consumer goods and services than he does today. This would represent a substantial rise in his level of living.

The changing composition of the population during the next decade should assure this substantial expansion of consumer spending. For example, the number of youngsters between the expensive ages of 10 and 18 is expected to increase over 40% from the present. The number of people over 65 will increase over 20%. In contrast, the labor force and total population will likely increase 15%.

This pattern of production and demand, adding up to a potential and balanced Nation's economic budget of $540 billion, is only one of a number that could be constructed to accommodate a full employment economy in 1965. One could assume a greater emphasis on leisure, with an even shorter

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Business in 1956—And 1965

work-week, or a different ratio of expenditures between consumption and investment, or even greater expansion in Government services.

The Recent Recession and Recovery

Against the background of these optimistic, but yet conservative, longer-run trends, let us take a look for a moment at recent economic events and the current situation.

Since 1953 the economy has gone through a cycle of recession and recovery as it adjusted to a lower level of defense spending. About 80% of the decline in national output from the peak in the spring of 1953 to the bottom in the summer of 1954 was in national security expenditures. Partly as a result of this decline in national security expenditures, but partly, too, because of business and consumer over-exuberance in the spring of 1953, a marked shift from inventory accumulation to inventory liquidation occurred in the autumn of 1953. There was also some decline in the rate of expenditures on producers' durable equipment and Federal non-defense spending.

On the other hand, there occurred an impressive increase in consumer expenditures, and moderate rises in outlays for new construction and by State and local governments.

By the fall of 1954, inventory liquidation and the decline in national security expenditures largely ceased. A recovery started which has carried output to an annual rate of at least $390 billion currently—more than 5% above the previous peak reached in 1953. Over half of this gain represented increases in real output while the remainder represented an increase in prices. Employment exceeds 65 million today — 1.3 million above the high mark in 1953. Unemployment is down to just over 2 million.

Thus the economy, which at the peak in the spring of 1953 was operating slightly above its long-term growth trend under the impact of high defense expenditures, moved down to a position moderately below this trend by mid-1954 and back to the long-term trend by the middle of this year.

Prospects for the Balance of 1955 and for 1956

If the national output continues to grow about in line with the long-term trend, but at present low rates of unemployment and present prices, we should have a $400 billion economy in 1956.

Continued economic advance during the remaining months of 1955 seems probable though at a less rapid rate than prevailed in the preceding 12 months. Each of the major categories of expenditures, both public and private, seems likely to rise, or at least remain stable for several months. Because of the momentum of present public and private programs, concern over the possibility of a decline, or less than desirable rate of economic growth, would best refer to 1956 and beyond, not the immediate weeks ahead.

Survey returns due in the next two months on business investment plans, construction outlook, and consumer intentions with respect to 1956 will give a better basis for judging the prospects for next year. Obviously, in the absence of such reports, our thoughts today are most tentative.

It is quite possible that recent and present momentum will push the economy above a sustainable long-term rate of growth. What appears to be "strength" in the economy today could prove to be a "weakness" tomorrow from the standpoint of balanced and uninterrupted economic growth. It may be useful to list briefly the elements of underlying strength and of potential weakness in the economy today and those which may develop. Such a listing will suggest that public and private policy actions now have an important bearing on whether we can sustain a reasonable rate of economic expansion next year.

Elements of Strength

Let us look first at the elements of strength for the coming year.

Using national accounting concepts, total Federal, State and local government receipts currently are equalling government expenditures for goods and services. The government's fiscal position will be largely neutral during the next year. However, total government purchases of goods and services seem likely to increase by about $2 billion per year. State and local governments will spend more; Federal spending may be about at the present rate, or slightly down. If arrangements can be agreed upon for expanded Federal cooperation with State and local governments in the fields of highways and schools, the rate of expenditures might increase gradually since backlogs of needed construction are very large.

Tax revenues at present rates will increase during the next year. I won't venture a guess as to what the Congress will do by way of a tax rate reduction or structural revision during the next session. As an economist, I hope that any action resulting in changing total Federal receipts will be based upon general economic developments rather than whether the budget shows a surplus. The record of the Congress, since the war, to proceed flexibly in the fiscal area, is grounds for optimism that the goal of economic stability and sustainable growth will have first consideration.

A second strong force in the economy is private investment in plant and equipment. The trend of business spending in this area is upward. Surveys of business intentions for the balance of this year point to further increases to all-time highs. New orders for machine tools are most impressive. Favorable profit prospects, rapid technological development, rising internal funds from depreciation and depletion allowances, sharp competitive pressures, and a demand which presses close to present capacity, all are strong incentives to business to increase spending on new plant and equipment.

A third and important element of strength is over-all consumer

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Central-Penn Nat. Bk. (Phila.)	127	2.00	48¾	4.0
Central Soya Co. — Soybean processor	13	1.60	33¼	4.8
Central Steel & Wire Co. — Metal processing and dist.	13	2.00	37½	5.3
Central Telephone Co. — Operating public utility	10	0.90	19¼	4.7
Central Trust Co. (Cinn.)	19	†2.21	66	3.3
Central Vermont Public Service Corp. — Electric and gas utility	12	0.90	18⅝	4.8
Central Warehouse Corp., Class A — Operates warehouse in Albany	17	1.60	14	8.0
Chambersburg Engineering — Forging hammers, hydraulic presses	18	2.50	39	6.4
Chapman Valve Mfg. Co. — Gate valves, fire hydrants	19	†2.89	49¼	5.9
Charleston Natl. Bk. (W. Va.)	19	†1.62½	30	5.4
Charmin Paper Mills, Inc. — Paper products	16	1.50	37	4.1
Chase Manhattan Bank — **Formed in March, 1955 through merger of Bank of The Manhattan Co. & Chase National Bank**	108	n2.20	51½	n4.3
Chemical Corn Exch, Bank	127	2.00	50¼	4.0
Chenango & Unadilla Tel. — Operating telephone company	29	1.20	20½	5.9
Chicago City Bk. & Trust Co.	20	5.00	145	3.4
Chicago Mill & Lumber — Wood boxes	15	1.00	17¾	5.6
Chicago Title & Trust Co.	20	4.50	92½	4.9
Chicksan Co. — Swivel joints	16	†0.70	20	3.5
Chilton Co. — Publisher of business magazines	18	1.00	24¼	4.1
China Grove Cotton Mills Co. — Combed yarn	*10	2.25	56	4.0
Christiana Secur. Co. — Holding company	*30	443.00	16,000	2.8
Citizens Commercial & Savings Bank (Flint, Mich.)	19	†2.22	103	2.2
Citizens Fidelity Bank & Tr. (Louisville)	36	e4.00	115	3.5
Citizens Natl. Trust & Savings Bank (Los Angeles)	62	†1.62½	56½	2.9
Citizens Natl. Trust & Savings Bank (Riverside, Cal.)	51	1.60	48	3.3
Citizens & Southern National Bank (Savannah)	30	1.70	46½	3.7
Citizens & Southern National Bank of S. C. (Charleston)	15	1.40	42	3.3
Citizens Utilities Company — Public utility	17	†0.47	16⅛	2.9
City National (Houston)	20	†1.83	63	2.9
City National Bank & Tr. Co. (Chicago)	14	2.00	86½	2.3
City Natl. Bank & Trust Co. (Columbus, Ohio)	20	1.00	25½	3.9
City National Bank & Tr. Co. (Kansas City)	*27	†0.32	68	0.5
Cleveland Builders Supply Co. — Building materials	16	2.00	34½	5.8
Cleveland Quarries Co. — Building and refractory stone	15	d1.75	60	2.9
Cleveland Trust Co.	19	6.00	266	2.3
Cleveland Union Stock Yards Co. — Operates livestock yards	49	0.62½	9	6.9
Cleveland Worsted Mills Co. — Woolen & worsted goods	16	4.00	88	4.5
Coca-Cola (Los Angeles)	31	1.50	29¾	5.0
Coca-Cola (New York)	16	3.00	107	2.8
Coca-Cola (St. Louis)	27	1.30	23½	5.5
Collins Co. — Farm & cutting implements	*40	8.00	115	7.0
Collyer Insulated Wire — Supplies utilities and construction industries	37	2.50	35¼	7.1
Colonial Ice Co. — Ice, coal, cold storage	21	s7.00	18	s38.0
Colonial Stores — Retail food stores in south	14	2.00	53	3.8
Colorado Central Power Co. — Electric light & power supplier	21	1.20	29	4.1
Colorado Interstate Gas Co. — Pipelines to Denver from Texas and Kansas	20	1.25	62¼	2.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
n New annual rate. Yield based on new dividend rate.
d Plus 1/10th share of General Abrasives Co. for each share held.
e Plus a stock dividend of one additional share for seven held paid on Dec. 15, 1954.
s This $7 in dividends constituted a special payment on July 6, 1954. This was the only payment for the 12 months ended June 30, 1955. For the 12-month period ended June 30, 1954, the company had paid a total of $3.50.

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Colorado Milling & Elevator Flour and prepared mixes for baking	10	1.30	20½	6.3
Columbia Baking Co. Southeastern baker	19	1.00	32	3.1
Commerce Trust (K. C.)	19	2.00	78¼	2.5
Commerce Union Bank (Nashville)	*30	1.00	46½	2.2
Commercial Shear. & Stamp. Pressed metal products, hydraulic oil equipment and forgings	20	1.00	16¾	6.0
Commercial Trust Co. of New Jersey (Jersey City)	50	3.50	74½	4.7
Commonwealth Trust Co. (Pittsburgh)	30	7.75	245	3.2
Concord Elect. (New Eng.) Operating public utility	50	2.40	40	6.0
Connecticut Bk. & Tr. Co.	a140	2.25	76½	2.9
Connecticut Gen. Life Insur. Life, accident and health insurance (group and individual)	78	2.40	585	0.4
Connecticut Light & Power Operating public utility	*36	0.90	19⅜	4.6
Connecticut National Bank (Bridgeport, Conn.) Prior to January, 1955, name was First National Bank and Trust Co. of Bridgeport	14	0.65	18	2.7
Connecticut Power Co. Electric & gas public utility	40	2.25	44¾	5.0
Consolidated Lobster Co. Largest lobster distributor	22	0.50	7	7.1
Consolidated Metal Products Corp. Owns railroad equipment patents	20	4.50	76	5.9
Consolidated Naval Stores Holding co., diverse interests	22	6.00	320	1.9
Consolidated Rendering Co. Tallow, grease, meat scrap, fertilizers, hides and skins	20	4.25	58½	7.3
Consol. Water Pwr. & Paper Enamel book paper	21	1.40	41½	3.4

Unlisted Companies Which Paid Consecutive Dividends From 5 to 10 Years Appear in the Second Table Starting on Page 51

Continental Casualty Diversified insurance	21	r†1.37½	131	1.0
Continental Gin Mfgs. cotton ginning equipment	55	3.50	53	6.6
Continental Illinois National Bank and Trust Co. of Chicago	20	4.00	101¾	3.9
Continental National Bank (Fort Worth)	20	1.00	24	4.2
Coos Bay Lumber Co. Timberland & lumber	12	5.00	76	6.6
Cornell Paperboard Products Wall & paperboard & containers	15	1.00	17¼	5.6
County Bank & Trust Co. (Paterson, N. J.)	86	†1.16	34	3.4
County Trust (White Plains)	*30	†0.48	38¾	1.3
Creamery Package Mfg. Food processing & refrigerating machines and farm coolers	68	1.75	32½	5.4
Crompton & Knowles Loom Works Wide variety of looms	23	0.50	18¼	2.7
Crown Life Insurance Co. Life, accident and sickness; also annuities	*35	†i1.10½	181	0.8
Cutter Laboratories, voting Pharmaceutical Mfg.	30	0.43	12¼	3.5
Dahlstrom Metallic Door Co. Doors, mouldings, cabinets	13	1.00	13½	9.5
Dallas Railway Terminal Local transit facilities	13	0.70	14½	4.8
Dan River Mills, Inc. Textile manufacturing & finishing	11	1.00	30½	3.3
Dayton Malleable Iron Co. Iron and steel castings	16	1.25	18½	6.8
Delaware Railroad Co. Leased & operated by P.R.R.	56	2.00	44	4.5
Delta Electric Co. Auto and bicycle lamps and horns	18	1.00	16¼	6.2
Dempster Mill Manufacturing Co. Farm equipment	18	6.00	120	5.0
Dentist's Supply (N. Y.) Artificial teeth and other dental supplies	*29	1.00	16¼	6.2

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
r Plus one new share of Continental Assurance Co. common stock for each 100 shares of new common stock held.
i In may 1955 all outstanding shares of $100 par were recalled and a $10 par value issued in their place. Dividends paid on the new shares have been at the rate of 35c quarterly commencing with the dividend paid July 2, 1955. The dividends paid previous to the stock split would be equivalent to $1.10½ per share for new stock.

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Business in 1956—And 1965

demand. The wage increases of recent months are spreading through the economy. The new $1 per hour minimum which Congress passed in July, and which becomes effective next March, and the new labor contracts, will result in further wage increases. Higher wages, combined with greater employment, should result in increased consumer purchasing power, thus contributing to higher consumer spending. The balance sheet position of consumers was never better than it is today. Furthermore, recent studies show that consumers are optimistic about the future. This spells record-breaking sales.

Finally, international tensions are easing. This should be stimulating to the economies of the world. Much could be said about the marked economic recovery and the current economic expansion underway in much of the rest of the free world, particularly Western Europe. With growing demand for our goods abroad, our exports are increasing and should continue to expand in the months ahead, unless inflation with resulting import controls develops in these countries. We must assume, too, that the Soviet leaders have not changed their goal of world domination. Hence, we can't afford to let down our guard.

Elements of Potential Weakness

Let us now look at some factors which could weaken the general economy in the coming year. I certainly want to underline the word **could.** In some economic areas activity seems likely only to level off rather than to continue its recent rapid upward pace. Whether such developments weaken the general economy remains to be seen. As I said earlier, much depends on the wisdom of private and public policy. There is no sure way of forecasting these activating and restraining policy decisions of governments, businesses, and consumers. Public psychology will be important. The long-run potentials of the economy should outweigh short-run disappointments and shocks.

At the top of the list is an area which has been a national problem for several years. Agricultural production, in spite of acreage restrictions, is expected to break all records this year and seems likely to continue to exceed demand by from 3 to 5% during the coming year. This will undoubtedly result in further decline of farm prices and total farm incomes in 1956, although on a per capita basis the farm picture is not quite so bad. The prices of goods and services purchased by farmers are increasing—including prices of farm machinery, automobiles, and credit. Such a trend will certainly mean an intensification of the cost-price squeeze on farmers. This points to possible lower demand from farm areas for nonfarm products and services. General concern is justified. Under the cloak of over-all price stability this type of growing disparity could cause trouble in the future.

Let me give you some statistics on this problem. At the primary market level, prices of industrial commodities advanced in two months—from last June to August—by 1.6% on the average. During the same two months, farm product prices declined 4% and processed foods declined 1.9%. Between August 1954 and August 1955 prices of commodities other than farm products and food advanced 2.6%, while farm products declined 8% and processed foods 4.2%. Statistics released over the weekend show the parity ratio at 85 in mid-September. This is a 1 point improvement over August, but still 3% below one year ago.

In addition to the unbalance between farm and nonfarm commodities, there are other dangers inherent in the current rise in industrial prices as students of business cycles well know.

A second area of weakness comes from chronically depressed areas. The number of distressed labor market areas has decreased in recent months as business activity has risen. However, in July—the most recent date for which we have information—there were still 31 major cities in the United States out of 149 regularly surveyed which were classified as areas of substantial labor surplus—that is, 6% or more of the labor force covered by insurance were unemployed. Many smaller areas find themselves in the same chronically depressed condition at a time the Nation's unemployed averages only 3.3%. This is not a healthy situation, either for the industry or area directly affected, or for the country as a whole. As in the case of declining farm income, we cannot say that these conditions will germinate into general recession. Nevertheless, we know there is enough of a relationship to give real concern to those charged with maintaining economic stability and growth.

A third area of potential weakness is consumer durable goods. Some question can be raised concerning the outlook for consumer durable goods, especially automobiles in 1956. Consumers have large stocks of relatively new durable goods as a result of high purchases recently. In 1955, for example, the automobile industry will produce and sell between 7 and 8 million passenger cars. Some tightening of credit, price increases on the new models, and the much fewer number of radically new models in the 1956 lines, could lead to some modest reduction in sales in 1956.

Residential construction is the fourth area of potential weakness. Nonfarm residential construction has been recently at a rate of about $16 billion per year. New starts were at an annual rate of 1.3 million units, or more from November 1954 through June 1955. Starts were down in recent weeks although the annual rate is now again at about 1.3 million units per year. Mortgage credit has been getting tighter and construction costs have been rising. Therefore, it is probable that house construction, at best, will level off during the next year.

A fifth potential trouble spot is inventories. Inventory policy shifted nearly $10 billion in the last year—from liquidation at an

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annual rate of almost $5 billion in the fall of 1954 to accumulation at a rate of over $4 billion per year in the second quarter of 1955. The rate of accumulation may now be somewhat higher. Surveys of businessmen's expectations, such as that of Dun & Bradstreet, reveal anticipations of both higher prices and higher sales. If past patterns of business behavior prevail, these factors will lead to further attempts to accumulate inventories. The general optimism of business may reinforce this tendency. In the past, such periods of rapid inventory building have often led to excesses. This necessitates liquidation of the excess inventories and results in reduced production and employment—particularly in manufacturing. A shift from inventory accumulation to stability could cut business expenditures $5 billion per year. If excess inventory develops, resulting in substantial liquidation, business spending could be reduced by as much as $10 billion per year. It should be understood that present levels of inventories probably are not excessive. It's the current rate of accumulation that cannot be sustained indefinitely.

Finally, credit restraint now could bring with it weakness next year. Present and prospective demands for credit are large. General credit restraint is being applied to avoid excess demand from pushing up the general price level. We want to avoid inflation. We would hope that these general credit restraints would merely postpone expenditures to a later time when they could be made without pushing up prices. But the effect of restraint on expenditures may come later, as well as now. The lags may result in reduced spending by State and local governments, by private business for plant and equipment and inventories, and by potential home owners not now, when perhaps justified, but months from now, when they will be needed to sustain economic growth.

On Balance

On balance, present indications point to a continued economic expansion during the months ahead and, I would say, into 1956. But there are hazards which could cause a temporary economic adjustment or pause next year before growth is resumed. A recent note in "Dun's Review" struck a realistic chord. It stated: "Even those who are inclined to put the most favorable construction on developments readily admit that all curves have their valleys and that a dip in the economy might come any time. All they ask is that business will recognize it as a normal adjustment, not something calamitous. The long-term trend, they feel, is bound to be up, but a little belt-tightening along the way is certain to be necessary."

Some Implications of Longer-Run Tendencies

The need for flexibility in both private and public economic policies needs constant reemphasis. We know that a large proportion of consumers' expenditures are now postponable. Therefore, when demand temporarily outruns capacity and prices are rising, consumers can contribute to economic stability by increasing savings rates, as they did in 1950. On the other hand, when overall demand is falling, as in 1949 and 1954, large liquid holdings, unemployment insurance, and consumer credit enable consumers to maintain and increase their expenditures. Such actions by consumers can assist in stabilizing the economy in the future. I cannot refrain from stating, however, that a tendency toward over savings in normal times, a situation which could develop if income is not widely distributed, may prevent total consumer demand from increasing sufficiently to meet the employment and production objectives of the Employment Act of 1946.

Government policies—Federal, State and local—also must be flexible. They should move in the direction of lower taxes, easier credit and higher expenditures for urgently needed public works in times of declining or deficient private demand. When speculative excesses are prevalent, more restrictive policies must be used.

There is perhaps a tendency today to place too great a confidence on monetary policy alone as an effective stabilizer, forgetting that it is not a perfect or complete tool in itself but only one of several. A ground swell of consumer and business expansion can only be tempered successfully by monetary policy. In my judgment, if monetary restraint tried to carry too big a load it may interfere with sustainable growth or achievement of other national objectives. All the tools in the kit must be skillfully used.

Furthermore, public policies need to be reexamined from time to time in the light of longer-run changes in the economy. In this connection, further improvements in our system of economic statistics will be a continuing need. These programs must provide the kind and quality of information

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Denver Natl. Bank (Denver)	*31	1.20	47	2.6
Detroit (The) Bank	19	1.95	79	2.5
Detroit & Canada Tunnel Owns and operates international tunnel	14	††1.80	34¼	5.3
Detroit Harvester Auto parts and farm equip.	20	1.20	16⅜	7.3
Detroit International Bridge Operates bridge to Windsor	11	1.00	22¾	4.4
Dictaphone Corp. Mfr. and sale of Dictaphone dictating and transcribing machines	29	4.00	107	3.7
Dime Bank (Akron)	20	2.00	‡48½	4.0
Discount Corp. of New York Discounts acceptances	*23	14.00	181	7.7
Dixon (Joseph) Crucible Co. Crucibles, graphite, paint	16	†0.84	14⅝	3.7
Doeskin Products, Inc. Tissues	18	1.00	17¼	5.8
Dollar Savings & Trust Co. (Youngstown)	13	4.50	115	3.9
Drackett Co. Soybean products, "Drano," "Windex"	*22	0.40	7⅛	5.6
Dravo Corp. Heavy engineering projects, marine equipment	16	2.00	55	3.6
Drexel Furniture Co. Quality furniture	*18	1.25	20	6.2
Drovers Natl. Bk. (Chicago)	72	0.80	23	3.5
Ducommun Metals & Supply Metals & industrial supplies Steel or nonferrous products	20	1.00	18¼	5.5
Duff-Norton Industrial jacks and lifting equip.	65	2.00	34¼	5.8
Dun & Bradstreet Credit and marketing reports and publications	22	2.40	52	4.6
Duncan Electric Manufacturing Co. Watthour meters	21	1.62½	29½	5.5
Duplex Truck Co. "Duplex" motor trucks	17	0.40	7	5.7
Duriron Co. Corrosion resistant equip.	15	0.77½	13¾	5.6
Eason Oil Co. Petroleum & natural gas	13	0.50	14½	3.4
Eastern Racing Assn. Suffolk Downs	14	0.30	4¼	7.1
Eastern Utilities Associates Holding company, New England interests	27	2.00	38	5.3
Economics Laboratory, Inc. Makes softening compounds	*18	0.60	16½	3.6
Edison Sault Electric Co. Operating public utility	19	0.60	15¾	3.8
Edison (Thomas A.) Class B Batteries, dictating machines, aircraft and industrial instruments	31	1.22½	25½	4.8
Edgewater Steel Co. Steel products	*10	2.10	30¾	6.8
El Paso Electric Co. Texas operating utility	*27	1.60	41¾	3.8
El Paso Natl. Bank (Texas)	21	2.40	55½	4.3
Electric Hose & Rubber Co. Rubber hose	16	1.20	21	5.7
Electrical Products Consolidated Neon sign manufacture	21	1.55	26½	5.8
Electro Refractories & Abrasives Corp. Abrasives	19	1.00	21	4.8
Emerson Drug Co. of Baltimore City Class B Bromo-Seltzer	64	1.00	17	5.9
Empire Southern Gas Co. Natural gas public utility	12	1.00	25½	3.9
Empire Trust Co. (N. Y.)	49	3.00	156	1.9
Employers Reinsurance Corp. Diversified insurance	41	†2.10	70¼	3.0
Eppens, Smith Co. Coffee & tea importing	*31	4.00	50½	7.9
Equitable Security Trust Co. (Wilmington)	158	4.25	97	4.4
Equitable Trust Co. (Balti.)	40	†0.93	43	2.2
Erie & Kalamazoo RR. Leased by New York Central	106	3.25	55	5.9
Erlanger Mills Corp. Holding Co. (textiles)	10	0.50	14½	3.4
Exolon Co. Manufacture artificial abrasives and magnetic separators	19	1.00	18	5.6
Faber Coe & Gregg, Inc. Tobacco wholesaler	21	3.00	46½	6.5
Fafnir Bearing Co. Mfr. of ball bearings	42	2.40	46¼	5.2
Fairmont Foods Company Dairy products and frozen foods	51	0.90	27	3.3

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
†† Includes liquidating dividend of $0.15 per share.
‡ Earlier quotation. June 30, 1955 figure not available.

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Fairmont Railway Motors, Inc. Railway motor cars	*21	25.00	337	7.4
Fanner Mfg. Manufactures chaplets and chills for foundries	42	†0.59	10¼	5.8
Farmers & Merchants Bank of Long Beach (Calif.)	20	3.00	70	4.3
Farrel-Birmingham Co. Heavy machinery & machine tools	19	4.25	49	8.7
Faultless Rubber Misc. rubber goods, sponges	30	1.00	19⅜	5.2
Federal Bake Shops, Inc. Retail baking chain	19	0.60	8⅛	7.4
Federal Chemical Co. Fertilizers	11	6.00	85	7.1
Fed. Compress & Warehouse Cotton compress and warehousing	29	3.25	52¼	6.2
Federal Insurance Co. Marine and other types	53	0.75	41¾	1.8
Federal Screw Works Screws and machines	14	1.50	18¾	8.2
Federal Trust Co. (Newark)	11	1.20	42	2.9
Federated Publications, Inc. Michigan newspapers	20	4.00	82	4.9
Ferry Cap & Set. Screw Co. Screws and bolts	15	0.10	6	1.7
Fidelity-Baltimore Natl. Bk. and Trust Co. (Balti.)	50	2.00	51½	3.9
Fidelity-Philadelphia Trust	90	3.80	89¼	4.3
Fidelity Trust Co. (Pgh.)	71	2.60	67½	3.9
Fidelity Union Tr. (Newark)	*34	2.70	64	4.2
Fifth-Third Un. Tr. (Cinn.)	18	f2.00	58	3.4
Fireman's Fund Insur. Co. Western fire underwriter	47	1.80	76½	2.4
Firemen's Ins. Co. (Newark) Diversified insurance	18	1.10	43	2.6
First Amer. Nat. Bk. (Nashv.)	17	1.40	31½	4.4
First Bank Stock Corp. Holds stock of banks in Ninth Federal Reserve District	26	1.37½	37	3.7
First Bank & Trust Co. (Madison, N. J.) **Formed in November, 1954, through merger of Madison Trust Co. and First National Bank of Madison**	17	---	47	---
First Bank & Trust Co. (South Bend)	16	1.20	27½	4.4
FIRST BOSTON CORP. Investment banking **● See page 20 for advertisement of this company.**	16	5.00	56¼	8 9
First Camden National Bank & Trust Co. (N. J.)	11	†0.65	25¾	2.5
First Natl. Bank (Akron)	16	1.00	27	3.7
First Natl. Bank (Atlanta)	*26	1.60	44¼	3.6
First Natl. Bank (Balti.)	27	2.50	56	4.5
First Natl. Bank (Birming.)	12	†1.04	36½	2.8
First Natl. Bank of Boston	171	2.60	62	4.2
First Natl. Bank (Chicago)	19	†7.60	345	2.2
First Natl. Bank (Cinn.)	92	1.20	39	3.1
First Natl. Bank (Dallas)	51	1.30	37½	3.5
First Natl. Bank (Denver)	*30	14.00	380	3.7
First Natl. Bank (Ft. Worth)	21	†1.00	28½	3.5
First Natl. Bank (Houston)	22	†2.00	54	3.7
First Nat. Bk. (Jersey City)	91	†1.98	54	3.7
First Natl. Bank (K. C.)	65	3.00	134	2.2
First Natl. Bank (Memphis)	60	†1.30	37	3.5
First National Bank (Miami)	*30	†1.20	27½	4.4
First National Bank (Mobile)	*30	†3.80	100	3.8
First Natl. Bank (Omaha)	18	2.00	58½	3.4
First Natl. Bank (Phila.) **Stockholders on Sept. 19, 1955 approved a merger with the Penn. Co. for Banking & Trusts on a share for share basis under name of Pennsylvania Banking & Trust Co. effective Sept. 30.**	30	1.60	48¼	3.3
First Natl. Bank of Portland	84	2,00	59¼	3.4
First Natl. Bank (St. Louis)	*36	3.10	64½	4.8
First Natl. Bank (Scranton)	92	2.00	39	5.1
First Natl. Bk. (Shreveport)	16	†1.10	40	2.8
First National Bank (Tampa)	21	¶ns	48	---
First Natl. Bank (Wichita)	35	8.00	225	3.6
First National Bank & Trust Co. (Bridgeport) **Name changed in January, 1955 to Connecticut National Bank.**	14			

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
f Plus 25% in stock paid on Jan. 25, 1955.
¶ns For year ended June 30, 1955, records show payment of 25% in stock on May 4, 1955. Cash payment, if any, not reported.

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needed for intelligent private and public economic decision making. This is an area where the Joint Economic Committee has had keen interest since its creation in 1946.

I want to venture one additional observation at this time with respect to the implications of the short-run outlook and the long-run tendencies of the economy, and that is this: Many challenging opportunities should develop for those directly serving consumers if future events confirm our projections. For about a century preceding World War I, this Nation was rapidly shifting from a predominantly agricultural economy to a predominantly industrial economy. There is some evidence, not conclusive perhaps, that since World War I, our economy has grown large enough, and advanced technically far enough, to enable each further increase in our capital stock to produce a more than proportionate increase in output. Furthermore, if defense outlays stay even at present relatively high rates, the share of the total growing national product devoted to defense would also decline.

It is this possibility for increasing consumption expenditures relatively to investment and defense outlays that presents a challenge to everyone concerned with servicing the consumer segment of the economy. The growth of consumer credit has done much to provide the mass demand needed to make possible large-scale production, as we stated at the outset.

In the years ahead, further innovations by consumer credit institutions can contribute significantly to the growth of our economy by making possible rapid increases in consumption out of our growing output potential. These new credit aids may be in fields not fully explored up to the present. Intriguing possibilities include: (1) helping young people obtain higher education in professional and scientific fields where expanding opportunities are opening up and (2) assisting individuals to enjoy better the increasing leisure time resulting from advancing productivity.

But credit institutions, including those in the consumer field, have another opportunity and even responsibility; that is, to contribute to economic stability as well as growth. Too carelessly granted credit in good times can help push activity in some lines to excess, thus bringing about corrective contraction with losses for all. Some restraint and selectivity in lending in over-optimistic periods can contribute to stability by dampening down excess demand. Then, if mild contraction occurs in economic activity, a more liberal extension of credit can support consumption as well as total economic activity. Used thusly, consumer credit becomes a chief instrument for stability and growth in the economy.

The central monetary authorities are currently placing major reliance on general credit restraint rather than selective controls of the Regulation W variety. If we are successful as a nation in stabilizing the economy as a result of private restraints and a careful application of general controls—which most people recognize are superior to selective controls—we need not experiment in the later area. Today total credit outstanding does not appear excessive. This is perhaps due to the current actions of the Federal Reserve.

Reasons for Optimism

Although there are, as always, some real and potential trouble spots on the horizon, and some substantial adjustments needed in the interest of long-run stability and growth, we have good reasons for optimism. First, American consumers constantly demand a rising level of living — better homes, better furniture and equipment for them, better cars, more leisure; the list seems endless. And consumers exhibit a willingness to work hard to achieve the advances they seek. Second, business and financial institutions exhibit a spirit of enterprise, a competitive drive, a willingness and ability to innovate which should continue to contribute to rising productivity.

Finally, machinery and skills—both private and public—for making economic adjustments have been developed. I point to the Employment Act of 1946 as an illustration of the recent recognition of the responsibility of the Federal government for dealing with problems of economic fluctuations and growth. Further progress can be expected. Economic instability may not have been eliminated, but the capacity for economic statesmanship on the part of all segments of the economy is greater today than ever before.

Thus, for the balance of 1955 we can see increasing prosperity. For the longer-run period we see growing markets. But, in particular, we see consumer living standards rising even more spectacularly than in the past. In the years between we can expect growth, but with occasional moderate adjustments.

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Continued from page 3

What's New in Finance?

eral fund; and up to a certain point there are distinct advantages in such a policy, since it averts the accumulation of that unwieldy Treasury surplus which was itself a troublesome influence on our money markets during the past decade."

Secretary Humphrey's problems have been quite different. The Treasury has been running a deficit and the crowded maturity structure has caused a continuous refunding problem, thereby at times severely restricting freedom of action. You recall the sale of his first long-term issue, the Thirty Year 3¼s made in April, 1953. The Treasury did not deem it propitious to again sell a long-term issue until February of this year, when it offered $1,924 million Forty Year Non-Redeemable 3% Bonds. I do not suggest that any of the terms of the issue represent new departures in finance. Certainly there is nothing unique about the 40 year term, the 3% coupon rate, or even the non-redemption feature. The timing of the two offerings this year and the basic Treasury policy reflected by that timing raises several new questions for investors to study.

The February, 1955, offering of Forty Year 3s was well received by savings institutions—life insurance companies, public and private pension funds, mutual savings banks, etc. The bonds immediately moved to a premium bid and reached a high of 101⅜s in May. Public discussion in early June relative to offering additional 3% bonds of the same issue promptly caused the price to decline to but a slight premium above par. The actual offering last July of the $750 million went well from the Treasury's standpoint. Subscriptions totaled $1,720 million. Savings type investors were awarded 65% ($485 million) of their subscriptions totaling $749 million, and all others were allotted $337 million, being 30% of their subscriptions. In spite of the fact the issue was well placed, the overall pressure on the bond market was such that the 3s moved to a discount within a few days after the offering date. Subsequent market action demonstrates that the pricing of the bonds was strongly favorable to the Treasury and from its standpoint the financing was very successful.

New Insurance Investment Opportunities

The Thirty Year 3¼s and the Forty Year 3s were offered at a time when investment opportunities in the form of real estate mortgages, public and corporate bond issues, and equity issues were abundant. The demand for long-term capital funds exceeded the supply of savings. Interest rates were increasing and bond prices were declining. The Treasury did not offer a long-term issue in mid-1954 when bond prices were firm and moving upward and the 3¼s were selling in the 110 range—a 2⅝% yield basis. That was obviously a period when many investors would have welcomed an opportunity to buy additional long-term Treasury's. But it clearly did not desire to use this favorable market period because it did not wish to compete with and attract funds away from the mortgage and security markets. Indeed, its operations were carried out to effect an increase in money supply. The Forty Year 3s were not offered until unemployment had all but disappeared; business was at a very high level and moving strongly upward. The second offering of the 3s in July was made when business was in boom stage.

The buying power of life insurance companies and savings banks for the 3s has been limited because they are heavily engaged in financing residential construction and public and business capital needs. A number of savings institutions, particularly those active in the mortgage market, are heavily committed ahead. Some of them have been overinvesting and are using bank credit to supplement their flow of investable funds.

The Treasury has pursued its desirable and important policy of lengthening the debt structure but progress is slow; the average maturity of the marketable debt is now about 4⅔ years, about a year longer than in 1953. The lengthening of the debt maturity structure will continue to be slow until the Treasury is willing to sell long-term issues in volume when investors have ample funds to invest. Surplus savings funds accumulate when investment opportunities are at low volume, in other words, during a period of business recession. But that apparently is exactly the time the Treasury does not believe it is desirable, economically or politically, to compete for long-term funds. Its policy presents somewhat of a dilemma. Debt management action for the primary purpose of extending maturities and which involves the offering of long-term governments only during periods of high business activity, conflicts with flexible monetary policy.

What is our obligation to purchase long-term Treasury offerings?

The primary objective of the

Continued on page 31

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
First National Bank & Trust Co. (New Haven)	19	†3.32	118	2.8
First Natl.Bk.Tr.(Okla.City)	28	1.00	37½	2.7
First National Bank & Trust (Paterson)	*30	3.00	86	3.5
First Natl. Bank Tr. (Tulsa)	17	1.20	32¼	3.7
First National City Bank of New York Formed through merger in March, 1955 of First National Bank of New York and National City Bank of New York	142	m2.40	61¼	m3.9
First National Exchange Bank of Roanoke	73	2.10	59	3.6
First National Trust & Savings Bank of San Diego	22	1.90	66	2.9
First Western Bank & Trust Co. (San Francisco) Formerly known as San Francisco Bank. Name changed in November, 1954	88	†1.52½	53¼	2.9
Fitchburg Gas & Elec. Light Serves Mass. communities	*68	3.00	54½	5.5
Florida National Bank (Jacksonville)	19	1.00	44	2.3
Fluor Corp. Ltd. Plants for oil, gas and chemical industries	12	1.20	21¼	5.6
Foote Bros. Gear & Mach. Gears and transmiss. equip.	14	1.30	17⅜	7.5
Foote-Burt Co. Drilling, reaming, tapping machines	26	†1.70	34¼	5.0
Foremost Dairies Dairy products and frozen foods	12	0.80	20	4.0
Fort Pitt Bridge Works Structural steel fabrication	13	2.00	34	5.9
Fort Wayne Corrugated Paper Co. Corrugated shipping containers	16	1.00	22¼	4.5
Fort Wayne National Bank (Indiana)	20	†1.69	62	2.7

Unlisted Companies Which Paid Consecutive Dividends From 5 to 10 Years Appear in the Second Table Starting on Page 51

Ft. Worth National Bank	71	1.00	26	3.8
Fostoria Pressed Steel Corp. Industrial lighting units	15	1.20	18	6.7
Fourth Natl. Bank of Wichita	*30	†0.87½	64	1.3
Franco Wyoming Oil Co. Holding company. Also finances oil developments	20	2.20	61¾	3.6
Frank (Albert)-Guenther Law, Inc. Advertising agency	11	0.30	8½	3.5
Franklin Life Insurance Co. Life insurance	20	0.60	127¾	0.5
Franklin Process Co. Yarn dyers and manufacturers	41	0.75	21	3.6
Fresnillo (The) Co. Mining	22	0.23	7¼	3.9
Frick Co. Ref. equip. and farm mach.	53	2.00	34	5.9
Fuller Mfg. Co. Truck parts and gas	16	†1.10	27½	4.0
Fulton Bag & Cotton Mills Bags and tents	22	0.15	14⅜	1.0
Fulton Natl. Bank (Atlanta)	42	1.25	39½	3.2
Galveston-Houston Co. Holding company. Bus industry	16	c0.75	9½	7.9
Garlock Packing Co. Mechanical packings, gaskets, oil seals and mechanical seals	50	1.25	22⅞	5.5
Gary Natl. Bank (Indiana)	41	4.00	350	1.1
General Controls Automatic controls for pressure and temperature	*16	†0.78	24⅜	3.2
General Crude Oil Co. Southern producer	17	†0.34	42	0.8
General Dry Batteries Manufactureres of dry batteries, mercury cells, extruders of zinc, aluminum and magnesium	24	0.75	11⅛	6.7
General Industries Co. Plastics: Also makes small elec. motors	15	1.70	36	4.7
General Reinsurance Corp. All casualty and bonding lines	21	1.80	55¾	3.2
Georgia Railroad & Bkg. Co. Holding co. Rail interests	67	7.00	230	3.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
c Plus one share of $1 par value common stock of H. & G. Properties, Inc. (Del.) for each share held.
m New annual rate computed. No formal rate announced.

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Gerber Products Co. Baby foods	14	†0.90	40	2.3
Giddings & Lewis Mach. Tool Boring, milling and drilling machines	18	2.20	28½	7.7
Gilbert & Bennett Manufacturing Co. Wire cloth	13	5.00	53	9.4
Girard Trust Corn Exchange Bank (Philadelphia)	118	2.85	76½	3.7
Gisholt Machine Co. Turret lathes and tools	20	1.50	22¼	6.7
Glens Falls Insurance Co. Fire underwriter	80	2.00	81¾	2.4
Globe & Republic Insurance	19	0.90	24¼	3.7
Globe Steel Tubes Co. Seamless welded tubes	16	0.25	1⅛	22.2
Good Humor Corp. Well-known ice cream retailer	21	0.25	9¼	2.7
Grace Natl. Bank of New York	8	6.00	230	2.6
Graflex, Inc. Cameras	12	0.50	13¼	3.8
Graniteville Co. Cotton fabrics	14	1.30	29½	4.4
Great Amer. Ins. Co. (N. Y.) Diversified insurance	82	1.50	44	3.4
Great Lakes Engineering Works Shipbuilders & engineers	32	1.40	15¼	9.2
Green (Daniel) Co. House slippers	*18	4.60	68	6.8
Green Giant Co., Class B Vegetable canning & distribution	*31	0.90	19	4.7
Grinnell Corp. Sprinklers & plumbing equipment	20	3.75	125	3.0
Guaranty Trust (N. Y.)	63	3.65	79¾	4.6
Gulf Life Insurance Co. Life and accident	23	0.50	30¾	1.6
Gustin-Bacon Mfg. Co. Glass fibre insulation products	17	0.60	56	1.1
Hajoca Corp. Building supplies	13	0.75	32½	2.3
Halle Bros. Ohio merchandise distributors	40	1.00	24½	4.1
Haloid Co. Photo papers, copying processes	26	†0.53	p49	1.1
Hamilton Mfg. Wood and steel products	16	0.90	16⅝	5.4
Hamilton National Bank (Chattanooga)	*30	10.00	275	3.6
Hamilton National Bank (Knoxville)	22	8.00	300	2.6
Hanna (M. A.), Class B Coal, iron, steel	21	2.00	120	1.7
Hanes (P. H.) Knitting Co. Underwear & sportswear	22	1.65	32½	5.1
Hanover Bank (N. Y.)	103	†1.85	50⅛	3.7
Hanover Fire Insurance Diversified insurance	102	1.85	51	3.6
Hanson Van Winkle Electroplating and polishing equipment	*12	0.60	8¾	6.9
Harris Tr. & Svgs. Bk. (Chic.)	47	12.00	550	2.2
Harshaw Chemical Co. Manufacturer and distributor industrial chemicals	56	†1.84	58¼	3.2
Hart-Carter Gain handling equipment	15	0.40	6⅜	6.3
Hartford Fire Insurance Diversified insurance	82	†2.55	178	1.4
Hartford Natl. Bank & Trust	125	1.32½	34	3.9
Hartford Steam Boiler Insp. Boiler and machinery insurance	84	2.00	91	2.2
Harvard Trust (Cambridge)	*30	2.25	49	4.6
Haverhill Electric Co. Operates in New England **Formerly known as Haverhill Gas Light Co. Named changed in April, 1955.**	*50	2.20	44	5.0
Haverhill Gas Co. Sale of gas	42	2.50	49	5.1
Heidelberg Brewing Co. Beer & ale	10	0.25	4¼	5.9
Hershey Creamery Produces dairy products in Pennsylvania	23	2.50	44½	5.6
Hettrick Manufacturing Co. Canvas products	18	1.20	15	8.0
Heywood-Wakefield Co. Maker of furniture	12	3.25	45½	7.1
Hibernia Natl. Bank (N. O.)	20	1.75	75	2.3
Hollingsworth & Whitney Specialty papers and pulps	73	0.62½	89	0.7

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
p Stock was split 3 for 1 in April, 1955. Dividend payments are now 15c quarterly and the yield is on that basis.

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What's New in Finance?

Treasury's debt management policy is to promote high employment, an expanding economy, and at the same time maintain a stable dollar. Its long-term financing program deserves the support of savers for the very obvious reason that the millions and millions of savers are themselves vitally interested in high employment, a prosperous economy and a sound currency.

