EDITORIAL

As We See It

Reports that the Federal Reserve authorities had become fearful lest they might make another 1953 “mistake,” and that they would shortly modify their restrictive policy have not as yet been confirmed in any observable way. The recent observation of a prominent New York banker that conditions were quite tight enough in the money market, the rather mild conclusion of the Chicago Reserve Bank that business was not quite as good as it had been, and many politically inspired complaints from Democrats that the money policy of the authorities was doing harm across the country have not been reflected in Federal Reserve action. What the future will bring forth we do not propose to know. Reports from Washington about what this, that or the other official thinks of the current situation and its needs are conflicting. We, along with the others, shall have to wait and see.

The main factors bearing upon Federal Reserve and Treasury officials are plain enough. Business is still booming whether or not there has been something more than a seasonal decline here and there, and virtually all the forecasters are talking about an excellent year in 1956. No one in the Federal Reserve, we are sure, and certainly no one in the Administration in Washington, would want to do anything to mar this picture. The Treasury is finding that this pace of business generally is tiding its coffers at a rate not expected by any of the prognosticators in Washington. It is hoping for a balanced budget this fiscal year and thus a good basis for permitting, say, advocates of tax reduction next year. Of course, too, the Continued on page 21

Background Facts for The “Look Ahead”

By HENRY C. ALEXANDER

Chairman, J. P. Morgan & Co. Incorporated

In viewing the current situation and economic prospects, prominent New York banking executive sees a reconfiguring of stability and growth in peace as well as in wartime. Holds our mistakes will be the only limit binding our economic future, and lists among these: (1) confusing inflation with actual growth; (2) speculation in series, deposits, and the over-expansion of debt, both public and private. Says this is not time for all-out credit restraint, and warns of danger of over-confidence, though stating there are “grounds for genuine confidence.”

Looks for continuation of favorable business climate. No subject was assigned to me, so I am left free to deal with any of the $84,000 questions that others may have caught up or failed to answer. You might expect me to deal with some specialized subject—such as bank mergers, or the money market, the trend of interest rates, the prices of stocks. As to the first, I have no experience with bank mergers and I might add that I don’t look forward to gaining it. As to the others, on all of them I have views, of course, and my own way of saying them. And before I have finished you will know where we agree, and where we disagree.

But my main emphasis is going to be in that broad area where reputations can be lost most easily: namely, in looking into the future and trying to discern what lies ahead. In other words, I will try to take what I would call, if I weren’t a director of General Motors, a “forward look.” Looking ahead is not only more fun than analyzing the past; it is, potentially at least, more useful. It is so easy to

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Net Debt in the United States

By LELAND J. PRITCHARD

Professor of Finance

University of Kansas

Prof. Pritchard, in viewing the complicated problems arising from debt expansion, finds that the impact of this movement must be appraised in terms of the rate of expansion; the methods of financing it; the distribution of the debt burden; the uses to which the funds are being put, and the general state of the economy. But we have been dealing with an executive rate, that far too much has been financed through commercial and Reserve banks. This has resulted in dilution of our money supply, accompanied by an inflationary trend, notwithstanding the enormous increase in nation’s productivity.

The contraction, expansion, cost of servicing and many other aspects of debt are related to the present and prospective profits of business to wages, prices, production and employment—and the problem of servicing our vast and growing volume of debt may in time be acutely related to the confidence of the American people in the credit of the Federal Government. The contraction or expansion of all debt, whether public or private, seems to have a high association with the growth of the area and the cause of effect relationship, to the level of business activity. One is impressed by the close association of the ups and downs in our own business history and the ebb and flow of debt. It seems more than a coincidence, for example, that during the Great Depression which ended the country after 1929 and which remained with us for over a decade, that throughout this entire period there was no 30s net debt was actually less than it had been in 1929. Estimates of the Department of Commerce put the net debt figure as of the end of 1939 at $183.2 billion com

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The Security I Like Best

A continuous form 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 form are not intended to be, nor should they be construed as, an offer or solicitation to buy or sell the securities mentioned).

JOSEPH S. KLEIMAN
Registered Representative
Dreyfus & Co., New York City
Member American Stock Exchange
Burlington Industries: 4½% of 1975Convertible Bonds

When you acquire convertible bonds, particularly new issues at par, you combine the safety of a bond with the capital gains potential of a common stock. In uncertain market conditions, when cyclical turning points may be in progress, convertible bonds more actively participate in price movements than do preferred issues in a common stock. They will share in the higher prices and also have greater potential for increased capital losses in the event of declines in the stock market. There is no ceiling on the number of convertible bonds you may—yet they possess a dividend level below which they are unlikely to go, because of the money guard and the "investment value" of a bond type of security.

This "investment value" is reappraised regularly by the leading dealers in the convertible bond market. The past history shows that only in a minority of cases have convertible bonds lost their "investment value," except in periods of panic. These bonds, therefore, while they do not fall if the market rises, are not sure to go back to 4½%, if the interest received semi-annually from the issuing company ...

Let's assume, for example, the purchase of 35 Burlington Industries, 4½% of 1975 convertible, at par, or an investment value. This security is now selling at 95. A bank loan could be arranged by the investor for 90% of the cost. Thus, $3,550 in cash, and a bank loan of $3,970, will double his capital, if the bond sells at 100. (Commission and interest on the loan will not be considered; the 4½% interest received semi-annually from the issuing company.)

Now, how can the bond rise to a price of 115? The most likely cause is a rise in the price of the common from its recent price of 16% to 1 price of $5. Since the first third of the $30,000,000 Bond issue is convertible at 18, 55.55 shares of common may be acquired for each $1,000 bond. The common is selling at 19 and the final third at 20— and a total of the $30,000,000 of Bonds will be converted before 115 is reached.)

For the above observation I am not taking into consideration the fact that Burlington Industries, or a higher price than the conversion parity of the common stock — a phenomenon which occurs quite often—as in the case of Bethlehem Steel and others.

Thus if the common stock and the bond convert at the conversion parity, a price of 21 for the stock would represent bond selling at approximately 116½. (Multiply by 21.55.)

We must proceed to an analysis, both technical and fundamental. First, there is the stock, since the common most likely will determine the price of the Bond. Lack of space prevents an exhaustive study of the fundamentals, but salient points should provide a good starting point.

Burlington is the largest textile company in the country. Sales in the first six months of the year were over $347,000,000, of which half were woven in synthetic fabrics. The product mix is very well diversified, being sold to over 200,000 retail and wholesale customers, most of them in North Carolina and Virginia, are owned directly or indirectly. In addition, 25,000,000 share, Perpetual Common Co. is a favorite of mine.

Perpetual Common Co. is organized in 1899 and completed its new cement producing plant in the San Francisco Bay area, Calif., in January, 1940. The plant, having an original capacity of 9.5 million barrels per annum has since been increased to 7 million barrels, and is one of the two largest single cement plants in the