They are also, however, properly interested in receiving fair and adequate wages for their savings dollars. The great majority of savers in this country are wage earners of modest means. They know what adequate wages are and they expect employers to pay rates that are fair. They also rightfully expect their government to pay fair and adequate wages for savings dollars employed by it. We as savers or employees of savers have a very real and direct concern with the success of the Treasury's long-term bond offerings. The interest rate it offers savers must, however, reflect competitive conditions in a free market. Buyers respond to a much greater degree to market realities than to moral suasion.

At the time of the last offering of 3s in July, the forward mortgage and security commitments of our industry were probably equal to seven or eight months' flow of investable funds. Clearly, many life insurance companies had very little buying capacity available for the Treasury 3s. The offering did have the industry's support and the combined purchases of the life insurance companies exceeded 20% of the offering. That is a good record.

It seems to me the Treasury's present policy of only offering long-term bonds during periods of very high business activity makes it quite probable we can expect new and outstanding long-term government issues to have market behavior patterns of quite wide price movements and volatility.

Unless liberal yields are offered, new issues will likely have little initial market strength, because offerings will be made at a time when the entire market is under strain and the demand for investment funds at attractive yields is large.

Subsequent price swings over the period of a business cycle may be quite substantial. For example, if the long-term interest rate declines from somewhat above 3% to as low as 2¾%, that means a swing of 10 to 12 price points from the trough of the movement to its peak. It is logical to assume that under flexible monetary policy, the Treasury will usually delay in offering a long-term issue until the general public as well as their political representatives recognize that full employment has again been reached. That means that business recovery will be well along and moving strongly upward before investors will be offered a long-term bond. It takes real courage for both the Treasury and the Federal Reserve to exercise credit restraint action at a time when everyone is enjoying business expansion. One may, therefore, hazard the guess that new long-term Treasury issues are likely to be offered on the late side as far as credit restraint action is concerned.

The absence of long-term Treasury offerings at a time when savings institutions have surplus funds has stimulated the development of such arrangements as the warehousing of mortgage loans and forward commitments in order to anticipate a future drop in investment outlets. From the standpoint of the overall economy, forward commitments may be desirable during a period of low business activity and the early stages of recovery. On the other hand, do they not seriously compound the problem of credit restraint when curtailment is clearly in the public interest?

A Barometer in the Long-Term Market

Clearly, the Forty Year 3s will be the barometer for the entire long-term bond market. The desirable investment characteristics of the issue are self-evident—excellent quality, high degree of marketability, and protection against redemption. The latter feature means that the investor cannot be called out at the most unfavorable period in the market from his standpoint. The usual redemption premium of three points in most publicly distributed issues only provides protection for about 15 or 20 basis points change in the

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What's New in Finance?

money market. The provision is inequitable and expensive from the standpoint of the long-term investor. Witness the fact that of the $854 million of electric utility bonds sold between April and the end of December, 1953, at an average yield basis of 3.83%, $413 million (48%) were refunded within 14 months at an average yield of 3.07%. The saver was not permitted to enjoy a reasonable interest rate for long! Redemption provisions are important but receive amazingly little attention from many investors, including some life insurance company investment officers. We do a poor job in bargaining for better treatment in this regard.

It is true the Forty Year 3s of 1955 present nothing basically new or unique from a technical standpoint, but it is also quite evident that present Treasury Debt management and Federal Reserve flexible monetary policy create new investment management problems and new opportunities for investment action.

The New Convertible Issues

Another interesting area of contemporary finance involves convertible issues.

The first six months of 1955 produced a record volume of convertible bonds, debentures and preferred stocks offered at public sale. Over $568 million or 56% of the more than $1 billion of securities sold have carried conversion privileges. The amount offered in the first half of this year (which, of course, does not include the recent $635 million A. T. & T. convertible debenture issue) is over two times as large as the volume for the entire year 1954 and exceeds the 12-month volume for each of the preceding five years. A strong stock market has induced many issuers to obtain deferred equity capital through convertible issues on a low cost basis. Investors, (and I should also perhaps include speculators) have had a busy time analyzing issues and making that all-important decision: to buy or not to buy.

Convertible securities afford a very desirable and economical means of raising capital from the issuer's standpoint and in many instances they offer interesting investment opportunities to institutions, such as life insurance companies which do not ordinarily buy common stocks in volume.

Individuals are large buyers of convertible issues because they frequently receive as shareholders the initial opportunity to purchase through preemptive rights at attractive prices. Individual buying is also stimulated by the fact that the purchase of a good quality convertible debenture can be usually financed through a bank loan on a 15% margin basis in contrast to the 70% margin required if common stock is purchased directly. Indeed, in periods of stock market strength the enthusiastic buying by individuals rapidly drives prices up on popular convertible issues to such a degree that they move out of reach and cease to become attractive for life insurance funds. Or at least, so it seems to me. Witness the initial prices of such issues as American Potash, Bethlehem Steel, Union Oil, etc.

Convertible debentures or preferred stocks of sound investment quality, producing a reasonably good yield and a favorable call on the issuer's common stock, obviously have real attraction. No investment officer is averse to a security that may produce a handsome profit at some time in the not too far distant future and which also does not appear to involve substantial risk of price decline. The great majority of securities held by life companies are restricted in potential price appreciation by the redemption premiums to but a few points above par. On the other hand, the opportunity for loss is substantial if our investment judgment results in inferior risk selection. Therefore, it is always a satisfactory experience to own issues which now and then produce substantial profits.

Convertible issues have real attraction and merit, but even the highest grade may be extremely risky at a price. Issues that sell 25, 50 or more points above their par value have assumed the price risks of common stock. This is a price area that investment managers perhaps should recognize as an area of review, decision and action. A strong stock market has caused practically every convertible issue to produce a highly satisfactory potential profit result. This may not go on forever, and the current fine performance of convertibles should not lull investment officers to sleep..

The great postwar industrial expansion and the high tax level has caused many companies of limited equity base and new enterprises to obtain a large proportion of their capital needs through debt issues. Investment risks in companies of this type cannot from a practical standpoint be compensated for solely by the interest rate. Therefore, issuers seeking amounts of senior capital in high ratio to their equity base in a number of cases have offered inducements to investors in three general patterns, namely:

(1) Bonus common stock;

(2) Warrants to purchase common stock at specified prices over a term of years, or,

(3) Conversion rights.

The exact method used is, of course, dependent upon the specific problem at hand and the resulting negotiations. From the capital supplier's standpoint, the inclusion of common stock as an inducement or warrants are the two most attractive arrangements.

The capital so supplied is entitled to, indeed must have adequate compensation in the form of profit possibilities. Our investment judgment and resulting record will not be perfect and it is necessary to have profit opportunities above the mere interest rate so that the over-all experience will produce a satisfactory net yield.

So much for current financial events.

Now what is the outlook for attractive investment opportunities in the near-term future, meaning the next five years or so? I am

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	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Holyoke Water Power Operating public utility in Mass.	84	1.00	21¾	4.6
Home Insurance Co. (N. Y.) Diversified insurance	81	2.00	49⅞	4.0
Hook Drugs, Inc. Indiana drug chain	20	0.60	12	5.0
Hoover Co., Class B Vacuum cleaners	12	1.35	29½	4.6
Hotel Syracuse, Inc. 606 rooms	11	2.65	54	4.9
Housatonic Public Serv. Co. Connecticut operating utility	13	1.40	26⅛	5.4
Houston Natural Gas Corp. Southern Texas utility	19	1.00	25	4.0
Huntington Natl. (Columbus)	43	1.60	44	3.6
Huston (Tom) Peanut Co. Confection and food products	18	1.55	30	5.2
I-T-E Circuit Breaker Co. Electrical equipment and sub-assemblies for jet engines and radar	16	1.08¾	18½	6.9
Idaho First Natl. Bk. (Boise)	21	†0.50	25	2.0
Ideal Cement Co. Leader in the industry	43	†1.65	58½	2.8
Imperial Paper & Color Co. Wallpaper and pigment colors	20	1.00	20	5.0
Imperial Sugar Co. Sugar refining	14	2.00	43	4.7
Indiana Natl. Bk. (Ind'polis)	91	10.50	335	3.1
Indianapolis Water Co., Cl. A Operating public utility	14	0.80	26½	3.0
Industrial Bank of Commerce (New York)	20	2.00	40	5.0
Industrial Natl. Bk. (Detroit)	14	†1.52	44	3.5
Industrial Natl. Bank (Prov.)	a164	2.45	61	4.0
Intern'l Cellucotton Prods. "Kotex," "Kleenex," and related products	22	1.80	49¾	3.6
International Holdings, Ltd. Investment trust—hydro-electric interests.	16	0.90	21	4.3
Iowa Public Service Co. Electricity supplier	16	†0.72½	15⅞	4.6
Irving Trust Co. (N. Y.)	49	1.30	29½	4.4
Jahn & Ollier Engraving Co. Photo-engravings	21	0.15	3⅛	4.8
Jamaica Water Supply Co. Long Island water supplier	37	1.90	40⅛	4.7
Jantzen, Inc. Sportswear manufacturing	15	†0.78	23½	3.3
Jefferson Electric Co. Transformers, fuses, elec. clocks	21	0.40	5¼	7.6
Jefferson Standard Life Ins. Life insurance	43	1.15	111	1.0
Jersey Insur. Co. of N. Y. Diversified insurance	22	†1.20	32¼	3.7
Jervis Corp. Refrigerators & stove hardware	16	0.80	8⅝	9.3
Johansen Bros. Shoe Co. Shoes for women	16	0.30	4½	6.7
Johnson Service Co. Temperature & air conditioning controls	*20	†1.44	47	3.1
Jones & Lamson Machine Co. Lathes, grinders, comparators, threading dies	19	3.25	48½	6.7
Joseph & Feiss Co. Mfrs. men's clothing	16	0.75	11¼	6.7
Joslyn Manufacturing & Supply Co. Electrical and communication pole line equipment	20	2.50	35½	7.0
Kable Printing Co. Magazine printer	15	†0.91	17½	5.2
Kahler Corp. Rochester, Minn. hotel operator	38	1.25	27	4.6
Kalamazoo Veg. Parchm't Co. Pulp and paper, specializing in food protection papers	45	1.25	25⅞	4.8
Kanawha Valley Bank (Charleston, W. Va.)	*70	8.00	175	4.6
Kansas City Life Ins. Co. Non-participating life	*31	5.00	1,380	0.4
Kansas-Neb. Natural Gas Co. Gas distributor	18	1.14	37	3.1
Kearney & Trecker Corp. Milling machines	13	0.80	11½	7.0
Kellog Co. (Battle Creek) Leader in dry cereals	32	1.25	36½	3.4
Kendall Co. Surgical dressings, and textile specialties	16	2.00	44½	4.5
Kendall Refining Co. Pennsylvania grade oils	54	1.60	26¾	6.0
Kennametal, Inc. Manufactures cemented carbide cutting tools and specialties	12	†0.83	23½	3.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

Continued on page 37

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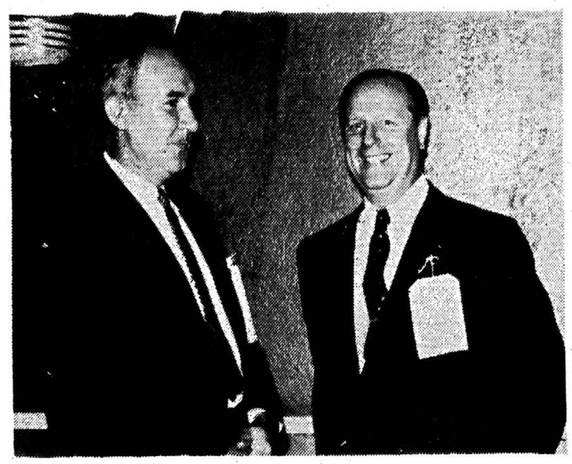
Security Traders Association of New York

James Brewer, *John C. Legg & Company;* Al Tisch, *Fitgerald & Company, Incorporated;* John D. Ohlandt, *New York Hanseatic Corporation;* Horace W. Wells, *John C. Legg & Company*

Stan Dawson-Smith, *Cruttenden & Co.;* Lewis (Hank) Serlen, *Josephthal & Co.; Frank J. Ronan,* New York Hanseatic Corporation

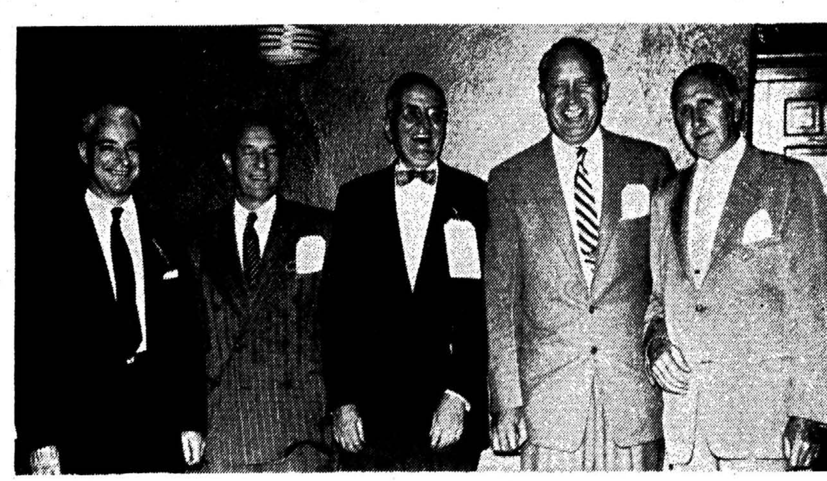
Frank Eiras, Proprietor of the *Antlers Restaurant;* Anna Mae Thomas, hostess; Charles Carroll, Proprietor, the *Antlers Restaurant*



Hal Murphy and Edwin L. Beck, *Commercial & Financial Chronicle*

Joe Bond, *Candee, Moser & Co.;* Bob Topol, *Greene and Compmany;* David Wittman, *Stanley Heller & Co.*

Edward Zinna, *Smith, Barney & Co.;* Joseph Carucci, *J. K. Rice, Jr. & Co.* (seated); Sidney A. Siegel, *Siegel & Co.;* Edmund A. Whiting, *Carl M. Loeb, Rhoades & Co.* (seated); Elbridge H. Smith, *Stryker & Brown;* Thomas Greenberg, *C. E. Unterberg, Towbin Co.*



Harold Frank, *American Securities Corporation;* Lee Sherman, *L. D. Sherman & Co.;* David R. Mitchell, *Hill, Thompson & Co., Inc.;* Art Burian, *Daniel F. Rice & Company;* Stan Roggenburg, *Roggenburg & Co.*

Charles O'Brien Murphy, III, *Pearson, Murphy & Co., Inc.;* Jay Duga, *Merrill Lynch, Pierce, Fenner & Beane;* Edward R. O'Kane, *John J. O'Kane, Jr. & Co.;* Percy J. Wien, *M. S. Wien & Co.,* Jersey City, N. J.

Soren Nielsen, *Tucker, Anthony & Co.;* Dan Mullin, *Tucker, Anthony & Co.;* Doug Alexander, *Joseph J. Lann Securities Inc.;* George Frings, *Sterling, Grace & Co.;* George Dedrick, *Joseph McManus & Co.*

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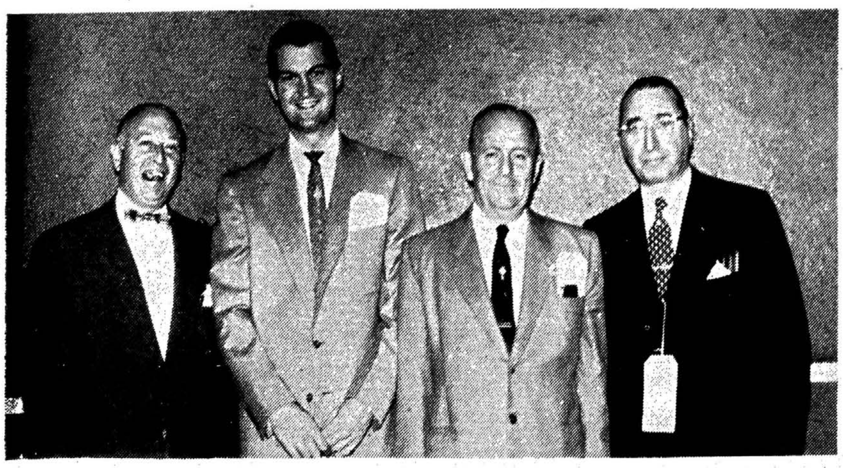
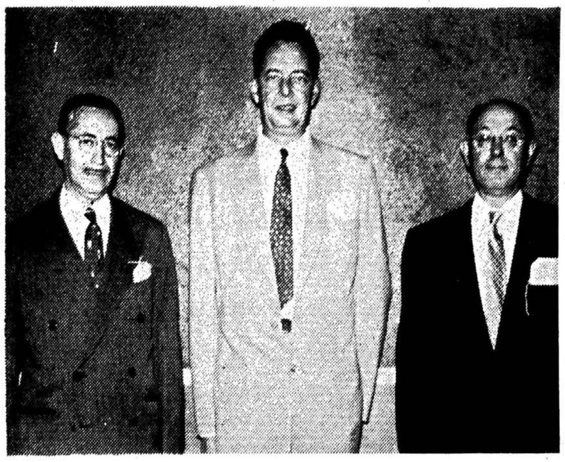
Annual Beefsteak Party



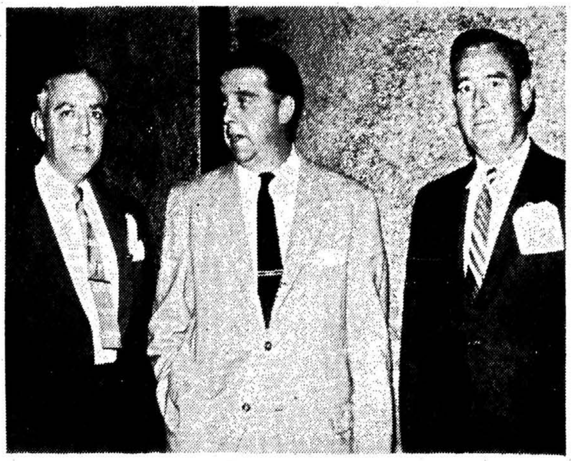
Sam Weinberg, *S. Weinberg & Co.*; Charles J. Lye, *Francis I. du Pont & Co.*; Jack Gertler, *Barr Brothers & Co.*; Edward S. Ladin, *Edward S. Ladin Company*

Joe Craig, *Goodbody & Co.*; John O'Mara, *Goodbody & Co.*; Frank J. Orlando, *Goodbody & Co.*; Frank E. Mulligan, *Goodbody & Co.*; John J. Cirenza, *Goodbody & Co.*



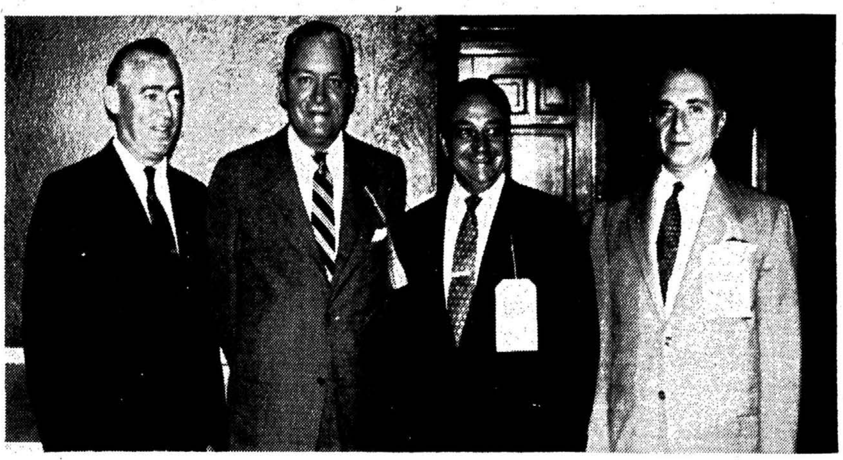
Dave Goldstein, *Newburger, Loeb & Co.*; Jack Thistleton, *Newburger, Loeb & Co.*; Irving Ittleman, *Strauss, Ginberg & Co., Inc.*

Bill Eiger, *Goodbody & Co.*; Bill Candee, *Candee, Moser & Co.*; Abe Strauss, *Strauss, Ginberg & Co., Inc.*



Irv. Kerr, *Vanderhoef & Robinson*; Charles M. Zingraf, *Laurence M. Marks & Co.*; Giles Montanye, *Carl M. Loeb, Rhoades & Co.*

Samuel Gold, *New York Hanseatic Corporation*; Syl Bies, *Edward S. Ladin Company*; Henry Gersten, *Oscar Gruss & Son*; Sal Rappa, *F. S. Moseley & Co.*; Bill Mulholland, *McLaughlin, Cryan & Co.*



Edwin J. Markham, *Werthheim & Co.*; George L. Collins, *American Securities Corporation*; Wilbur Krisam, *John C. Legg & Company*; Michael Voccoli, *Savard & Hart*

Ken Ebbitt, *Shelby Cullom Davis & Co.*; Jesse Heidingsfeld, *Ira Haupt & Co.*; Harry J. Peiser, *Ira Haupt & Co.*

Nat Greene, *Andrews, Posner & Rothschhild*; Jerry Monahan, *Edward A. Purcell & Co.*; Edward Ruskin *Singer, Bean & Mackie, Inc.*; Harry Zeeman, *Carl Marks & Co. Inc.*

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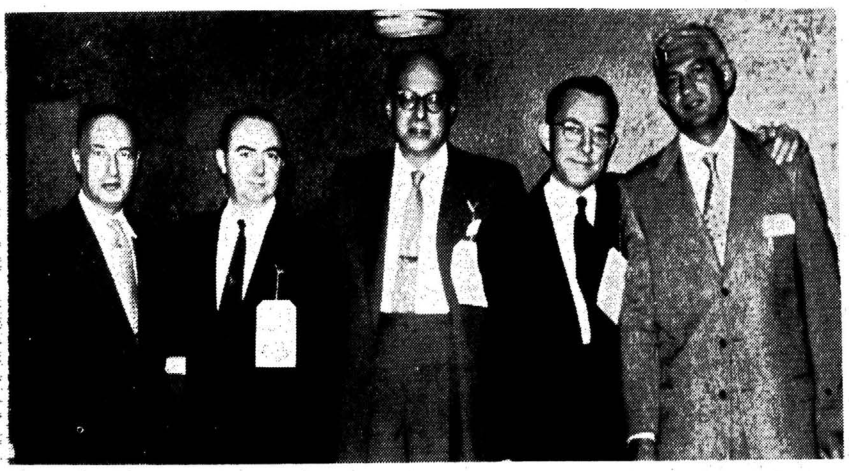
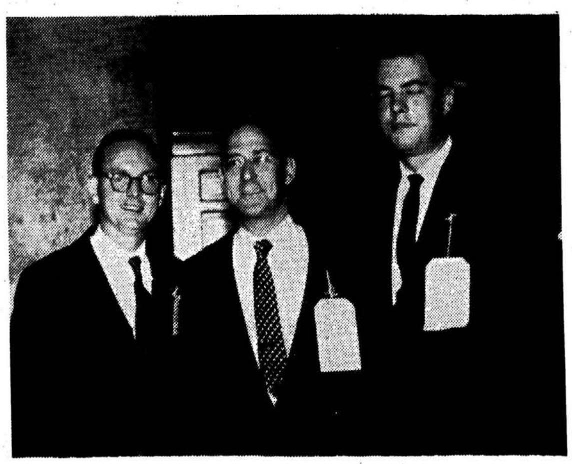
October 12th 1955 at the Antlers



Hans Ben, *New York Hanseatic Corporation;* Charles Curtis, *Hayden, Stone & Co.;* Nat Birnbaum, *Birnbaum & Co.;* Al McGowan, *Hayden, Stone & Co.;* Aaron Netburn, *New York Hanseatic Corporation*

Stan Shaw, *Josephthal & Co.;* Bill Doherty, *A. M. Kidder & Co.;* Nat Krumholz, *Siegel & Co.;* John McLaughlin, *McLaughlin, Cryan & Co.*

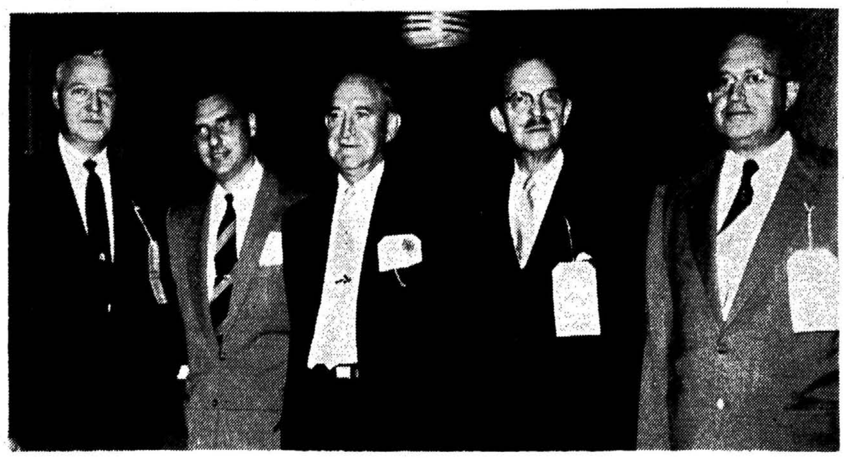
Carl Swenson, *G. H. Walker & Co.;* Hugh Kilmer, *Hardy & Co.;* Francis J. Purcell, *Edward A. Purcell & Co.*



Bob King, *Charles King & Co.;* Jerry Burchard, *Charles King & Co.;* Frank Walters, *Cosgrove, Miller & Whitehead*

Harry Casper, *John J. O'Kane, Jr. & Co.;* Charles Ogden, *Ogden, Wechsler & Co.;* Ed Schaefer, *H. D. Knox & Co., Inc.*

Mel Wien, *M. S. Wien & Co.,* Jersey City, N. J.; Milton Capper, *Capper & Co.;* Bernie Weissman, *Siegel & Co.;* John Stein, *Wm. V. Frankel & Co. Incorporated;* Paul Fredericks, *Warren W. York & Co., Inc.*



Walter Johnson, *G. A. Saxton & Co., Inc.;* Henry Kuipers, *Lord, Abbett & Co.;* Charles M. Kaiser, *Grady, Berwald & Co., Inc.;* George, Kirtland, *Filor, Bullard & Smyth;* Kenneth George, *Van Tuyl & George*

Ross Yunker, *A. M. Kidder & Co.;* Frank C. Masterson, *Frank C. Masterson & Co.;* Joseph Eagan, *Frank C. Masterson & Co.;* Tom Brown, *W. E. Hutton & Co.*

Joseph Krasowich, *Gregory & Sons;* Mort Weiss, *Singer, Bean & Mackie, Inc.;* Bill Sabah, *Cohu & Co.;* Nat Lukow, *Birnbaum & Co.;* Jack Wielar, *Starkweather & Co.*

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Federal Reserve Bank of St. Louis

400 Members in Attendance

Julie Golden, *Greene and Company;* Paul S. Morton, *Peter P. McDermott & Co.;* L. P. Dolan, *J. B. Boucher & Co.;* Frank W. Warner, *G. A. Saxton & Co. Inc.*

Les Gannon, *Peter Morgan & Co.;* Gus Fuchs, *George B. Wallace & Co.,* Jersey City, N. J.; Jim Torpie, *Torpie & Saltsman;* Elmer Myers, *B. W. Pizzini & Co., Inc.;* Everett Rubien, *Dean Witter & Co.*

Merritt Coleman, Harry A. Michels, and Larry Wren, all of Allen & Company

Gerald F. X. Kane, *Gerald F. X. Kane & Co.;* Herman Frankel, *Singer, Bean & Mackie, Inc.*

Joe Flanagan, *John J. O'Kane, Jr. & Co.;* Peter Barken, *Peter Barken Co.*

Barney Nieman, *Carl Marks & Co. Inc.;* Carlo Ceru, *Vanderhoef & Robinson;* Clif Smith, *Francis I. du Pont & Co.;* Bill Roos, *MacBride, Miller & Co.,* Newark, N. J.; Harold B. Smith, *Pershing & Co.*

John Meyers, *Gordon Graves & Co., Inc.;* George Leone, *Leone & Pollack;* Harry Pollack, *Leone & Pollack;* Albert Tyson, Jr., *Spencer Trask & Co.;* Mark Aiello, *Spencer Trask & Co.*

Joe Titolo, *Harris, Upham & Co.;* Joe Lann, *Joseph J. Lann Securities Inc.;* Martin King, *Sutro Bros. & Co.;* Sam Englander, *Englander & Co.;* Arthur Weigner, *Lehman Brothers*

Tony Lund, *Carl M. Loeb, Rhoades & Co.;* Gene Statter, *Hoit, Rose & Company;* George Martens, *Cohu & Co.;* Murray Barysh, *Ernst & Co.*

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Continued from page 32

WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Kentucky Utilities Co. — Electricity supplier	16	1.18	27⅝	4.3
Kerite Co. — Manufacture insulated wire and cable	23	2.40	37	6.5
Kerr-McGee Oil Industries — Oil developing and refining	22	†j0.60	43	1.4
Kings County Trust (N. Y.)	64	8.00	193	4.1
Kinney Coastal Oil — Crude oil producer	13	0.12½	2.05	6.1
Knudsen Creamery — Wholesale dairy products, Southern California	15	0.90	19½	4.6
Koehring Co. — Earth moving and construction equipment	14	2.20	39½	5.6
Kuppenheimer Co. — Makes and wholesales men's clothing	14	1.00	16	6.3
Laclede Steel Co. — Southern Illinois producer of miscellaneous steel products	43	5.80	114	5.1
Lake Superior Dist. Pwr. Co. — Public utility (electric, gas & water)	19	†1.02½	22½	4.6
Lake View Trust & Savings Bank (Chicago)	*35	10.00	360	2.8
Lamston (M. H.) Inc. — Variety store chain	11	0.40	7½	5.3
Landers, Frary & Clark — Household electrical products, etc.	68	1.75	25⅛	7.0
Lannett Bleachery & Dye Works — **Merged in January, 1955 with and into West Point Mfg. Co. Holders received one share for each two held.**				

Unlisted Companies Which Paid Consecutive Dividends From 5 to 10 Years Appear in the Second Table Starting on Page 51

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Lang & Co. — Wholesale grocer	10	0.20	3⅜	5.9
Latrobe Steel — High speed, tool & die, stainless steels	15	†1.96	58½	3.4
Lawrence Electric Co. — Operating public utility	105	1.75	30½	5.7
Lee (H. D.) Co. — Work and utility clothing	22	3.50	66	5.3
Leece-Neville Co. — Starting-light equipment for autos and aircraft	32	0.50	16⅞	3.0
Leonard Refineries — Michigan oil refinery	16	0.42½	10¾	4.0
Liberty Bk. of Buffalo (N. Y.)	10	1.25	35	3.6
Liberty Loan Corp. — Small loan co., Midwest	20	1.50	27⅝	5.4
Liberty Natl. Bank & Trust Co of Louisville	14	†2.16	60	3.6
Liberty Natl. Bank & Trust Co. of Oklahoma City	20	1.60	46½	3.4
Life & Casualty Ins. of Tenn. — Life, accident and health	19	0.60	31¼	1.7
Lincoln Natl. Bank & Trust Co. of Fort Wayne	15	2.50	62	4.0
Lincoln Natl. Bank & Trust Co. of Syracuse	21	1.50	32	4.7
Lincoln Natl. Life Ins. Co. — Life insurance	36	2.00	450	0.4
Lincoln Rochester Trust Co. (Rochester)	20	2.25	56½	4.0
Lincoln Stores, Inc. — Dept. store chain in New England	25	1.10	16	6.9
Lion Match Co. — Paper matches	17	1.15	21	5.5
Loblaw Inc. — Self-service grocery stores, N. Y. State, Ohio & Penn.	17	1.25	77	1.6
Lock-Joint Pipe Co. — Water and sewer pipe	19	40.00	760	5.3
Lockwood-Dutchess, Inc. — Cotton mills	13	4.00	95	4.2
Loft Candy Co. — Leader in the candy field	12	0.20	3⅝	5.5
Long-Bell Lumber Co. (Mo.) — Large producer of lumber	11	1.00	25	4.0
Longhorn Portland Cement — Texas producer	18	2.30	48½	4.7
Los Angeles Transit Lines — Traction company	10	1.00	16¼	6.2
Louisiana Bank & Tr. (N. O.)	21	1.80	57½	3.1

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
j Plus a four-for-three stock dividend paid on April 1, 1955.

Continued on page 38

Continued from page 32

What's New in Finance?

not going to attempt to make a definitive forecast, built up in the usual manner by estimating long-run capital requirements for each major sector of the economy. That is a job for professional economists.

The American economy has always, except for short intervals, been an expanding one. Optimism and the desire to work have been and continue to be two of our outstanding characteristics. In recent years, it has become almost a national pastime to examine and estimate where the economy will be 5, 10, 25 or more years hence. Such discussion, examination and projection is highly desirable because it constantly calls attention to our expansion and productive possibilities and potentialities.

In examining the question of future growth, it is the frequent practice of forecasters to cite population trends. Investment opportunities are stimulated by growth. However, let me cite declining population statistics that have produced very large demands for capital funds.

In 1920 there were nearly 20 million horses and over five million mules on our farms: today the combined population of horses and mules is less than five million. In this span of 35 years the farm labor force has declined from 13.4 million to 8.5 million but farm output increased over 50% and production per man hour has more than doubled.

What has happened? Since 1920 the number of tractors on farms has increased from 250,000 to nearly five million; farm trucks have increased from a mere 139,000 to about 2.5 million.

The great revolution in agricultural technology started in this country in the middle 1800s, with John Deere's all steel plow and Cyrus McCormick's reaper. Progress in the past 100 years on this continent has exceeded by far all the gains that mankind achieved in the previous 8,000 years. In colonial times about 85% of our people were farmers, each able to supply only the needs of himself and one-third of another person. Today, American farmers, who amount to only 12% of our population, have over $19 billion worth of equipment, tractors and motor vehicles. Tools and energy sources make it possible for each farmer to feed himself and more than 14 others. That means that for the first time in the history of human experience we have the time and opportunity to do many other things than merely provide food for our daily needs. That is why we have sound justification for believing that progress will continue at an accelerated pace.

The Paley report, the Twentieth Century Fund survey, "America's Needs and Resources," by the Dewhurst group, the Economic Report prepared by the President's Council of Economic Advisors and similar private studies by other competent observers indicate that Gross National Product in the next decade may well increase by 40% or so. What does this mean in terms of demand and supply of capital funds? Surprisingly, some economists believe that business will be self-financing to a very substantial degree, and that the demand for capital will be less than the flow of savings seeking investment.

I believe the contrary will be true.

New Capital Financing Will Continue at High Level

Historically, in building up estimates of capital requirements we have usually under-estimated dollar needs because we have developed our data by projecting the growth of existing industries and undertakings. Quite understandably, we have failed to make allowance for the unknowns, the new industries, new products and services not yet in existence.

Our ability to guess what new industries will soon come into being and their magnitude has not been impressive. I doubt if the record in the near future will be any better. Rapidly moving science makes the task currently even more difficult. It appears likely that some of our present day unknowns may soon emerge into the light of understanding. For example, the Geneva Atomic Energy Conference last August disclosed to scientists and laymen alike great potentialities in a number of areas. A new field of technology, radiation chemistry, is apparently here. The use of immensely powerful sources of radiation in industrial processes has fascinating implications. Opportunities for large scale changes both in process and products means new investment opportunities.

Then there are problems of another type that are also highly important but which can be readily solved today by existing well known methods. Water supply is a good example. A number of regions are rapidly developing demands for water far in excess of existing supply. Large scale surface water diversion works may well be the solution. The cost? That, too, is an unknown capital requirement at the present time. Potentially it could be very large.

The outlook for investment opportunities is always of prime interest to life insurance investment officers. For the past five years our industry has supported a very comprehensive research project under the direction of Simon Kuznets, entitled, "The Study of Capital Formation and Financing." Publication will take place in 1956. The study will shed much light on the future demand for capital funds from all sectors of our national economy. Dr. Kuznets and his group have made a major contribution to economic knowledge. One of the most interesting conclusions which is emerging is that over long periods in the past the relative scarcity of savings held back the potentiality of growth of the American economy.

The life insurance companies in the past decade have responded with energy and imagination to the growing needs of our economy. The savings dollars of our policyholders have been channeled into a great range of public and private uses. Many, such as the huge taconite projects of the Mesabi Range, are new and unique in the history of life insurance investing. Growth and progress cannot be achieved without new and better tools, and tools are the product of dollars withheld by the individual from his income stream and transformed into capital. I am sure that well-informed, able and aggressive investment staffs will continue to find productive investment opportunities in the many new fields that lie ahead for the flow of savings dollars directed to them by the millions and millions of life insurance policyholders.

NEW YORK SECURITY DEALERS ASSOCIATION

New York Security Dealers Association

42 Broadway, New York 4, N. Y.

★ **The New York Security Dealers Association was established thirty years ago by leading over-the-counter security dealers. dealers.**

★ **Experience, integrity and financial responsibility are among the requisites for membership.**

★ **This association originated the daily newspaper quotations and uniform practice for the Over-the-Counter Market, throughout our nation.**

★ **We urge you to contact our members when contemplating business in the over-the-counter market. You will be assured of reliable and fair dealing.**

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Continued from page 6

Institutional Investors And the Stock Market

economy has averaged 3% a year.

Let's however, assume constant stock prices and look for a moment at just two types of institutional investors. We estimate that by 1965 pension funds, which have exhibited the most dynamic recent growth, will own about $17 billion in equities compared to $3.5 billion today. They will be influenced in large part by the necessity of furnishing a man who retires with a certain purchasing power, regardless of how many dollars it takes to provide it. And we believe life insurance companies, who by size alone hold a crucial key to the future role of institutions in the market, will own $6 billion in stocks, as against $3.3 billion now. Life insurance companies have a gargantuan investment appetite, yet few such companies have taken full advantage of their legal opportunities to own equities. Our future estimates must reflect, in part, the experience of insurance companies during the past quarter century: in the Depression, real estate mortgages frequently entailed greater risks than sound equities; in post-World War II, inflation cut deeply into purchasing power and fixed income investments were unable to meet the rise in the cost of living. There is today, as a result, a growing realization that at times great risks can frequently be avoided, instead of assumed, through the institutional ownership of sound common stocks.

When we look at the broad picture as it may appear in 1965, we estimate total institutional stockholdings will reach approximately $60 billion—almost double present holdings. These securities will include an estimated $50 billion of New York Stock Exchange issues then outstanding, equal to about 24% of the estimated value of all our shares at that time, based on 1954 price levels.

Even to a people conditioned to statistics running into the billions, these figures admittedly seem enormous. But we must, I think, orient our planning to what we see ahead. The America of 1965, with entire new industries built into the economy, may bear only a superficial resemblance to what we are familiar with now. We foresee, for example, a need by corporations for some $80 billion in new equities simply to reach industrial levels projected for 1965, and in order to keep corporate equity and debt financing in sound balance.

The additional equity money which institutions are likely to furnish in the next 10 years—about $30 billion—will meet only 38% of the country's anticipated needs. The point to be noted is that while net equity purchases by institutions will rise 200%, the nation's over-all equity needs should leap ahead by 350%. Obviously, it is urgent that we look to individual investors, even more than institutions, to provide tomorrow's growth money.

Institutions Have Helped Solve Some Market Problems

While the **future** is exciting to consider, it is apparent that at present the rapid growth of institutions has given the economy and the securities business a formidable new factor to consider. The financial power of institutions must be harnessed not only to meet their own particular needs, but also to meet those of the economy. This is a job that will take great skill and considerable ingenuity. No great change in history has ever been accomplished without certain growing pains and the sudden rise of institutions is no exception. As is usually the case, the growing pains have received more notice than the growth itself. I would like to discuss in a moment some of the problems that have arisen, and what can be done about them. But I want first to point out some of the actual benefits to both the economy and the securities business that have stemmed from institutional growth. They have received scant attention.

To the economy as a whole, which was and still is badly undernourished for equity capital, institutions have made an important contribution. Through their net purchase of stocks during 1945-1954, institutions supplied $10 billion to the equity market—an amount equivalent to 60% of the money raised through new equity issues. In furnishing this money, and in meeting their own needs, institutions have prevented a further widening of the already serious gap between debt and equity financing. In their emphasis on blue-chip equities, they have released funds for reinvestment by others in new, growing and more risky enterprises. They have also given us a reminder that U. S. economic vigor is not an accident of history or geography, but is tied to our willingness to risk money on the future.

Moreover, institutions have helped extend to millions of people an indirect stake in the ownership of business. Among investment trusts, mutual funds and investment clubs, we find thousands who are only half-a-step removed from direct ownership. For many of these people, we hope that indirect ownership is only a first—and important—move towards direct participation. We are convinced that individuals as well as institutions must share directly in the rewards and risks of shareownership. We have consistently believed, and our research has borne out, that there are millions of financially able Americans with steady incomes, cash savings and insurance protection, who can best realize their economic goals by the sound purchase of stocks. As they become shareowners, that very act will pump new blood into our economic life-line.

Where the Stock Exchange itself is concerned, we have seen institutional share-volume rise steadily over the last three years, regardless of general market activity or price levels. This day-in and day-out activity has contributed to the market's vitality.

Important, too, is the fact that institutions have lent a strong

Continued on page 39

Continued from page 37

WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Louisiana State Rice Milling Co. Rice & by-products	14	0.60	14½	4.1
Louisville Trust Co. (Kentucky)	12	2.00	58	3.4
Lowell Electric Light Co. Operating public utility in Mass.	*30	3.30	59½	5.5
Ludlow Mfg. & Sales Jute and burlap	83	2.30	40¾	5.6
Lux Clock Mfg. Co. Mfg. of clocks and timing mechanisms	33	1.10	17	6.5
Lynn Gas & Electric Co. Operating public utility in Mass.	47	1.60	30¼	5.3
Lyon Metal Products, Inc. Steel shelving and store fixtures	18	1.50	21	7.1
Macfadden Publications Well-known magazine publisher	10	0.25	8¾	2.9
MacGregor Sports Products, Inc. Golf and athletic equipment	23	1.00	21¾	4.6
Macmillan Co. Well-known book publisher	57	1.50	28½	5.3
Macwhyte Co. Wire rope, cables	11	1.25	18½	6.8
Madison Gas & Electric Co. Wisconsin utility	47	1.60	44	3.6
Magor Car Corp. Railroad rolling stock	18	2.00	22	9.1
Mahon (R. C.) Co. Sheet metal products	19	1.00	22¼	4.5
Mallory (P. R.) & Co. Electric products	20	2.00	47½	4.2
Manning, Maxwell & Moore Hoists, cranes, gauges, valves	19	1.20	19⅛	6.3
Manufacturers Life Insur. Co. Life insurance	*46	1.80	312	0.6
Mfrs. Natl. Bank (Detroit)	18	†2.85	104	2.7
Mfrs. & Traders Tr. (Buf.)	*28	1.80	42	4.3
Manufacturers Trust (N. Y.)	46	3.10	82⅝	3.8
Maremont Automotive Products, Inc. Auto parts	16	0.80	13¾	5.8
Marine Natl. Exchange Bank of Milwaukee	94	3.00	87	3.4
Marlin-Rockwell Corp. Mfr. ball and roller bearings	31	1.00	17⅛	5.8
Marshall-Wells Co. Manufactures & wholesales hardware & kindred lines	*10	11.00	385	2.9
Marshall & Ilsley Bk. (Milw.)	17	1.65	55½	3.0
Maryland Shipbldg. & Drydock Co. Naval construc. and repair	20	1.25	20½	6.1
Maryland Trust Co. (Balti.)	21	2.00	52	3.8
Medford Corp. Lumber Manufacturer	15	8.00	91	8.8
Mellon Natl. Bank & Trust	49	3.00	98½	3.0
Mercantile National Bank of Chicago	19	1.50	54	2.8
Mercantile Natl. Bk. (Dallas)	20	1.16	30¾	3.8
Mercantile-Safe Deposit and Trust Co. (Baltimore)	88	4.00	96	4.2
Mercantile Trust (St. Louis)	26	†2.24	63¾	3.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Merchants Fire Assur. Corp.	43	1.80	65	2.8
Merchants and Manufacturers Insurance Co. of N. Y. Fire and allied lines of insurance	20	0.60	14⅜	4.2
Merchants Natl. Bk. (Boston)	124	†1.60	43¾	3.7
Merchandise National Bank Chicago	*21	0.80	25¼	3.1
Merchants National Bank in Chicago	20	†1.35	39	3.5
Merchants National Bank of Mobile	*30	3.50	75¼	4.7
Merchants National Bank & Trust Co. (Indianapolis)	*30	0.80	34½	2.3
Merchants National Bank & Trust Co. of Syracuse	15	1.66	35	4.7
Merchants Refrigerating Co., Class A and Class B. Refrigerating warehouses	12	1.60	36	4.4
Meredith Publishing Co. Better Homes & Gardens and Successful Farming magazines	*25	1.25	32	3.9
Messenger Corp. Calendars (religious and commercial) & greeting cards	*20	0.80	10⅛	7.9
Metal & Thermit Corp. Metals, chemical & welding materials	45	2.25	47¾	4.7
Metropolitan Storage Warehouse Co. General warehouse	24	3.00	40	7.5
Meyer (Oscar) Co. Meat packer	19	0.55	25	2.2
Meyercord Co. Decalcomanias	14	0.50	7⅝	6.6
Michigan Gas & Electric. Operating public utility	10	1 1.35	42½	1 5.6
Mich. Natl. Bank (Lansing)	14	1.00	66	1.5
Michigan Seamless Tube Co. Sheet tubing	16	1.00	15¼	6.6
Middlesex County Natl. Bank (Mass.)	19	2.40	53½	4.5
Miles Laboratories, Inc. Alka Seltzer	61	0.91	22¾	4.0
Miller Mfg. Co. Tools for auto and engine repar	13	0.22½	4¼	5.3
Millers Falls Co. Tools	*18	1.25	27	4.6
Minneapolis Gas Co. Natural gas distributor	a36	1.22½	27⅛	4.5
Miss. Valley Barge Line. Commercial carrier; freight on rivers	13	0.80	15	5.3
Missouri-Kansas Pipe Line. Holding company	15	2.40	81	3.0
Missouri Utilities. Electricity and natural gas	13	1.24	27¾	4.5
Mobile Gas Service Corp. Operating public utility	10	0.90	24¾	3.6
Monarch Life Insurance	*23	2.50	282	0.9
Monarch Mills. Sheetings & print clothes	21	†0.90	33½	2.7

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
1 Allowing for 3% stock dividend in Dec. 1954. It is company policy to pay a stock dividend each year in addition to cash disbursements.

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Institutional Investor And the Stock Market

investment tone to the market. Their objectives are long-term. They buy for cash and they are not harried by short-term fluctuations. They have thus proven to be a steadying influence—and this is a particularly important element in the expansion we are witnessing. Institutions are, in short, "professionals"—and by their knowledge, skill and research they have added to the market's stature.

The Problems Created by Institutional Investors

There is an ancient bit of wisdom that declares progress is largely a matter of discarding old worries and taking on new ones. If institutions have helped solve some of the nation's financial problems, their growth has unquestionably created others—not only for the economy and the securities business—but also for the institutions themselves.

The men who manage our insurance firms, pension funds and investment companies, the men Peter Drucker calls "The New Tycoons," have fallen heir to extraordinary power and responsibility. Once their funds are invested, for example, how are they to wield the power represented by their shareownership? There are some who feel that institutions ought not exercise their corporate vote on the grounds that their extensive ownership will give them too much control over public companies.

A comment here is appropriate. At the Exchange we believe very strongly that the corporate ballot is tied to our economic freedom as the November ballot is tied to our political freedom. We believe that casting a corporate vote is not only a right, but also a duty—because ownership cannot be divorced from responsibility. Much of our recent educational effort and much of our work with listed companies pivots on this point. If we want a free economy, we must extend freedom wherever we can, not limit it. And the specter of sizable institutional holdings need not haunt us. Existing regulations frequently limit the total amount of stock any institution may hold and also limit the amount of stock that may be held in one company or one industry. Undoubtedly, these safeguards will be improved and strengthened in the future where they do not now exist. Moreover, it is a curious piece of illogic that holds that hundreds of individual institutions, with their diverse needs and responsibilities, vote as a bloc at any given time.

To us at the Exchange and in the financial community, however, there is a real problem created by institutional growth. It is in meeting the unique and sizable needs of institutions—and in a free, orderly and open market—without in any way impairing service to millions of private investors.

New Techniques Developed by N. Y. S. E. to Meet Needs of Institutions

Our approach has been that while institutions differ from individuals as to the size of their transactions, both require a broad, liquid market. To any holder of securities much more is involved in the concept of "liquidity" than is readily apparent. For a liquid market is one that brings buyers and sellers together quickly and holds price changes to a minimum. Liquidity, by its nature, enhances the marketability of every listed security held by an institution. To the portfolio manager, this problem is particularly pressing. He is in the market daily. He wants to get the best possible purchase or selling price for today's transactions—and he must be concerned with tomorrow's transactions as well. He thus shares increasing responsibility for seeing that the market remains liquid, and with each succeeding market transaction he is, in effect, making his own job that much easier. Because institutional activity frequently involves large blocks of stocks which must be speedily marketable, the Exchange has in the last several years, taken a number of important steps to achieve this objective.

Through "Exchange Distributions" we have developed a method by which a member-broker in certain circumstances can help sell large blocks of securities by soliciting purchase orders.

Through "Specialist Block Purchases" our specialists are permitted to buy blocks of stock outside the auction market.

Through "Special Offerings" large blocks may be traded on the floor during regular hours without competing with sales in the regular auction market.

Through "Secondary Distributions" large blocks may be offered to the public through both members and non-members in a process that resembles the sale of new issues, but which takes place after the close of trading.

These and other new techniques which we are working to develop have played a big part in meeting the institutions' problems. In addition, we have made a concerted effort to broaden the scope and understanding of the market, on the grounds that the broader the ownership base, the healthier the market will be. We have, for example, strengthened the specialist system, and it was our specialists, incidentally, who did such a wonderful job on Sept. 26 in helping to absorb the flood of selling which followed announcement of the President's illness. We have approved permissive incorporation for our members as part of a program to attract qualified non-member broker-dealers to the Exchange. We have held periodic meetings with institutional investors to explore areas of mutual interest, and we have prepared special materials for them about our facilities. Finally, we have urged qualified corporations to seek listing on the Exchange and to gain for their shareholders the great advantages of listing. In the past five years some 102 newcomers to the Exchange list have added a total of 244 million shares with us. I am puzzled, incidentally, why many of the fine stock companies represented here today have not sought the listing of their

Continued on page 40

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Institutional Investor And the Stock Market

securities on the Exchange in order to achieve a better market and broader ownership. . . .

I have mentioned these Exchange methods and programs in some detail because they are still relatively new, and because they hold great promise for meeting your long-range needs and strengthening the fabric of the economy. At the Stock Exchange we are pledged to maintaining a market place that is fair, orderly, and open. This is our primary, but by no means our exclusive responsibility. It is a job that must be shared by the companies whose securities are listed, and by individual and institutional investors alike who have the greatest stake in the sound and continued use of our facilities. The progress we have made together in recent years indicates that the market place can, in fact, be made continually responsive to the country's new needs.

Are Institutions Drying Up Supply of Stocks?

There is one more distinctive feature to institutional growth that needs mentioning. It concerns the supply of available stock. Are institutions, with their heavy net purchases, drying up the supply? What are the facts?

Our figures for the last 10 years show that while institutions increased their net holdings of listed stock by 220 million shares, the Exchange's list actually expanded by 1.6 billion through new and additional listings, including stock splits and stock dividends. There are two meanings to this bit of history. We can see that institutional acquisitions absorbed almost 15% of the new supply. But even so, the general public found many more shares available to meet its needs.

In the next 10 years our estimates show that new issues and additional listings will add approximately one billion shares to the Exchange's list. This does not include additions that may be expected through stock splits and stock dividends. Of the increase, institutions are expected to absorb about 375 million shares, or 38% of the new supply.

Thus, the pattern of the future, while it provides for a large supply of stocks for the public, will see a somewhat stronger emphasis on institutional growth. In this prospect, there is an inescapable problem we must consider. It is one of "balance." There is an urgent need as our economy expands for maintaining a reasonable balance between individual and institutional holdings. Greater ownership by institutions must be accompanied by greater and wider ownership among individuals.

In stressing the individual's role, I don't want to understate the importance of institutions. Their past growth is a matter of record and their future growth is clearly indicated. But they should not be expected to put up a greater proportion of new equity money in the next decade than they now seem likely to invest.

We are convinced of this because we are going to require more equity capital than we have ever attempted to raise, and we are going to have to look to the individual investor to supply most of it. If we are to count on the individual we must at all times and at all costs make certain that he can take full advantage of his investment opportunities. We must make sure that the auction market is a place where he can express his needs instantly, that the supply of stocks is ample to meet his needs, and that he has adequate incentives for investment. I think we must look to the average investor not only to put up the greatest amount of equity money, but to make the most venturesome investments.

If we fail to attract enough individuals in the face of steady institutional growth, the character of the free auction market would change. It would prove difficult for the small investor, whom we number in the millions, and for the large institutions, to express their needs . . . it would pose the real danger that institutions will eventually own a preponderant share of our stocks.

Should that happen, the ready marketability of a great number of shares would be materially impaired. Such a situation would greatly inhibit the liquidity of the auction market, and would prove as enervating to institutions themselves as to the economy. Finally, the failure of private investors to meet the country's equity needs would damage the concept that our people, as individuals, ought to be our primary source of venture money—ought themselves to be the voting owners of American business.

The key to maintaining a healthy balance between individual and institutional holdings lies, of course, in maintaining a healthy market with a constantly increasing spply of stocks. It lies in encouraging industry to raise $80 billion in new capital through the equity route so that 1965's industrial goals can be achieved. It lies equally in educating people to the advantages and risks of ownership, and in providing them with the necessary financial incentives so that they will stake some of their funds on our economic future.

To help broaden ownership the Exchange is pursuing a realistic educational program that in the last three years has helped increase the number of shareholders from 6½ to 7½ million people. We have urged management to rely on equity financing wherever practicable, and we have urged that existing high-priced shares be made more marketable and attractive through stock splits.

Not the least of what must still be done lies in the field of legislation. We are still faced with two massive barriers to broader public participation in the market. The first is the capital gains tax which forces the individual to levy what amounts to a self-imposed penalty should he desire to shift his investment, and which locks in venture capital that the economy needs. The second is the double tax on dividends which,

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Monroe Calculating Calculating and bookkeeping machines	21	1.25	18	6.9
Montana Flour Mills Co. Flour & feeds	*13	1.60	28	5.7
Monumental Life Ins. (Balt.) Life insurance	26	1.40	97	1.4
Monumental Radio Co.V.T.C. Operates WCAO in Baltimore	20	1.20	13⅞	8.6
Moore Drop Forging Co. Drop forgings for several industries	16	0.80	15	5.3
Morgan (J. P.) & Co. Inc.	15	†g10	313	3.2
Mosinee Paper Mills Co. Sulphate pulp and paper	15	1.15	26	4.4
Nashua Corp. Makes waxed, gummed, coated papers, printed cellophane	29	2.00	47½	4.2
National Aluminate Corp. Chemicals for treating water	27	†0.95	34½	2.8
National American Bank of New Orleans	*24	16.00	350	4.6
Natl. Bk. of Comm. (Houston)	16	3.00	108½	2.8
National Bank of Commerce in Memphis	16	2.10	52	4.0
National Bank of Commerce in New Orleans	21	†1.46	62	2.4
National Bank of Commerce (Norfolk)	*21	2.90	76	3.8

Unlisted Companies Which Paid Consecutive Dividends From 5 to 10 Years Appear in the Second Table Starting on Page 51

National Bank of Commerce of San Antonio	53	†1.50	46½	3.2
National Bank of Detroit	20	2.00	69	2.9
National Bank of Tulsa	11	†0.93	40½	2.3
National Bank of Washington (Tacoma)	*42	†1.75	45	3.9
National Casket Co. Various undertakers' equipment	64	1.30	31¾	4.1
National Casualty Co. Accident, health, casualty insur.	20	†1.27½	47	2.7
National Chemical & Mfg. Co. Paints and related products	16	0.8C	15¾	5.1
Natl. City Bank of Cleveland	19	†1.81	68½	2.6
National Commercial Bank & Trust Co. (Albany, N. Y.)	*44	2.25	64	3.5
Natl. Fire Ins. Co. of Hartf'd Diversified insurance	85	3.00	110	2.7
National Food Products Corp. Holding company: chain food stores	15	2.10	50	4 2
National Life & Accident Insurance Co. Life, accident and health	*30	0.50	99½	0.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
g Plus stock dividend of one snare for each five held.

SELLING A NEW ISSUE

The first concern of any issuing company naturally is to have the stock sold and raise the money. As underwriters, we can do that job. Equally important is to have the issue well-distributed . . . to have a broad base of many stockholders that can be a source of strength in the future. We can do that job as well.

BUYING A NEW ISSUE

Look at the underwriter's record. How is his "batting average?" Are his past offerings holding up? Are the companies accomplishing what they set out to do . . . are the stocks at a premium? No underwriter has a perfect record of course, and neither do we . . . but we have a good number of healthy companies that are doing well.

Here are our past underwritings:

Issue—	Offering Date	Time in Syndicate	Offering Price	High-Low	Quote 10/18/55
Chase Chemical	Aug. 14, 1952	13 months	$1.00	1½-¾	1⅛
Corpus Christi Refining	July 21, 1953	4 months	1.50	4½-½	4¼
Texas International Sulphur	Aug. 14, 1953	Oversubscribed	1.00	4⅛-1	2⅜
United States Sulphur & Chemical	June 18, 1954	Converted into Minerals Corp. of America	2.00	Never out of syndicate Received 3 shares Minerals Corp. of Amer. for each share*	
Durham Explorations	June 18, 1954	Selling stopped—Canadian market in stock dropped	34¢	Never out of syndicate	
Bassons Industries	July 6, 1954	1½ months	2.00	3½-1⅝	3
National Uranium	July 8, 1954	4 months	1.00	4½-1	2⅝
*Minerals Corporation of America	May 4, 1955	1 month	1.00	1¼-⅞	1¼
Aquafilter	June 16, 1955	1 week	2.00	2¾-1⅞	2¼

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	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
National Newark & Essex Banking Co. (Newark)	150	†2.78	74	3.8
National Oats Co. — Cereals, animal feeds	29	†0.59	13	4.5
National Screw & Mfg. Co. — Screws, bolts and nuts	65	2.50	37	6.8
Natl. Shawmut Bk. (Boston)	*58	2.00	46½	4.3
National Shirt Shops of Del. — Chain, men's furnishings	16	0.90	14	6.4
National State Bk. (Newark)	143	†7.78	101	7.7
National Terminals Corp. — Midwest storage facilities	11	1.25	18½	6.8
National Tool Co. — Precision cutting tools	10	0.50	6	8.3
National Union Fire Insur. — Diversified insurance	21	2.00	48½	4.1
Nazareth Cement Co. — Pennsylvania producer	10	†1.35	33¼	4.1
Nekoosa-Edwards Paper — Pulp and papers	14	†1.25	36¾	3.4
New Amsterdam Casualty — Diversified insurance	18	0.172½	58½	0.3
New Britain Machine — Machine tools	19	3.45	40¼	8.6
New Hampshire Fire Ins. — Diversified insurance	86	2.00	52	3.8
New Haven Board & Carton Co. — Paper board & folding boxes	10	†1.00	24½	4.1
New Haven Gas Co. — Operating public utility in Conn.	a9	1.60	31⅛	5.1
New Haven Water Co. — Operating public utility in Conn.	76	3.00	57	5.3
New York Fire Insurance — Fire and allied lines of insurance	21	1.35	34¾	3.9
New York Trust Co.	61	†3.00	71¾	4.2
New Yorker Magazine — Publishes "The New Yorker"	26	2.00	35	5.7
Newport Electric Corp. — Rhode Island utility	16	2.10	43	4.9
Niagara Alkali Co. — Chemical products	13	1.60	64	2.5
Niagara Lower Arch Bridge — Joint operator of Whirlpool Rapids Bridge	107	0.50	72	0.7
Nicholson File Co. — Manufactures files and rasps	83	1.40	26¼	5.3
No-Sag Spring Co. — Furniture springs	15	†0.98	16¼	6.0
Norfolk County Trust Co. (Brookline, Mass.)	18	1.80	40½	4.4
North & Judd — Wide variety of hardware	90	2.00	37	5.4
North River Insurance Co. — Diversified insurance	117	1.40	41	3.4
North Shore Gas Co. — Retail distributor of natural gas in Illinois	11	0.70	78	0.9
Northern Engineering Works — Cranes and hoists	*15	0.80	11½	7.0
Northern Indiana Pub. Serv. — Gas and electricity supplier	12	1.60	36⅝	4.4
Northern Insurance (N. Y.) — Diversified insurance	*45	2.95	86	3.4
Northern Oklahoma Gas Co. — Operating public utility	19	†0.87½	20	4.4
Northern Trust (Chicago)	59	12.00	505	2.4

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

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Institutional Investors And the Stock Market

though now partially relieved, still discourages both equity investment and equity financing. We believe that the double tax on dividends should be lifted to the extent that individual investors receive at least a 10% tax credit on their dividends as against the present 4%.

If these barriers are removed, and as our economy expands, we will see an investment climate develop that will be noteworthy for three reasons:

First, the role of our institutions will be seen in the proper perspective. They are big and getting bigger, but so is everything else in our economy.

Second, we shall raise sufficient equity capital to realize the country's remarkable future goals. In relying largely on individual investors, we shall be preserving our essential character as a nation of individuals — individuals who are able to vision, and are willing to venture.

And finally, the supply of stocks will be entirely adequate to place within the reach of every individual the opportunity to own a share of our productive might. When we have accomplished this, we shall have spelled out for the rest of the world what we mean by a man-in-the-streets kind of capitalism.

Redden Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo. — Walker E. Crosby has been added to the staff of Redden and Company, 812 Olive Street, members of the Midwest Stock Exchange.

With W. D. Gradison

(Special to THE FINANCIAL CHRONICLE)

CINCINNATI, Ohio — Jack L. Roth, Jr. is now connected with W. D. Gradison & Co., Dixie Terminal Building, members of the New York and Cincinnati Stock Exchanges.

Rand McNally Co. Centennial in 1956

Rand McNally & Co., of Chicago, pioneer printing, publishing and map-making firm which has played an important part in the expansion of America, announces that it will observe the 100th anniversary of its founding with special publishing events and centennial programs throughout the year 1956. The company was founded in June, 1856 at 148 Lake Street, Chicago.

Andrew McNally III

Best known as the world's largest producer of maps, the company is engaged in various other types of printing and publishing which actually account for the larger percentage of its business. The company produces more than 250,000,000 maps a year, however, and "Rand McNally" has become synonymous with the word "map."

Andrew McNally III, President of the company and a great-grandson of one of its founders, announced that the centennial observance will include a two-day program in Chicago Jan 5 and 6 to be called "The Chicago Assembly" and devoted to the theme, "The Challenge of a Changing World."

Sessions of the Assembly will feature leading speakers from the fields of government, communications and the graphic arts, transportation, banking, and education.

In addition, he announced, the company will publish a centennial edition of the prize-winning Rand McNally Cosmopolitan World Atlas; a "Centennial Atlas of the West," depicting the West in the 1870's with some of the first Rand McNally maps of the U. S.; two new maps of the U. S., which will be the first of their kind; new merged relief globes; and a commemorative Abraham Lincoln brochure.

In addition to maps and map products, Rand McNally's printing and publishing activities include printing more than 5,000,000 railroad timetables, and a majority of the railroad, airline, and bus tickets in use in the U. S. and many foreign countries. It is among the oldest firms in the United States engaged in railroad printing, and some of the nation's major railroads have been customers of the company for its full 100 years.

Rand McNally also produces textbooks, adult non-fiction, and millions of juvenile books each year. It is the publisher of "Bankers Monthly," the oldest banking magazine in America; "Bankers Directory," bible of the banking industry; and the "Commercial Atlas," the oldest annually published reference atlas in existence, which is used daily by thousands of American business houses. At Hammond the company operates one of the nation's largest book manufacturing plants. Rand McNally prints more than 65,000,000 road maps annually.

With McDonald Co.

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Robert S. Adams is with McDonald & Company, Union Commerce Building, members of the New York and Midwest Stock Exchanges.

Joins Paine, Webber

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Harry P. Perkins has become associated with Paine, Webber, Jackson & Curtis, Union Commerce Building. He was formerly with Westheimer and Company.

With Harris, Upham

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Mina F. Duncan is now with Harris, Upham & Co., 523 West Sixth Street.

J. A. Hogle Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Eugene Zobelein has joined the staff of J. A. Hogle & Co., 507 West Sixth Street.

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Continued from page 6

Outlook for Mortgage Loan Rates in 1956

of rates has been well demonstrated over the past year. The Treasury bill rate reached bottom just before the middle of 1954, and has shown a steady rise since then. Other Government security rates started their rise very soon after the bill rate, about the middle of 1954. Corporate rates began to move upward a few weeks later. Prime commercial paper rates were not raised until the beginning of 1955. Mortgage loan rates did not begin to move upward until the spring of 1955, and the published prime commercial loan rate was raised only after the middle of the year. I recognize that rates—particularly published rates—do not tell the whole story, but it is nevertheless quite clear that the diverse money and capital markets responded with widely differing sensitivity to the overall movement to a tighter money situation.

What I have been demonstrating thus far is that all interest rates in the United States are related to each other, so that movements in one part of the total money market will sooner or later be transmitted to all other parts. Because of this interrelationship of all interest rates and all money and capital markets, we cannot reach a reasonable conclusion as to the probable movement of mortgage loan rates in 1956 unless we first inquire into what is likely to happen to the total money and capital market. And what is likely to happen to the total capital market depends, in turn, on what is likely to happen to overall business activity. The first step in solving our problem is therefore to estimate the general business atmosphere in which we are likely to find ourselves operating in 1956.

1956 Will Be a Record Business Year

I believe that 1956 will be a record business year, with a Gross National Product well above $400 billion. Although we have experienced in the last few months some leveling off in a number of important business indexes, it is my opinion that these are temporary adjustments, more in the nature of minor hesitations in the course of the boom, and that they do not signal the beginning of a business downturn. I expect the total of Federal, State and local Government purchases to be higher in 1956 than it has been in 1955. Business capital expenditures will also be up. Inventory spending will continue at about its present rate. Consumers, aided by a reduction in the income tax rate, are likely to increase their purchases as much as $12 billion over the 1955 level. Summing up these different spending segments, it seems to me fairly certain that our free enterprise system will establish still another record next year.

From this forecast of general business activity we can draw two conclusions which are important for the future of mortgage loan rates. The first conclusion has to do with the overall demand for funds—and the overall volume of savings—which can be expected to enter the money and capital markets in 1956. The second conclusion has to do with the action which the Federal Reserve is likely to take under the conditions which it will face in 1956.

In the years since the end of World War II, the total demand for funds in the United States has grown tremendously. In 1946, the economy used about $13 billion in net new funds; by 1955, the demand for new funds had grown to over $44 billion. This growth has not, of course, been uniform from year to year. In some years such as 1950 demand rose a full $10 billion; in other years such as 1954, there was no increase at all. In general, there has been a fairly close relationship between the volume of net new funds demanded and the volume of total business activity.

While the demand for funds has been growing, so has the supply. Savings — particularly savings invested through financial institutions — have surged ahead very rapidly and have gone a long way toward meeting the tremendous capital needs of the economy. While a good portion of the need for funds has thus been supplied by corporate and individual savings, the demand for funds is not always exactly equal to the supply of savings. We have had periods in our history when savings exceeded the demand for funds. These periods have, however, been the exception. In most years, there is a tendency in our growing and expanding economy for the demand for funds to exceed the volume of savings. This deficit in the supply of savings can be supplied through the creation of new money by the commercial banks, and, behind the commercial banks, through the creation of money by the Federal Reserve Banks.

It is interesting to note the variations in the total supply of loanable funds which have in the past come from savings, on the one hand, and from bank creation of money on the other hand. In 1950, of a total supply of about $28 billion, only two-thirds came from savings, the remaining one-third being created through the banks. In 1953, on the other hand, almost the entire $32.6 billion of new funds was supplied by savings, the banking system creating less than 1% of the needed funds.

Now, what is likely to happen to the overall demand for funds during 1956, and how well will this demand be supplied by savings alone? I have already referred to the exceedingly prosperous business conditions which I believe can be expected in 1956. On the basis of this volume of business activity, I estimate that the net new funds needed by the economy will be as great as they have been in the present tremendous expansion year. This would mean that demand for new funds in 1956 would total over $44 billion. Savings next year will of course rise, but even with this increase savings will total only about $36 billion. There will thus be a need for the commercial banks to create something like $8 billion of new money in 1956.

The Question of Federal Reserve Policy

This brings me to the second conclusion which can be drawn from my forecast of high business activity in 1956. Faced with an economy geared up to a very high level of business activity, and a demand for funds exceeding the supply of savings, will the Federal Reserve permit the expansion in bank loans and investments which I have indicated will be necessary if the expected demand for funds in 1956 is to be met?

Free reserves of the commercial banks are now in the negative category. That is, the banks as a whole are in debt to the Federal Reserve by an amount exceeding their excess reserves. It is therefore obvious that the banks can-

Continued on page 43

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Continued from page 41

WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Northwestern Leather Co. Makes shoe leathe	10	1.40	15	9.3
Northwestern Natl. Ins. Co. Fire, automobile and allied lines	81	2.25	86	2.6
Northwestern States Portland Cement Co. Iowa producer	19	2.00	63½	3.1
Noxzema Chemical Co., Cl. B Distributes "Noxzema" shaving cream and medicated cream	30	0.90	15¼	5.9
Ohio Citizens Trust Co. (Toledo)	21	1.40	34	4.1
Ohio Forge Machine Corp. Gears, speed reducers, etc.	19	3.00	37	8.1
Ohio Leather Co. Upper leather for shoes	23	1.25	18¾	6.7
Ohio Match Co. Book and box matches	16	0.50	15⅜	3.3
Ohio State Life Insur. Co. Life, accident and health	*31	1.30	122	1.1
Ohio Water Service Retail treated water; wholesales untreated	19	1.50	27½	5.5
Old Kent Bank (Gr. Rapids)	26	1.50	47½	3.2
Omaha National Bank	20	1.60	61½	2.6
Oneida, Ltd. Silverware	19	1.25	26	4.8
Onondaga Pottery Co. China tableware	12	0.95	16	5.9
Osborn Manufacturing Co. Mfrs. of industrial brushes and foundry machinery	16	0.90	21	4.3
Oshkosh B'Gosh Complete line of work clothing and matched sets	19	1.75	27	6.5
Oswego Falls Corp. Paper containers and closures	19	1.20	35⅜	3.4
Otter Tail Power Co. Utility; Dakotas and Minn.	17	1.55	29⅞	5.2
Oxford Electric Corp. Radio, TV speakers, transformers & miniature incandescent lamps	10	0.15	3⅞	3.9
Pabst Brewing Well-known brewer	19	0.85	14¼	6.0
Pacific Car & Foundry Co. Makes railway cars	12	†1.95	77½	2.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Pacific Fire Insurance Diversified insurance	*45	†1.85	65	2.8
Pacific Gamble Robinson Wholesales, fruits and vegetables	21	†0.37	11⅝	3.2
Pacific Lumber Co. Planing mill products	19	8.50	175	4.9
Pacific Natl. Bank of Seattle	27	p†0.80	35¼	2.3
Package Machinery Automatic wrapping machines	38	1.00	22¾	4.4
Pacolet Manufacturing Co. Fabrics	16	7.50	175	4.3
Panama Coca-Cola Bottling Beverage bottling	*26	0.30	6½	4.6
Passaic-Clifton National Bank & Trust Co.	16	1.50	34½	4.3
Paterson Parchm't Paper Co. Waxed and insoluble paper	64	1.00	17½	5.7
Peden Iron & Steel Co. Hardware	18	2.40	30	8.0
Peerless Cement Corp. Michigan producer	14	1.25	77	1.6
Pennsylvania Co. for Banking & Trusts **Stockholders on Sept. 19, 1955 approved a merger with the First National Bank of Philadelphia on a share for share basis under name of Pennsylvania Banking & Trust Co. effective Sept. 30.**	141	†2.02	50	4.0

Unlisted Companies Which Paid Consecutive Dividends From 5 to 10 Years Appear in the Second Table Starting on Page 51

Pennsylvania Gas Co. Operating public utility in Pennsylvania and New York	76	1.05	27½	3.8
Peoples First National Bank & Trust Co. (Pittsburgh)	88	2.25	54¼	4.1
Peoples National Bank of Washington (Seattle)	27	1.50	80	1.9
Perfection Industries, Inc. Heating and cooking appliances	38	0.50	28½	1.8
Permutit Co. Water softeners	18	2.35	38	6.2
Peter Paul Co. Popular candies	21	2.00	32½	6.2
Petrolite Corp. Chemical compounds	24	2.00	69	2.9
Pettibone Mulliken Railroad track equipment, forgings and machinery	13	0.90	29	3.1
Pfaudler (The) Co. Corrosion resistant equipment	16	1.80	39	4.6
Pheoll Manufacturing Screws, bolts, nuts	34	0.40	11¾	3.4
Philadelphia National Bank	111	5.00	118¾	4.2
Philadelphia Surburban Transportation Co. Operates street railway lines	15	1.00	31	3.2
Philadelphia Suburban Water Operating public utility	*16	†0.49	36¼	1.4
Phoenix Insur. (Hartford) Fire and casualty insurance	82	†2.78	91	3.1

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
p Stock was split 10-for-1 and par value changed from $100 to $10 in February, 1955.

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Outlook for Mortgage Loan Rates in 1956

not increase their loans and investments unless the Federal Reserve is willing to provide them with the necessary reserves. If the Federal Reserve **does** make enough reserves available to permit the commercial banks to make up the expected deficiency in savings next year, then interest rates could be expected to remain at about the present level. If, on the other hand, the Federal Reserve continues to allow only a very small rise in reserves, the market will get tighter and interest rate will rise.

It is of course very difficult to second-guess what the Federal Reserve is going to do—particularly to guess what they will do a year from now. It seems reasonable to me, however, to believe that the Federal Reserve will continue to exercise a restraining hand on bank credit extension. The rise in business activity which I think is likely next year will strain the productive capabilities of the economy. As a result, there will be considerable upward pressure on consumer prices. In a situation like this—with business activity at capacity and prices moving upward—the Federal Reserve is almost sure to limit quite severely the amount of credit available to the commercial banks. My estimate is therefore that the money and capital market as a whole next year will be tighter than it is at present, and that interest rates as a whole will be higher than they are now.

The Question of Mortgage Loan Rates

Now what about the particular segment of the overall capital market on which our interest at this Conference centers? Will mortgage loan rates show the same trend as most other interest rates? I believe that housing starts will show some decline in 1956, possibly falling to around 1,100,000 from the present rate of 1,300,000. Although part of this decline will be the result of actions by Federal agencies to limit the amount of credit going into this market, I should like to emphasize that some fall in the rate of housing starts was to be expected even without intervention by government.

Early this year we heard a great deal of talk, from government as well as private sources, to the effect that the then-existing rate of housing starts was not too high and that the country could easily absorb 1.5 million new homes annually over the next few years. I am happy to say that more recently several government agencies appear to have revised their views on this subject substantially. A number of steps have been taken to reduce the volume of credit extended to home buyers, and there is considerably less talk about the desirability of a 1.5 million housing start rate. Even though I am not at all enthusiastic about the government's attempts at selective control of mortgage credit, I am happy to see a revision in what I felt were unrealistic views regarding the country's housing potential. I do not believe that the building industry, the mortgage lending industry, or the economy as a whole, is served by an overestimation of effective housing demand. I believe that the country can support a million housing units a year until 1958 or 1959, and somewhat more thereafter. If housing starts drift off gently over the coming year to around the million housing start level, we will have accomplished with unusual success the transition to a rate which can be maintained for some years to come.

Even though housing starts should decline from the present level of 1,300,000 to 1,100,000 in 1956, this does not mean that the demand for mortgage loans will decline. The rate of housing starts at present is below what it was in 1950, yet the net increase in mortgage loans outstanding this year will probably be 70% greater than in 1950. In 1956, despite a decline in new residential construction, the expected rise in the average price of new homes built, plus the steady rise in the need for funds to finance the sale of existing homes, will probably result in a demand for mortgage money about equal to this year's demand.

Moving to the other side of the market, what about the supply of mortgage loan funds in 1956? The volume of savings lodged with commercial banks, life insurance companies, mutual savings banks, savings and loan associations, and other institutions which supply funds to the mortgage market will be substantially larger in 1956 than it has been this year. With a demand for mortgage loans about equal to this year, and a potential supply of mortgage loan funds substantially greater than this year, one would at first glance conclude that the mortgage loan market would ease and rates would tend to decline. But there are at least three factors which I believe will prevent this easing.

Fairly Tight Money Next Year

First, I have already pointed out that the overall money and capital market will be fairly tight next year. There will therefore be attractive alternatives to mortgage loan investment. Those in-

Continued on page 44

STYLON CORPORATION

"First-half earnings rose to 13¢ a share in 1955 from 5¢ in 1954. Current order backlog exceeds estimated production for the next 9 months. Second new plant at Florence, Ala. expected to be in operation about April 1, 1956. * * * * * * * * * The City of Florence Bonds (both old and new), exchangeable into Stylon common stock, are an interesting way of participating in this situation.

In the first 6 months of 1955 net sales of Stylon (ASE) totaled $2.83 million—a 75% gain over the $1.62 million volume reported for the corresponding 1954 period. More efficient manufacturing methods enabled the pre-tax profit margin to rise to 15.7% from 4.1% a year ago, and earnings before taxes rose to $446,000 from $67,000. The increase in net income per share was not so striking (13¢ vs. 5¢) because: (1) this year's earnings were subject to a full income tax load whereas tax liability was offset by carry-forward loss credits in the 1954 period, and (2) the number of outstanding shares increased to 1,633,000 from 1,344,000, due to bond conversions.

For the full year 1955 we continue to estimate earnings of 35¢ a share on sales of $6 million. For 1954 the company reported profits of 11¢ a share on sales of $3.9 million.

On June 15, 1955 the company entered into an agreement with the City of Florence, Ala., for the construction and long-term lease of an additional plant with the proceeds of a $1.95 million City of Florence Industrial Development Revenue Bond Issue. The new facilities, which are to be located adjacent to Stylon's present leased facilities in Florence, are expected to increase the company's aggregate annual sales potential in tile alone to between $10 and $11 million by 1957.

In view of the management's marked success in increasing sales in recent years and the prospect of further plant expansion once the new Florence plant is in operation, we project sales of between $15 and $20 million in the late Fifties. On such a volume, annual earnings may be expected to average $1 a share and dividends 50¢. Such earnings and dividends, capitalized on a 6.3% yield basis and at an earnings multiple of 8 times (American Encaustic, the leading company in the tile field currently sells on a 5.0% yield basis and an earnings multiple of 9.5), probably would warrant a price of 8 for the stock, double the current.

The City of Florence Bonds (two series—1952 and 1955) afford an interesting means of participation in this special situation. Stylon Corp. has made a firm offer (registered with the SEC) to exchange 500 shares of its stock for $1,000 principal amount of the first issue of Florence Bonds and 200 shares in the case of the second issue. Both bonds bear a 5% coupon. The interest is not subject to federal income tax. However, it should be noted that these bond issues are not a direct obligation of the City of Florence but merely represent a first mortgage on the plants built with the funds raised thereby. Income received from the rentals paid by Stylon Corp. (under long-term lease agreement) is sufficient to pay the interest on these bonds and provide for their serial redemption. Based on our long-term price projection of 8 for Stylon common, the old bonds (currently valued at $2,000 each) would be worth $4,000 per $1,000 principal amount; the new bonds (currently valued at about $1,030) would be forth $1,600. At present market prices, the tax free yield on the old bonds is 2.5%; on the new bonds, 4.9%."

The above is a quotation from "The Value Line" (Investment Survey of September 12, 1955) and is reprinted with their permission.

Gearhart & Otis, Inc. and associates originally underwrote Stylon Corporation common stock, at $1.00 per share and the bonds at par, and later City of Florence 5% tax exempt Bonds, in which we maintain active trading markets.

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Outlook for Mortgage Loan Rates in 1956

stitutions which traditionally operate in more than one capital market—notably commercial banks and life insurance companies—will thus be able to shift funds out of the mortgage market at the slightest sign of relative weakness in mortgage rates. This desirable fluidity between markets will maintain the balance of funds in the different markets and cause all rates to move roughly together.

Second, since mortgage loan rates are relatively slow moving, they would not in any event turn down until some time after the sensitive rates, such as the government security and corporate bond rates, had turned down. I have already indicated that I do not expect any downturn in the sensitive rates during 1956.

Finally, even though **savings** entering the mortgage loan market will be higher in 1956, the total volume of funds entering that market will not be larger than in 1955 and may even be smaller. During 1955, the normal flow of savings into the mortgage market has been supplemented by an extra flow of funds coming from what might be called reserve pools. In the case of savings and loan associations, borrowings at the Federal Home Loan Banks have supplemented the volume of new savings. In the case of life insurance companies, savings and loan associations, mutual savings banks, and other lenders, resort to warehousing agreements has added to the available supply of mortgage loan funds. And the commercial banks themselves have put more funds directly into this market during 1955 than they are likely to do in 1956.

I would like to emphasize that I think this extra flow of funds into a particular capital market during a period of unusual demand has been a good thing. It is only as we maintain the fluidity and interconnection of the various subcapital markets that we can expect capital to move to those areas where it is most needed. If credit is to be restrained, I would like to see it restrained through **general** credit controls which limit the **overall** volume of funds and do not attempt to prevent the free flow from one capital market to another.

In thinking about the practical situation we must be concerned, however, not with what we would have liked the monetary authorities to do, but with what they **have** done and **will probably** do. The fact is that various government agencies have recently taken actions directed specifically against the flow of funds into the mortgage loan market. Since these actions are not likely soon to be reversed, we must conclude that the volume of funds entering the mortgage market in 1956 will probably be held down to, and perhaps slightly below, the volume offered in this particular market in 1955. With a demand equal to this year, and a supply of funds no greater and perhaps less than this year, my conclusion is that mortgage loan rates in 1956 will continue firm, and will probably average higher than in 1955.

Joins Samuel Franklin

(Special to The Financial Chronicle)

LOS ANGELES, Calif. — Louis D. Bluman has become connected with Samuel B. Franklin & Company, 215 West Seventh Street.

Joins J. Logan

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Edward Edison is now with J. Logan & Co., 210 West Seventh Street. Mr. Edison was previously with Lester, Ryons & Co.

E. F. Hutton Adds

(Special to The Financial Chronicle)

KANSAS CITY, Mo. — Edward B. Jones is now affiliated with E. F. Hutton & Company, 111 West Tenth Street.

Brown Bros. Harriman To Admit Gerry Bros.

The private banking firm of Brown Brothers Harriman & Co. has announced plans to admit Gerry Brothers & Co. to limited partnership as of Nov. 1, 1955.

The Gerry Brothers & Co. partnership was organized in New York in 1953 to acquire the assets of The Gerry Estates, Inc. and to handle investments for the Gerry family. The general partners are Elbridge T. Gerry, Edward H. Gerry and Henry A. Gerry, nephews of W. Averell Harriman and E. Roland Harriman.

Established in 1818, Brown Brothers Harriman & Co. is the country's oldest and largest private banking firm with deposits of $190,000,000 and total assets of $225,000,000. Present partners of the firm are David G. Ackerman, Moreau D. Brown, Senator Prescott S. Bush, Louis Curtis, E. Roland Harriman, Stephen Y. Hord, F. H. Kingsbury, Jr., Robert A. Lovett, John B. Madden Thomas McCance, Ray Morris, H. D. Pennington, L. Parks Shipley and Knight Woolley, general partners; and The Honorable W. Averell Harriman, limited partner.

The admission of Gerry Brothers & Co. to limited partnership has been approved by the New York State Banking Board and application for approval by the New York Stock Exchange has been filed.

With Merrill Lynch

(Special to The Financial Chronicle)

GRAND RAPIDS, Mich.—Donald L. Sleight has joined the staff of Merrill Lynch, Pierce, Fenner & Beane, Michigan Trust Company Building.

With Schirmer, Atherton

(Special to The Financial Chronicle)

BOSTON, Mass. — Richard L. Shea is now associated with Schirmer, Atherton & Co., 50 Congress Street, members of the New York and Boston Stock Exchanges. Mr. Shea was previously with Shea & Co.

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Piedmont & Northern Ry. — Operates electric line in Carolinas	26	6.00	109	5.5
Pilot Full Fashion Mills Inc. — **Name changed in April, 1955 to Alba Hosiery Mills, Inc.**				
Pioneer Trust & Savings Bank (Chicago)	31	†7.08	225	3.1
Plainfield-Union Water Co. — Operating public utility	42	3.00	63	4.8
Planters Nut & Chocolate — Peanut products	43	2.25	57	3.9
Plomb (The) Tool Co. — Mechanics hand tools	16	0.80	14½	5.5
Plymouth Cordage Co. — Rope, binding twine, etc.	98	3.10	58	5.3
Pocahontas Fuel Co., Inc. — Bituminous coal—mining and sale	22	1.20	32	3.8
Potash Co. of America — Potash and oil interests	18	2.25	41	5.5
Provident Savings Bank & Trust Co. (Cincinnati)	52	1.75	48½	3.6
Provident Trust Co. of Phila.	90	5.00	123	4.1
Providence Washington Ins. — Multiple line insurance	49	1.20	25¾	4.7
Provincial Bank of Canada — Foreign and domestic banking business	*36	0.74	26¼	2.8
Public Service Co. of N. H. — Public utility	18	0.90	18	5.0
Public Service Co. (N. Mex.) — New Mexico electric supplier	*13	0.68	15¼	4.5
Publication Corp. — Owns rotogravure printing plants	19	2.00	24½	8.2
Punta Alegre Sugar Corp. — Cuban holding company	10	0.60	12⅛	4.9
Purex Corp. — Makes "Purex" and "Trend"	*13	0.65	13¾	4.7
Purolator Products — Filters: oil, gas and air	14	†1.80	34½	5.2
Quincy Market Cold Storage — Boston operation	13	10.00	151	6.6
Ralston Purina — Animal feeds, breakfast foods	*13	4.00	123	3.3
Ray-O-Vac Co. — Mfr. dry cell batteries and flashlight cases	21	1.50	25½	5.9
Reece Corp. (Mass.) — Makes button hole machines	73	1.00	15¼	6.6
Reed-Prentice Corp. — **Purchase offer made in September, 1954 by Package Machinery Co. at $12 per share.**				
Reinsurance Corp. (N. Y.) — Writes only reinsurance	18	0.45	14⅝	3.1
Republic Insurance (Dallas) — Fire and casualty insurance	49	†1.34	78	1.7
Republic Natl. Bank (Dallas)	36	†1.56	57¼	2.7
Republic Natural Gas — Natural gas and oil producer	18	1.00	37¾	2.6
Republic Supply Co. of California — Oil field equipment	*33	1.00	14¼	7.0
Revere Racing Assn. — Dog racing, near Boston	13	0.60	7⅜	8.1
Rhode Island Hospital Trust	86	†3.35	95	3.5
Richardson Co. — Plastic products	23	1.00	17	5.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Rich's, Inc. — Operates Atlanta department store	26	†0.62½	19½	3.2
Riegel Paper Corp. — Glassine and greaseproof paper	*20	1.60	27⅝	5.8
Riegel Textile Corp. — Wide line textile products	17	2.40	46	5.2
Rieke Metal Products Corp. — Heavy metal stampings	18	1.10	13½	8.1
Rike-Kumler Co. — Dayton department store	25	1.50	29	5.2
Riley Stoker Corp. — Steam generators and fuel burning equipment	16	1.60	30½	5.2
Risdon Mfg. — Small metal stampings	38	3.50	58½	6.0
Roanoke Gas Co. — Operating public utility	11	0.70	15	4.7
Robertson (H. H.) Co. — Manufacturers of construction materials	19	†2.82	72	3.9
Rochester Button Co. — Buttons	18	0.80	10¾	7.4
Rochester Telephone Corp. — Operating public utility	12	0.80	19⅜	4.1
Rock of Ages Corp. — Granite quarrying and mfg.	14	1.00	14¾	6.8
Rockland-Atlas Natl. Bank of Boston	91	†1.60	36	4.4
Rockland Light & Power Co. — Hudson west shore electric supplier	*41	0.60	19¼	3.1
Rockwell Mfg. Co. — Meters, valves, Power tools	16	2.00	34¾	5.8
Rockwood & Co. — Chocolate candy	10	0.37½	95	0.4
Rose's 5, 10, & 25c Stores, Inc. — Operates 135 stores in the South	27	1.15	23	5.0
Ross Gear & Tool Co. Inc. — Manufacturers of steering gears	27	†1.30	25	5.2
Royalties Management Corp. — Oil and gas royalty interests	12	0.20	3⅝	5.5
Saco-Lowell Shops — Manufactures textile machinery	17	1.25	19¾	6.2
Safety Car Heat. & Light. Co. — Railway car lighting and air-conditioning	22	1.25	23½	5.3
Safway Steel Products, Inc. — Steel scaffolding	16	1.00	15½	6.5
Sagamore Mfg. Co. — Sateens, broadcloths, twills	19	8.00	108	7.4
St. Croix Paper Co. — Maine producers	35	5.10	120	2.4
St. Joseph Stock Yards Co. — Livestock	56	5.00	40	12.5
St. Paul Fire & Marine Insur. — Diversified insurance	83	1.02½	59½	1.7
St. Paul Union Stockyards — Minnesota operator	39	1.45	19¼	7.5
San Jose Water Works — Public utility (water)	24	2.00	45¾	4.4
Sanborn Map Co. — Fire insurance & real estate maps	20	4.50	74	6.1
Savannah Sugar Refining — Georgia operator	31	3.75	69½	5.4
Schenectady Trust Co. (N.Y.)	51	†1.50	59½	2.5
Schlage Lock Co. — Locks & builders' hardware	15	†2.35	60	3.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Continued on page 46

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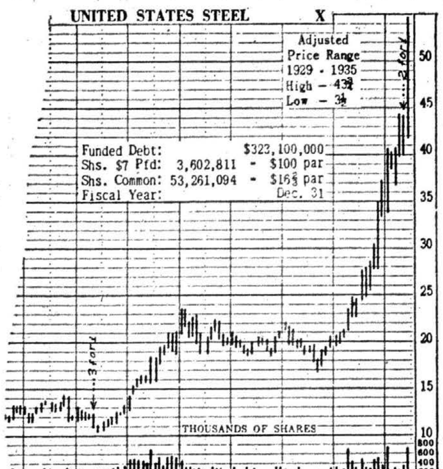

Hunt Chairman of N. Y. IBA Group

The New York Group of the Investment Bankers Association has elected E. Jansen Hunt, partner in White, Weld & Co., investment bankers, Chairman of the New York Group of the Association for the coming year. He will succeed Rudolf Smutny, senior partner of Salomon Bros. & Hutzler.

E. Jansen Hunt

The election was held Wednesday at the Group's annual dinner in the Grand Ball Room of the Waldorf-Astoria Hotel. The Honorable Richard M. Nixon, Vice-President of the United States and Honorable Wm. McChesney Martin, Chairman of the Federal Reserve System, were the principal speakers.

Walter H. Steel, partner in Drexel & Co., was elected as Vice-Chairman and William S. Renchard, Executive Vice-President of the Chemical Corn Exchange Bank, as Secretary-Treasurer.

Johnston, Lemon Group Offers Pepsi-Cola Bottling Shares

Johnston, Lemon & Co. and associates yesterday (Oct. 19) offered 300,000 shares of Pepsi-Cola Bottling Co. of Long Island, Inc. common stock at a price of $6 per share. Of the 300,000 shares of common stock being offered, 80,000 shares are being sold for the account of the company and 220,000 shares for the account of a selling stockholder.

Net proceeds to be received by the company from the sale of the 80,000 shares of common stock, will be added to its general funds, to be applied to any corporate purposes. It is the intention of the company to apply the proceeds toward the retirement of indebtedness for the purchase of new glass and boxes for new Schweppes products and to finance future expansion, equipment and inventory.

Pepsi-Cola Bottling Co. of Long Island, Inc. is engaged directly in the manufacture and distribution of soft carbonated beverages, principally bottled Pepsi-Cola, Pepsi-Cola Fountain Syrup, Schweppes Quinine Water, Schweppes Ginger Ale and Schweppes Soda Water. The company sells its products wholesale solely through its subsidiary, Meadowbrook Distributing Corporation, for distribution in Nassau County, and through its subsidiary, Tri-County Beverage Corporation, for distribution in Suffolk County.

In an unaudited report for the eight months ended Aug. 31, 1955 the company and its subsidiaries showed consolidated sales of $1,740,997 and net income of $402,009, equal after provision for income taxes, to 36 cents per common share.

Associated with Johnston, Lemon & Co. in the offering are: Auchincloss, Parker & Redpath; Blair & Co. Inc.; Jones, Kreeger & Hewitt; Scott, Horner & Mason, Inc.; Van Alstyne, Noel & Co.; H. Hentz & Co.; G. H. Walker & Co.; Francis I. du Pont & Co.; George D. B. Bonbright & Co.; Doolittle & Co.; A. G. Edwards & Sons; Stroud & Co., Inc.; Stirling, Morris & Co.; Atwill & Co., Inc.; Chace, Whiteside, West & Winslow, Inc.; Cruttenden & o.; Irving J. Rice & Co., Inc.; Varnedoe, Chisholm & Co., Inc.

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Halsey, Stuart Group Offers Southern Bell Telephone Debens.

Halsey, Stuart & Co. Inc. and associates on Oct. 18 offered $30,000,000 of Southern Bell Telephone & Telegraph Co., 40-year 3¼% debentures, due Oct. 15, 1995, at 101.123% and accrued interest, to yield 3.20%. The group won award of the issue at competitive sale on Oct. 17 on a bid of 100.6511%.

Net proceeds from the sale of the debentures will be used by the company to repay outstanding advances from its parent organization, American Telephone & Telegraph Co., which are expected to approximate $28,500,000 at the time the proceeds are received. The balance of the proceeds will be used for general corporate purposes.

The debentures are to be redeemable at the option of the company at general redemption prices ranging from 104.123% to par, plus accrued interest.

Southern Bell Telephone & Telegraph Co. is engaged in the business of furnishing communication services, principally telephone service in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. On June 30, 1955, the company had 4,643,250 telephones in service and was furnishing local service in 1,053 exchange areas. About 52% of the company's telephones are in 25 metropolitan exchange areas having a population of 125,000 or more and about 20% are in other exchange areas having a population between 25,000 and 125,000. Other services furnished by the company include toll service, teletypewriter exchange service, mobile radio-telephone service, and services and facilities for private line telephone and teletypewriter use, for the transmission of radio and television programs and for other purposes.

For the six months ended June 30, 1955, Southern Bell Telephone & Telegraph Co. had total operating revenues of $253,058,925 and net income of $31,082,619.

Other members of the offering group include— Bear, Stearns & Co.; Blair & Co. Incorporated; Dick & Merle-Smith; Hallgarten & Co.; Ladenburg, Thalmann & Co.; L. F. Rothschild & Co.; Salomon Bros. & Hutzler; Wertheim & Co.; W. C. Langley & Co.; Weeden & Co. Inc.; Bache & Co.; Central Republic Co. (Inc.); R. S. Dickson & Co. Inc.; Gregory & Sons; H. Hentz & Co.; New York Hanseatic Corp.; Wm. E. Pollock & Co., Inc.; Shearson, Hammill & Co.; Van Alstyne, Noel & Co.; Auchincloss, Parker & Redpath; Baker, Weeks & Co.; William Blair & Co.; J. C. Bradford & Co.; Burnham and Co.; Hirsch & Co.; The Milwaukee Co.; Stern Brothers & Co.; Green, Ellis & Anderson; Ira Haupt & Co.

Joins Fordon, Aldinger

(Special to THE FINANCIAL CHRONICLE)

DETROIT, Mich. — Robert L. Kynoch has joined the staff of Fordon, Aldinger & Co., Penobscot Building, members of the New York and Detroit Stock Exchanges.

Agnew Appointed by Reynolds in Phila.

PHILADELPHIA, Pa. — Reynolds & Co., members of the New York and other principal stock exchanges, announce the appointment of Carroll J. Agnew as the securities analyst in charge of research in their Philadelphia office, 1526 Chestnut St.

Carroll J. Agnew

Mr. Agnew has been associated with the investment securities industry since shortly after World War One. Educated in Philadelphia schools, he attended the Evening School of the Wharton School of Finance, University of Pennsylvania. He is a member of the Financial Analysts of Philadelphia.

Alfeo De Luca Opens

CLIFTON, N. J.—Alfeo De Luca is conducting a securities business from offices at 318 Clifton Avenue under the firm name of Alfeo De Luca Agency.

With Dietenhofer Firm

(Special to THE FINANCIAL CHRONICLE)

SOUTHERN PINES, N. C. — George H. Garde is with Dietenhofer and Heartfield, 670 S. W. Broad Street.

Joins Caunter Staff

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Stanley A. Dostal has joined the staff of L. A. Caunter & Co., Park Building.

Continued from page 45

WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Scott & Williams, Inc. — Builds knitting machinery	39	1.37½	21⅝	6.4
Scranton Lace Co. — Lace curtains and table covers	*39	0.60	16	3.8
Scruggs-Vandervoort-Barney — Dept. stores; St. Louis, Kansas City, Denver	15	0.60	14	4.3
Seaboard Surety Co. — Diversified insurance	21	1.80	57	3.2
Searle (G. D.) & Co. — Pharmaceuticals	20	2.40	112	2.1
Sears-Community State Bank (Chicago)	18	2.40	70	3.4
Seatrain Lines — Transports freight cars by ships	*14	0.50	15½	3.2
Second Bank-State St. Tr. Co. — **Formed in February 1955 through merger of Second National Bank & State Street Trust Co. of Boston**	36	n2.60	67	n3.9
Second Natl. Bk. (Houston)	47	1.60	55	2.9
Second National Bank & Tr. Co. of Saginaw	*32	†2.50	68½	3.6
Secur.-First Natl. Bk. (L. A.)	75	†1.42	51½	2.8
Security Ins. Co. (N. Haven)	61	1.60	50¾	3.2
Security National Bank of Greensboro (N. C.)	18	1.25	54	2.3
Security Trust Co. of Rochester	62	†1.60	46	3.5
Security Trust & Savings Bank of San Diego	19	1.72½	44½	3.9
Seismograph Service Corp. — Surveys for oil & gas industries	10	1.00	17⅝	5.7
Shakespeare Co. — Fishing reels, rods and lines	17	1.50	28	5.3
Shaler Co., Class B — Vulcanizers	19	1.20	16	7.5
Shepard Niles Crane & Hoist — Electric cranes and hoists	20	2.00	26¼	7.6
Shuron Optical Co. — General line of ophthalmic goods	19	2.00	41¾	4.8
Sierra Pacific Power — Operating public utility	29	2.00	43½	4.6
Sioux City Stock Yards — Iowa livestock market	51	1.60	26¾	6.0
Sivyer Steel Casting Co. — Castings	19	1.00	17¼	5.8
Skil Corp. — Portable tools	18	1.55	22	7.0
Smith Agric. Chemical Co. — Chemical fertilizers	31	n1.00	18	n5.0
Smith (J. Hungerford) Co. — Syrups & kindred products	*30	2.50	40	6.3
Smith (S. Morgan) Co. — Turbines and valves	57	1.25	23	5.4
Smith Kline & French Labs. — Pharmaceutical manufacturers	32	†1.20	57¾	2.1
Snap-On Tools Corp. — Mechanics' hand tools, etc.	16	1.60	24¾	6.5
Sonoco Products Co. — Paper and paper specialties	30	1.00	20¾	4.8
South Carolina National Bk. (Charleston)	19	2.50	64½	3.9
Southern Advance Bag & Pap. — Pulp and paper products	14	1.80	46	3.9
So. California Water Co. — Water, electric and ice interests, operating company	27	0.72½	14⅜	5.0
Southern Colorado Power — Electricity-supplier	11	0.70	15½	4.5
So. New England Tel. Co. — Communications services	64	1.95	44⅞	4.3
Southern Oxygen Co. — Compound gases	17	1.00	19¼	5.2

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
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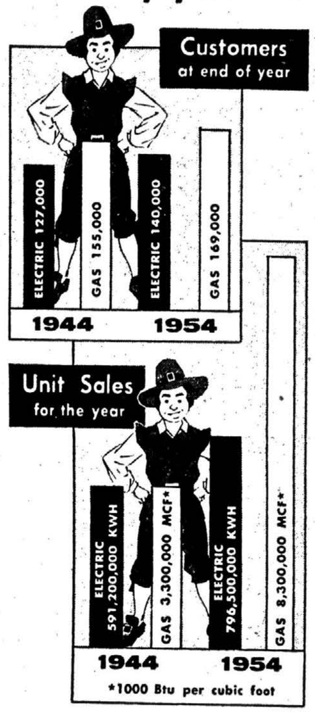

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Southern Union Gas Co. Natural gas production and distribution	12	0.95	23	4.1
Southern Weaving Co. Fabrics, tapes & bindings	28	2.00	51½	3.9
Southland Life Insurance Co. Non-participating life	20	1.00	170	0.6
Southwestern Drug Corp. Wholesale drugs	13	2.00	30	6.6
Southwestern Investment Co. Sales, financing and personal loans	19	1.00	23	4.3
Southwestern Life Insur. Co. Non-participating life	46	2.00	179	1.1
Speer Carbon Co. Carbon and graphite products	21	0.60	17¼	3.5
Spindale Mills, Inc. Yarn shirtings & dress goods	10	1.15	19	6.1
Sprague Electric Co. Electronic components	*14	†1.17	59½	2.0
Springfield F. & M. Ins. Co. Diversified insurance	88	2.00	64¾	3.1
Springfield Gas Light Co. Mass. operating utility	102	1.95	39	5.0
Staley (A. E.) Mfg. Co. Processes corn and soy beans	20	†1.33	28⅞	4.6
Standard Accident Insur. Co. Diversified insurance	15	1.80	74	2.4
Standard-Coosa Thatcher Co. Yarns and threads	33	1.00	15¼	6.6

Unlisted Companies Which Paid Consecutive Dividends From 5 to 10 Years Appear in the Second Table Starting on Page 51

Standard Screw Co. Screws and screw machine products	50	4.00	68	5.9
Stanley Works Hardware for building trades, etc.	79	4.00	54½	7.3
State Bank of Albany	*30	1.35	35	3.9
State Natl. Bank of El Paso	74	†10.00	495	2.0
State Planters Bank & Trust Co. (Richmond)	*33	†1.95	60	3.3
Steel Products Engineering Aircraft and heating equipment	39	1.10	21½	5.1
Stonega Coke & Coal Co. Coal and timber	15	1.00	32	3.1
Stouffer Corp. Restaurant chain	19	†0.68	26	2.6
Strathmore Paper Co. Writing paper	12	2.25	24	9.0
Struthers Wells Corp. Refining equipment; drilling equipment for oil wells	11	†1.56	26¼	5.9
Sun Life Assurance Life. Also large annuity business	18	4.00	305	1.3
Super Valu Stores, Inc. Wholesale food distributor	19	1.25	26	4.8
Swan Rubber Co. Hosing and tires	20	0.90	16	5.3
Syracuse Transit Corp. Local bus operator	13	2.00	20½	9.8
Tampax, Inc. Misc. cotton products	12	1.50	31½	4.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Continued on page 48

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G. W. Fenton Now With Gammack & Co.

Gene W. Fenton has become associated with Gammack & Co., 111 Broadway, New York 6, N. Y., members of the New York Stock Exchange and American Stock Exchange, in the Investment Advisory Department. He was formerly with Dreyfus & Co., as an investment analyst and registered representative.

Gene W. Fenton

Toronto Bond Traders Elect New Executive

TORONTO, Canada—L. W. Virtue of Jas. Richardson & Sons, was elected President of the Toronto Bond Traders' Association for the 1955-56 season at the Annual Meeting of the Association. Other officers are: M. A. Brown, Dominion Securities Corporation, Limited, Vice-President; L. E. Mayhew, Harris & Partners Limited, Secretary; W. S. Scott, Gairdner & Company Limited, Treasurer.

S. Cox, Bankers' Bond Corporation Limited; F. Osborne, Imperial Bank of Canada; P. S. Crysdale, Anderson & Co. Limited; E. P. Jarvis, Wisener & Co. Limited and S. A. Spidle, Collier, Norris & Quinian, Limited, will serve as Committee members on the new Executive.

Mr. J. C. Moorhouse, Deacon, Findley, Coyne Limited, Past-President and W. Sullivan, Equitable Securities Canada Limited, Past Vice-President, will be the ex officio members for the ensuing year.

Halsey, Stuart Group Offers Utility Bonds

Halsey, Stuart & Co. Inc. yesterday (Oct. 19) headed a group offering $8,500,000 of Worcester County Electric Co. first mortgage bonds, series D, 3⅜%, due Oct 1, 1985, at 102.384% and accrued interest, to yield 3.25%. The group won award of the bonds at competitive sale on Oct. 18 on a bid of 101.752%.

Net proceeds from the sale of the bonds will be applied to the payment of short-term note indebtedness which amounted to $7,700,000 on Sept. 9, 1955 and which was incurred in connection with the company's construction program. The balance of the proceeds will be used for construction or to reimburse the company treasury for expenditures made for construction.

The series D bonds will be subject to redemption at general redemption prices ranging from 105.39% to par, and at special redemption prices running from 102.39% to par, plus accrued interest in each case.

Worcester County Electric Co. is engaged principally in the generation, purchase and sale of electricity, and electric appliances are sold incidental to its business of selling electricity. Electric service is provided in 77 cities and towns in central Massachusetts, covering an area of about 1,900 square miles and having an aggregate population of approximately 574,000, according to the 1950 census. The territory served includes the highly industrialized city of Worcester, which has a population of over 203,000.

For the 12 months ended June 30, 1955, the company had gross operating revenues of $27,694,672 and net income of $2,116,333.

Other members of the offering group include: Weeden & Co. Inc.; William Blair & Co.; Cooley & Co.; Wm. E. Pollock & Co., Inc.; Clayton Securities Corp.; Mullaney, Wells & Co.; Thomas & Co.; and Walter Stokes & Co.

Forms G. F. Geis Co.

(Special to THE FINANCIAL CHRONICLE)

JOHNSTOWN, Pa.—George F. Geis is conducting a securities business from offices at 919 Franklin Street under the firm name of George F. Geis & Co. Mr. Geis was previously with First Investors Corp.

Ins. Deposit Serv.

Insured Deposit Placement Service has been formed with offices at 149 East 40th Street, New York City, to engage in a securities business.

Reed, Lear & Co. To Be NYSE Member

PITTSBURGH, Pa.—On Nov 1 Jack A. Ziebarth, member of the New York Stock Exchange will become a partner in Reed, Lear & Co., and the firm will become a member of the New York Stock Exchange in addition to its membership in the Pittsburgh Stock Exchange and other exchanges. Other partners are Eugene H. Lear, James C. Lear, William J. Ackermann, Edgar C. Eckhardt, William R. Foley, Harvey D. Hotchkiss, Charles D. Kalback and John R. Klima.

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Henry G. Isaacs

MIAMI BEACH, Fla.—Henry G. Isaacs has become associated with Francis I. du Pont & Co., 2809 Collins Avenue. Mr. Isaacs has recently been with Shields & Company and in the past was a partner in the Virginia Securities Company of Norfolk.

Lewisohn Copper Stock Offering Completed

George F. Breen of New York City on Oct. 17 publicly offered 200,000 shares of common stock (par 10 cents) of Lewisohn Copper Corp. at $1.50 per share as a speculation. This offering was quickly completed.

Lewisohn Copper Corp. was incorporated in Delaware on Aug. 23, 1955 for the purpose of exploring, developing and operating mining properties in Arizona, with a view to the production and sale of copper and other minerals which may be found on such properties. The principal office of the company is located at 128 North Church, Tucson, Ariz.

The company holds two leases from Frederick Lewisohn, The Estate of Leonard Lewisohn and the Estate of Sam A. Lewisohn, to 46 patented lode mining claims and six mill sites in the Helvetia Mining District which is in Pima County about 35 miles southeast of Tucson, Ariz.

The net proceeds received from this offering will be used as follows: To drive a tunnel to intersect an extension of the King Ore Zone which is presently in production and to increase production from the King Mine; and to explore and if feasible develop the Peach and develop the Rosemont group of claims.

If initial exploratory drilling on both the Peach and the Rosemont group of claims proves disappointing, the unexpended proceeds of the issue will be added to working capital to be used as the board of directors may from time to time determine are in the best interests of the company.

Boston Investment Club To Hear W. H. Perdun

BOSTON, Mass. — The October meeting of the Boston Investment Club will be held at 5 p.m. on Tuesday, Oct. 25 at the Boston Yacht Club, Rowes Wharf. The guest speaker, Winfield H. Perdun, partner of Smith, Barney & Co., will discuss "The Outlook for the Oil Industry."

With Geo. Eustis & Co.

(Special to THE FINANCIAL CHRONICLE)

CINCINNATI, Ohio—George S. Kaler has become affiliated with Geo. Eustis & Co., Traction Building, members of the Cincinnati Stock Exchange. He was formerly with Perry T. Blaine & Co.

With King Merritt

(Special to THE FINANCIAL CHRONICLE)

SPRINGFIELD, Mo.—John J. A. Hilgert is now with King Merritt & Company, Inc., Woodruff Building.

Continued from page 47

WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Tappan Stove Co. Gas ranges	*20	1.50	22½	6.7
Taylor-Colquitt Co. Railroad ties and poles	28	h1.55	35	4.4
Taylor & Fenn Co. Grey iron alloy castings	*10	0.80	11	7.3
Taylor Instrument Cos. Mfr. of scientific instruments	54	†1.58	69	2.3
Tecumseh Products Corp. Refrigeration compressors, etc.	15	4.25	110	3.9
Terry Steam Turbine Co. Turbines and reduction gears	*47	8.00	125	6.4
Texas Natl. Bank (Houston)	*31	2.50	81¼	3.1
Textiles, Inc. Makes cotton yarn	14	1.00	15	6.7
Third Natl. Bank in Nashville	27	q10.03	390	2.6
Third National Bank & Trust Co. (Dayton)	*30	1.00	32½	3.1
Third National Bank & Trust Co. of Springfield (Mass.)	91	1.80	46½	3.9
Thomaston Mills Wide range of cotton products	*14	1.00	21½	4.7
Thrifty Drug Stores Calif. drug store chain	18	0.50	10¼	4.9
Tiffany & Co. Jewelry and silverware	*11	1.00	50½	2.0
Time, Inc. Publishers of "Life," "Time," "Fortune" & "Sports Illustrated"	24	2.50	51½	4.9
Timely Clothes, Inc. Men's suits, coats, etc.	14	1.00	18	5.6
Titan Metal Mfg. Co. Brass and bronze rods	12	1.60	27½	5.8
Tobin Packing Co. Meat packer	12	0.90	14	6.4
Tokheim Corp. Gasoline pumps	23	1.20	26½	4.5
Toledo Trust Co.	21	†2.83	90	3.1
Torrington Mfg. Co. Manufactures, machinery, blower wheels and fan blades	20	1.25	25½	4.9
Towle Mfg. Co. Sterling silver tableware	38	2.35	33½	7.0
Towmotor Corp. Fork-lift truck	10	1.40	27½	5.1
Townsend Co. Wire products	49	1.20	20½	5.9
Travelers Ins. Co. (Hartford) Life, accident, health **A 25 for 1 stock split became effective in August, 1955. An initial payment of 20 cents per share on the new stock was made Sept. 13, 1955.**	89	19.00	2,655	0.7
Trico Products Corp. Auto accessories	27	2.50	59	4.2
Trust Co. of Georgia	25	20.00	735	2.7
Tucson Gas Elec. Lt. & Pwr. Electric and gas utility	38	1.01	30⅝	3.3
Twin Disc Clutch Co. Clutches and gears	21	3.00	54½	5.5
Tyer Rubber Co. Rubber specialties	14	0.85	12	7.1
Tyler Refrigeration Corp. Steel display and storage equipment	18	0.67½	8	8.4
Uarco, Inc. Business stationery	23	1.55	31¼	5.0
Union Bk. of Comm. (Cleve.)	12	1.80	44¾	4.0
Union Bank & Trust (L. A.)	*30	†6.96	190	3.7
Union Natl. Bank in Pittsburgh	*30	1.30	34½	3.8

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
h Plus one share of Taco Corp. common for each share of Taylor-Colquitt common held.
q Certain stocks were distributed as dividends in kind. Trustees for the stockholders received the stocks and distributed $4.03 per share.

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Union Natl. Bank of Youngstown, Ohio	18	2.00	52	3.8
Union Oil and Gas Corp. of Louisiana, class A & B — Crude oil and natural gas production	50	†0.52½	61	0.9
Union Planters National Bank of Memphis	25	1.70	49	3.5
Union Trust Co. of Md.	16	1.45	41¾	3.5
Union Wire Rope Co. — High carbon wire, and wire rope	18	1.15	19¾	5.8
United Drill & Tool — Machine tools, misc. equipment	14	1.00	17¾	5.6
United Illuminating Co. — Connecticut operating utility	55	2.60	54	4.8
United Printers & Publ., Inc. — Greeting cards	16	1.20	17¾	6.8
U. S. Envelope Co. — Manufacturer of envelopes	15	†2.85	95½	3.0
U. S. Fidelity & Guaranty Co. — Diversified insurance	16	†1.67	80¼	2.1
U. S. Fire Insurance Co. — Diversified insurance	*45	1.80	68½	2.6
U. S. Lumber Co. — Holding Co., land & mineral interests	*47	0.35	6¾	5.2
United States National Bank of Denver	31	2.00	67	3.0
U. S. Natl. Bank (Portland)	56	2.45	84	2.9
U. S. Potash Co. — Potash used in chemicals and fertilizers	19	2.00	34¾	5.8
U. S. Shoe Corp. — Women's footwear	23	†1.39	32½	4.3
United States Testing Co. — Research and tests textiles, soaps, oils	20	3.50	125	2.8
U. S. Truck Lines (Del.) — Inter-city motor carrier	23	1.20	19	6.3
U. S. Trust Co. (N. Y.)	101	16.00	370	4.3
United Utilities, Inc. — Holding company	16	0.57½	22⅞	2.5
Universal Match Co. — Matches and candy	17	†1.17	27	4.3
Univis Lens Co. — Mfr. and distrib. of multifocal ophthalmic lens blanks and eye glass frames.	27	0.10	5	2.0
UPSON (THE) CO. — Exterior and interior fibre wallboard. ● For advertisement of this company see page 18.	14	**1.50**	27	5.6
Upson-Walton (The) Co. — Wire rope	21	0.65	10½	6.2
Utah Construction Co. — General contracting	30	k0.90	35	2.6
Utah Oil Refining Co. — Crude oil refining	*40	1.00	26½	3.8
Valley Mould & Iron Corp. — Ingot moulds and stools	19	3.00	52	5.8
Valley Natl. Bk. (Phoenix)	23	1.00	32½	3.1
Vapor Heating Corp. — Car heating systems	21	2.50	42	6.0
Veedor-Root, Inc. — Makes counting devices	21	3.00	59	5.1
Viking Pump Co. — Rotary pumps	21	1.25	22¾	5.5
Virginia Coal & Iron Co. — Owns soft coal land in Virginia and Kentucky	*39	4.00	61	6.6
Vlchek Tool Co. — Tools & plastics	20	0.60	12	5.0
Vulcan Mold & Iron Co. — Ingot molds and plugs	21	†0.44	9	4.9
Wachovia Bank & Trust (Winston-Salem)	19	0.85	42	2.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
k Plus one share of Permanente Cement Co. for every 70 shs. held.

Continued on page 50

CHICAGO

OVER-THE-COUNTER SPECIALISTS SINCE 1926

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Kneeland Jones With Burke & MacDonald

Kneeland Jones

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, Mo.—Kneeland W. Jones has become associated with Burke & MacDonald, Inc., 17 East 10th Street, members of the Midwest Stock Exchange. Mr. Jones was formerly an officer of A. E. Weltner & Co. for many years.

N. Y. State Electric Offer Underwritten

New York State Electric & Gas Corp. is offering holders of its common stock of record Oct. 18, 1955, rights to purchase at $37 per share an aggregate of 303,407 additional shares of its common stock at the rate of one new share for each 10 shares held. An underwriting group headed by The First Boston Corp. and including Lehman Brothers; Wertheim & Co. and Merrill Lynch, Pierce, Fenner & Beane, will purchase from the company any shares remaining unsubscribed at the expiration of the subscription period on Nov. 3, 1955.

New York State Electric & Gas supplies electric and gas service within areas in the central, eastern and western parts of New York State, including the Adirondack, Catskill and Finger Lakes regions.

Proceeds from the current stockholder offering and from the sale yesterday (Oct. 19) of $15,000,000 of first mortgage bonds, will be used to discharge $17,000,000 of notes, with the balance available for the company's construction program. Construction expenditures for the year 1955, estimated at $28,000,000, include an appropriation for completion of the first 135,000 kilowatt unit at the utility's new Milliken station at Ithaca, N. Y.

Total operating revenues for the 12 months ended Aug. 31, 1955, amounted to $75,410,000 and net income was $10,330,000, equal after preferred dividends, to $2.88 per common share. Dividends on the common stock have been at the quarterly rate of 50 cents a share since May 1954.

Capitalization to be outstanding upon sale of the additional common stock and of the new first mortgage bonds will consist of $130,587,000 of long-term debt; 383,875 shares of $100 par preferred stock in various series, and 3,337,475 shares of common stock.

With Allen Inv. Co.

(Special to THE FINANCIAL CHRONICLE)

BOULDER, Colo. — Fred H. Chrisman is now with Allen Investment Company, 1921 Fourteenth Street.

With Greenberg, Strong

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Jerry L. Goodman is now with Greenberg, Strong & Co., 1700 Broadway.

Joins Honnold Co.

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Robert T. Kittleson is with Honnold and Company, 524 Seventeenth Street.

Kramer-Gardner Co. Has Merged With Dempsey-Tegeler

ST. LOUIS, Mo. — The firm of Kramer-Gardner Company, with offices in Burlington and Waterloo, Iowa, has joined Dempsey-Tegeler & Company of St. Louis, Mo., it was announced by Jerome F. Tegeler, senior partner of Dempsey-Tegeler & Company. Operations of the two offices under Dempsey-Tegeler management began Oct. 15. Kramer-Gardner Company, a member of the Midwest Stock Exchange, was founded in 1921.

L. E. Gardner will serve as manager of the Burlington office, while Leslie H. Schrubbe will manage the firm's Waterloo office.

The merger brings to 17 the number of branch offices maintained by Dempsey-Tegeler & Company in the United States.

Two With Inv. Planning

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Joseph Cabitt and Eugene J. O'Neil have become connected with Investors Planning Corp. of New England, Inc., 68 Devonshire Street.

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Henry Montor Assoc. Opens in New York

Henry Montor, who directed the mobilization of close to $1 billion for the State of Israel during the past two decades, enters the investment field with the admission of the new firm of Henry Montor Associates, Inc., to membership in the New York Stock Exchange. The new organization has its offices located at 40 Exchange Place and 32 East 57th St.

Mr. Montor announced that Leon H. Keyserling, former Chairman of the President's Council of Economic Advisers, will serve as economic adviser for Henry Montor Associates, Inc. and Robert R. Nathan, former director of the War Mobilization Board, will be its investment consultant.

Prior to organizing the new firm, Mr. Montor served as the chief executive officer of the American Financial and Development Corporation for Israel which raised approximately $190,000,000 during the period from May 1, 1951 through May 15, 1955 through the sales of State of Israel Bonds. Mr. Montor was the founder of the Israel Bond Organization which for the first time established bonds as an important source of capital for the development of Israel's economy.

New Talmage Branch

Talmage & Co., members of the New York Stock Exchange, announce the opening of a branch office in the textile district at 150 Fifth Avenue, New York City.

The office will be under the joint managership of Jerome J. Solomon and John F. Schmidt.

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M. J. De Marco Is Honored at Dinner

A testimonial dinner was tendered for Michael J. DeMarco at Schwartz's restaurant, New York City, on Oct. 12, by the Wall Street branch of the Anchor Club of America in honor of Mr. DeMarco's elevation to the managership of Josephthal & Co.

Wins Award for Bank Women

KANSAS CITY, Mo.—Mrs. Eldeda W. Neill, auditor, Grand Avenue Bank of Kansas City, Mo., was presented with the Jean Arnot Reid Award by the National Association of Bank Women at a luncheon held Friday, Oct. 14, 1955, at the Westward-Ho Hotel, Phoenix, Arizona. Miss Hazel C. Sowell, Vice-President, First National Bank, Palm Beach, Fla., Chairman of the Founders' Tribute Committee for the Association, announced the Award which was presented to Mrs. Neill by the Association's President, Miss Cora I. Blanchard, Assistant Treasurer, Suffolk Savings Bank for Seamen And Others, Boston, Mass.

The Jean Arnot Reid Award was established in 1936 by the Association in honor of a founder and former President and consists of an embossed scroll and $100 in cash. It is given annually to one of ten women graduates of the American Institute of Banking with high scholastic averages who, through the integrity of character and efficiency of work, is considered the best fitted to represent women in banking.

Appointed Manager

READING, Pa.—Penington, Colket & Co., members of leading stock exchanges, announce that William A. Smith, 3rd., has been appointed Resident Manager of the firm's Reading, Pa. office at 18 North Fifth Street.

Mr. Smith joined Penington, Colket & Co. in 1951 and became associated with their Reading office in 1952.

B. C. Morton Adds

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Allan A. Stone is with B. C. Morton & Co., 131 State Street.

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Continued from page 49

WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Walker Bank & Trust Co. (Salt Lake City)	19	4.00	122	3.3
Warren Bros. Co. Paving contractor	12	1.85	42¾	4.3
Warren (S. D.) Co. Printing papers & allied products	19	1.00	25¾	3.9
Washington Oil Co. Crude oil & gas producer	30	1.75	25	7.0
Waterbury-Farrell Foundry Makes metal working machinery	101	2.00	32¾	6.1
Watervliet Paper Co. Book paper	28	1.45	25	5.8
Webster-Chicago Corp. Radio and electronic devices	10	0.15	10¾	1.4
Weingarten (J.), Inc. Texas supermarket chain	27	0.60	15	4.0
Wellington Mills, Inc. Cotton goods	14	9.00	196	4.6
Wellman Engineering Co. Machines for handling materials	14	0.70	15	4.7
Wells-Gardner Co. Radios	10	0.75	12⅞	5.8
West Disinfecting Co. Sanitation products	15	1.00	17	5.9
West Mich. Steel Foundry Steel castings for railroad and industrials use	19	1.00	14¼	7.0
West Ohio Gas Co. Natural gas utility	15	0.80	14¾	5.4
West Penn Power Co. Both operating utility and holding company	*32	2.30	50	4.6
West Point Mfg. Co. Textiles	67	0.80	19	4.2
West Virginia Water Service Wholesale gas; retails water and ice	10	1.40	34¾	4.0
Westchester Fire Ins. (N. Y.) Diversified insurance	84	1.10	35	3.1
Western Assurance Co. Fire, marine, aviation, auto and casualty	21	4.20	142	3.0
Western Massachusetts Cos. Holding company for an operaing electric utility	28	2.10	42½	4.9
Weyerhauser Timber Co. Manufacture and sale of forest products	*23	3.00	126½	2.4
Whitaker Cable Corp. Cables & terminals	13	0.80	18¾	4.3
Whitaker Paper Co. Paper products and cordage	21	2.00	37	5.4
Whitin Machine Works Textile machinery	68	1.40	25¾	5.4
Whiting Corp. Cranes, hoists, foundry equipment	18	1.00	13½	7.4
Whitney Natl. Bk. (New Orl.)	70	4.00	268	1.5
Wichita Union Stockyards Kansas operator	47	5.00	76	6.6
Will & Baumer Candle Co. Candles and paraffin	16	0.80	17	4.7
Willett (Consider H.), Inc. Maple & cherry furniture	*15	0.50	5¼	9.5
Williams & Co., Inc. Supplies for industrial safety, welding, refrigeration, etc.	20	1.25	21¾	5.7
Williams (The) (J. B.) Co. Manufactures toilet articles	70	0.60	9⅞	6.1

* Details not complete as to possible longer record.

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Wilmington (Del.) Trust Co.	47	†8.25	186	4.4
Winters Natl. Bank & Trust (Dayton)	*30	0.80	20	4.0
Wiser Oil Company Crude oil & natural gas production	39	2.50	38	6.6
WJR The Goodwill Station (Detroit, Mich.) Detroit broadcaster	27	0.60	15	4.0
Woodward Governor Co. Speed controls for engines and propellers	16	1.65	31	5.3
Worcester County Trust Co. (Mass.)	13	2.50	63½	3.9
York Corrugating Co. Metal stampings plumbers' supplies	20	1.00	17	5.9
Young (J. S.) Co. Licorice paste for tobacco	43	4.00	52	7.7
Yuba Consol. Gold Fields California gold dredger	46	0.30	4	7.5
Zeigler Coal & Coke Co. Owns mines in Ill. & Ky.	16	0.60	10¼	5.9
Zonolite Co. Fireproof building materials	11	0.07½	4⅞	1.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

TABLE II

OVER-THE-COUNTER

Consecutive Cash

DIVIDEND PAYERS

for

5 to 10 YEARS

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Acme Electric Corp. Transformers, radio, TV	9	0.26	5	5.2
Aerovox Electrical condensers	7	0.15	11⅝	1.3
Alexander Hamilton Institute Inc. Courses in business finance	8	0.50	10	5.0
Alliance Ware, Inc. Steel stampings	*9	0.90	30¾	2.9
Allied Gas Co. Operating public utility	6	†0.35	15	2.3
American Dairies, Inc. Dairy holding co.	9	0.62½	60	1.0
American Hospital Supply Large variety of hospital supplies	8	1.20	27¼	4.4
American Iron & Machine Works Co. Acquired in January, 1955 by American Machine & Foundry Co. Stockholders received 0.4423 shares of common for each share held.				
American-Marietta Co. Paints, varnishes, enamel, lacquers, etc.	7	†0.73	35¼	2.1
American Vitrified Products Sewer pipe, bricks, tile	8	1.00	19¾	5.1
Auto-Soler Co. Shoe repair machinery	5	0.20	2⅜	8.4
Bates Manufacturing Co. Cotton and rayon fabrics	9	0.67½	11⅛	6.1
Bayway Terminal Warehousing	8	0.15	7	2.1
Bell & Gossett Pumps, tanks and valves	8	†0.47½	14	3.4
Black, Sivalls & Bryson Steel and wood tanks	8	1.40	18⅜	7.6
Blue Moon Foods Cheese and dairy products	9	0.10	12¾	0.8
Bonneville, Ltd. Produces potash	9	0.35	6¾	5.2
Buchanan Steel Products Corp. Forgings	8	0.20	2⅞	7.0
Camden Refrigerating & Terminals Co. Cold storage warehouse business	9	2.50	54	4.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Continued on page 52

Securities Salesman's Corner

By JOHN DUTTON

One Thing at a Time

In the course of each day there are many interruptions and although this is true of work other than the selling profession, there is a greater need to "stay on the track," in my opinion, when you are engaged in technical work connected with the retailing of securities than if you were in a routine type of activity.

Over many years I have found that the men who obtain the maximum of results from their efforts as securities salesmen are well organized individuals. They have health, they have a desire to do a creative job, they have a sincere interest in the welfare of others, they are steady and consistent workers who apply themselves to their work regularly every day. They also have understanding of the weaknesses and the strengths of other human beings and this helps them to gain the confidence of their associates and their customers, and last but not least they have definite goals.

Some men have only a general pattern of what they wish to accomplish; they think in generalities. This is all to the good when you are writing a column such as this about sales work, for occasionally general ideas are acceptable and helpful. But when you set out in the investment business and you intend to earn a living as a salesman of securities you just can't say I am going out to make some sales, acquire some customers, and let the chips fall where they may. This may succeed for a while but eventually you are going to have to decide some definite things. What securities are you going to sell today, and to whom are you going to sell them, are not the only things you will have to determine. There are also such prosaic things as checking client's portfolios, answering inquiries and writing letters, doing your full quota of study that must be a regular part of your activities so that you will be mentally up to par and equipped to give sound suggestions to your customers. You must plan your day's work so that your appointments will be filled on time and that you are relieved of added travel burdens. Things can pile up on you, and unless you can as calmly and evenly as possible go through your days, you may find that your results will not be as efficient as you would wish.

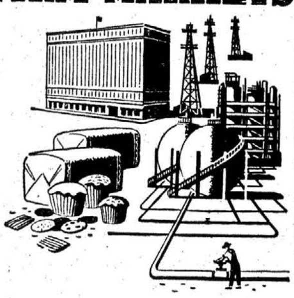
After much trial and effort I believe that all of us have to work out our own methods of organizing ourselves so that we can operate better with less strain. But several of the most active and purposeful men I have ever known, who are carrying schedules that would swamp most men, have told me that one of the best ways to get things done is to **Do One Thing at a Time.** I have seen busy doctors handling patients in their offices when the urgency of a phone call interrupts them. In the flick of a second their orderly minds have switched over to the new emergency and 100 concentration has been turned to the new problem. Then back they go again to the original case, just as fully concentrated there as prior to the interruption. I have known executive heads of business firms who are carrying a schedule that is literally filling a full eight hours every day, and sometimes 10 and 12 hours, and under such pressure that only because they can concentrate fully on one thing at a time are they able to get through these days at all. Many men who are able to work well when they are surrounded by interruptions, changes, and the inward and outward tensions that come to most of us (and especially in the investment business) have told me that only when they learned to **Do One Thing at a Time** did they begin to accomplish more with less strain and effort.

The human mind is not like any other high powered motor. Although it works only in the realms of great mystery as yet not fully understood, we do know that this delicate and powerful tool can only be more efficient when it is given the opportunity of thinking about one thing at a time. The conscious mind will only work on one thing at a time and that seems to be the secret of success when it comes to organizing, thinking, and working.

Arthur C. Tamlyn

Arthur C. Tamlyn, partner in Kidder, Peabody & Co. and a member of the New York and American Stock Exchanges, passed away Oct. 8.

FIRM MARKETS



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Railroad Securities

Gains in Fourth-Quarter Car Loadings Forecast

The various Regional Shippers Advisory Boards have made their estimates of probable freight car needs for the final quarter of 1955. Considering that comparisons will be with a period in 1954 when business and traffic had already begun to recover, the estimates paint a quite optimistic picture of railroad earnings potentialities for the closing months of 1955. In the aggregate for the country as a whole, it is estimated that car loadings will be 9.4% above those of a year ago. As is usual in the railroad industry there is a wide variation in the prospects for different sections. The following tabulation shows the estimated increase in car loadings for the individual regions, with the list arranged in descending order of estimated percentage gains.

Region	Estimated Increases
Great Lakes	25.4%
Allegheny	16.3
New England	11.4
Pacific Northwest	9.8
Ohio Valley	8.8
Midwest	8.3
Southeast	8.3
Pacific Coast	8.1
Northwest	6.7
Central Western	6.7
Atlantic States	6.6
Trans-Missouri-Kansas	3.9
Southwest	2.9

Generally speaking, the best relative performance is anticipated in the heavily industrialized sections of the east but it is notable that in no section of the country is it anticipated that traffic will run below the level of a year ago. Also, it will be noted that aside from the eastern industrial belt the Pacific Northwest is expected to do better than the country as a whole. Surprisingly, this latter estimate is arrived at with an indication that there will be virtually no change in car loadings of the region's most important traffic category, lumber and forest products. Grain loadings are expected to be sharply higher and good gains are expected for a number of other farm commodities, and for paper products.

For the country as a whole (and this largely explains the prominence of the eastern sections of the country on the up side) the largest percentage gains are looked for in automobiles and trucks (38.9%), ore and concentrates (32.4%) and iron and steel (25.7%). In point of tonnage, the widest gain over a year ago is expected in coal shipments, followed by ore and concentrates. The only important categories in which a decline in car loadings compared with a year ago is expected are cotton and petroleum and petroleum products. This in turn explains the relatively poor performance forecast for the southwest.

Considering the important role to be played by coal and ore in the anticipated fourth quarter traffic rise, it is probable that the rise in revenues will not be so wide as the rise in traffic. Coal and ore are low rated commodities. Nevertheless, there seems to be every promise that revenues for the final quarter will continue to show at least some increase over a year ago. Moreover, the favorable long-term trend toward increased operating efficiency is expected to continue so that net income comparisons should make pleasant reading during this period. More and more it begins to look as if the railroads as a whole might report a new all-time peak in net income for 1955. This hardly appears any base for apprehension toward railroad stocks.

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Richard McKinney With H. E. Work & Co.

LOS ANGELES, Calif. — Announcement is made by H. E. Work & Co., dealers in government and municipal securities, San Francisco and Los Angeles, that Richard B. McKinney has become associated with the firm in its Los Angeles office, 650 South Spring Street.

Since 1949 Mr. McKinney has been identified with the California Bank, Los Angeles. A native of Toledo, O., Mr. McKinney holds a B. S. degree from Northwestern University, 1949; he majored in business administration.

Talcott, Potter Partner

On Nov. 1 David H Appenzellar will be admitted to partnership in Talcott, Potter & Co., 41 East 42nd Street, New York City, members of the New York Stock Exchange. Mr. Appenzellar was formerly with Reynolds & Co.

Continued from page 51

WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Camp Manufacturing Co., Inc. Paper & board; lumber; turpentine	8	1.50	37	4.1
Campbell Taggart Associated Bakeries, Inc. Bakery chain	*9	1.00	26½	3.8
Capitol Records, Inc. Phonograph records	5	0.85	14	6.1
Carlisle Corp. Inner tubes, brake lining, bicycle tires, etc.	5	0.50	6⅝	7.5
Cascades Plywood Corp. Plywood	8	2.00	30⅝	6.5
Central Bank & Trust Co. (Denver)	*9	0.72	19¾	3.6
Central Coal & Coke Corp. Leases mines on royalty basis	8	1.00	38½	2.6
Conn (G. C.), Ltd. Top manufacturer of band instruments	7	0.15	7¼	2.1
Connecticut Printers, Inc. Printing & lithographing	8	1.50	30	5.0
Consolidated Dearborn Owns office buildings in Chicago and Newark	9	1.00	19¼	5.2
Cook Electric Co. Wire communication equipment	7	†0.60	31	1.9
Coos Bay Lumber Co. Lumber manufacturing	9	5.00	76	6.5
Copeland Refrigeration Corp. Refrigerators & air conditioning	9	0.75	17	6.6
Crampton Manufacturing Co. Hardware for plumbing fixtures, refrigerators, kitchen cabinets, etc.	5	0.37½	5⅜	7.0
Cribben & Sexton Co. "Universal" gas ranges	8	0.45	8¼	5.5
Cumberland Gas Corp. Operating public utility	8	0.60	10¾	5.6
Curlee Clothing Co. Suits & overcoats	8	0.50	10	5.0
Darling ((L. A.) Co. Display equipment	9	†0.60	7⅝	7.9
Dean (The) Co. Veneer, lumber & wood products	*8	0.60	13½	4.4
Delta Air Lines, Inc. Serves Dixie from Chicago to Detroit	6	1.20	39	3.1
Denver Chicago Trucking Co., Inc. Motor common carrier	5	0.75	14¾	5.1
Detroit Aluminum & Brass Bearings and bushings	*9	0.30	5¾	5.2
Dickey (W. S.) Clay Mfg. Co. Sewer and culvert pipes; tiles	9	1.00	20⅝	4.8
District Theatres Operates theatre chain	9	0.20	3	6.7
Dobbs Houses, Inc. Restaurant and airline catering	8	1.50	27¼	5.5
Dunham (C. A.) Co. Steam heating appliances	5	0.50	7	7.1
Eaton Paper Corp. Writing paper	9	4.00	50	8.0
Emhart Manufacturing Co. Glass industry machinery	9	1.00	30¾	3.3
Empire State Oil Oil production & refining	8	0.20	8⅛	2.5
Equity Oil Co. Crude oil production	7	0.40	14½	2.8
Ero Manufacturing Co. Auto seat covers	8	0.75	7¼	10.3
Fabricon Products, Inc. Control acquired in July, 1954 by Eagle-Picher Co., through purchase offer at $33 per share.				
Fate-Root-Heath Co. Industrial locomotives	9	1.00	11½	8.7
Federal Sign & Signal Corp. Signaling apparatus	7	1.20	21¼	5.6
First-Mechanics Natl. Bank of Trenton	6	1.25	31¾	3.9
Flour City Ornamental Iron Ornamental metal work	7	0.80	8¾	9.1
Fownes Brothers & Co. Gloves	8	0.22½	4⅛	5.5
Frontier Refining Co. Petroleum production, refining and marketing	9	†0.24	13¾	1.7
Fruit of the Loom, Inc. Cotton goods	9	1.50	16	9.4
Fulton Market Cold Storage Chicago cold storage	7	1.00	19	5.3
Funsten (R. E.) Co. Pecan shelling	6	0.47½	8½	5.6
General American Oil Crude oil producer	8	†0.59	58¾	1.0
Genuine Parts Co. Auto parts distributor	7	1.00	18¾	5.3
Glatfelter (P. H.) Co. Book bond and specialty paper	9	1.45	55¼	2.6
Glens Falls Portland Cement Portland & masonry cement	9	2.95	82	3.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Gordon Foods, Inc. — Potato chips, nut products	*8	0.40	7⅞	5.1
Govt. Employees Ins. Co. — Auto insurance for Government employees only	7	†0.96	62	1.5
Hart & Cooley Mfg. Co. (Mich.) — Air conditioning registers and furnace regulators	9	4.50	26	17.3
Hibernia Bank (San Fran.)	7	3.00	78	3.8
Holeproof Hosiery — Hosiery and lingerie	8	1.00	18¾	5.3
Hydraulic Press Manufacturing Co. — Presses for metal working and other industries	5	0.60	12	5.0
INDIANA GAS & WATER CO. INC. — Gas and water utility	9	†0.77½	17½	4.4
● See page 44 for advertisement of this company.				
Interstate Bakeries — Bread and cakes; Midwest and Pacific Coast	7	1.00	24⅞	4.0
Interstate Motor Freight System — Common motor carrier	5	1.00	14⅜	7.0
Iowa Electric Light & Power Co. — Operating public utility	5	1.21	27½	4.4
Iowa Southern Utilities — Electricity supplier	9	1.20	23⅜	5.1
Kansas City Structural Steel — Buildings, bridges & tanks	7	0.75	18	4.2
Kent-Moore Organization — Service station equipment	7	1.00	16½	6.1
Kentucky Stone Co. — Road material	7	2.50	53½	4.7
Keyes Fibre Co. — Paper plates, plastic trays, etc.	5	†1.02½	26	3.9
Keystone Portland Cement Co. — Manufactures cement	5	145	31¾	4.6
Kingsburg Cotton Oil Co. — Cotton seed products	8	0.20	2½	8.0
Kingsport Press, Inc. — Printing & book binding	*9	†0.50	17½	2.9
Kirsch Co. — Venetian blinds, drapery, hardware	7	0.75	17½	4.3
Kroehler Manufacturing Co. — Furniture	8	†0.75	23	3.3
Kuhlman Electric Co. — Transformers and metal melting furnaces	*9	†0.57	19⅞	2.9
La France Industries, Inc. — Upholstery	6	0.40	8¼	4.8
La Salle Natl. Bk. (Chicago)	7	2.00	52¾	3.8
Lakeside Laboratories, Inc. — Pharmaceutical products	7	0.55	20½	2.7
Langendorf United Bakeries — West Coast baker	6	1.80	29½	6.1
Lau Blower Co. — Fans	*7	†0.52	11¼	4.6
Lea Fabrics — Auto carpets and floor coverings	9	0.75	8¼	9.1
Liberty Products Corp. — Aircraft parts and equipment	5	1.50	19⅛	7.8
Liquidometer Corp. — Makes instruments to measure and regulate liquids	8	0.60	8⅛	7.4
Lone Star Brewing Co. — Lager beer	10	†0.95	28¾	3.3
Lucky Stores, Inc. — Retail food chain in northern California	9	0.55	14½	3.8
Mading Drug Stores Co. — Houston drug chain	9	1.00	21¼	4.7
Marmon-Herrington Co. — Heavy duty trucks	6	0.40	9⅜	4.3
Maryland Casualty Co. — Diversified insurance	7	1.00	41	2.4
Maxson (W. L.) Corp. — Electro-mechanical & electronics apparatus	5	†0.25	15	1.7
Mechanical Handling Systems, Inc. — Manufactures conveyers	5	0.40	9⅝	4.2
Midwest Rubber Reclaiming — Reclaimed rubber	9	1.00	14¼	7.0
Mission Dry Corp. — Concentrated citrus fruit juices	5	0.20	2⅝	4.5
Missouri Edison Co. — Control acquired by Union Electric Co. of Missouri through exchange offer of 7/10ths share of Union common for each share held.				
Moore (William S.), Inc. — Retail chain	6	0.10	7	1.4
Moore-Handley Hardware — Hardware wholesaler	8	0.30	7	4.3
Morgan Engineering Co. — Produces mills, cranes, etc.	7	1.20	24¼	4.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Continued on page 54

Harriman Ripley Group Underwrite United Aircraft Offering

United Aircraft Corp. is offering holders of its common stock the right to subscribe for 243,469 shares of preference stock, 4% series of 1955, at a price of $100 per share, on the basis of one share of the 1955 preference stock for each 20 shares of common stock held of record Oct. 18, 1955. The subscription offer will expire at 3:30 p.m. (EST) on Nov. 1, 1955.

Harriman Ripley & Co., Inc., heads a syndicate that will underwrite the offering.

The 1955 preference stock will be convertible prior to Nov. 1, 1965, into common stock, at the conversion rate of 1.75 shares of common stock for each share of 1955 preference stock.

Net proceeds from the sale of the 1955 preference stock will be added to the general funds of the corporation and used, to the extent of approximately $23,400,000, to redeem the entire issue of its currently outstanding 5% cumulative preferred stock. The balance of the net proceeds will be available for general corporate purposes.

United Aircraft Corp., with its principal executive offices in East Hartford, Conn., is one of the largest manufacturers in the United States, of aircraft engines, propellers and helicopters. The corporation also manufactures four categories of aircraft equipment, consisting of fuel controls, air-conditioning units, engine starters and hydraulic pumps. The business of the corporation is presently carried on in the United States through three divisions, Pratt & Whitney Aircraft division, Hamilton Standard division and Sikorsky Aircraft division, and the Research Department, all of which are coordinated and supervised by the head office.

For the six months ended June 30, 1955, consolidated operations of the corporation and its wholly owned domestic subsidiaries resulted in gross income of $360,347,000 and net income of $15,303,000, equal to $3.02 per common share. For the year 1954, gross income aggregated $655,747,000 and net income was $25,996,000, or $5.10 per common share.

Upon completion of the sale of the 1955 preference stock and the redemption of the 5% cumulative preferred stock, outstanding capitalization of the corporation will consist of 243,469 shares of the 1955 preference stock and 4,869,370 shares of common stock.

Other members of the underwriting group include: Blyth & Co., Inc.; The First Boston Corp.; Kuhn, Loeb & Co.; Morgan Stanley & Co.; Hornblower & Weeks; Smith, Barney & Co. Goldman, Sachs & Co.; Lazard Freres & Co.; Merrill Lynch, Pierce, Fenner & Beane; White, Weld & Co.; Clark, Dodge & Co.; Dominick & Dominick; Hayden, Stone & Co.; W. E. Hutton & Co.; Dean Witter & Co.; Baker, Weeks & Co.; Putnam & Co.; Chas. W. Scranton & Co.; Cooley & Co.

Blakely, Rubin With Greene & Company

Greene and Company, 37 Wall Street, New York City, announce that Judson S. Blakely and Burt N. Rubin have become associated with them in the trading department.

Joins Roman & Johnson

(Special to THE FINANCIAL CHRONICLE)

FT. LAUDERDALE, Fla.—William S. B. Comstock has become associated with Roman and Johnson, 451 East Las Olas Boulevard. Mr. Comstock was formerly with Paul A. Davis & Co.

Splendora Film Stock Offered at 50c a Share

A public offering of 1,200,000 shares of common stock (par 10 cents) of Splendora Film Corp. is being made by J. H. Lederer Co., Inc. and McGrath Securities Corp., both of New York City, at 50 cents per share as a speculation.

The Splendora Film Corp., incorporated in Delaware on Feb. 23, 1955, intends to engage in the business of producing relatively low-cost motion pictures, mainly utilizing the creative, artistic and technical abilities of the American Negro. Both dramatic and musical films are planned for exhibition in theatres and on television.

The net proceeds from the sale of the shares are to be used to purchase equipment and accessories; for financing film productions; and for working capital.

Joins Gibbs & Co.

WORCESTER, Mass. — Paul J. O'Neil is now with Gibbs & Co., 507 Main Street.

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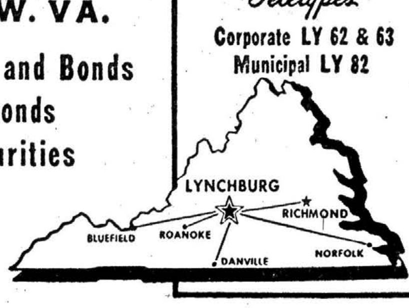

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The Dynamic Future of The Railroad Industry

period of true coordinated transport as the result of the establishment of tructrain, As I mentioned previously, we anticipate a very rapid growth in this field. We believe that public recognition of the necessity of taking the big trucks off the congested highways both from the standpoint of cost and safety will provide a further incentive in this direction.

Fourth, you have heard a great deal about automation in the industrial field. In our judgment, in the field of mass transportation we have only scratched the surface in this respect, and we are confident there is much we can do to effect substantial economies in the future as the science of automation develops.

So far my predictions have been directed primarily at the railroad industry's potential freight traffic. I might also say that we are not defeatists with respect to the passenger operations. The Pennsylvania Railroad has already been successful in bringing its passenger deficit down from $71 million in 1951 to $44 million last year. The over-all deficit for the industry was $670 million in 1954 according to the full-cost formula of the Interstate Commerce Commission. Obviously the industry's deficit and our own as a single company in that industry cannot be considered loss leaders. These deficits are too large. Therefore we are determined to eliminate them.

As I mentioned before, we do not attempt to rationalize the problem with respect to long haul passenger business on distances over 1,000 miles. Realistically, the time element coupled with air line subsidies is too much of a factor in their favor. We do believe, however, that with the development of the lightweight passenger train, with its substantially reduced capital investment per seat, plus lower maintenance costs, it will be possible for the railroads to operate these trains to compete for price conscious mass travel between large cities and do it at a profit. I might add that if these trains live up to expectations, as we are sure they will, you can count on the railroad industry making substantial expenditures for them in the very near future. Also please bear in mind the dependability of service and relaxed comfort that we can offer. Finally, here again we should be able to benefit from the predicted increase in population.

The Passenger Business Program

Now let us for a moment examine the situation from another angle. If our projections are correct, will the railroads be able to carry out the passenger program outlined and will they be able to take care of the freight traffic if the potential is realized? At this point I would like to point out with respect to the latter that my predictions as to the freight potential are based only on a peacetime economy. In the event of all-out war, the amount of this traffic would be increased many fold.

Perhaps you may recall that just a little over a year ago our President, Mr. James M. Symes, made a very forthright statement to the effect that in the event of war, the railroads of this country would not be in a position to handle the load which would obviously be placed upon them. Many experts disagreed with him. However, it is interesting to note that just a year later, with a moderate increase in business but only in a peacetime economy, the railroads throughout the country are faced with substantial car shortages. I think it becomes apparent his statement was correct.

What Is Needed

Therefore, a number of things will have to take place if the railroad industry is going to be in a position to handle the business in an efficient and expeditious manner.

(1) It will have to take full advantage of technological improvements that will gradually be made available in the form of what is commonly known as automation.

(2) Huge amounts of new rolling stock, passenger equipment, and power will have to be purchased.

(3) Many parts of our railroads will have to be rebuilt and rearranged, removing excess facilities not required, of which there are entirely too many, and adding other facilities where they will be required. By this I mean there will no doubt continue to be a change in the traffic flow. It will continue to diminish on the branch lines and increase on the main lines.

(4) The Interstate Commerce Commission will have to set up new rules and regulations governing the handling of freight cars that will discourage rather than encourage their use for storage purposes. With the present-day cost of freight cars running from $8,000 to $10,000, it ceases to be, from anybody's standpoint, economical storage space.

(5) Railroad management will have to be young, aggressive, and forward looking.

(6) Substantially all the recommendations of the Weeks Report must be translated into legislation in order to free the railroad industry from the handcuffs of unrealistic regulation.

(7) The Interstate Commerce Commission must adopt a new attitude towards the earnings of railroads. The industry must be allowed to earn enough to attract not only bond money, but equity funds as well.

If you stop and think that present estimates call for $100 billion being spent during the next 10 years for expansion and improvement of the highways, it does not take much imagination to visualize the necessity of the railroads spending many hundreds of millions of dollars in the next 10 years, not only in their own interests but also for the benefit of our country in times of peace as well as war.

The foregoing obviously can only be accomplished by the railroad industry if it receives full

Continued on page 55

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Continued from page 53

WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
National Bank of Toledo (Ohio) Formerly Commerce National Bank (Toledo) Named changed in September 1954	6	†1.20	46	2.6
National Gas & Oil Corp. Natural gas and Pennsylvania grade crude oil	5	0.60	11¼	5.3
National Motor Bearings Co. Manufacture oil seals	9	1.10	27	4.1
National Tank Co. Equipment for oil and gas fields	8	†0.95	19¼	4.9
Nelson (N. O.) Co. Wholesaler of plumbing & other supplies	8	0.70	40	1.8
NEW ENGLAND GAS & ELECTRIC Owning investments in several operating utility companies	8	1.00	18¼	5.5
● See page 46 for advertisement of this company.				
New England Lime Co. Lime manufacturing	6	†0.33	19¼	1.7
Norfolk Southern Ry. Co. Common carrier by rail	7	1.20	14¾	8.1
Norris-Thermador Corp. Pressed metal products	5	1.27½	36¼	3.5
North American Refractories Fire brick & refractory materials	8	†1.09	23½	4.6
Northeastern Ins. of Hartford Reinsurance	9	0.33½	12	2.8
Northwestern Public Service Electric and gas public utility	8	0.90	16⅜	5.5
Old Ben Coal Corp. Coal mining	8	0.35	10⅝	3.3
Opelika Manufacturing Corp. Towels & linens	*7	†0.67	12⅛	5.5
Pacific Intermountain Exp. Motor freight; Western States	8	†1.90	63	3.0
Pacific Power & Light Electricity supplier.	5	z1.27½	26⅜	4.8
Packard-Bell Co. Radio, TV	6	0.40	10¼	3.9
Parker Appliance Co. Hydraulic and fluid system components—industrial and aircraft	5	1.00	19	5.3
Pennsylvania Engin'g Corp. Steel mills; oil refineries; chemical plants	8	†1.20	22½	5.3
Penobscot Chemical Fibre Co., Voting Mfr. bleached soda and sulphite woodpulp	8	0.90	25¼	3.6
Permanente Cement Co. Cement and gypsum products manufacturer	8	†0.92½	33¼	2.8
Philadelphia Dairy Products Milk and allied products	9	2.60	102	2.5
Pickering Lumber Corp. California, Louisiana and Texas holdings	7	†0.75	14¾	5.1
Porter (H. K.) Co. (Pa.) Manufactures high voltage electrical equipment, hydraulic presses and related products	11	†0.94	40	2.4
Portland General Electric Electric utility	7	1.00	24⅛	4.1
Portsmouth Steel Corp. Owns substantial interests in Cleveland-Cliffs Iron Co., Detroit Steel Corp., and companies in related fields	8	0.60	14¾	4.1
Pratt, Read & Co. Piano & organ keys	9	1.00	15	6.7
Pyramid Electric Co. Electronic components	5	0.15	10½	1.4
Queen Anne Candy Co. Bar and bulk candy	7	0.10	2¾	3.6
Red Top Brewing, Class A Cincinnati brewer	9	0.25	3¼	7.7
Reeves-Ely Laboratories Electronic devices	7	0.10	15	0.7
Resistance Welder Corp. Welding machines	8	0.25	2⅝	9.5
RIVER BRAND RICE MILLS Leading rice miller & packager	9	1.32	24⅛	5.5
● See company's advertisement on this page.				
Robbins & Myers, Inc. Electric motors, generators, fans, etc.	5	3.40	45	7.6
Royal Dutch Petroleum (NY) Affiliated with producers of many nations	8	0.52	52¼	1.0
Scott & Fetzer Co. Vacuum cleaner attachments	8	2.10	17½	12.0
Seattle Gas Co. Public utility manufactured gas	6	0.40	16⅞	2.4
Seneca Falls Machine Co. Machine tools	5	0.10	4¼	2.4
Shedd-Bartush Foods, Inc. Margarine & peanut products	5	1.00	18	5.6
Smith-Alsop Paint & Varnish Co. Paints & varnishes	7	2.00	16	12.5
Smith Engineering Works Mining machinery	8	1.30	45	2.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
z Dividend paid for 12 months ended July 11, 1955.

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1955 $	Quotation June 30, 1955	Approx. % Yield Based on Paymts. to June 30, 1955
Sorg Paper Co. Sulphite, kraft and rag papers	5	0.60	18¼	3.3
Southdown Sugars, Inc. Operates Louisiana sugar plantation	7	†0.91	55½	1.6
Southeastern Public Service Natural gas supplier	7	0.57½	12⅛	4.7
Southwest Natural Gas Co. Southern natural gas supplier	8	0.20	5¼	3.8
Southwestern Elec. Service Electricity supplier	9	1.00	21½	4.7
Southwestern States Tel. Co. Operating public utility	9	1.12	21⅜	5.2
Spartan Mills Cloths & sheetings	5	1.50	34½	4.3
State Loan & Finance, Cl. A Loans and finance business, Southern States	8	†0.70	16	4.4
Stern & Stern Textiles Inc. Silk, rayon & nylon fabrics	7	0.75	9½	7.9
Strawbridge & Clothier Large Philadelphia department store	8	†0.96	25⅞	3.7
Stuart & Co. Pharmaceutical products	7	0.95	27½	3.1
Suburban Gas Service, Inc. Petroleum gases	5	0.55	13½	4.1
Suburban Propane Gas Corp. Propane gas distributor	9	1.20	21½	5.6
TELE-ELECTRONICS FUND, INC. Open-end mutual investment co. ● See page 50 for advertisement of this Fund.	7	0.77	12	6.4
Tenn., Ala. & Georgia Ry. Co. Freight carrier	8	0.60	9¼	6.5
Tennessee Gas Transmission Natural gas transmission	8	1.40	37⅜	3.7
Texas Eastern Transmission Corp. Operates natural gas pipelines	5	1.40	27⅞	5.0
Toro Manufacturing Corp. Power driven mowers	8	†1.37	50	3.7
Union Lumber Co. California redwood	7	1.00	33	3.0
United Piece Dye Works Fabric dyeing, printing and finishing	5	0.15	2¾	3.0
Upper Peninsula Power Electric public utility	7	1.35	27	5.0
Utah Southern Oil Co. Oil and gas producer	7	0.75	20½	3.7
Van Camp Sea Food Co. Cans tuna and other fish	9	0.10	8⅛	1.2
Vanity Fair Mills Lingerie	*7	1.20	16⅜	7.3
Walker Manufacturing Co. of Wisconsin Auto parts	9	0.65	18	3.6
Warehouse & Terminals Corp. Warehouses & outdoor storage	9	0.09	1¾	5.2
Warner Co. Sand, gravel and lime products	9	2.75	56	4.9
Warney & Swasey Co. Machine tools, earth moving machines, textile machinery, etc.	5	1.25	19½	6.4
Washington Steel Corp. Stainless steel	6	†1.27½	44¼	2.9
Waverly Oil Works Co. Oils, greases & soaps	5	0.40	10½	3.8
Weber Showcase & Fixture Store fixt., soda fountains	8	0.40	8¾	4.6
Western Condensing Co. Fluid whey	8	0.80	22¾	3.5
Western Light & Tel. Supplies electric, gas, water and telephone service	9	1.60	32¾	4.9
Wisconsin Hydro Electric Co. Operating public utility	7	†0.91	16½	5.5
Wisconsin Power & Light Electricity supplier	9	1.28	26	4.9
Wood (Alan) Steel Co. Cold and hot plates, sheet and strip	7	t0.70	23¾	3.0
Younker Bros. Department stores in Midwest	*8	2.00	46	4.3

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
t Plus 5% in stock paid Nov. 20, 1954.

Difference Between Listed and Over-the-Counter Trading

The exchange market is often referred to as an auction market because a stock exchange provides a focal point for the concentration of bids and offerings of potential purchasers and sellers for all securities listed on it. Genuine auction marketing in a security cannot be maintained, however, unless there is sufficient activity in it.

In those cases where less active securities are traded on an exchange, it devolves upon the stock specialist for each particular stock to create a market, in the absence of sufficient public orders

Continued on page 56

Continued from page 54

The Dynamic Future of The Railroad Industry

and complete cooperation from government at the national, state, and local levels; it must gain the support and confidence of investors throughout the nation; and it must receive the wholehearted support of the public.

You gentlemen representing one of the great accumulations of wealth in this country must play a vital part if our efforts are to be successfully consummated. I could not be more serious when I ask you to go home and re-examine your own position and attitude as to the railroad industry, since a healthy railroad industry is essential to the well-being of every investment in your portfolio, and a sound transportation industry is a vital necessity to our Country, either in peace or at war.

Burlington Industries Debentures Offered by Kidder, Peabody Group

Kidder, Peabody & Co. heads a group offering publicly today (Oct. 20) $30,000,000 of Burlington Industries, Inc., 4.25% subordinated debentures due Oct. 1, 1975, convertible through Oct. 1, 1965, priced at 100%.

Burlington Industries, the largest firm in the textile industry, will add the proceeds to its general funds to be available for any corporate purpose.

For many years the company has been the leading domestic manufacturer of fabrics and products made from synthetic fibers. As a part of a long-term diversification program it has achieved major positions in the fields of men's and women's hosiery, fine cottons, woolens and worsteds. The company believes diversification has helped it level out the fluctuations that take place in individual segments of the textile business and that it has helped the company's position in supplying blends of different fabrics to keep up with the current trend.

For the nine months ended July 2, 1955 the company reported net sales of $386,528,832 and net earnings of $12,288,799. For the fiscal year ended Oct. 2, 1954 net sales were $347,493,592 and net earnings were $8,437,345.

The debentures are convertible, unless previously redeemed, into common stock at $18 principal amount of debentures per common share prior to the time $10,000,000 of debentures have been surrendered for conversion; at $19 principal amount per share until the next $10,000,000 of debentures have been surrendered; and thereafter at $20 principal amount per share, but not after Oct. 1, 1965.

Beginning in 1966 the debentures will be entitled to a sinking fund equal to 9% of the principal amount outstanding on Oct. 1, 1965, aggregating 90% of such amount prior to maturity.

Bond Club of N. Y. To Hear G. H. Love

George H. Walker, Jr., G. H. Walker & Co., President of The Bond Club of New York, has announced that George H. Love, President of Pittsburgh Consolidation Coal Company, Inc., will speak before The Bond Club at a luncheon meeting of members at The Bankers Club on Tuesday, Oct. 25, 1955.

Brady Opens Branch

Brady & Co., 44 Wall Street, New York City, has opened a branch office at 120 Broadway.

Bateman Adds Two

(Special to THE FINANCIAL CHRONICLE)

PALM BEACH, Fla.—Ruthanna T. Hazel and William A. Lockwood have become affiliated with Frank B. Bateman, 243 South County Road.

With Blewer, Glynn

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Howard W. Rife has become affiliated with Blewer, Glynn & Co., 320 North Fourth Street, members of the Midwest Stock Exchange.

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WORLD'S BIGGEST MARKET CONTINUES TO FLOURISH

to buy or sell, by, in effect though not in strict parlance, putting in an order for his own account. In other words, if you wanted to sell 100 shares of XYZ stock and the specialist had no order from anyone else to buy that stock, he himself would be expected to enter a reasonable bid on his own. The continuity of any market thus created is largely dependent upon his financial resources and his willingness to thus risk his own money.

The Over-the-Counter Market

On the Over-the-Counter Market the situation is quite different. Here there are a tremendous number of dealer firms from coast to coast that interest themselves in making a market for unlisted and some listed stocks and bonds. Most of them can communicate with each other instantaneously through private telegraph wires or other facilities at their disposal.

Thus many over-the-counter dealer-brokers in New York, for instance, will be doing business throughout the day with other dealer-brokers in Boston, New Orleans, Chicago, St. Louis, Denver, Los Angeles, San Francisco, Seattle and other cities from coast to coast. As an integral part of their operations dealer-brokers stand ready to buy and sell substantial quantities of the securities they are "quoting" and maintain inventories in them. Some firms, of course, choose to act solely as brokers and not dealers.

Because of competition, the spread between the bid and the asked figures on more active stocks is quite narrow. In less active stocks the over-the-counter dealer must find contra-orders if he does not wish to assume inventory positions in the securities involved. It is his business to know which other dealers in all parts of the country might have a buying interest in a given security.

One, five, ten, fifty or more over-the-counter dealers in different parts of the country may interest themselves in "making a market" for a given unlisted security. Prospects known to the first dealer, or known to those other dealers he contacts (either locally or in other cities), may often include individuals who are believed to have a buying or selling interest in the instant security, or investors who might be induced to buy.

The process of constantly seeking out buyers and sellers is characteristic of the Over-the-Counter Market.

A major characteristic, too, of the "counter" market is negotiation. If a gap in price exists after a prospect is found, the transaction does not die. Instead negotiation ensues. The mere existence of a buy or sell order is the incentive for the "counter" dealer to find the opposite. The Over-the-Counter Market thus has no physical limitations.

As a practical matter, though, individuals in any city of 100,000 or more can frequently pick up a phone and call a dealer-broker and get an execution on an order for an unlisted security momentarily—often while the call is progressing.

Some "counter" dealers sell directly to investors themselves. In other cases they may have a dealer following throughout the country consisting of retail firms that are always looking for securities that present good values to sell to their investor clientele.

Numerous exchange firms also deal in over-the-counter securities and any that do not must buy from or sell to an over-the-counter dealer to execute customers' orders for unlisted securities.

Many listed securities, too, are sold over-the-counter when the blocks are too large to make a quick orderly sale on an exchange possible.

An investor need not concern himself with the intricacies enumerated above, since his dealer-broker will obtain current market quotations on any over-the-counter stock or bond, and handle all details of purchase and sale.

The longer trading day in the Over-the-Counter Market is often a distinct advantage to the investor. On an exchange, securities can only be sold in New York between the hours of 10:00 and 3:30; in the Midwest between 9:00 and 2:30, and on the West Coast between the hours of 7:00 and 2:30. However, in most instances unlisted securities can be sold any time between 9:00 and 5:00 in the Midwest, and on the West Coast it's even longer than that. Dealers-brokers in the Over-the-Counter Market there are on the job from 7:00 in the morning until 5:00 in the afternoon.

Stock Exchange Commission Rates vs. Counter Dealer Charges

When an exchange-broker executes an order for you in an exchange-listed stock, he tells you the cost price as well as the amount of his commission on your confirmation slip. On the other hand the over-the-counter dealer more often than not buys from and sells to you "as principal" or on a "net" basis as it is termed in the parlance of the securities business. This means his profit or loss is included in the price he quotes you and there is no commission charge shown on his confirmation. The over-the-counter dealer usually acts just as a merchant does in other lines of business. In other fields when you buy a set of dining room furniture, a fountain pen or what have you, the merchant sells it to you at a flat price and does not add any commission thereto. So with the "counter" dealer.

It is true that exchange commission rates more often than not are lower than the profit rates over-the-counter dealers are obliged to operate on. An important reason for this is the fact that the services of the over-the-counter dealer, besides frequently necessitating his taking the risk of an inventory position, include the extensive searching for matching bids and offers from potential buyers and sellers.

When a security is taken from the Over-the-Counter Market and listed on a stock exchange, over-the-counter dealers ordinarily lose interest in it, for they cannot make a profit trading in it at rates comparable to the commission charges of exchange firms. Though the "counter" dealers' profit rates may be somewhat higher, they may afford investors "better" prices than the less expensive service of exchanges.

Values

For one thing, the basic fact is that the price of over-the-counter stocks is not swollen by the premium the public is ordinarily willing to pay for exchange-listed securities. Then, too, active listed stocks and the exchange stock ticker system provide a ready vehicle for speculation and tend to center buying and selling decisions on short-term price swings in lieu of "real economic values. Many apparently buy stocks according to hoped-for price movement and not for true investment purposes, their interest being merely "where is the price going and when."

The mere fact that under the "exchange auction-specialist system" the spread between bid and ask prices is close or narrow is no indication that the investor gets good value when he buys or that the seller obtains a price in keeping with the intrinsic value of the stocks he wishes to sell. Intelligent investors are quick to recognize the fact that prices and values are two totally different things.

As pointed out before, the assumption of inventory positions is an integral part of the over-the-counter dealers' task. They must take the initiative in assuming such positions. Although they must be aware of and responsive to the foibles of their customers, they cannot without unwarranted hazard buy securities for inventory purposes unless they take cognizance of basic economic values.

Basic economic values may appear somewhat elusive, but they are nonetheless real. They consist of mathematical and non-mathematical elements. Some insight as to the real value of a stock may be gained by checking such things as its earnings and dividend records, book value and liquidating value. But the first three of these are tied to the past, and subject to the fact that accounting is an inexact science. And liquidating value may be largely of academic significance, if the corporation is going to continue in existence. The anticipated future average annual net income of a corporation may be capitalized numerically, but not without reference to many non-numerical concepts. These include the acumen, initiative, imagination and forcefulness of the officers and directors of the corporation. Speculation as to how the present and possible future products of a corporation will fare on the markets may be handled numerically only to a certain extent.

When an individual consistently purchases stocks without regard to basic economic values, he may at times make money, but sooner or later he will book losses. And although he may remain "in the market" for an extended period, he cannot do so after his capital is exhausted.

So it is with the over-the-counter dealer. If he habitually assumes inventory positions at prices out of line with basic economic values, the economic forces will in due time exhaust his capital and drive him from the scene. For survival he must be cognizant of the elements, listed above, which are determinants of the real value of the securities in which he is taking inventory positions. His prices cannot consistently be out of line with real values. Particularly in regard to the non-numerical elements which go into the making of the real value of a security in which he is to assume a position, he must, as a general rule, have knowledge superior to that of the lay trader.

Therefore, an important contribution of over-the-counter dealers who take important inventory positions results from the fact that their market pricing must be influenced definitely by intrinsic corporate value factors. They must stress value consciousness over quotation consciousness.

Officers and directors of the 14,000 banks and the major insurance companies of the country when buying or selling their own institution's stock for their own account do so almost entirely through over-the-counter dealers. Investment officers of these institutions, too, are continually buying and selling government, municipal and corporation bonds and stocks through "counter" dealers for the account of their banks and companies.

Just as you get good or indifferent treatment and values from both large and small stores in other lines of business, so it is with over-the-counter dealers. It is not necessary for a firm to have a million dollars to be thoroughly trustworthy and to have good judgment with respect to investment values. Just be sure the over-the-counter firm or individual dealer you contemplate doing business with has a good reputation.

It is no exaggeration to say that both exchanges and the Over-the-Counter Market are vital to our economic life. Through the medium of stocks and bonds idle capital of individuals, banks, institutions and the like flows into trade and industry and makes it possible for business to obtain the wherewithal with which to provide jobs for ever more workers at ever less human effort and at ever more remuneration. Savings thereby become an asset to society and not a problem. The beauty of it is that the capital needs of both big and small business alike can be thus served.

If it were not for the exchanges and Over-the-Counter Markets, investors of all types would find it almost impossible to quickly retrieve the capital they put at the disposal of governments, municipalities or corporations. This is one of the many reasons why it is socially important that those engaged in the investment business thrive.

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IDS Canada in 6 Months Sells $44 Million

Nearly 9 million shares of Investors Group Canadian Fund Ltd., having an asset value in excess of $44 million, have been purchased since the Fund was opened to the public less than six months ago, Grady Clark, IDS Vice-President-Sales, announced to salesmen from all parts of the country who are attending the three-day sales conference of Investors Diversified Services, Inc., now in session at the Radisson.

Organized under the laws of the Dominion of Canada in November, 1954 by Investors Diversified Services, Inc., its investment manager by contract, the Fund's shares were first sold on May 2, 1955. Investors Group Canadian Fund Ltd. has 26,735 shareholder accounts as of Sept. 30, 1955.

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Mutual Funds

By ROBERT R. RICH

Chemical Fund Assets Cross $100 Million

Net assets of Chemical Fund, Inc. on Sept. 30, 1955 exceeded $100,000,000 for the first time at the end of any quarter in the history of the Fund. According to the quarterly report, net assets on that date totaled $100,277,860 equal to $15.39 per share compared with $69,013,601 or $12.33 per share a year earlier after adjusting for the recent two-for-one split.

In commenting on the current operations of portfolio companies, the report noted an average increase of 18% in sales and 32% in net earnings per common share for the first half of 1955 and referred to U. S. Department of Commerce estimates that, if this trend continues, sales of the Chemical industry for the full year 1955 might reach 23.5 billion. This would constitute a new high for the industry, nearly 20% greater than in 1954.

Referring to recent developments in the field of nuclear chemistry, the report stated that the chemical industry should benefit from the recent exchange of technical information on atomic energy by 72 countries at the recent "Atoms for Peace" conference held in Geneva.

More than 30 of the Fund's portfolio companies are engaged in various atomic energy activities. The Fund's sponsor, F. Eberstadt & Co., said that these companies represented over 70% of the Fund's invested assets.

In view of the growing importance of atomic energy to the chemical industry, Chemical Fund's management applied for and has received permission to obtain certain confidential and restricted data relating to the activities of the Atomic Energy Commission and its contractors, under the A.E.C.'s new Access Agreement Program.

U. S. and Foreign Assets Now Over $133 Million

U. S. & Foreign Securities Corporation, in its statement dated Sept. 30, 1955 reported net assets of $133,195,501, equivalent to $40.23 per share on 3,310,815 shares of common stock outstanding. This compares with net assets of $133,799,568 or $40.41 per share on June 30, 1955.

On Sept. 30, 1954 the net assets available for U. S. & Foreign common stock totaled $106,204,607 or $32.56 per share, adjusted for the 3-for-1 split on June 30, 1955 and after deducting at redemption prices the then outstanding preferred stocks of the company and its subsidiary, all of which were retired by June 30, 1955.

Net ordinary income for the nine months ended Sept. 30, 1955 totaled $2,019,462 or approximately 60 cents per share. On Sept. 30, 1955 a quarterly dividend of 20 cents per share was paid from net ordinary income.

As of Sept. 30, 1955 there was $4,251,974, or approximately $1.28 per share of common stock outstanding, available for distribution as a capital gain dividend.

TV Fund Sales Set New Record

Sales of Television-Electronics Fund in September set a new record for the month at $2,676,153, a gain of 27% over the September, 1954, total of $2,102,835, it was reported today by Paul A. Just, Executive Vice-President of Television Shares Management Corp. which sponsors and manages the Fund.

Sales in the first nine months this year also established a new record, amounting to $37,449,322—a rise of 129% over sales of $16,292,635 for the similar period a year ago.

Total net assets of the Fund on September 30, last, amounted to $105,942,248, or 96% ahead of the $53,997,200 total on the same date a year ago. Net asset value per share on Sept. 30, 1955, rose to $11.28 on the 9,395,026 shares then outstanding from $9.46 on the 5,707,201 shares outstanding 12 months earlier.

Broad Street Investing Corporation net assets were at $78,344,294 on Sept. 30.

The total was a substantial increase from the $64,137,866 at the beginning of 1955 and from the $54,636,723 of Sept. 30, 1954.

Each of the fund's shares had an asset value of $21.76, substantially the same as the $21.81 on June 30, and up from $19.49 at the beginning of 1955.

Share asset value at the end of the third quarter represented an increase of about 24% above that 12 months earlier, after adding back the December, 1954, distribution of 52 cents per share from realized gain on investments.

Delaware Fund's net assets rose $9,123,837, or 36%, during the first nine months of 1955, according to its report for the third quarter.

The increase—largest for any similar period in Delaware's 17-year history—boosted total resources on Sept. 30, last, to an all-time high of $34,249,998 from $25,126,161 at the start of the year.

Net asset value in the period rose to $11.11 a share on the 3,081,722 shares outstanding Sept. 30, 1955, from $9.46 a share on the 2,243.203 shares outstanding nine months earlier.

Oil stocks constitute Delaware's largest single equity holding by industry, accounting for 11.62% of total resources.

Personal Progress

The appointment of Charles J. Anderson as a regional representative for Delaware Fund was announced by W. Linton Nelson, Chairman, Delaware Distributors, Inc. He will represent the Fund in New Jersey, Delaware, Maryland and Washington, D. C.

Mr. Anderson has been associated in a sales capacity with leading investment houses in Philadelphia and Atlantic City since 1945. Prior to that, he served a three-year tour of duty as a Bombadier with the 8th Air Force in Europe.

Mr. Anderson is a graduate of the University of Pennsylvania's Wharton School. A native of Brooklyn, N. Y., he now resides in Haddonfield, N. J.

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Outlook for the Home Appliance Industry

top and the new miracle filter on our electric ranges; automatic defrosting and the ice cube ejector in our refrigerators; the control ring on our new washing machines, and other such developments, we have made progress toward completely emancipating the American housewife. But I am convinced we are going to proceed much faster toward that goal. In fact, we believe we are on the eve of a major breakthrough on this front.

For example, we have long had central heating. Why not central refrigeration, including a fur storage closet, a refrigerated cabinet for cosmetics and perishable medicines?

Or take today's refrigerators. Though much improved, they contain the same basic components as those of 30 years ago. Future units may do away with the mechanical compressor and refrigerant. One promising possibility is a refrigerator that produces cold by electronic means—not a moving part in it. We are making progress on several other interesting types of systems.

Electronics can be used to thaw as well as freeze. Frozen fruit, for example, can be ready to be served for dessert in seconds.

Electronics can do other chores, and do them well. Surely you have heard of the Delco Products garage door. You push a button, in your car, and the garage door opens and the lights go on. We think that this is not only a convenience but also a good safety factor, particularly for women.

Soon it will be possible to close your windows in case of rain, by dialing your home number on the telephone. Or utilize automatic window closers sensitive to the first raindrop.

Atomic irradiation is almost certain to play an important role in food preservation. It will not supplant, but supplement refrigeration, and could bring about big changes in food buying and storage habits.

Food storage, by the way, can be put on a permanent revolving inventory basis. Your delivery man will automatically replenish your stocks, reading your requirements from a "meter" attached to the outside of the house, just as your fuel oil dealer keeps your tank filled.

We call today's washing machines automatic. But down the road we can visualize equipment that will convey, sort, clean, iron fold the laundry.

As you know, water is a problem in many parts of the country. Substantial inroads on that problem could be made by the use of ultra high-frequency energy waves, particularly in dishwashing.

And speaking of washing operations, what do you suppose our housewives would give for a system that would wash the kitchen floor, rinse and dry it, all automatically, in minutes? That is not such a wild dream as you might think, for I have seen it done.

Our progress has been one of substitution as well as evolution. Tremendous things are on the horizon in this area. As you put sugar in your coffee at breakfast this morning, you probably did not realize that scientists now know how to make sugar without sugar cane or sugar beets.

Our research in the broader sense involves people as well as products. To anticipate future product requirements we must know, or at least try to get an idea, of what kind of people our future customers will be: the social, economic, age-group and cultural make-up of our future population.

Other Fundamental Questions

Related to these fundamental questions are others. How will people live, and where? What will their needs and desires be with respect to housing? What are the economic possibilities of fulfilling those desires? What is the impact on our own future concepts of architectural trends, new developments in building materials, in food technology?

And what about population shifts? Will we one day be confronted by the problem of providing complete utility services in places which conventional utilities would find it not worth their while to serve?

In such an event we can visualize a fully autonomous house with its own source of power, atomic or solar; its own water and sewage disposal system independent of well or main; and of course facilities to make housekeeping all but effortless.

Now, you may think I am in full flight in a dream world. But remember, to your grandmother—as she mopped up after the iceman on a rainy summer's day—the refrigerator out of which came your breakfast orange juice and eggs was not even a dream.

Research has brought to reality far stranger dreams. Today we are on the threshold of a new age in technology. We must and can dream bigger. We must and can accelerate our pace from year to year, toward more and better things for more people.

That is the meaning and purpose of our General Motors Technical Center. It is the constant goal as well of our extensive divisional research and engineering staffs, such as those at Frigidaire, working closely with our scientific and technical groups here.

New products of advanced design and greater utility will flow with the force of an artesian well to create dynamic obsolescence. Though these new devices must be the generative force in bringing about better living for Americans in their homes, we nevertheless recognize that homemakers derive largely from you the philosophy of better living which will create an even greater desire to utilize them.

Together we face a great challenge. For by our combined efforts we can increase the magnitude of our industry beyond our fondest dreams.

Templeton Sets Up Education Award

John M. Templeton, President of Templeton, Dobbrow & Vance, investment counselors of New York and Englewood, N. J., has established an award of $800 at the Princeton Theological Seminary.

The award, to be called the Templeton Prize, will be given biennially to the person who shall prepare the best essay on some important aspect of the problems involved in discovering, training and using the talents of especially gifted children and youth. Templeton is a trustee, and Chairman of the Finance Committee of the Seminary.

George W. Adams

George W. Adams, partner in Foster & Adams, passed away at the age of 75 Oct. 13 following a long illness.

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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)	Oct. 23	*§96.1	*96.5	96.1	74.2
Equivalent to—					
Steel ingots and castings (net tons)	Oct. 23	§2,320,000	*2,330,000	2,320,000	1,769,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Oct. 7	6,690,150	6,660,600	6,655,250	6,152,450
Crude runs to stills—daily average (bbls.)	Oct. 7	¶7,191,000	7,462,000	7,554,000	6,711,000
Gasoline output (bbls.)	Oct. 7	25,353,000	25,448,000	26,174,000	23,131,000
Kerosene output (bbls.)	Oct. 7	2,066,000	2,012,000	2,089,000	2,005,000
Distillate fuel oil output (bbls.)	Oct. 7	10,468,000	10,843,000	11,556,000	10,752,000
Residual fuel oil output (bbls.)	Oct. 7	7,712,000	7,430,000	7,656,000	7,016,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	Oct. 7	151,006,000	151,266,000	154,337,000	151,550,000
Kerosene (bbls.) at	Oct. 7	36,355,000	36,413,000	35,601,000	38,480,000
Distillate fuel oil (bbls.) at	Oct. 7	145,598,000	143,722,000	137,836,000	131,198,000
Residual fuel oil (bbls.) at	Oct. 7	47,021,000	46,754,000	47,111,000	56,054,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Oct. 8	807,035	820,312	706,575	702,910
Revenue freight received from connections (no. of cars)	Oct. 8	691,237	686,029	614,459	604,372
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Oct. 13	$345,812,000	$464,569,000	$381,189,000	$259,381,000
Private construction	Oct. 13	228,694,000	330,197,000	222,570,000	141,832,000
Public construction	Oct. 13	117,118,000	134,372,000	158,619,000	117,549,000
State and municipal	Oct. 13	84,757,000	122,092,000	119,481,000	87,620,000
Federal	Oct. 13	32,361,000	12,280,000	39,138,000	29,929,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Oct. 8	9,790,000	*9,620,000	8,570,000	8,417,000
Pennsylvania anthracite (tons)	Oct. 8	537,000	577,000	431,000	523,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Oct. 8	125	126	108	118
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Oct. 15	10,599,000	10,639,000	10,623,000	9,117,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Oct. 13	203	207	191	152
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Oct. 11	5.174c	5.174c	5.174c	4.798c
Pig iron (per gross ton)	Oct. 11	$59.00	$59.09	$59.09	$56.59
Scrap steel (per gross ton)	Oct. 11	$44.83	$44.83	$44.17	$33.00
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Oct. 11	42.925c	43.850c	43.925c	29.700c
Export refinery at	Oct. 11	43.025c	43.475c	44.750c	31.700c
Straits tin (New York) at	Oct. 11	96.125c	96.125c	95.750c	93.375c
Lead (New York) at	Oct. 11	15.500c	15.500c	15.000c	15.000c
Lead (St. Louis) at	Oct. 11	15.300c	15.300c	14.800c	14.800c
Zinc (East St. Louis) at	Oct. 11	13.000c	13.000c	13.000c	11.500c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Oct. 18	95.87	95.98	94.92	99.83
Average corporate	Oct. 18	107.62	107.62	107.44	110.70
Aaa	Oct. 18	111.25	111.07	110.88	115.63
Aa	Oct. 18	109.60	109.60	109.06	112.37
A	Oct. 18	107.44	107.80	107.44	110.52
Baa	Oct. 18	102.80	102.63	102.63	104.83
Railroad Group	Oct. 18	106.04	106.21	105.86	109.06
Public Utilities Group	Oct. 18	108.16	108.16	107.80	111.07
Industrials Group	Oct. 18	108.88	108.70	108.52	112.00
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Oct. 18	2.81	2.80	2.88	2.51
Average corporate	Oct. 18	3.30	3.30	3.31	3.13
Aaa	Oct. 18	3.10	3.11	3.12	2.87
Aa	Oct. 18	3.19	3.19	3.22	3.04
A	Oct. 18	3.31	3.29	3.31	3.14
Baa	Oct. 18	3.58	3.59	3.59	3.46
Railroad Group	Oct. 18	3.39	3.38	3.40	3.22
Public Utilities Group	Oct. 18	3.27	3.27	3.29	3.11
Industrials Group	Oct. 18	3.23	3.24	3.25	3.06
MOODY'S COMMODITY INDEX	Oct. 18	403.4	404.5	409.9	402.4
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Oct. 8	379,667	294,523	227,826	261,389
Production (tons)	Oct. 8	289,693	292,654	218,751	247,919
Percentage of activity	Oct. 8	102	102	80	93
Unfilled orders (tons) at end of period	Oct. 8	677,874	585,740	682,853	442,581
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	Oct. 14	106.83	107.04	106.53	106.24
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	Sept. 24	1,205,959	1,307,513	986,650	986,339
Dollar value	Sept. 24	$67,876,525	$74,950,287	$54,134,322	$48,659,204
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Sept. 24	1,083,527	1,124,494	790,049	1,041,945
Customers' short sales	Sept. 24	3,866	4,990	4,724	7,823
Customers' other sales	Sept. 24	1,079,661	1,119,504	785,325	1,034,122
Dollar value	Sept. 24	$57,097,900	$58,635,672	$38,297,221	$47,166,192
Round-lot sales by dealers—					
Number of shares—Total sales	Sept. 24	306,870	308,890	210,440	328,150
Short sales	Sept. 24	------	------	------	------
Other sales	Sept. 24	306,870	308,890	210,440	328,150
Round-lot purchases by dealers—					
Number of shares	Sept. 24	428,510	499,110	418,790	298,610
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	Sept. 24	522,700	569,710	597,140	385,700
Other sales	Sept. 24	12,087,740	13,462,750	9,542,710	10,855,170
Total sales	Sept. 24	12,610,440	14,032,460	10,139,850	11,240,870
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS:					
Transactions of specialists in stocks in which registered—					
Total purchases	Sept. 24	1,534,960	1,655,230	1,218,810	1,279,220
Short sales	Sept. 24	220,050	266,640	212,980	211,800
Other sales	Sept. 24	1,282,870	1,369,890	1,023,260	1,003,570
Total sales	Sept. 24	1,502,920	1,636,530	1,236,240	1,215,370
Other transactions initiated on the floor—					
Total purchases	Sept. 24	342,220	390,220	285,910	344,600
Short sales	Sept. 24	20,800	32,850	29,800	22,400
Other sales	Sept. 24	303,210	354,080	261,360	342,550
Total sales	Sept. 24	324,010	386,930	291,160	364,950
Other transactions initiated off the floor—					
Total purchases	Sept. 24	552,780	295,231	665,531	407,420
Short sales	Sept. 24	140,230	157,612	205,900	46,690
Other sales	Sept. 24	680,290	756,980	863,634	428,060
Total sales	Sept. 24	820,520	914,592	1,069,534	474,750
Total round-lot transactions for account of members—					
Total purchases	Sept. 24	2,429,960	2,640,681	2,170,251	2,031,240
Short sales	Sept. 24	381,080	457,102	448,680	280,890
Other sales	Sept. 24	2,266,370	2,480,950	2,148,254	1,774,180
Total sales	Sept. 24	2,647,450	2,938,052	2,596,934	2,055,070
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Oct. 11	111.2	*111.4	111.4	109.7
Farm products	Oct. 11	86.7	*87.5	89.6	92.8
Processed foods	Oct. 11	99.8	*101.1	102.2	103.4
Meats	Oct. 11	79.4	80.9	85.4	85.4
All commodities other than farm and foods	Oct. 11	118.7	*118.6	117.9	114.6

*Revised figure. ¶Includes 827,000 barrels of foreign crude runs. §Based on new annual capacity of 125,828,310 tons as of Jan. 1, 1955, as against Jan. 1, 1954 basis of 124,330,410 tons.
†Number of orders not reported since introduction of Monthly Investment Plan.

	Latest Month	Previous Month	Year Ago
BUILDING CONSTRUCTION—U. S. DEPT. OF LABOR—Month of September (in millions):			
Total new construction	$4,001	$3,985	$3,674
Private construction	2,758	2,761	2,460
Residential building (nonfarm)	1,467	1,484	1,327
New dwelling units	1,325	1,335	1,195
Additions and alterations	111	117	107
Nonhousekeeping	31	32	25
Nonresidential building (nonfarm)	717	638	558
Industrial	210	203	162
Commercial	308	289	210
Office buildings and warehouses	101	99	88
Stores, restaurants and garages	207	190	122
Other nonresidential building	199	196	186
Religious	70	68	58
Educational	44	43	50
Social and recreational	22	23	22
Hospital and institutional	31	31	30
Miscellaneous	32	31	26
Farm construction	137	150	153
Public utilities	425	425	410
Railroad	24	26	28
Telephone and telegraph	60	60	57
Other public utilities	341	339	325
All other private	12	14	12
Public construction	1,243	1,224	1,214
Residential building	21	21	24
Nonresidential building	395	397	410
Industrial	61	60	106
Educational	231	230	197
Hospital and institutional	29	32	33
Other nonresidential building	74	75	74
Military facilities	128	128	98
Highways	495	470	492
Sewer and water	102	103	91
Miscellaneous public service enterprises	33	32	23
Conservation and development	55	56	63
All other public	14	17	13
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD — Month of September (000's omitted):			
Total U. S. construction	$1,786,199	$1,239,668	$1,478,553
Private construction	1,118,333	741,643	811,241
Public construction	667,866	498,025	667,312
State and municipal	545,485	436,735	554,777
Federal	122,381	61,290	112,535
CONSUMER PRICE INDEX — 1947-49=100—Month of August:			
All items	114.5	114.7	115.0
Food	111.2	112.1	113.9
Food at home	110.0	111.1	113.3
Cereals and bakery products	124.1	124.2	122.3
Meats, poultry and fish	102.9	103.7	107.6
Dairy products	105.7	104.7	105.1
Fruits and vegetables	111.3	121.9	114.7
Other foods at home	112.6	109.2	119.6
Housing	120.0	119.9	119.2
Rent	130.5	130.4	128.6
Gas and electricity	110.8	110.8	107.8
Solid fuels and fuel oil	123.8	123.2	121.9
Housefurnishings	103.2	103.6	105.4
Household operation	119.5	119.4	117.3
Apparel	103.4	103.2	107.7
Men's and boys'	105.5	105.7	106.4
Women's and girls'	97.4	96.9	97.7
Footwear	117.6	117.5	116.9
Other apparel	90.5	90.5	90.7
Transportation	125.4	125.4	126.6
Medical care	128.0	127.9	125.5
Personal care	115.8	115.5	113.4
Reading and recreation	106.3	106.3	106.6
Other goods and services	120.4	120.3	120.2
COTTON GINNING (DEPT. OF COMMERCE)—			
As of Sept. 16 (running bales)	2,800,154	------	3,440,815
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of August:			
Cotton Seed—			
Received at mills (tons)	348,692	131,087	449,340
Crushed (tons)	212,310	165,338	249,700
Stocks (tons) Aug. 31	345,446	209,064	428,283
Crude Oil—			
Stocks (pounds) Aug. 31	58,955,000	53,915,000	35,881,000
Produced (pounds)	70,391,000	56,962,000	82,890,000
Shipped (pounds)	61,754,000	63,010,000	87,734,000
Refined Oil—			
Stocks (pounds) Aug. 31	287,292,000	344,085,000	887,813,000
Produced (pounds)	57,996,000	59,120,000	82,186,000
Consumption (pounds)	105,137,000	95,852,000	147,206,000
Cake and Meal—			
Stocks (tons) Aug. 31	169,703	203,090	188,910
Produced (tons)	103,409	78,293	121,257
Shipped (tons)	136,796	113,201	135,668
Hulls—			
Stocks (tons) Aug. 31	45,750	41,654	78,861
Produced (tons)	47,922	36,071	54,155
Shipped (tons)	43,826	42,647	73,468
Linters (running bales)—			
Stocks Aug. 31	77,223	130,083	131,082
Produced	66,834	50,613	81,534
Shipped	119,694	80,056	101,453
Hull Fiber (1,000-lb. bales)—			
Stocks Aug. 31	234	313	671
Produced	341	90	627
Shipped	420	141	546
Motes, Grabbots, etc. (1,000 pounds)—			
Stocks Aug. 31	1,786	2,100	2,979
Produced	583	438	1,149
Shipped	897	1,224	2,340
MOODY'S WEIGHTED AVERAGE YIELD OF 100 COMMON STOCKS—Month of Sept.:			
Industrials (125)	3.76	3.76	4.31
Railroads (25)	4.91	4.81	6.12
Utilities (not incl. Amer. Tel. & Tel.) (24)	4.50	4.34	4.64
Banks (15)	4.06	3.93	4.39
Insurance	2.63	2.56	2.77
Average (200)	3.93	3.91	4.46
NEW YORK STOCK EXCHANGE—As of Aug. 30 (000's omitted):			
Member firms carrying margin accounts—			
Total customers' net debit balances	$2,752,279	$2,779,837	$1,997,862
Credit extended to customers	42,679	45,343	30,874
Cash on hand and in banks in U. S.	348,420	336,146	332,818
Total of customers' free credit balances	887,195	918,110	909,904
Market value of listed shares	197,994,193	198,227,782	142,284,335
Market value of listed bonds	103,996,732	104,002,294	109,495,032
Member borrowings on U. S. Govt. issues	108,381	161,800	211,025
Member borrowings on other collateral	2,167,455	2,192,172	1,282,312
UNITED STATES GROSS DEBT DIRECT AND GUARANTEED—(000's omitted):			
As of Sept. 30	$277,523,832	$278,352,470	$274,838,405
General fund balances	5,375,505	5,753,343	5,144,722
Net debt	$272,148,327	$272,599,127	$269,693,683
Computed annual rate	2.402%	2.384%	2.302%

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★ **INDICATES ADDITIONS SINCE PREVIOUS ISSUE**
● **ITEMS REVISED**

Academy Uranium & Oil Corp.
une 10 (letter of notification) 15,000,000 shares of comon stock. **Price**—At par (one cent per share). **Proceeds** —For mining operations. **Office**—65 East Fourth South t., Salt Lake City, Utah. **Underwriter**—Western States nvestment Co., same city.

Aeco Corp., Beverly Hills, Calif.
ept. 19 filed 1,245,000 shares of common stock (par 10 ents) to be offered for subscription by common stockolders on a share-for-share basis. **Price**—To be supplied by amendment. **Proceeds**—To repay borrowings; or exploration and development of oil and gas proprties and further acquisitions. **Underwriter**—None, ofering to be made on a "direct communication" basis y brokers.

★ **African Industrial Development Corp.**
ct. 13 (letter of notification) 2,000 shares of common tock. **Price**—At par ($10 per share). **Business**—To be refrigerated trucking enterprise. **Office** — 34 Mount Morris Park, New York 27, N. Y. **Underwriter**—None.

Allied Industrial Development Corp.
une 20 (letter of notification) 300,000 shares of class common stock. **Price**—$1 per share. **Proceeds**—For oil nd gas operations. **Office**—1508 Capitol Ave., Houston, ex. **Underwriter** — Paul C. Ferguson & Co., same adress.

Allied-Mission Oil, Inc., Tulsa, Okla.
ct. 3 (letter of notification) 598,800 shares of common tock (par one cent). **Price**—50 cents per share. **Proceeds** —For acquisition, exploration, drilling and development f leases. **Address**—P. O. Box 1387, Tulsa, Okla. **Underwriter**—United Securities Co., same address.

Allstates Credit Corp., Reno, Nev.
June 27 (letter of notification) 27,000 shares of 7% cumulative preferred stock (par $10) and 27,000 shares of common stock (par $1) to be offered in units of one share of each class of stock. **Price**—$11 per unit. **Proceeds**—For working capital, etc. **Office**—206 No. Virginia St., Reno, Nev. **Underwriter**—Senderman & Co., same address.

Aloha, Inc., Las Vegas, Nev.
Aug. 8 filled 900,000 shares of common stock (par $1) and 900,000 shares of preferred stock (par $10) to be offered in units of one share of each class of stock. **Price** —$11 per unit. **Proceeds**—For construction of hotel and related activities and for contingencies, stock in trade, and working capital. **Underwriter**—None.

Alouette Uranium & Copper Mines, Inc., Montreal, Canada
July 22 (Regulation D) 1,000,000 shares of common stock. **Price**—30 cents per share. **Proceeds**—For exploration and development expenses, etc. **Underwriter**—Hudson-Bergen Securities, Inc., Cliffside Park, N. J.

Amarilla Uranium, Inc.
July 27 (letter of notification) 6,500,000 shares of common stock. **Price**—One cent per share. **Proceeds**—For expenses incident to mining activities. **Underwriter**—Weber Investment Co., Ogden, Utah.

● **American European Securities Co. (11/1)**
Oct. 11 filed 91,875 shares of common stock (no par) to be offered for subscription by stockholders on the basis of one new share for each four shares held as of Oct. 31, 1955; rights to expire on Nov. 22. **Price**—To be supplied by amendment. **Proceeds** — For investment. **Underwriter**—Dominick & Dominick, New York.

American Hide & Leather Co., Lowell, Mass.
Sept. 28 filed $2,426,500 of its 5% convertible subordinate debentures due Oct. 1, 1975 and 609,193 shares of common stock (par $1) to be offered in exchange for outstanding 48,530 shares of 6% cumulative preferred stock on the basis of $50 of debentures and 2¼ shares of common stock for each preferred share. The remaining 500,000 shares are under option to certain persons at $4 per share. **Underwriter**—None.

American Motorists Insurance Co. (10/25)
Sept. 30 filed 200,000 shares of capital stock (par $3) to be offered for subscription by stockholders of record Oct. 25, 1955, on the basis of one new share for each five shares held. **Price**—$8 per share. **Proceeds**—For general corporate purposes. **Office**—Chicago, Ill. **Underwriter** —None.

Arizona Public Finance Co., Phoenix, Ariz.
Sept. 16 filed 78,006,081 shares of common stock to be offered for subscription by holders of life insurance policies issued by Public Life Insurance Co. **Price**—20 cents per share. **Proceeds**—For working capital. **Underwriter**—None, sales to be directly by the company or by salesman of the insurance firm.

★ **Assateague Island Bridge Corp. (Md.) Washington, D. C.**
Oct. 7 filed 100,000 shares of 5% cumulative preferred stock to be offered primarily to members of the Ocean Beach Club, Inc. **Price**—At par ($10 per share). **Proceeds**—For construction of bridge across Sinepuxent Bay from the Worcester County (Md.) mainland to Assateague Island. **Underwriter**—None.

● **Atlas Industries, Inc., Houston, Texas**
Oct. 10 (letter of notification) 200,000 shares of common stock (par one cent). **Price**—$1.50 per share. **Proceeds**—To purchase dies and materials and for working capital, etc. **Office** — 6006 Harvey Wilson Drive, Houston, Texas. **Underwriter** — Benjamin & Co., Houston, Texas.

Automatic Tool Corp.
Sept. 7 (letter of notification) 20,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—To set up a factory and purchase equipment and machinery for manufacture and sale of the "grip-lock" driver and screw. **Office**—137 Grand St., New York, N. Y. **Underwriter**—Ellis-Greenberg Co., 1051 Carroll St., Brooklyn, N. Y.

Automobile Banking Corp. (11/1)
Oct. 6 filed $1,500,000 5½% capital convertible debentures due Nov. 1, 1970. **Price**—At 100% and accrued interest. **Proceeds**—To repay bank loans and for working capital. **Underwriter**—Reynolds & Co., New York.

Basin Natural Gas Corp., Aztec, N. Mex.
Sept. 19 (letter of notification) 750,000 shares of common stock (par five cents). **Price**—40 cents per share. **Proceeds**—For expenses incident to oil and gas activities. **Office**—109 W. Caco St., Aztec, N. M. **Underwriter**—Columbia Securities Corp., New York, N. Y.

Bassons Industries Corp.
Aug. 24 (letter of notification) 124,000 shares of common stock (par 50 cents). **Price**—$2 per share. **Proceeds** —For working capital, etc. **Office** — 1424 East Farms Road, New York City. **Underwriter**—Jay W. Kaufmann & Co., New York.

Big Chief Uranium Co., Pueblo, Colo.
Sept. 20 (letter of notification) 1,500,000 shares of nonassessable common stock (par 10 cents). **Price**—20 cents per share. **Proceeds**—For expenses incident to mining operations. **Office** — 441 Thatcher Bldg., Pueblo, Colo. **Underwriter**—Investment Service Co., Denver, Colo.

Big Owl Uranium Mines
July 29 (letter of notification) 2,000,000 shares of common stock. **Price**—15 cents per share. **Proceeds**—For expenses incident to mining activities. **Underwriter** — Cranmer & Co., Denver, Colo.

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."

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.

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NEW ISSUE CALENDAR

October 20 (Thursday)
Seaboard Air Line RR.________Equip. Trust Ctfs.
(Bids noon EDT) $6,555,000

October 21 (Friday)
Postal Life Insurance Co.________________Common
(Offering to stockholders—underwritten by A. C. Allyn & Co.) $200,000
Republic Electronic Industries Corp.______Common
(Keene & Co., Inc.) $300,000

October 24 (Monday)
Commonwealth Life Insurance Co._______Common
(Eastman, Dillon & Co.) $300,000
Moder-Rate Homes, Inc.__________________Common
(William T. Bowler & Co.) $300,000
Petaca Mining Co._______________________Common
(Barrett Herrick & Co., Inc.) $787,500
Resistoflex Corp. ______________________Preferred
(Bache & Co.) $500,000

October 25 (Tuesday)
American Motorists Insurance Co.________Common
(Offering to stockholders—no underwriting) 200,000 shares
Dixon Chemical & Research, Inc.__Bonds & Com.
(Lee Higginson Corp. and P. W. Brooks & Co., Inc.) $2,250,000 bonds and 225,000 shares of stock
Houdry Process Corp.____________________Common
(Paine, Webber, Jackson & Curtis) 40,000 shares
Lau Blower Co.__________________________Common
(A. C. Allyn & Co. Inc.) 205,000 shares
Pacific Gas & Electric Co.______________Preferred
(Blyth & Co., Inc.) $25,000,000
Polyplastex United, Inc.__________Class A Common
(Cohu & Co.) $299,400
Wisconsin Natural Gas Co._________________Bonds
(Bids 11 a.m. EDT) $2,500,000

October 26 (Wednesday)
International Metals Corp.______________Common
(Gearhart & Otis, Inc.) $400,000
Long Island Lighting Co.__________________Bonds
(Bids 11:30 a.m. EDT) $15,000,000
Magna Theatre Corp._____________________Common
(Offering to stockholders—underwritten by The United Artist Theatre Circuit, Inc.) $550,000
Redondo Tile Co.___________Debentures & Common
(Dempsey, Tegeler & Co.; William R. Staats & Co.; Rauscher, Pierce & Co.; Revel, Miller & Co.; and Russ & Co.) $1,181,250
Southern Continental Telephone Co._____Preferred
(White, Weld & Co.; Carolina Securities Corp.; The Ohio Co.; and Stein Bros. & Boyce) $750,000

October 27 (Thursday)
International Resources Fund, Inc._______Common
(Kidder, Peabody & Co.) $17,250,000

October 28 (Friday)
Indianapolis Power & Light Co.__________Common
(Offering to stockholders—underwritten by Lehman Brothers; Goldman, Sachs & Co.; and The First Boston Corp.) 209,685 shs.

October 31 (Monday)
Chromalloy Corp. _______________________Common
(S. D. Fuller & Co.) $299,475
National Consumer Finance Corp.________Preferred
(Van Alstyne, Noel & Co.) $500,000
National Consumers Finance Corp._______Common
(Van Alstyne, Noel & Co.) $1,200,000
Nortex Oil & Gas Corp.__________________Common
(J. R. Williston & Co.) 200,000 shares

November 1 (Tuesday)
American European Securities Co.________Common
(Offering to stockholders—underwritten by Dominick & Dominick) 91,875 shares
Automobile Banking Corp.______________Debentures
(Reynolds & Co.) $1,500,000
Continental Air Lines, Inc.____________Debentures
(Lehman Brothers) $4,125,000
Fischer & Porter Co.____________________Common
(Hallowell, Sulzberger & Co.) 60,000 shares
Quaker City Life Insurance Co.__________Common
(Lehman Brothers) 82,500 shares
Southern Co. ___________________________Common
(Offering to stockholders—bids 11 a.m. EDT) 1,507,303 shares

November 2 (Wednesday)
Commonwealth Edison Co.________________Common
(Offering to stockholders—underwritten by The First Boston Corp. and Glore, Forgan & Co.) approximately 1,110,375 shares

November 3 (Thursday)
Ranco, Inc. ____________________________Common
(Smith, Barney & Co.) 400,000 shares
Union Corp. of America__________________Common
(No underwriting) 797,800 shares

November 8 (Tuesday)
National Tea Co.______________________Debentures
(Hemphill, Noyes & Co.) $15,000,000
Richmond Homes, Inc. ___________________Common
(Cruttenden & Co.) $700,000

November 9 (Wednesday)
Coosa River Newsprint Co.________________Common
(Offering to stockholders—underwritten by Blyth & Co., Inc.) $8,554,000
United Gas Corp.__________________________Bonds
(Bids noon EST) $20,000,000

November 15 (Tuesday)
Freedom Insurance Co.___________________Common
(Blair & Co. Incorporated) $22,000,000
Marquette Cement Manufacturing Co.____Common
(A. G. Becker & Co. Inc.) approx. 250,000 shares
New England Tel. & Tel. Co.____________Debentures
(Bids to be invited) $30,000,000

November 16 (Wednesday)
Arizona Public Service Co.______________Common
(The First Boston Corp. and Blyth & Co., Inc.)
Colohoma Uranium, Inc.__________________Common
(General Investing Corp.) $1,250,000
Hawaii (Territory of)_____________________Bonds
(Bids to be invited) $7,500,000

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

December 14 (Wednesday)
New Jersey Bell Telephone Co.________Debentures
(Bids to be invited) $25,000,000

December 15 (Thursday)
General Capital Corp.__________________Debentures
(No underwriting) $300,000

THE FIRST BOSTON CORPORATION
Corporate and Public Financing
NEW YORK BOSTON PITTSBURGH CHICAGO
PHILADELPHIA SAN FRANCISCO CLEVELAND
Private Wires to all offices

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● Brooklyn Towers, Inc.
Oct. 6 (letter of notification) 18,949 shares of common stock (par $1) being offered for subscription by holders of voting trust certificates representing stock of the Towers Hotel Corp. on a basis of one share for each share held as of Oct. 6 (with an oversubscription privilege); rights to expire on Oct. 31. **Price**—$7.50 per share. **Proceeds** — For lease of Brooklyn Towers Hotel and working capital. **Office**—Clark and Willow Sts., Brooklyn, N. Y. **Underwriter**—None.

California Consumers Corp., Los Angeles, Calif.
Sept. 21 filed 52,942 shares of capital stock (par $10) to be offered for subscription by stockholders of record Oct. 18 on the basis of one new share for each share held. **Price**—$15 per share. **Proceeds**—From sale of stock, together with other funds, to be used for payment of 5% sinking fund mortgage bonds due Dec. 1, 1955. **Underwriters**—J. S. Strauss & Co. and Lawson, Levy and Williams, both of San Francisco, Calif.

★ California Electric Power Co.
Oct. 4 (letter of notification) 1,066 shares of common stock (par $1). **Price**—At market (estimated at $14 per share). **Proceeds**—To Mono Power Co. **Underwriter**—Waggenseller & Durst, Inc., Los Angeles, Calif.

★ California Limestone Products, Inc.
Oct. 7 (letter of notification) 36,850 shares of common stock (par $1) to be offered for subscription by stockholders on the basis of one new share for each 5.7 shares held; rights to expire on Nov. 5, 1955. **Price**—$1.05 per share. **Proceeds**—For mining expenses. **Office**—139 C. Beverly Drive, Beverly Hills, Calif. **Underwriter**—None.

Canadian Uranium Mines, Ltd., Montreal, Canada
June 3 (regulation "D") 2,000,000 shares of common stock (par one cent). **Price**—15 cents per share. **Proceeds**—For exploration and development expenses. **Underwriter**—Tellier & Co., Jersey City, N. J.

Caribou Ranch Corp., Denver, Colo.
July 15 filed 505,000 shares of common stock (par $1.) **Price**—$4 per share. **Proceeds**—For acquisition of property and equipment, construction of additional facilities, etc. **Underwriter**—Mountain States Securities, Inc., Denver, Colo.

Cedar Springs Uranium Co., Moab, Utah
June 8 (letter of notification) 300,000 shares of common stock (par five cents). **Price**—$1 per share. **Proceeds**—For mining expenses. **Underwriter**—Universal Investment Corp., Washington, D. C.

Chaffin Uranium Corp., Salt Lake City, Utah
Sept. 6 (letter of notification) 12,500,000 shares of nonassessable capital stock. **Price**—At par (one cent per share). **Proceeds** — For expenses incident to mining activities. **Office**—810 Deseret Building, Salt Lake City, Utah. **Underwriter**—Utah Securities Co., same City.

Charleston Parking Service, Inc.
Aug. 1 (letter of notification) 120,000 shares of nonvoting 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.

● Chromalloy Corp. (10/31-11/4)
Sept. 29 (letter of notification) 133,100 shares of common stock (par 10 cents). **Price**—$2.25 per share. **Proceeds**—For equipment, working capital, etc. **Office**—109 West 64th St., New York 23, N. Y. **Underwriter**—S. D. Fuller & Co., New York.

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.

Citizens Credit Corp., Washington, D. C.
Sept. 27 (letter of notification) $245,000 of 6% subordinated debentures due 1975 (with warrants to purchase 2,450 shares of class A common and 490 shares of class B common stock). **Price**—99%. **Proceeds**—To supply capital to subsidiaries. **Office**—1028 Connecticut Ave., N. W., Washington, D. C. **Underwriter**—Emory S. Warren & Co., same address.

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.
Aug. 24 filed 400,000 shares of common stock (par 10 cents). **Price**—$1.25 per share. **Proceeds**—To repay short-term obligations, etc. and for working capital. **Underwriter** — Mountain States Securities Co., Denver, Colo.; and Joseph McManus & Co., New York, N. Y.

Colohoma Uranium, Inc. (11/16)
April 21 filed 2,500,000 shares of common stock (par one cent). **Price**—50 cents per share. **Proceeds**—For exploration and development expenses and for general corporate purposes. **Office**—Montrose, Colo. **Underwriters**—General Investing Corp., New York; and Shaiman & Co., Denver, Colo.

★ Color Corp. of America, Los Angeles, Calif.
Oct. 6 (letter of notification) 28,500 shares of common stock (par $1). **Price**—At market (estimated at $1.75 per share). **Proceeds**—To Benjamin B. Smith, the selling stockholder. **Underwriter**—Francis I. duPont & Co., Los Angeles, Calif.

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.

Comet Uranium Corp., Washington, D. C.
Aug. 20 (letter of notification) 700,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining operations. **Office**—501 Perpetual Bldg., Washington 4, D. C. **Underwriters**—Mid America Securities, Inc., Salt Lake City, Utah; and Seaboard Securities Corp., Washington, D. C.

Commercial Uranium Mines, Inc.
July 12 (letter of notification) 15,000,000 shares of common stock (par one cent). **Price**—Two cents per share. **Proceeds**—For expenses incident to mining operations. **Office**—170 Vista Grand Road, Grand Junction, Colo. **Underwriter** — Columbia Securities Co., Denver and Grand Junction, Colo.

Commonwealth Credit Corp., Phoenix, Ariz.
Sept. 9 filed 700,000 shares of capital stock (par $1). **Price**—$2 per share. **Proceeds**—For working capital, etc. **Underwriter**—None.

★ Commonwealth Edison Co. (11/2)
Oct. 13 filed 1,110,375 shares of common stock (par $25), to be offered for subscription by common stockholders of record Nov. 1, 1955 on the basis of one new share for each 15 shares held; rights to expire on Nov. 16. **Price**—To be supplied by amendment (proposed maximum offering price per unit is $45 per share). **Proceeds**—For construction program. **Underwriters**—The First Boston Corp. and Glore, Forgan & Co., both of New York.

● Commonwealth Life Insurance Co. (10/24-28)
Aug. 22 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—To be credited to capital stock, unassigned surplus and reserve for business development and for expansion and life reserves. **Office**—616 South Main St., Tulsa, Okla. **Underwriter**—Eastman, Dillon & Co., New York, N. Y.

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.

★ Continental Air Lines, Inc. (11/1-3)
Oct. 12 filed $4,125,000 of convertible subordinated debentures due 1970. **Price**—To be supplied by amendment. **Proceeds**—To repay bank loans and for working capital. **Underwriter**—Lehman Brothers, New York.

Continental Production Corp.
Aug. 29 filed $8,700,000 of 15-year 5½% income debentures due Sept. 1, 1970 and 870,000 shares of common stock (par 10 cents) to be offered in units of $50 of debentures and five shares of stock. **Price**—$50.50 per unit. **Proceeds**—For acquisition of production payments. **Office**—Las Vegas, Nev. **Underwriter**—First California Co., Inc., San Francisco, Calif.

Cook Industries, Inc., Dallas, Texas
Aug. 1 (letter of notification) 199,999 shares of common stock (par $1), of which 107,915 shares are to be sold by company and 92,034 shares by a selling stockholder. **Price**—$1.50 per share. **Proceeds**—For general corporate purposes. **Underwriter**—Central Securities Co., Dallas, Texas.

★ Coosa River Newsprint Co. (11/9)
Oct. 19 filed 122,200 shares of common stock (par $50) to be offered for subscription by common stockholders on the basis of one new share for each three shares held as of record Nov. 8, 1955; rights to expire on Nov. 29. **Price**—$70 per share. **Proceeds**—Together with other funds, for expansion. **Office**—Coosa Pines, Ala. **Underwriter**—Blyth & Co., Inc., New York.

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.

Corpus Christi Refining Co.
Sept. 2 filed 500,000 shares of common stock (par 10 cents). **Price**—At the market. **Proceeds**—To a selling stockholder. **Office**—Corpus Christi, Texas. **Underwriter**—None.

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.

Cross-Bow Uranium Corp.
Aug. 29 (letter of notification) 5,000,000 shares of common stock. **Price**—At par (six cents per share). **Proceeds** — For mining operations. **Office** — 1026 Kearns Bldg., Salt Lake City, Utah. **Underwriters**—Potter Investment Co., and Mid-America Securities, both of Salt Lake City, Utah.

Cuban American Oil Co.
Sept. 9 filed 2,000,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—For acquisitions and advances to subsidiary (Cuban American Drilling & Exploration Co.) for drilling and exploration costs. **Office**—Dallas, Texas. **Underwriter**—Dallas Rupe & Son, Inc., Dallas, Texas.

★ Dalton Film Co., Tulsa, Okla.
Oct. 10 (letter of notification) 9,836 shares of preferred stock (par $12) and 3,000 shares of common stock (par $2). **Price**—At par. **Proceeds** — For general corporate purposes. **Office**—813 Daniel Bldg., Tulsa, Okla. **Underwriter**—None.

Dawn Uranium & Oil Co., Spokane, Wash.
June 16 (letter of notification) 1,500,000 shares of common stock. **Price** — 10 cents per share. **Proceeds**—For uranium and oil exploration. **Office**—726 Paulsen Bldg., Empire State Bldg., same city.

Deerfield Gas Production Co., Wichita, Kan.
Sept. 30 this company, together with Kearney Gas Production Co., filed 935,999 units of beneficial interest in Hugoton Gas Trust, to be made by means of warrants to be issued to common stockholders of Kansas-Nebraska Natural Gas Co., Inc., and its eligible employees. **Price**—$4 per unit. **Proceeds**—For retirement of indebtedness secured by first mortgages; balance for payment of obligations and expenses of the two companies in liquidation and for liquidation distribution to stockholders. **Underwriters**—The First Trust Co., of Lincoln, Neb. and Cruttenden & Co., Chicago, Ill. **Offering**—Expected late in October or early November.

Delta Minerals Co., Casper, Wyo.
Sept. 20 (letter of notification) 600,000 shares of nonassessable common stock (par five cents). **Price**—50 cents per share. **Proceeds**—Expenses incident to mining operations. **Office**—223 City and County Bldg., Casper, Wyo. **Underwriter**—The Western Trader & Investor, Salt Lake City, Utah.

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.

Dix Uranium Corp., Provo, Utah
Aug. 10 (letter of notification) 6,000,000 shares of nonassessable 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.

Dixon Chemical & Research, Inc. (10/25)
Sept. 28 filed $2,250,000 6% first mortgage bonds due 1975 and 225,000 shares of common stock (par $1) to be offered in units of $500 of bonds and 50 shares of stock. **Price**—To be supplied by amendment. **Proceeds**—For construction of plant, etc.; for acquisition of Dixon Chemicals, Inc.; and for working capital. **Office**—Clifton, N. J. **Underwriters**—Lee Higginson Corp. and P. W. Brooks & Co., Inc., both of New York.

Dome Uranium Mines, Inc., Denver, Colo.
July 12 (letter of notification) 1,360,000 shares of common stock (par one cent). **Price** 20 cents per share. **Proceeds** — For expenses incident to mining operations. **Office**—352 Colorado National Bldg., Denver, Colo. **Underwriters**—R. L. Hughes & Co., Denver, Colo. and G. W. Allen & Co., Cheyenne, Wyo.

Eagle Rock Uranium Co., Salt Lake City, Utah
Sept. 19 (letter of notification) 30,000,000 shares of nonassessable common stock. **Price**—At par (one cent per share). **Proceeds** — For expenses incident to mining activities. **Office**—214 East 5th South, Salt Lake City, Utah. **Underwriter**—Valley State Brokerage, Inc., Las Vegas, Nev.

Eastern Life Insurance Co. of New York
Sept. 20 (letter of notification) 5,239 shares of common stock (par $5.50) being offered for subscription by stockholders of record Oct. 1, 1955 at rate of one new share for each 10 shares held; rights to expire on Nov. 15, 1955. **Price**—$35.50 per share. **Proceeds**—For expansion and working capital. **Office**—386 Fourth Avenue, New York 16, N. Y. **Underwriter**—None.

★ Edgemont Shopping Center, Inc., Chicago, Ill.
Oct. 14 filed 6,000 shares of class A common stock. **Price**—At par ($100 per share). **Proceeds**—To acquire title to shopping center in Lansing, Mich., from builder of center. **Underwriter**—None, offering to be made through officers of company. Funds are to be held in escrow (if not enough is received, funds will be returned to purchasers of stock).

● Electro Refractories & Abrasives Corp.
Sept. 27 (letter of notification) 10,000 shares of common stock (no par) being offered for subscription by common stockholders of record Sept. 30 on the basis of one new share for each 14 shares held; rights to expire on Oct. 26. **Price** — $16.50 per share. **Proceeds**—For working capital. **Office** — 344 Delaware Ave., Buffalo 2, N. Y. **Underwriter**—None.

Electronic Micro-Ledger Accounting Corp.
Sept. 28 (letter of notification) 297,000 shares of common stock (par 10 cents), to be offered for subscription by stockholders. **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—53 State St., Boston, Mass. **Underwriter**—None.

★ Empire Studios, Inc., Orlando, Fla.
Oct. 7 (letter of notification) 120,000 shares of common stock (par 50 cents). **Price**—$2.50 per share. **Proceeds**—To finish three films under release contract to Republic Pictures Corp. **Underwriter** — Gerard R. Jobin Investments, Ltd., St. Petersburg, Fla.

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.

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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. Statement effective Oct. 11.

★ **Financial Industrial Fund, Inc., Denver, Colo.**
Oct. 17 filed 6,000,000 additional shares of capital stock. **Price**—At market. **Proceeds**—For investment.

● **Fischer & Porter Co., Hatboro, Pa. (11/1)**
Oct. 10 filed 60,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For capital improvements and working capital. **Underwriter**—Hallowell, Sulzberger & Co., Philadelphia, Pa.

★ **Florida Towers Corp., Clermont, Fla.**
Oct. 12 (letter of notification) 10,000 shares of common stock (par $1) and 10,000 shares of preferred stock (par $4). **Price**—At par. **Proceeds**—For completion of observation tower, restaurant and gift shop facilities. **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. (11/15-17)**
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. **Office**—Berkeley, Calif. **Underwriter** — Blair & Co. Incorporated, New York. **Offering**—Expected in mid-November.

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.

Gallina Mountain Uranium Corp.
July 29 (letter of notification) 500,000 shares of common stock (par one cent). **Price**—An aggregate of $50,000. **Proceeds**—For mining expenses. **Office**—82 Beaver St., New York. **Underwriter** — Prudential Securities Corp., same address.

Gas Hills Mining & Oil, Inc., Kemmerer, Wyo.
Aug. 1 (letter of notification) 1,000,000 shares of capital stock (par five cents). **Price** — 25 cents per share. **Proceeds**—For oil and mining expenses. **Underwriter**—Empire Securities Corp., Las Vegas, Nev.

● **General Capital Corp. (12/15)**
Oct. 3 (letter of notification) $300,000 of 10 year 8% debentures. **Price**—At par (in denominations of $100, $500, $1,000 and $5,000). **Proceeds** — For purchase of commercial paper. **Office**—4309 N. W. 36st St., Miami Springs, Fla. **Underwriter**—None.

General Molded Plastics, Inc., Dallas, Tex.
Sept. 30 (letter of notification) 297,500 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For acquisition of machinery, molding equipment and working capital. **Office**—Tower Petroleum Bldg., Dallas, Tex. **Underwriter**—First Securities Co., Dallas, Tex.

Gibraltar 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.

★ **Good Hope Uranium & Mining Co., Inc.**
Oct. 6 (letter of notification) 2,750,000 shares of non-assessable capital stock (par one cent). **Price**—10 cents per share. **Proceeds**—For expenses incident to mining activities. **Office**—351 Union Pacific Annex, Salt Lake City, Utah. **Underwriter**—None.

★ **Great Lakes Oil & Chemical Co.**
Sept. 29 (letter of notification) an undetermined number of shares of common stock (par $1) to be offered to common stockholders through transferable warrants. **Price**—To be supplied by amendment. **Proceeds**—For general funds. **Office**—417 South Hill St., Los Angeles, Calif. **Underwriter**—None.

Gulf Coast Leaseholds, Inc., Houston, Texas
Sept. 14 filed $2,000,000 of 5% sinking fund convertible debentures due Sept. 1, 1965 to be sold to Brandel Trust. **Price**—$1,825,000, plus accrued interest of $29,632. **Proceeds**—To purchase certain working or leasehold interests in oil and gas interests. **Underwriter**—None.

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.

Homasote Co., Trenton, N. J.
Sept. 26 (letter of notification) 30,000 shares of 5% cumulative convertible preferred stock. **Price**—At par ($10 per share) and accrued dividends. **Proceeds**—For improvements and general corporate purposes. **Office**—Lower Ferry Road, Trenton, N. J. **Underwriter**—W. E. Wetzel & Co., same city.

Home Acceptance Corp., Salt Lake City, Utah
Sept. 1 (letter of notification) $300,000 of 25-year 6% junior subordinated debentures due Oct. 1, 1980. **Price**—At par (in denominations of $1,000, $500 and $100). **Proceeds**—For working capital. **Office**—837 South Maine St., Salt Lake City, Utah. **Underwriter**—Edward L. Burton & Co., same city.

Home Oil Co., Ltd., Calgary, Canada
Sept. 26 filed 1,500,000 shares of class A stock and 3,793,-231 shares of class B stock, which are to be offered in exchange for Federated Petroleums, Ltd. common stock on the basis of one share of either class A or class B stock in exchange for each two Federated shares. Stockholders will vote Dec. 6 on approving acquisition of assets of Federated.

● **Houdry Process Corp. (10/25-26)**
Sept. 22 filed 40,000 shares of capital stock (par $10). **Price**—To be supplied by amendment. **Proceeds** — To selling stockholder. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston, Mass., and New York, N. Y.

★ **House of Houston, Coral Gables, Fla.**
Oct. 13 (letter of notification) $300,000 of unsecured 15% debenture notes in units of $500. **Price** — At par. **Proceeds**—For reduction of outstanding indebtedness; expansion of inventory and finished goods. **Office**—4135 Laguna, Coral Fables, Fla. **Underwriter**—None.

Hugoton Gas Trust
See Deerfield Gas Production Co. above.

Hunt Uranium Corp., Green River, Utah
Aug. 22 (letter of notification) 1,200,000 shares of common stock. **Price**—At par (25 cents per share). **Proceeds**—For expenses incident to mining activities. **Underwriter** — Elmer K. Aagaard, 323 Newhouse Bldg., Salt Lake City, Utah.

★ **Huyck (F. C.) & Sons**
Oct. 11 (letter of notification) 1,000 shares of 4½% cumulative prior preferred stock, series 1. **Price**—At par ($100 per share). **Proceeds** — For construction of new mill. **Office** — Rensselaer, N. Y. **Underwriter** — None. Offering is made only to residents of Aliceville, Ala., and its vicinity.

Indian Monument Uranium Mining Corp.
Sept. 6 (letter of notification) 3,000,000 shares of common stock (par one cent). **Price**—10 cents per share. **Proceeds** — For expenses incident to mining activities. **Office**—205 Byington Building, Reno, Nev. **Underwriter**—Richard L. Dineley, same address.

Indianapolis Power & Light Co. (10/28)
Oct. 6 filed 209,686 shares of common stock (no par), to be offered for subscription by stockholders of record Oct. 27, 1955 on the basis of one new share for each 15 shares held; rights to expire on Nov. 10. **Price** — To be supplied by amendment. **Proceeds**—For repayment of bank loans incurred for construction. **Underwriters**—Lehman Brothers; Goldman, Sachs & Co.; and The First Boston Corp.; all of New York City.

● **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. Statement to be withdrawn.

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.

International Investors Inc., New York
Aug. 23 filed 200,000 shares of capital stock (par $1). **Price**—At market. **Proceeds**—For investment. **Business**—To invest in foreign securities of the free world outside of the United States. **Underwriter**—I. I. I. Securities Corp., 76 Beaver St., New York, N. Y.

● **International Metals Corp. (10/26-27)**
Oct. 4 filed 400,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—To finance exploration and development of mining properties of Recursos Mineros Mexicanos, S. A., Mexican subsidiary, and to discharge note. **Office** — Houston, Tex. **Underwriter**—Gearhart & Otis, Inc., New York.

★ **International Plastic Industries Corp.**
Oct. 12 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For advances to Arliss Co., Inc. for purchase of equipment, etc. **Office** — 369-375 DeKalb Ave., Brooklyn 5, N. Y. **Underwriter**—Kamen & Co., New York.

● **International Resources Fund, Inc. (10/27)**
Sept. 23 filed 3,000,000 shares of common stock (par one cent). **Price**—$5.75 per share. **Proceeds** — For investments. **Business**—To invest in U. S. and foreign securities in the natural resources field. **Underwriter**—Kidder, Peabody & Co., New York.

Israel Industrial & Mineral Development Corp.
Oct. 5 filed 200,000 shares of common stock (par $25). **Price**—$27.50 per share. **Proceeds**—For general corporate purposes. **Underwriter**—Israel Securities Corp., New York, N. Y.

"Isras" Israel-Rassco Investment Co., Ltd.
Sept. 28 filed 9,000 ordinary shares. **Price**—At par (100 Israel pounds each, or about $55 in U. S. funds), payable in State of Israel Independence Issue Bonds only. **Office**—Tel Aviv, Israel. **Underwriter** — Rassco Israel Corp., New York.

Jurassic Minerals, Inc., Cortez, Colo.
Aug. 26 (letter of notification) 2,855,000 shares of non-assessable common stock (par one cent). **Price**—10 cents per share. **Proceeds**—For expenses incident to mining activities. **Office** — 326 West Montezuma St., Cortez, Colo. **Underwriter** — Bay Securities Corp., New York, New York.

Kansas City Title Insurance Co.
Sept. 19 (letter of notification) 7,500 shares of capital stock (par $25), to be offered to stockholders of record Sept. 15 on the basis of one new share for each eight held. **Price**—$40 per share. **Proceeds**—For general corporate purposes. **Office**—Title Bldg., Kansas City, Mo. **Underwriter**—None.

Kearney Gas Production Co.
See Deerfield Gas Production Co. above.

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 Murchison-Richardson financial interests of Texas. **Price**—To be supplied by amendment. **Proceeds**—To retire outstanding bank loans and for exploration of oil and gas leases. **Underwriters**—Allen & Co., New York: and Rauscher, Pierce & Co., Dallas, Texas. **Offering** — Postponed indefinitely.

● **Kordite Corp., Macedon, N. Y.**
Sept. 21 filed 130,000 shares of common stock (par $1), of which 80,000 shares are to be offered by the company and 50,000 shares by Richard M. and Howard J. Samuels, President and Vice-President, respectively. **Price**—To be supplied by amendment (around $13.75 per share). **Proceeds**—To finance development of business and for general corporate purposes. **Underwriter** — George D. B. Bonbright & Co., Rochester, N. Y. Statement has been withdrawn, following acquisition by Textron American Inc.

● **Landa Oil Co., Dallas, Texas**
Aug. 19 (letter of notification) 70,000 shares of common stock (par 10 cents) being first offered for subscription by stockholders of record Aug. 31 on a 2-for-5 basis; rights to expire on Oct. 25. **Price**—To stockholders, $3.50 per share; and to public $4.25 per share. **Proceeds**—For expenses incident to oil and gas activities. **Office**—5738 North Central Expressway, Dallas 6, Tex. **Underwriter**—Central Securities Co., Dallas, Tex.

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.

Lau Blower Co., Dayton, Ohio (10/25-27)
Oct. 4 filed 205,200 shares of common stock (par $1). **Price** — To be supplied by amendment. **Proceeds**—To selling stockholders. **Underwriter** — A. C. Allyn & Co., Inc., Chicago, Ill.

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.

LeCuno Oil Corp., Jefferson, Texas
Aug. 29 filed 450,000 shares of capital stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds**—For payment of liabilities and expenses incident to oil and gas and mineral activities. **Underwriter**—First California Co., Inc., San Francisco, Calif. **Offering**—Expected in October.

★ **Lee Bros., Inc., Castro Valley, Calif.**
Oct. 7 (letter of notification) 11,500 shares of common stock (par $1) and 11,500 shares of 6% preferred stock (par $25) to be offered in units of one share of each class of stock. **Price** — $26 per unit. **Proceeds** — For working capital. **Office** — 60 Castro Village, Castro Valley, Calif. **Underwriter**—None.

Life Underwriters Insurance Co., Shreveport, La.
Sept. 26 filed 100,000 shares of common stock (par 25 cents) to be offered for subscription by present stockholders of record July 21, 1955 on the basis of one new share for each four shares held; rights to expire 45 days from the commencement of the offering, after which unsold shares will be offered to public. **Price**—$8.75 per share to stockholders; $10 per share to public. **Proceeds**—For expansion and working capital. **Underwriter**—None.

Lincoln Telephone & Telegraph Co., Lincoln, Neb.
Oct. 3 (letter of notification) 7,128 shares of common stock (par $16.66⅔) to be offered to common stockholders on a basis of one share of common stock for each 27 shares held as of Sept. 15, 1955; rights to expire on Nov. 7, 1955. **Price**—$37 per share. **Proceeds**—For working capital. **Office**—1342 M St., Lincoln, Neb. **Underwriter**—None.

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★ Lithium Developments, Inc., Cleveland, Ohio
Oct. 17 filed 870,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For exploration and development costs, etc. **Underwriter**—George Searight, New York City.

Little Mac Uranium Co.
Sept. 12 (letter of notification) 3,000,000 shares of capital stock. **Price**—At par (10 cents per share). **Proceeds**—For mining expenses. **Office**—440 West 3rd North, Salt Lake City, Utah. **Underwriter**—Skyline Securities, Inc., Denver, Colo.

Long Island Lighting Co. (10/26)
Sept. 27 filed $15,000,000 of first mortgage bonds, series H, due 1985. **Proceeds**—For construction program and reduction of bank loans. **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. **Bids** — To be received at City Bank Farmers Trust Co., New York City, up to 11:30 a.m. (EDT) on Oct. 26.

★ Lost Canyon Uranium & Oil Co.
Oct. 6 (letter of notification) 3,000,000 shares of non-assessable capital stock (par one cent). **Price**—10 cents per share. **Proceeds**—For expenses incident to mining operations. **Office** — Simms Bldg., Albuquerque, N. M. **Underwriter**—Mid-America Securities Inc. of Utah, Salt Lake City, Utah.

Louisville Gas & Electric Co., Ky.
Sept. 22 filed 160,000 shares of common stock (no par) being offered for subscription by common stockholders of record Oct. 13 at the rate of one new share for each 10 shares held; rights to expire on Nov. 1. **Price**—$47 per share. **Proceeds** — For construction program. **Underwriters**—Lehman Brothers and Blyth & Co., Inc., New York.

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.

Magna Theatre Corp., New York (10/26)
Sept. 29 filed 110,000 shares of common stock (par five cents) to be offered for subscription by common stockholders of record Oct. 26 at the rate of one new share for each 20 shares held. **Price**—$5 per share. **Proceeds**—To pay interest on outstanding 6% debentures, and for general corporate purposes. **Underwriter** — The United Artist Theatre Circuit, Inc. of New York.

★ (The) Manchester Co.
Oct. 12 (letter of notification) 10,000 shares of cumulative convertible preferred stock (convertible any time after Jan. 1, 1956 into common stock on a share-for-share basis). **Price**—At par ($10 per share). **Proceeds**—For working capital. **Underwriter**—Charles E. Thenebe & Associates, Hartford, Conn.

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.

★ Marl-Gro, Inc., San Francisco, Calif.
Oct. 6 (letter of notification) 172,500 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For mining expenses and expenses incident to selling a soil conditioner. **Office**—681 Market St., San Francisco, Calif. **Underwriter**—Globe Securities Corp., New York.

Medical Abstracts, Inc., Philadelphia, Pa.
June 15 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For working capital, etc. **Office**—825 Western Savings Fund Bldg., Philadelphia, Pa. **Underwriter** — Carl J. Bliedung, Washington, D. C.

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.

Metallurgical Resources, Inc., New York
Sept. 12 filed 500,000 shares of 6% non-cumulative convertible preferred stock. **Price**—At par ($2 per share). **Proceeds**—For construction of plant; for research and development; and for working capital. **Underwriter**—M. S. Gerber, Inc., New York.

★ Mexico Refractories Co., Mexico, Mo.
Oct. 19 filed 57,776 shares of common stock (par $5) to be offered to stockholders of National Refractories Co., a subsidiary, in exchange for 57,776 shares of capital stock (par $5) of National on a share-for-share basis; offer to remain open for 60 days from date of prospectus. Offer is conditioned upon Mexico owning at least 80% of outstanding National stock upon consummation of exchange.

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 Treasure Uranium Corp.
July 25 (letter of notification) 6,000,000 shares of common stock. **Price**—Five cents per share. **Proceeds** — For expenses incident to mining activities. **Underwriter** — Utah Uranium Brokers, Salt Lake City, Utah.

Mobile Uranium & Oil Co., Salt Lake City, Utah
Aug. 22 (letter of notification) 5,500,000 shares of non-assessable capital stock (par one cent). **Price** — Five cents per share. **Proceeds** — For expenses incident to mining activities. **Office**—605 Judge Bldg., Salt Lake City, Utah. **Underwriter**—Skyline Securities, Inc., Denver, Colo.

★ Model Dye Southern, Inc., Sumter, S. C.
Oct. 13 (letter of notification) 4,000 shares of common stock (par $1) and 360 shares of preferred stock (par $100). **Price** — At par. **Proceeds**—For cost of moving equipment and supplies located in Rhode Island to the South Carolina site. **Underwriter**—None.

★ Moder-Rate Homes, Inc., Bradford, Pa. (10/24)
Oct. 7 (letter of notification) 300,000 shares of common stock (par 25 cents). **Price**—$1 per share. **Proceeds**—For design and construction of first 20 homes; promotion and advertising, contingent fund, etc. **Office**—2 Main St., Bradford, Pa. **Underwriter**—William T. Bowler & Co., Bradford, Pa.

Mohawk Silica Co., Cincinnati, Ohio
Oct. 3 (letter of notification) 3,000 shares of 8% cumulative preferred stock. **Price** — At par ($50 per share). **Proceeds**—For processing plant, heavy equipment, and working capital. **Office**—2508 Auburn Ave., Cincinnati, Ohio. **Underwriter** — W. E. Hutton & Co., Cincinnati, Ohio.

Monogram Uranium & Oil Co.
Aug. 31 filed 1,000,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds** — To make payment of $675,000 to Four Corners Uranium Corp. under a purchase contract; to use $100,000 each to purchase mining equipment, to pay for development and driving drift and for exploratory drilling; and the remainder for working capital, acquisition of additional properties, and unforeseen contingencies. **Underwriter**—Carr & Co., Detroit, Mich.

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.

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.

Mountain States Telephone & Telegraph Co.
Sept. 7 filed 486,881 shares of capital stock (par $100), being offered for subscription by stockholders of record Sept. 27, 1955 on the basis of one new share for each five held; rights to expire on Oct. 28. **Price**—At par ($100 per share. **Proceeds** — Toward repayment of advances from American Telephone & Telegraph Co. and for general corporate purposes. **Underwriter**—None.

National Consumer Finance Corp. (10/31-11/4)
Sept. 28 filed 50,000 shares of convertible preferred stock. **Price**—At par ($10 per share) and accrued dividends. **Proceeds**—To repay bank loans. **Office**—19 River St., Stamford, Conn. **Underwriter**—Van Alstyne, Noel & Co., New York.

National Consumer Finance Corp. (10/31-11/4)
Sept. 28 filed 200,000 shares of class A common stock (par $1). **Price**—$6 per share. **Proceeds** — To selling stockholders. **Office** — 19 River St., Stamford, Conn. **Underwriter**—Van Alstyne, Noel & Co., New York.

★ National Finance Co., Detroit, Mich.
Oct. 12 filed 52,000 shares of 68-cent cumulative convertible preferred stock (par $10), of which 48,000 shares are to be offered publicly and 4,000 shares to company's officers and employees. **Price**—$12.50 per share. **Proceeds**—For working capital. **Underwriter**—Baker, Simmons & Co., Detroit, Mich.

★ National Tea Co., Chicago, Ill. (11/8-9)
Oct. 19 filed $15,000,000 of convertible sinking fund subordinated debentures due Nov. 1, 1980. **Price**—To be supplied by amendment. **Proceeds** — For payment of bank loans incurred for expansion. **Underwriter** — Hemphill, Noyes & Co., New York.

Natural Power Corp. of America, Moab, Utah
Sept. 7 (letter of notification) 300,000 shares of non-assessable common stock (par one cent). **Price**—$1 per share. **Proceeds**—For expenses incident to mining activities. **Underwriter**—Western Bond & Share Co., Tulsa, Okla.

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.

Nevada Mercury Corp., Winnemucca, Nev.
Sept. 16 (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**—Professional Building, Winnemucca, Nev. **Underwriter**—Shelley, Roberts & Co., Denver, Colo.

New Mexico Copper Corp.
Sept. 8 (letter of notification) $100,000 of 6% convertible debenture bonds due Oct. 1, 1965 (to be convertible at any time at rate of $100 of bonds for 220 shares of common stock). **Price**—At par. **Proceeds** — For mining expenses. **Office**—Carrizozo, N. M. **Underwriter**—M. J. Sabbath Co., Washington, D. C.

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.

New York Business Development Corp.
Sept. 28 filed 10,000 shares of capital stock (no par). **Price**—$100 per share. **Proceeds** — For working capital and general corporate purposes. **Office**—Albany, N. Y. **Underwriter**—None.

● New York State Electric & Gas Corp.
Sept. 28 filed 303,407 shares of common stock (no par) being offered for subscription by common stockholders of record Oct. 18 on the basis of one new share for each 10 shares held; rights to expire on Nov. 3. **Price** — $37 per share. **Proceeds**—To repay bank loans and for construction program. **Underwriters** — The First Boston Corp.; Lehman Brothers; Wertheim & Co.; and Merrill Lynch, Pierce, Fenner & Beane.

● Nortex Oil & Gas Corp., Dallas (10/31-11/4)
Sept. 16 filed 200,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To purchase certain oil and gas properties and leasehold interests; for drilling and development costs; to pay off $450,000 promissory notes; and for general corporate purposes. **Underwriter**—J. R. Williston & Co., New York.

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.

Oneida Heater Co., Inc., Oneida, N. Y.
Oct. 6 (letter of notification) $250,000 of 25-year 5½% debentures due Nov. 1, 1980 and 50,000 shares of class A common stock (par $1). **Price**—At par. **Proceeds**—To redeem $144,000 outstanding bonds and $24,575 preferred stock and for working capital. **Underwriters**—Mohawk Valley Investing Co., Inc., Utica, N. Y.; and Security & Bond Co., Lexington, N. Y.

Ottilia Villa, Inc., Las Vegas, Nev.
Aug. 16 (letter of notification) 3,000 shares of capital stock. **Price**—At par ($100 per share). **Proceeds**—For South 5th St., Las Vegas, Nev. **Underwriter**—Hennon & Roberts, Las Vegas, Nev.

● Pacific Gas & Electric Co. (10/25)
Oct. 4 filed 1,000,000 shares of redeemable first preferred stock (par $25). **Price**—To be supplied by amendment. **Proceeds**—To retire short term bank loans and for construction program. **Underwriter**—Blyth & Co., Inc., San Francisco and New York.

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 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.

● Pacific Western Oil Corp.
Sept. 9 filed 100,000 shares of common stock (par $4.) **Price**—At prevailing market price. **Proceeds**—To J. Paul Getty, President. **Underwriter**—None. Statement effective Oct. 10.

Paddock Of California, Los Angeles, Calif.
Sept. 28 (letter of notification) 60,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds** — For liquidation of bank loan and working capital. **Office**—8400 Santa Monica Blvd., Los Angeles, Calif. **Underwriter**—T. R. Peirsol & Co., Beverly Hills, Calif.

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.

★ Partridge Canadian Explorations, Ltd.
Sept. 21 (Regulation "D" filing) 500,000 shares of common stock (par $1). **Price**—60 cents per share. **Proceeds**—For exploration and development costs. **Office**—West Toronto, Ont., Canada. **Underwriter** — Hunter Securities Corp. and M. J. Reiter Co., both of New York.

Penn Fuel Gas, Inc., Oxford, Pa.
Sept. 30 (letter of notification) 11,538 shares of $1.50 cumulative preferred stock (par $22.40) and 11,538 shares of common stock (par $1) to be offered in units of one share of each class of stock (8,538 units to public and 3,000 units to employees). **Price**—To public $26 per unit; and to employees $23.40 per unit. **Proceeds**—For expansion of system and working capital. **Office**—45 S. Third St., Oxford, Pa. **Underwriters**—James A. Leavens, Inc., Shamokin, Pa.; and Theron D. Conrad & Co., Sunbury, Pa.

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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.

● **Petaca Mining Co. (10/24-28)**
Aug. 25 filed 450,000 shares of common stock (par 10 cents). **Price**—$1.75 per share. **Proceeds**—For repayment of loan and liquidation of purchase obligations; to buy equipment; and for working capital. **Office**—Santa Fe, N. M. **Underwriter**—Barrett Herrick & Co., Inc., New York.

Pittman Drilling & Oil Co., Independence, Kan.
Sept. 6 (letter of notification) 60,000 shares of 6% non-cumulative preferred stock (par $5) and 60,000 shares of common stock (par 10 cents) to be offered in units of one share of each. **Price**—$5 per unit. **Proceeds**—For payment of note and working capital. **Office**—420 Citizens National Bank Bldg., Independence, Kan. **Underwriter**—Dewitt Investment Co., Wilmington, Del.

● **Polyplastex United, Inc. (10/25)**
Oct. 5 (letter of notification) 99,800 shares of class A stock (par 20 cents). **Price**—$3 per share. **Proceeds**—For expansion program and working capital. **Office**—441 Madison Ave., New York 22, N. Y. **Underwriter**—Cohu & Co., New York.

● **Postal Life Insurance Co. (10/21)**
Sept. 29 filed 100,000 shares of capital stock, to be offered for subscription by stockholders of record about Oct. 21 at the rate of two new shares for each share held; rights to expire in about 30 days. Of this total, 45,500 shares are to be sold for account of two selling stockholders. **Price**—At par ($2 per share). **Proceeds**—For working capital and other general corporate purposes. **Underwriter**—A. C. Allyn & Co., Inc., Chicago, Ill. and New York, N. Y.

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 development expense. **Office**—Bowie, Md. **Underwriter**—L. L. Hubble & Co., Inc., Baltimore, Md.

★ **Pumpkin Buttes Uranium Co., Inc.**
Oct. 6 (letter of ontification) 500,000 shares of non-assessable common stock. **Price**—At par (10 cents per share). **Proceeds** — For expenses incident to mining operations. **Office**—618—6th St., Rapid City, S. D. **Underwriter**—None.

● **Quaker City Life Insurance Co. (11/1)**
Oct. 10 filed 82,500 shares of capital stock (par $10). **Price**—To be supplied by amendment.. **Proceeds** — To certain selling stockholders. **Underwriter**—Lehman Brothers, New York.

★ **Quaker State Foods Corp., Pittsburgh, Pa.**
Oct. 6 (letter of notification) 15,000 shares of 7% cumulative convertible preferred stock. **Price**—At par ($10 per share). **Proceeds** — To purchase machinery and equipment and for working capital. **Underwriters**—Childs, Jeffries & Thorndike, Inc., Boston and New York; and Syle & Co., New York.

Radium Hill Uranium, Inc., Montrose, Colo.
July 19 (letter of notification) 625,000 shares of common stock (par one cent). **Price**—32 cents per share. **Proceeds** — For expenses incident to mining operations. **Office**—Bryant Bldg., Montrose, Colo. **Underwriters**—General Investing Corp., New York, N. Y., and Shaiman & Co., Denver, Colo.

★ **Ranco. Inc., Columbus, Ohio (11/3)**
Oct. 14 filed 400,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—To American Motors Corp., which owns 616,950 shares (61.7%) of the total shares. **Business**—Supplier of Temperature and pressure controls for refrigerators, home freezers and air conditioners and producer of heater temperature control requirements of the automotive industry. **Underwriter**—Smith, Barney & Co, New York.

Real Estate Clearing House, Inc.
Sept. 14 (letter of notification) 270,000 shares of 7% cumulative preferred stock (par $1) and 135,000 shares of common stock (par five cents) to be offered in units of two shares of preferred and one share of common stock. **Price**—$2.05 per unit. **Proceeds**—For working capital, etc. **Office**—161 West 54th Street, New York, N. Y. **Underwriter**—Choice Securities Corp., 35 East 12th Street, New York, N. Y.

Redondo Tile Co. (10/26)
Oct. 5 filed $875,000 of 5¾% subordinated sinking fund debentures, due Oct. 1, 1970, and 306,250 shares of common stock (par $1), to be offered in units of $500 of debentures and 175 shares of common stock. **Price**—$675 per unit. **Proceeds**—For retirement of short-term bank indebtedness; balance for additional working capital and general corporate purposes. **Office** — Redondo Beach, Calif. **Underwriters** — Dempsey, Tegeler & Co., St. Louis, Mo.; William R. Staats & Co., Los Angeles, Calif.; Rauscher, Pierce & Co., Inc., Dallas, Tex.; Revel, Miller & Co., Los Angeles, Calif.; Russ & Co., San Antonio, Tex.

Republic Benefit Insurance Co., Tucson, Ariz.
Sept. 30 filed 150,000 units in a dividend trust and stock procurement agreement to be offered to certain members of the general public who are acceptable applicants and who are to become active policyholders in the company. **Price**—$2 per unit. **Proceeds**—For general corporate purposes. **Underwriter**—None; to be offered by Leo Rich, Robert Kissel and Sidney M. Gilberg, as Trustees.

● **Republic Electronic Industries Corp. (10/21)**
Sept. 26 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For expansion and working capital. **Business**—Manufacturers of precision electronic test equipment. **Office**—31 West 27th St., New York City. **Underwriter**—Keene & Co., Inc., New York, N. Y.

● **Resistoflex Corp., Belleville, N. J. (10/24-25)**
Sept. 27 filed 20,000 shares of convertible preferred stock (par $25). **Price**—To be supplied by amendment. **Proceeds** — For leasehold improvements, equipment and other expenses in connection with the leasing of a new plant at Roseland, N. J. **Underwriter** — Bache & Co., New York.

★ **Ridge Citrus Concentrate, Inc.**
Oct. 10 (letter of notification) $225,000 of 6% registered bonds, to be offered in units of $100. **Price**—At par. **Proceeds**—To purchase citrus lands and for planting orange groves. **Office**—Davenport, Polk County, Fla. **Underwriter**—None.

Rochester Telephone Corp.
Sept. 14 filed 195,312 shares of common sock (par $10) being offered for subscription by common stockholders of record Oct. 6 on the basis of one new share for each four shares held; rights to expire on Oct. 24. **Price**—$18 per share. **Proceeds**—To repay bank loans and for new construction. **Underwriter**—The First Boston Corp., New York.

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.

Rogers Corp., Rogers, Conn.
Oct. 3 (letter of notification) a minimum of 5,883 shares and a maximum of 7,453 shares of class B common stock to be offered to stockholders on a basis of one share for each four shares held. **Price**—($29 per share). **Proceeds**—To replenish working capital due to losses sustained in recent flood. **Underwriter**—None .

● **San Jacinto Petroleum Corp., Houston, Texas**
Sept. 20 filed 500,000 shares of common stock (par $1). **Price**—$15 per share. **Proceeds**—For payment of short term loans and other indebtedness; and for general corporate purposes. **Underwriter**—None, sales to be made privately through officers of the company. Statement effective Oct. 10.

San Juan Racing Association, Inc., Puerto Rico.
Sept. 27 filed 4,000,000 shares of common stock (par 50 cents), of which 3,800,000 will be represented by 3,000,000 voting trust certificates and 800,000 warrants. These offerings are to be made in two parts: (1) an offering, at 50 cents per share, of 200,000 shares for subscription by stockholders of record April 30, 1955, on a two-for-one basis; and (2) a public offering of 3,000,000 shares, to be represented by voting trust certificates, at 58.8235 cents per share. **Proceeds**—For racing plant construction. **Underwriter**—None. Hyman N. Glickstein, of New York City, is Vice-President.

San Juan Uranium Exploration, Inc.
Aug. 19 (letter of notification) 925,000 shares of non-assessable common stock (par one cent). **Price**—12 cents per share. **Proceeds**—For expenses incident to mining activities. **Office** — 718 Kittredge Bldg., Denver, Colo. **Underwriter**—Shelley-Roberts & Co., Denver, Colo.

Sandia Mining & Development Corp.
Sept 9 (letter of notification) 3,000,000 shares of capital stock (par one cent). **Price**—10 cents per share. **Proceeds** — For mining expenses. **Office** — Simms Bldg., Albuquerque, N. M. **Underwriter**—Mid-America Securities, Inc. of Utah, Salt Lake City, Utah.

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.

Sayre & Fisher Brick Co., Sayreville, N. J.
Sept. 30 filed 325,000 shares of capital stock (par $1). **Price**—To be supplied by amendment. **Proceeds** — For prepayment of outstanding 5½% sinking fund bonds due 1970; balance for general corporate purposes, including additions and improvements and working capital. **Underwriter**—Barrett Herrick & Co., Inc., New York City.

★ **Securities Acceptance Corp., Omaha, Neb.**
Oct. 10 (letter of notification) 5,000 shares of 5% cumulative preferred stock (par $25). **Price**—$26.25 per share. **Proceeds**—For working capital. **Office**—304 S. 18th St., Omaha, Neb. **Underwriters**—Cruttenden & Co., Chicago, Ill.; Wachob-Bender Corp., Omaha, Neb.; and The First Trust Co. of Lincoln, Lincoln, Neb.

Shenandoah Gas Co., Lynchburg, Va.
Sept. 19 (letter of notification) 1,000 shares of common stock (par $1). **Price**—$7 per share. **Proceeds**—To James L. Carter, President, who is the selling stockholder. **Office**—315 Krise Bldg., Lynchburg, Va. **Underwriter**—Scott, Horner & Mason, Inc., Lynchburg, Va.

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.

Southern Berkshire Power & Electric Co.
Sept. 19 (letter of notification) 1,220 shares of capital stock to be offered for subscription by minority stockholders on the basis of one new share for each two shares held. An additional 13,964 shares will be purchased by New England Electric System, the parent, which now owns 27,928 shares (91.965%) of the outstanding shares and has offered to purchase the holdings of all minority stockholders at $25 per share (including 2,256 shares or 7.43% owned by New England Gas & Electric Association. The balance of the shares is held by 11 holders. **Price**—At par ($25 per share). **Proceeds**—For new construction. **Underwriter**—None.

Southern Co. (11/1)
Sept. 30 filed 1,507,303 shares of common stock (par $5) to be offered for subscription by common stockholders of record Nov. 1 on the basis of one new share for each 12 shares held; rights to expire on Nov. 22. Warrants are expected to be mailed on Nov. 2. **Price**—To be named by company on Oct. 31. **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, Thalmann & 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 Nov. 1.

● **Southern Continental Telephone Co. (10/26)**
Oct. 6 filed 30,000 shares of 5½% cumulative preferred stock. **Price**—At par ($25 per share). **Proceeds**—For capital expenditures. **Underwriters**—White, Weld & Co., New York; Carolina Securities Corp., Raleigh, N. C.; The Ohio Company, Columbus, Ohio; and Stein Bros. & Boyce, Baltimore, Md.

Southern Mining & Milling Co., Atlanta, Ga.
Sept. 14 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For expenses incident to mining activities. **Offices**—Healey Building, Atlanta Ga., and 4116 No. 15th Avenue, Phoenix, Ariz. **Underwriter** — Franklin Securities Co., Atlanta, Ga.

Southern New England Telephone Co.
Sept. 21 filed 543,209 shares of capital stock (par $25) being offered for subscription by stockholders of record Sept. 28, 1955 in the ratio of one new share for each nine shares then held; rights to expire on Oct. 28. **Price**—$33 per share. **Proceeds**—To repay advances from American Telephone & Telegraph Co. (owner of about 22% of outstanding stock). **Underwriter**—None. Blyth & Co., Inc., on Oct. 6 won award of 1,173,690 rights to subscribe for 130,410 of the afore mentioned shares, and reoffered them to the public at $41 per share. These shares represented rights received by American Telephone & Telegraph Co.

Southwestern Financial Corp.
Sept. 6 filed 770,000 shares of common stock (par 10 cents), to be offered for subscription by stockholders at rate of two new shares for each share held (with an oversubscription privilege). **Price**—To be supplied by amendment. **Proceeds**—For purchase of machinery and equipment; and for the working capital and general corporate purposes. **Office**—Dallas, Texas. **Underwriter**—Rauscher, Pierce & Co., Dallas, Texas; and Russ & Co., San Antonio, Texas.

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.

● **Sulphur, Inc., Houston, Texas**
Aug. 24 filed 400,000 shares of common stock (par one cent). **Price** — $1 per share. **Proceeds** — To purchase lease; to drill three exploratory wells; for exploration in the Isthmus of Tehuantepec, Vera Cruz, Mexico: and for general corporate purposes. Statement has been withdrawn.

Summit Springs Uranium Corp., Rapid City, S. D.
Oct. 3 (letter of notification) 1,200,000 shares of common stock (par 10 cents). **Price**—25 cents per share. **Proceeds**—For expenses incident to mining operations. **Office**—Harney Hotel, Rapid City, S. D. **Underwriter**—Morris Brickley, same address.

Sunburst Uranium Corp., Salt Lake City, Utah
Sept. 6 (letter of notification) 2,750,000 shares of non-assessable common stock (par two cents). **Price**—10 cents per share. **Proceeds** — For expenses incident to mining activities. **Office**—116 Atlas Building, Salt Lake City, Utah. **Underwriter**—Mid America Securities, Inc. of Utah, same City.

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.

Swank Uranium Drilling & Exploration Co.
Aug. 17 (letter of notification) 3,000,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For expenses incident to mining activities. **Office**—Moab, Utah. **Underwriter**—Honnold & Co., Inc., Salt Lake City, Utah.

Sweetwater Uranium Co.
Sept. 9 (letter of notification) 3,000,000 shares of capital stock (par one cent). **Price**—10 cents per share. **Proceeds**—For mining operations. **Office**—635 Judge Bldg.,

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Salt Lake City, Utah. **Underwriter**—Skyline Securities, Inc., Denver, Colo.

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.

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 Oil Producing Co., Inc., Dallas, Texas
Sept. 22 (letter of notification) 600,000 shares of common stock (par 10 cents). **Price**—50 cents per share. **Proceeds**—For expenses incident to oil activities. **Office**—Republic National Bank Bldg., Dallas, Texas. **Underwriter**—Watt Securities Co., Inc., 42 Broadway, New York, N. Y.

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.

Trans-National Uranium & Oil Corp.
July 1 filed 1,200,000 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.

Traveler Publishing Co., Inc., Philadelphia, Pa.
Sept. 29 (letter of notification) $247,000 of 5½% convertible debentures, series A, due Sept. 1, 1965 and 24,700 shares of common stock (par 10 cents), to be offered in units consisting of $1,000 of debentures and 100 shares of common stock. **Price**—$1,010 per unit. **Proceeds**—For payment of indebtedness, expansion, establishment of additional offices; professional and editorial assistance, advertising and promotion; and working capital. **Office**—Widener Bldg., Philadelphia, Pa. **Underwriter**—Albert C. Schenkosky, Wichita, Kansas.

Travelfares, Inc., Seattle, Wash.
Sept. 14 (letter of notification) 100,000 shares of non-assessable common stock. **Price**—At par ($1 per share). **Proceeds**—For repayment of loans, working capital, etc. **Office**—1810 Smith Tower, Seattle, Wash. **Underwriter**—National Securities Corp., Seattle, Wash.

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.

★ Troy Copper & Uranium Corp.
Oct. 11 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For mining expenses. **Office**—710 South Fourth St., Las Vegas, Nev. **Underwriter**—None.

Tunacraft, Inc., Kansas City, Mo.
Aug. 22 (letter of notification) $295,000 principal amount of 6% 12-year registered subordinated sinking fund debentures, dated Sept. 1, 1955 (with stock purchase warrants). **Price**—At par (in denominations of $100 each or multiples thereof). **Proceeds**—To refinance and discharge secured obligation. **Underwriter**—McDonald, Evans & Co., Kansas City, Mo.

Tungsten Mountain Mining Co., Fallon, Nev.
June 8 (letter of notification) 149,800 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—For mining operations. **Address**—P. O. Box 456, Fallon, Churchill County, Nev. **Underwriter**—H. P. Pratt & Co., Seattle, Wash.

Two Jay Uranium Co., Salt Lake City, Utah
May 16 (letter of notification) 3,000,000 shares of common stock (par three cents). **Price**—10 cents per share. **Proceeds**—For mining expenses. **Office**—32 Exchange Place, Salt Lake City, Utah. **Underwriter**—Western States Investment Co., Tulsa, Okla.

Ucon Uranium Corp., Salt Lake City, Utah
June 2 (letter of notification) 5,000,000 shares of common stock (par one cent). **Price**—Five cents per share. **Proceeds**—For mining costs. **Office**—406 Judge Building, Salt Lake City, Utah. **Underwriter**—Empire Securities Corp., Las Vegas, Nev.

★ Union Corp. of America (11/3)
Oct. 13 filed 797,800 shares of common stock (no par). **Price**—Proposed maximum offering price per unit is $5 per share. **Proceeds**—To acquire one life and one fire insurance company, and one mortgage loan firm. **Underwriter**—None; shares to be sold through directors and officers.

Union Gulf Oil & Mining Corp.
Sept. 9 (letter of notification) 600,000 shares of common stock (par 10 cents). **Price**—50 cents per share. **Proceeds**—For mining expenses. **Office**—510 Colorado Bldg., Denver, Colo. **Underwriter**—Honnold & Co., same city.

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 Aircraft Corp.
Sept. 27 filed 243,469 shares of 4% convertible preference stock (par $100) being offered for subscription by common stockholders of record Oct. 18, 1955 on the basis of one preference share for each 20 shares of common stock held; rights to expire on Nov. 1. **Price**—$100 per share. **Proceeds**—For general corporate purposes. **Underwriter**—Harriman Ripley & Co., Inc., New York.

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 Empire Plan, Inc.
Oct. 10 (letter of notification) 9,484 shares of 7% preferred stock. **Price**—At par ($10 per share). **Proceeds**—For purchase of building and for alterations. **Office**—1489 Fulton St., Brooklyn, N. Y. **Underwriter**—None.

United Fire & Casualty Co., Cedar Rapids, Iowa
Sept. 23 (letter of notification) 2,800 shares of 6% convertible preferred stock class B. **Price**—At par ($100 per share). **Proceeds**—For licensing purposes in order to operate in other jurisdictions. **Office**—810 First Ave., N. E., Cedar Rapids, Iowa. **Underwriter**—None.

United Gas Corp. (11/9)
Oct. 11 filed $20,000,000 of first mortgage and collateral trust bonds due 1975. **Proceeds**—To finance expenditures of company and subsidiary; purchase additional securities of Escambia Bay Chemical Corp. and for general corporate purposes. **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). **Bids**—Expected to be received up to noon (EST) on Nov. 9, at Room 240, Two Rector St., New York, N. Y.

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 Lithium Corp., Washington, D. C.
Oct. 12 (letter of notification) 6,000,000 shares of common stock. **Price**—At par (five cents per share). **Proceeds**—For expenses incident to mining activities. **Office**—1424 K St., N. W., Washington, D. C. **Underwriter**—None.

Universal Service Corp., Inc., Houston, Texas
July 8 filed 500,000 shares of common stock (par two mills). **Price**—$2.50 per share. **Proceeds**—For equipment, mining costs, oil and gas development, and other corporate purposes. **Underwriter**—None. **Offering**—Postponed.

★ Ura-Mang Corp., Elizabethton, Tenn.
Sept. 29 (letter of notification) 249,000 shares of common stock. **Price**—100,000 shares to be offered at par ($1 per share) and 149,000 shares at $1.25 per share. **Proceeds**—For expenses incident to mining operations. **Office**—Bonnei Kate Building, Elizabethton, Tenn. **Underwriter**—None; shares to be offered through officers and directors.

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. **Offering**—Postponed.

Uranium Technicians Corp.
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**—Ackerson-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 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.

Vanura Uranium, Inc., Salt Lake City, Utah
June 16 (letter of notification) 3,000,000 shares of common stock (par one cent). **Price**—10 cents per share. **Proceeds**—For mining expenses. **Underwriter**—I. J. Schenin & Co., New York. **Name Change**—The company was formerly known as San Miguel Uranium, Inc.

Vas Uranium & Drilling Co., Monticello, Utah
June 20 (letter of notification) 2,000,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For mining operations. **Underwriter**—Skyline Securities Inc., Denver, Colo.

Wabash Uranium Corp., Moab, Utah
June 10 (letter of notification) 10,000,000 shares of capital stock. **Price**—At par (three cents per share). **Proceeds**—For mining expenses. **Underwriter**—Moab Brokerage Co. and National Securities, Inc., 368 South State St., Salt Lake City, Utah.

Warrior Mining Co., Birmingham, Ala.
Sept. 29 (letter of notification) 6,000,000 shares of non-assessable common stock (par one cent). **Price**—Five cents per share. **Proceeds**—For expenses incident to mining activities. **Office**—718 Title Guarantee Bldg., Birmingham, Ala. **Underwriter**—Graham & Co., Pittsburgh, Pa. and Birmingham, Ala.

Washington REAP, Inc., Dover, Del.
Aug. 30 (letter of notification) 400 shares of common stock. **Price**—$500 per share. **Proceeds**—To purchase outstanding stock of Elmark Corp., which owns garden apartment development. **Office**—129 S. State St., Dover, Del. **Underwriter**—Real Estate Associates Plan, Inc., 14 Journal Square, Jersey City, N. J.

★ Western Carolina Telephone Co., Weaverville, N. C.
Oct. 10 (letter of notification) 18,500 shares of common stock (par $10), to be offered to stockholders through subscription rights on the basis of one share for each five held. **Price**—$12 per share; unsubscribed shares to be purchased by investment bankers at not less than $12 per share. **Proceeds**—For expansion. **Underwriter**—None.

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.

Wisconsin Natural Gas Co. (10/25)
Oct. 4 filed $2,500,000 of first mortgage bonds due 1980. **Proceeds**—To repay bank loans; for property additions and improvements; and to reimburse treasury for capital expenditures already made. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc ; The First Boston Corp. and Robert W. Baird & Co. **Bids**—To be received up to 11 a.m. (EDT) on Oct. 25 at Room 1306, 48 Wall St., New York 5, N. Y.

Wisconsin Southern Gas Co., Inc.
Aug. 31 (letter of notification) 16,654 shares of common stock (par $10), to be offered for subscription by stockholders on the basis of one new share for each five shares held. **Price**—$16.50 to stockholders; and $17.50 to public. **Proceeds**—To repay bank loans and for extensions and improvements to property. **Office**—235 Broad St., Lake Geneva, Wis. **Underwriters**—The Milwaukee Co., Milwaukee, Wis.;; and Harley, Haydon & Co., Inc. and Bell & Farrell, Inc., both of Madison, Wis. Letter to be withdrawn. Full registration probably to be filed in one to three weeks covering 20,819 shares to be offered to stockholders on a one-for-four basis.

Wolfson Uranium Corp., Denver, Colo.
Sept. 7 (letter of notification) 150,000 shares of non-assessable common stock. **Price**—At par ($1 per share). **Proceeds**—For expenses incident to mining activities. **Office**—800 Denver Club Building, Denver, Colo. **Underwriter**—Seligmann & Co., Milwaukee, Wis.

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.

Woods Oil & Gas Co., New Orleans, La.
Aug. 29 filed 250,000 shares of common stock (par $5). **Price**—$8 per share. **Proceeds**—For retirement of debt; revision of corporate structure, etc. **Underwriter**—Straus, Blosser & McDowell, Chicago, Ill. **Offering**—To be withdrawn.

Wyoming-Gulf Sulphur Corp.
Oct. 10 filed 971,000 shares of capital stock (par 10 cents), of which 700,000 shares are for company's account and 271,000 shares for account of two selling stockholders. **Price**—On the over-the-counter market at then prevailing price, but not less than $2 per share. **Proceeds**—For auxiliary equipment for Cody plant, for acquisition of additional site, and related activities.

Wyton Oil & Gas Co., Newcastle, Wyo.
Sept. 29 filed 254,000 shares of common stock (par $1). **Price**—At the market. **Proceeds**—To August Buschmann, of Seattle, Wash., and members of his family. **Underwriter**—None.

● Yellowknife Uranium Corp.
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. **Office**—Toronto, Canada. **Underwriters**—Gearhart & Otis, Inc. and F. H. Crerie & Co., Inc., both of New York City. **Offering**—Indefinitely postponed.

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.

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Zenith-Utah Uranium Corp.
Sept. 14 (letter of notification) 6,000,000 shares off class A common stock. **Price**—At par (five cents). **Proceeds**—For mining expenses. **Office**—45 East Broadway, Salt Lake City, Utah. **Underwriter**—Bel-Air Securities Corp., same city.

Prospective Offerings

★ Arizona Public Service Co. (11/16)
Oct. 17 it was reported company plans to issue and sell some additional common stock. **Underwriters**—The First Boston Corp. and Blyth & Co., Inc., both of New York. **Registration**—Scheduled for Oct. 25.

Atlantic City Electric Co.
Aug. 1, B. L. England, President, announced that the directors are now considering the sale to the public of a small amount of common stock (not more than 75,000 shares) early next year. **Underwriters**—Probably Union Secuirties Corp. and Smith, Barney & Co., both of New York.

● Atlas Plywood Corp.
Oct. 12 it was reported company plans to issue and sell $3,000,000 of 5% sinking fund debentures and $3,000,000 of 5½% convertible subordinated debentures. **Proceeds**—To increase inventory and to retire subsidiary indebtedness. **Meeting**—Stockholders will vote Nov. 2 on approving a proposal to increase the authorized common stock from 1,400,000 shares to 2,400,000 shares to provide for exchange of stock for minority shares to Plywood, Inc., for conversion of proposed new debentures and for possible future acquisitions of property. **Underwriter**—May be Van Alstyne, Noel & Co., New York.

Barium Steel Corp.
Sept. 12 it was reported that early registration is expected of $8,000,000 of subordinated debentures due 1970. **Proceeds**—Together with funds from private sale of $3,000,000 of notes or debentures, to be used for general corporate purposes. **Underwriter**—Lee Higginson Corp., New York.

Boston & Maine RR.
Sept. 15 it was announced that stockholders on Oct. 20 will vote on approving a plan to offer $105 principal amount of series B 5% income debenture bonds (plus 5% interest for the year 1955) in exchange for each of the outstanding 274,597 shares of 5% preferred stock (par $100). Not in excess of $28,784,564 of bonds would be issued.

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.

Chicago, Rock Island & Pacific Ry.
Sept. 29 the company sought ICC approval of an issue of $2,952,000 equipment trust certificates due in 1-to-12 years. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Kidder, Peabody & 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. **Bank Loan**—Bank loans, totaling $100,000,000 were granted company on Oct. 4 to run to Oct. 9, 1956.

County Bank & Trust Co. (New Jersey)
Oct. 7 the Bank offered to its stockholders of record Oct. 6, 1955 the right to subscribe on or before Oct. 26 for 45,000 additional shares of capital stock (par $10) on the basis of one new share for each four shares held. **Price**—$28 per share. **Proceeds** — To increase capital and surplus. **Underwriter**—Hayden, Stone & Co., New York.

Craig Systems, Inc.
Sept. 26 it was reported company plans early registration of 175,000 shares of common stock, of which 50,000 shares are to be sold for the account of the company and 125,000 shares for account of certain selling stockholders. **Underwriter** — Hemphill, Noyes & Co., New York.

★ Daitch Crystal Dairies, Inc.
Oct. 17 it was announced company plans a public offering of subordinated debentures. **Proceeds**—Together with funds to be received from institutional loan, to be used in connection with proposed merger with company of Shopwell Foods, Inc., and for expansion program. **Underwriter**—Hirsch & Co., Inc., New York.

Delaware Power & Light Co.
Sept. 28 it was announced company plans to sell by mid-December $10,000,000 of bonds and $5,000,000 of preferred stock and also expects to undertake some common stock financing early in 1956. **Proceeds**—To repay bank loans and for construction program, wnich 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.

Diners Club, Inc.
Oct. 10 it was reported that this company plans early registration of 150,000 shares of common stock. **Price**—Expected at around $8 per share. **Underwriters**—Lee Higginson Corp. and C. E. Unterberg, Towbin & Co., both of New York City.

Du Mont Broadcasting Corp.
Aug. 10 it was announced that corporation, following issuance to stockholders of Allen B. Du Mont Laboratories, Inc. of 944,422 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. Stockholders of Laboratories on Oct. 10 approved formation of Broadcasting firm.

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.

First National Bank, Dallas, Texas
Sept. 14 it was announced stockholders were to vote Oct. 5 on approving the offering to stockholders of record Oct. 5, 1955, the right to subscribe for 200,000 additional shares of capital stock (par $10) on the basis of one new share for each 10 shares held. **Price** — $30 per share. **Proceeds**—To increase capital and surplus.

Florida Power Corp.
April 14 it was announced company may issue and sell between $10,000,000 and $12,000,000 of first mortgage bonds. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); Lehman Brothers and Blyth & Co., Inc. (jointly); Glore. Forgan & Co.; and The First Boston Corp. **Offering**—Expected late in 1955 or early 1956.

Ford Motor Co., Detroit, Mich.
Sept. 19 it was reported a public offering of class A non-voting common stock is expected between Oct. 15 and Nov. 15. It is said that the stock to be sold will be the bulk of 3,089,908 shares now held by the Ford Foundation. **Price**—In March last, it was reported that the offering price was expected to be around $60 per share.

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.

Hawaii (Territory of) (11/16)
Sept. 12 it was announced that it is planned to sell an issue of $7,500,000 20-year general obligation bonds. **Proceeds**—For school construction. **Bids**—To be received on Nov. 16 at Bankers Trust Co., New York, N. Y.

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.

Houston (Texas) Gas & Oil Corp.
Aug. 26, company applied to the FPC for authority to construct a 961-mile pipe line from a point near Baton Rouge, La., to Cutler, Fla., to cost approximately $110,382,000. It plans to issue and sell $81,200,000 of bonds, about $20,000,000 of 5½% interim notes (convertible into preferred stock), and over $8,700,000 of common stock. Stock would be sold, together with the notes, in units. **Underwriters**—Discussions are reported to be going on with Blyth & Co., Inc., San Francisco, Calif., and Scharff & Jones, Inc., New Orleans, La.

Kayser (Julius) & Co.
Aug. 17, it as announced company 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 approved proposal on Sept. 6).

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.

Lanolin Plus, Inc.
Aug. 15 it was reported company (name to be changed from Consolidated Cosmetics, Inc.) plans registration of about 200,000 shares of common stock (par for selling stockholders).

Marquette Cement Manufacturing Co. (11/15)
Sept. 30, W. A. Wecker, President, announced that the company plans to make a public offering of approximately 250,000 shares of new $4 par value common stock about the middle of November. **Proceeds**—To finance a portion of its $16,000,000 expansion program. **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).

New England Telephone & Telegraph Co. (11/15)
Sept. 20 it was announced company plans to issue and sell $30,000,000 of 36-year debentures. **Proceeds**—To repay temporary borrowings. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Morgan Stanley & Co.; Glore, Forgan & Co. **Bids**—Expected to be received on Nov. 15.

New Jersey Bell Telephone Co. (12/14)
Sept. 30 it was announced company has petitioned the New Jersey P. U. Commission for authority to issue and sell $25,000,000 of new debentures due 1955. **Proceeds**—For expansion program. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; The First Boston Corp.; Shields & Co.; Kuhn, Loeb & Co.; White, Weld & Co. **Bids**—Expected to be received on Dec. 14. **Registration**—Planned for Nov. 18.

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 any bonds, to be determined by competitive bidding. Probable bidders: Morgan Stanley & Co.; Halsey, Stuart & Co. Inc.

Northern Pacific Ry.
Sept. 30 it was reported that the company plans the issue and sale late in November of $1,755,000 equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Kidder, Peabody & 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.

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.

★ Piasecki Aircraft Corp.
Oct. 17 it was reported that company plans early registration of 700,000 shares of common stock. **Underwriter**—Expected to be a Philadelphia firm.

★ Pike County Natural Gas Co.
Oct. 17 it was reported company plans to sell about

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$600,000 of common stock. **Underwriter**—Bache & Co., New York.

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. Stockholders are to meet on Oct. 20.

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.

Racine Hydraulics & Machinery Co.
Oct. 4 it was reported company expects to file a letter of notification with the SEC covering 10,000 shares of its common stock. **Underwriter**—Loewi & Co., Milwaukee, Wis.

Radio Corp. of America
Sept. 2 the directors discussed the advisability of issuing $100,000,000 of subordinated convertible debentures. **Proceeds** — To increase financial resources of company. **Underwriters** — Lehman Brothers and Lazard Freres & Co., both of New York.

Republic National Bank of Dallas (Texas)
Oct. 5 stockholders of record Oct. 4, 1955 were given rights to subscribe for an additional 187,500 shares of capital stock (par $12) at the rate of one new share for each 12 shares held; rights to expire on Oct. 24. **Price**—$45 per share. **Proceeds**—To increase capital and surplus. **Underwriters**—Walker, Austin & Waggoner, The First Southwest Co. and Dallas Rupe & Son, all of Dallas, Texas.

• **Richmond Homes, Inc., Richmond, Ind. (11/8)**
Oct. 10 it was reported early registration is planned of 140,000 shares of common stock (par $1). **Price**—$5 per share. **Underwriter**—Cruttenden & Co., Chicago, Ill.

★ **Rochester Gas & Electric Corp.**
Oct. 13 company applied to the New York P. S. Commission for authority to issue and sell to its common stockholders 200,000 additional shares of common stock on the basis of one new share for each seven shares held. **Price**—To be determined later. **Proceeds**—For construction program. **Underwriters** — The First Boston Corp., Blyth & Co., Inc., Wertheim & Co. and Merrill Lynch, Pierce, Fenner & Beane.

Rye National Bank, Rye, N. Y.
Sept. 27 stockholders of record Sept. 22 received the right to subscribe on or before Oct. 31 for 52,300 shares of common stock (par $2) to stockholders on a 1-for-7 basis. **Price**—$8 per share. **Proceeds**—To further the building program and for general corporate purposes. **Underwriter**—None.

• **San Diego Gas & Electric Co. (11/29)**
Oct. 1 it was announced company plans to sell $18,000,000 of 30-year first mortgage bonds, series F, due Oct. 1, 1985. **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.

Scott Paper Co.
Sept. 20, Thomas B. McCabe, President, announced a major financing program will probably be undertaken by next spring. No decision has yet been reached as to the precise type, amount or date of financing. Stockholders approved proposals to increase the authorized common stock to 40,000,000 shares from 10,000,000 shares and the authorized indebtedness to $150,000,000 from $50,000,000. **Proceeds**—For expansion program.

Seaboard Air Line RR. (10/20)
Bids will be received up to noon (EDT) on Oct. 20, at the office of Willkie Owen Farr Gallagher & Walton, 15 Broad St., New York 5, N. Y., for the purchase from the railroad company of $6,555,000 equipment trust certificates, series P, to be dated Nov. 1, 1955 and to mature in 15 equal annual instalments. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; Kidder, Peabody & Co.

Siegler Corp., Chicago, Ill.
Sept. 20 it was announced that the company plans the sale of additional common stock (par $1) and bank borrowings to finance the proposed purchase of all of the outstanding stock of Holly Manufacturing Co. of Pasadena, Calif., for $3,000,000 cash. The transaction must be closed by Dec. 15, 1955 (subject to extension to Jan. 15, 1956). **Underwriter**—William R. Staats & Co., Los Angeles, Calif.

South Texas Oil & Gas Co.
Aug. 30 stockholders authorized issuance of 110,000 shares of cumulative convertible preferred stock (par $10). **Proceeds**—For exploration and drilling program, etc. **Underwriter**—Previous common stock financing was handled by Hunter Securities Corp., New York, who it is stated, will not underwrite the new preferred issue.

Southern Nevada Telephone Co.
Oct. 10 it was reported company may be planning some public financing. **Underwriter**—Dean Witter & Co., San Francisco, Calif.

Sterling Precision Instrument Corp.
June 6 the stockholders voted to approve an authorized issue of 500,000 shares of first preferred stock (par $10), of which 300,000 shares (to be convertible into common) are to be publicly offered. **Proceeds**—For working capital. **Office**—Buffalo, N. Y.

Texas Gas Transmission Co.
March 15 it was reported company plans to sell additional first mortgage bonds later to finance cost of new construction, which is estimated at about $17,500,000. **Underwriter**—Dillon, Read & Co. Inc., New York.

★ **Texas Industries, Inc.**
Oct. 11 stockholders authorized a new issue of 30,000 shares of new common stock (no par value), of which it is planned to initially issue 10,000 shares bearing a $5 dividend and having a redemption value of $105 per share. **Proceeds**—For expansion program. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas, Tex.

United Insurance Co. of America, Chicago, Ill.
Oct. 3 it was reported that an offering of from 350,000 share to 400,000 shares is expected, partly for selling stockholders. **Underwriters**—May be R. S. Dickson & Co., Charlotte, N. C., and A. C. Allyn & Co., Inc., Chicago, Ill.

★ **United States National Bank of Denver (Colo.)**
Oct. 13 stockholders of record Oct. 11 were given the right of subscribe on or before Nov. 1 for 27,500 additional shares of capital stock (par $20) on the basis of one new share for each four shares held before payment of a 25% stock dividend on 110,000 shares outstanding. **Price**—$50 per share. **Proceeds**—To increase capital and surplus. **Underwriters** — Bosworth, Sullivan & Co.; Boettcher & Co.; Merrill Lynch, Pierce, Fenner & Beane; Peters, Writer & Christensen, Inc.

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.

Western Maryland Ry.
Oct. 10 stockholders approved a plan authorizing the issuance of an additional 128,597 shares of common stock and changing the par value of the common shares from $100 per share to no par value. The plan calls for the offering to each stockholder of the right to purchase one new common share for each six shares of stock now owned, regardless of class.

Westpan Hydrocarbon Co.
March 2 it was announced Sinclair Oil Corp. has agreed with the SEC to divest itself of its investment of 384.380 shares of Westpan stock (52.8%). The time in which Sinclair may sell their holdings has been extended by SEC to Dec. 21, 1955. **Underwriter**—Union Securities Corp., New York, underwrote recent sale of Sinclair's holdings of Colorado Interstate Gas Co. White, Weld & Co., New York, may be included among the bidders.

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.

Our Reporter's Report

Standing off further stiffening in short-term money rates, the investment market appears to be showing increasing stamina around current levels. A further markup in the prime bank rate, along with the year's tenth increase in commercial paper rates were taken pretty much in stride.

The secondary market apparently is bulwarked by the absence of any large-scale outpouring of new issues, which makes it necessary for institutions with funds to place to scan the list for suitable situations.

Simultaneously, as observers point out, the new issue market is profiting no little by the fact that there is better "spacing" of new flotations coming to market. The latter, of course, must be recognized as a consequence of the slowed-down pace of corporate emissions.

That there is plenty of investor money around was shown clearly by the almost complete taking down, by subscription, of the $637 million of American Telephone & Telegraph Co. convertible debentures offered to its shareholders on "rights."

Subscriptions were received for better than 99.5% of the total offered, indicating that upon closing of the books only some $3.5 million of the huge total remained unsubscribed. The company probably will proceed to dispose of that balance by negotiation with underwriters and dealers.

Approximately 525,000 subscriptions were entered on this occasion, a gain of better than 25% over the 410,000 who sought securities under much the same circumstances in 1953.

Proof of Pudding

Southern Bell Telephone Co.'s offering of $30 million of 40-year debentures carrying a 3¼% coupon and priced to yield 3.20%, proved one of the fastest deals in recent months.

Bankers who took down the issue were able to announce closing of the subscription books within a few hours after they were opened on Tuesday.

The major pension funds, including Bell System's own fund, were reportedly big buyers of the debentures with a number of state pension funds, stretching across the country to California, taking down substantial amounts.

Illinois Toll Bonds

Underwriters across the nation are making preparations for participating in the marketing of the $415 millions or thereabouts of bonds which the Illinois State Toll Highway Commission is slated to bring to market next week.

The largest such undertaking yet is being handled on a negotiated basis since it is almost a safe assumption that had it been put up for competitive bids only a single tender would have been received. It is difficult to perceive the underwriting industry being able to marshall more than a single group for an issue of such dimensions.

According to dealers, preliminary inquiry suggests that good demand appears assured for the bonds. Institutions calculate that traffic on such a highway link is bound to be in substantial volume.

Keeping the Cadence

Next week, in fact the ensuing fortnight, promises to hold to the recent cadence in the flow of new offerings. Pacific Gas & Electric Co. is slated to market a million shares of $25 par redeemable first preferred through a negotiated deal.

Long Island Lighting Co. has an issue of $15 million of 30-year first mortgage bonds due up for sale to secure funds for repayment of bank loans and for new construction. Due for competitive bidding, it looks as though this issue will attract at least half a dozen separate tenders.

With those issues out of the way there is a void in the new debt issue calendar until along about Nov. 9 when United Gas Corp., has $20 million of bonds coming up for bids.

Continued from page 5

The State of Trade and Industry

lines were being geared for all-out action this week.

Steel Production This Week Set At a Fractionally Lower Level

In contrast with recent stock market nervousness, steel producers expressed strength and confidence last week in producing an all-time record tonnage, "Steel" magazine reported on Monday of this week.

Mills put out 2,350,000 net tons in the week ending Oct. 15—5,000 more than the previous record in the week ended May 15 this year. In contrast, the industrial stock average dropped over 40 points in about two weeks.

With business on the uptrend, "Steel" said the bellwether tool and die industry looks for improvement in 1956. It expects volume to approach the $750,000,000 figure of 1953, its peak year.

Autos, appliances and utilities supply impetus to the pickup, with increasing promise from the growing atomic industry and new developments in ordnance and missiles. Indications are that tool and die prices will go up soon, putting them in line with increased costs. One manufacturer commented: "Prices are still heavily competitive, and we haven't passed along increases. The past year has been one of the worst in the last 10 in price cutting. Prices and profits have suffered."

The publication said that employment in the industry, down most of this year, is building up. Most plants are working more than 40 hours a week, and customer deliveries are good.

Steel producers are making heavier shipments of delinquent tonnage. Major suppliers are pushing steel into fabricating plants at a rate that enables manufacturers to maintain operations with less drag on their inventories.

Indications are, states this trade paper, that mill acceptances for first-quarter bookings will fall considerably short of consumer needs. Although producers will maintain high operating rates over the balance of the quarter, from a month to six weeks of first-quarter production may go to overflow business from the current quarter. Consumers' inventories have risen slightly since summer, but chances appear slim for buyers to improve inventory position materially in the months ahead.

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 96.1% of capacity for the week begin-

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ning Oct. 17, 1955, equivalent to 2,320,000 tons of ingots and steel for castings as compared with 96.5% of capacity and 2,330,000 tons (revised) a week ago.

The industry's ingot production rate for the weeks in 1955 is based on annual capacity of 125,828,310 tons as of Jan. 1, 1955.

For the like week a month ago the rate was 96.1% and production 2,320,000 tons. A year ago the actual weekly production was placed at 1,769,000 tons or 74.2%. 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 125,330,410 tons as of Jan. 1, 1954.

Electric Output Falls Moderately In Week Ended Oct. 15

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Oct. 15, 1955, was estimated at 10,599,000,000 kwh., according to the Edison Electric Institute.

This week's output decreased 40,000,000 kwh. below that of the previous week, when the actual output stood at 10,639,000,000 kwh.; it increased 1,482,000,000 kwh., or 16.3% above the comparable 1954 week and 2,334,000,000 kwh. over the like week in 1953.

Car Loadings Decline 1.6% Below Preceding Week

Loadings of revenue freight for the week ended Oct. 8, 1955, decreased 13,277 cars or 1.6% below the preceding week, according to the Association of American Railroads.

Loadings for the week ended Oct. 8, 1955, totaled 807,035 cars, an increase of 104,125 cars, or 14.8% above the corresponding 1954 week, and an increase of 2,969 cars, or 0.4% above the corresponding week in 1953.

U. S. Car Output in Latest Week Rose 30.7% Above the Level Of the Preceding Period

Output in the automotive industry for the latest week, ended Oct. 14, 1955, according to "Ward's Automotive Reports," rose above that of the week preceding by 30.7%.

Last week the industry assembled an estimated 104,876 cars, compared with 80,271 (revised) in the previous week. The past week's production total of cars and trucks amounted to 129,351 units, or an increase above the preceding week's output of 33,575 units, states "Ward's."

Last week's car output advanced above that of the previous week by 24,605 cars, while truck output increased by 8,970 vehicles during the week. In the corresponding week last year 44,882 cars and 12,542 trucks were assembled.

Last week the agency reported there were 24,475 trucks made in the United States. This compared with 15,505 in the previous week and 12,542 a year ago.

Canadian output last week was placed at 3,976 cars and 871 trucks. In the previous week Dominion plants built 5,369 cars and 934 trucks, and for the comparable 1954 week 1,371 cars and 716 trucks.

Business Failures Taper Slightly In Holiday Week

Commercial and industrial failures dipped to 203 in the holiday-shortened week ended Oct. 13 from 207 in the preceding week, Dun & Bradstreet, Inc., reports. However, the toll was considerably higher than in the comparable weeks of 1954 and 1953 when 152 and 169 failures occurred respectively. Remaining below the pre-war level, failures were down 14% from the 1939 toll of 237.

Failures involving liabilities of $5,000 or more increased moderately to 176 from 163 a week ago and were up considerably from 130 last year. All of the week's decline occurred among small failures with liabilities under $5,000, which dipped to 27 from 44 in the previous week, yet remained a little above their 1954 toll of 22. The number of concerns failing with liabilities in excess of $100,000 climbed to 17 from 8 a week ago.

The decrease during the week occurred principally in manufacturing, where failures fell to 37 from 50, and in retailing, off to 85 from 103. On the other hand, wholesaling failures rose to 21 from 13 and construction jumped to 42 from 22. More businesses succumbed than last year in all industry and trade groups with the most notable upturn from 1954 in construction.

Wholesale Food Price Index Registers New Low for Year

The wholesale food price index, compiled by Dun & Bradstreet, Inc., continued to slide last week and dropped 6 cents to stand at $6.11 as of Oct. 11. This was a new low for the year and the lowest since Dec. 16, 1952, when it also stood at $6.11. The latest figure compares with $6.64 on the corresponding date last year, or a decrease of 8.0%.

Higher in wholesale cost the past week were wheat, rye, hams, lard, coffee and cocoa. On the down side were corn, bellies, butter, sugar, tea, eggs, steers, hogs and lambs.

The index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use and its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Level Shows Slight Gain From Low Point of Preceding Week

The general commodity price level showed little definite trend last week. The daily wholesale commodity price index, compiled by Dun & Bradstreet, Inc., finished slightly higher at 278.32 on Oct. 11, as against 278.20 a week earlier. It compared with 276.31 on the similar date a year ago.

Grain markets at Chicago were less active a week ago with price movements irregular.

Wheat displayed strength at times reflecting firmness in cash markets but new crop deliveries were under pressure as general rains improved crop prospects in the Southwest.

Reports of sizeable export business in wheat with several European countries helped to sustain values. Rains delayed corn picking to some extent, but operations in many sections were ahead of schedule. Harvesting of wheat in the Canadian Prairie Provinces was reported practically completed.

The crop is now forecast at 498,300,000 bushels, or 61% above last year's crop of 308,900,000 bushels. Sales of grain and soybean futures on the Chicago Board of Trade last week declined to a daily average of 52,600,000 bushels, from 70,300,000 in the preceding week.

Increased shipments of coffee from Brazil were said to reflect heavier consumer demand since prices dropped below the $1 level at retail.

The cocoa market developed considerable strength last week, influenced largely by the prospect that there would be a further delay in adjustment of the Brazilian currency reform program. Firmness in the London market was also a factor in the rise. Warehouse stocks of cocoa increased and totalled 218,065 bags, against 212,358 bags a week ago and 107,631 at this time last year. Lard prices moved irregularly upward as strength in vegetable oils offset lower hog values. Swine receipts continued heavy with prices currently at the lowest since June 1946.

Cotton prices closed higher for the week following the sharp dip recorded a week ago at the result of sharply higher preliminary crop estimates.

The official October 1 crop report issued on Monday, confirmed earlier forecasts, and indicated a 1955 cotton yield of 13,928,000 bales. This represented an increase of 8.2% over last month's estimate of 12,873,000 bales and compared with 13,696,000 bales produced in 1954.

Interest in the Government loan continued to grow and farmers were reported holding an increasing proportion of current ginnings from the market. Entries into the 1955 loan stock continued to increase in volume and totalled 141,619 bales in the week ended Sept. 30, against 95,100 the previous week.

Trade Volume Stimulated By Fall Weather Made Slight Gains the Past Week

A slight increase in dollar volume was reported by retailers last week. Pleasant Fall weather stimulated consumer buying and total retail sales were moderately ahead those of a year ago.

There was an increased response to sales promotions of Fall and Winter merchandise. Automobile volume remained at a high level.

The dollar volume of retail trade in the week 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 0 to +4; East +1 to +5; South +5 to +9; Midwest +3 to +7; Southwest +4 to +8 and Pacific Coast +2 to +6%.

There were noticeable gains in consumer purchases of household furnishings, and last week's level moderately exceeded that of the similar 1954 week.

Furniture retailers reported that the principal gains were in upholstered chairs and bedding. Television sets continued to sell at a high level and consumer interest in lighting fixtures and lamps rose slightly. There was an increased call for stainless steel flatware and cooking utensils. Volume in sheets and towels expanded considerably.

Consumers sought increased quantities of Winter clothing the past week. Interest in women's suits and cloth coats rose appreciably, while wool knit dress and sweater volume expanded. Gloves, jewelry and leather bags were popular accessories. Men shoppers were primarily interested in suits and hats. Topcoats sales rose slightly. Haberdashers reported increased interest in neckwear, sports jackets and white and colored dress shirts.

The dollar volume of wholesale orders expanded moderately and a substantial gain was maintained over the level of the corresponding 1954 week.

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Oct 8, 1955, advanced 6% from the like period last year. In the preceding week, Oct. 1, 1955, a rise of 15% was registered above that of the similar period of 1954, while for the four weeks ended Oct. 8, 1955, an increase of 7% was reported. For the period Jan. 1, 1955 to Oct. 8, 1955, a gain of 7% was registered above that of 1954.

Retail trade volume for New York City last week advanced about 7% above the like week of 1954, trade observers report.

According to the Federal Reserve Board's index, department store sales in New York City for the weekly period ended Oct. 8, 1955, dropped 1% below that of the like period of last year. In the preceding week, Oct. 1, 1955, an increase of 9% was recorded. For the four weeks ending Oct. 8, 1955, a decrease of 1% occurred. For the period Jan. 1, 1955 to Oct. 8, 1955, the index recorded a rise of 2% from that of the corresponding period of 1954.

DIVIDEND NOTICE

DU MONT

ALLEN B. DU MONT LABORATORIES, INC.

To the Holders of the Common Stock of Allen B. Du Mont Laboratories, Inc.:

At a meeting of the Board of Directors of this Corporation held October 10, 1955 following the special meeting of the Common Stockholders of the Corporation held earlier that date, (at which the Stockholders approved, among other proposals, the proposed plan to spin off this Corporation's newly organized, wholly-owned subsidiary, Du Mont Broadcasting Corporation, and to distribute all of the outstanding shares of stock of Du Mont Broadcasting Corporation to the Common Stockholders of this Corporation, pro rata,) the Board of Directors took the necessary action to carry into effect the spin-off plan and directed that, in accordance with the spin-off plan, the outstanding shares of stock of Du Mont Broadcasting Corporation held by this Corporation be distributed to the Common Stockholders of this Corporation of record at the close of business on November 14, 1955, pro rata, on the basis of one (1) share of stock of Du Mont Broadcasting Corporation for each two and one-half (2½) shares of Common Stock of this Corporation. Such distribution will be made as soon as practicable after obtaining the necessary approval of the Federal Communications Commission, to which approval such distribution is subject.

Allen B. Du Mont Laboratories, Inc.

By Paul Raibourn
Treasurer

Dated October 13, 1955

DIVIDEND NOTICES

COMMON STOCK DIVIDEND

The Board of Directors of Central and South West Corporation at its meeting held on Oct. 17, 1955, declared a regular quarterly dividend of thirty-five cents ($.35) per share on the Corporation's Common Stock. This dividend is payable Nov. 30, 1955, to stockholders of record Oct. 31, 1955.

LEROY J. SCHEUERMAN, *Secretary*

CENTRAL AND SOUTH WEST CORPORATION
Wilmington, Delaware

GOODYEAR

DIVIDEND NOTICE

The Board of Directors today declared the following dividend:

50 cents per share on the Common Stock, payable December 15, 1955 to stockholders of record at the close of business November 15, 1955.

The Goodyear Tire & Rubber Co.
By Arden E. Firestone, Secretary
Akron, Ohio, October 11, 1955

THE GREATEST NAME IN RUBBER

ARC

AIRCRAFT RADIO CORPORATION
Boonton
New Jersey.

Dividend No. 91

On October 3, 1955, the Directors of Aircraft Radio Corporation declared on the Common Stock of the Company a dividend of twenty cents (20c) per share for the fourth quarter and a year-end dividend of ten cents (10c) per share, making a total of thirty cents (30c) per share, both payable on Nov. 16, 1955 to stockholders of record at the close of business November 2, 1955.

Payment of this dividend on November 16, will make a total of ninety cents (90c) per share paid in 1955.

H. M. KINGSLAND, *Secretary*

DIVIDEND NOTICES

R. J. REYNOLDS TOBACCO COMPANY

Makers of
Camel, Cavalier and Winston cigarettes
Prince Albert smoking tobacco

Quarterly Dividend

A quarterly dividend of 70c per share has been declared on the Common and New Class B Common stocks of the Company, payable December 5, 1955 to stockholders of record at the close of business November 15, 1955.

W. J. CONRAD,
Winston-Salem, N. C. *Secretary*
October 13, 1955

SUNRAY D-X PETROLEUM PRODUCTS

64th DIVIDEND NOTICE

The directors, on October 14, declared a regular quarterly dividend (No. 64) of thirty (30) cents per share on the Common Stock, payable on December 20 to shareholders of record November 3. The quarterly dividend (No. 2) on the 4½ per cent Cumulative Preferred Stock, Series A, will be paid on December 1, at 28⅛th cents per share to shareholders of record November 3, and the quarterly dividend (No. 2) on the 5½ per cent Cumulative Convertible Second Preferred Stock, Series of 1955, will be paid on December 1 at 41¼th cents per share to shareholders of record November 3.

W. D. FORSTER, Secretary

SUNRAY MID-CONTINENT
Oil Company
SUNRAY BLDG. TULSA, OKLAHOMA

UNITED STATES LINES COMPANY

Common Stock DIVIDEND

The Board of Directors has authorized the payment of a dividend of thirty-seven and one-half cents ($.37½) per share payable December 9, 1955, to holders of Common Stock of record November 25, 1955, who on that date hold regularly issued Common Stock ($1.00 par) of this Company.

CHAS. F. BRADLEY, *Secretary*
One Broadway, New York 4, N. Y.

WOODALL INDUSTRIES INC.

A regular quarterly dividend of 31¼¢ per share on the 5% Convertible Preferred Stock has been declared payable December 1, 1955 to stockholders of record November 10, 1955.

A regular quarterly dividend of 30¢ per share on the Common Stock has been declared payable November 30, 1955 to stockholders of record November 10, 1955.

M. E. GRIFFIN,
Secretary-Treasurer

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Washington . . . And You

Behind-the-Scene Interpretations from the Nation's Capital

WASHINGTON, D. C. — One of the things the Eisenhower Administration is discovering is that its new approach toward Federal spending is moving slowly. The new approach is to spend, not appropriated money, but the bank deposit, the pension fund, or the investment in insurance.

An outstanding instance of this is the Lease-Purchase Act, which has not yet lead to a contract for a single Federal office or post office building.

Under the Lease-Purchase Act, expressly approved by the Eisenhower Administration, Congress provided a new means for financing the construction of post offices and other Federal buildings. Previously these were paid for in lump sums out of appropriations made by Congress.

The new set-up provides that when the government decides it wants a new building, it buys a site and contracts with some one to design a building 100% in accordance with Federal specifications, for Federal use, with the idea it will be, when built, sold or rented to no one but the Federal Government.

How It Works

After the building's design is approved by the government, then a sponsor or prospective owner of the building is sought. This could be a bank, insurance company, pension fund, or an individual with perhaps more money than sense.

This "sponsor" would then enter into a contract with the General Services Administration as to general office buildings, or with the Post Office department as to all-postal facilities, to put up this building.

At the same time the government would contract to "lease" the building for a given period, 10, 15, 20, or 25 years. The contract of "lease" would provide annual payments to the "owner" of such sums as would pay off the total cost of the building within the lease period at some rate of interest, and including local real estate taxes.

In other words, the effect of the contract under the disguise of a lease would be a time-payment plan for buying Federal buildings. The "owner" would be specifically obligated to hand over title to the structure at the end of the lease period, so-called.

The political "virtue" of this financial sleight of hand is that Congress is one year could get an $100-million building whilst appropriating only one instalment of say 20 years of principal, plus interest and local taxes.

Requires 3-Way Approval

Before project can be bought on the time-payment plan, it first has to be cleared with the Budget Bureau. Thereafter, it is sent to the two public works committees of Congress. If neither of these disapproves, the GSA and PO Department can go ahead, design the building, find a sponsor, and then let the contract for construction.

Even though this act was passed in 1954, not a single lease contract has been signed. A number of projects, however, have won the three-way approval. These include 27 relatively small prospective post offices, to cost an aggregate of $3,775,448. In addition, GSA has had approval for 26 Federal buildings which would cost an aggregate of $91.5 millions.

Among these 26 GSA approved projects, one of the smallest is a combination post office and Federal office building at Carthage, Tenn., to cost $272,000. Another approved project is a proposed big Federal office building and post office at New Orleans, to cost $14.2 millions. Atlanta, Ga., would get a Federal communicable disease center to cost $12,330,000, and Omaha a Federal courthouse costing $9,500,000.

It is the hope of GSA that the government will get sponsors, "owners," or just plain fronts for this fiscal legerdemain, who will be satisfied with an interest return of less than 4%, on the theory they would look at this as closely akin to a Federal, amortized security.

The reason not a single contract has yet been let, is not the investing public having any chariness about the deal —that has yet to be tested. It is that this is a new program and it has taken more than a year for the cumbersome bureaucracy to reorganize to the new way of doing business.

If one talks to GSA he will be told that this new instalment buying of Federal buildings is only intended to supplement, not replace, buying buildings in lump payments. However, once the wheels get greased, this will be a far easier way than budgeting 100% of the cost of building in any one year.

People who will believe that this new scheme will not eventually become the sole way of financing Federal buildings are the kind who believed that the United Nations would bring peace to the world, or those who believed that the Marshall Plan would, as promised, avoid for the U. S. the necessity for spending tens of billions annually for a huge military establishment.

[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

BIG OAKS FROM LITTLE ACORNS!

Morgan & Morgan Branch

TEXARKANA, Texas—Morgan & Morgan have opened a branch office in the Texarkana National Bank Building under the direction of Archer F. Wadley

H. A. Riecke Branch

SHAMOKIN, Pa.—H. A. Riecke & Co., Incorporated have opened a branch office in the Moser Building under the management of William F. Jennings.

Business Man's Bookshelf

Automation and Job Trends — Council for Technological Advancement, 120 South La Salle Street, Chicago 3, Ill (paper), single copies on request; additional copies 25c each (quantity prices on request).

Do's and Don'ts on Life Insurance —Reprinted from "Living for Young Homemakers"—Institute of Life Insurance, 488 Madison Avenue, New York 22, N. Y. (paper), on request.

Feminine Focus on Life Insurance —Institute of Life Insurance, 488 Madison Avenue, New York 22, N. Y. (paper), on request.

Growth of Life Insurance in the State of California 1940-1954 — Institute of Life Insurance, 488 Madison Avenue, New York 22, N. Y. (paper), on request.

How Much Is Enough Insurance? —Reprinted from "Better Homes and Gardens"—Institute of Life Insurance, 488 Madison Avenue, New York 22, N. Y. (paper), on request.

How to Get an Extra Hour Every Day—Ray Josephs—E. P. Dutton & Company, Inc., 300 Fourth Avenue, New York, N. Y. (cloth), $2.95.

Money Management Portfolio—A study program with information pamphlets from Institute of Life Insurance, Association of Stock Exchange Firms and American Bankers Association —Institute of Life Insurance, 488 Madison Avenue, New York 22, N. Y., $1.35.

NATO: Its Development and Significance—Office of Public Reports (International Cooperation Administration, Washington 25, D. C. (paper).

Quality and Competition: An Essay in Economic Theory—Lawrence Abbott—Columbia University Press, New York 27, N. Y., $3.75.

Register of Defunct and Other Companies (removed from the Stock Exchange Official Year Book) 1955—Thomas Skinner & Co., Gresham House, Old Broad Street, London E. C. 2, England (cloth), 30s. (New York representative Thomas Skinner & Co., 111 Broadway, New York 4, N. Y.)

Using Instalment Credit — Clyde William Phelps — Commercial Credit Company, 14 Light St., Baltimore 2, Md. (paper).

Your Life Insurance and How to Use It—American Association of University Women, 1634 I St., N. W., Washington 6, D. C. (paper), on request.

Colorado Oil & Gas
White Eagle Oil
Olin Oil & Gas
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Delhi-Taylor
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Mallinckrodt Chemical
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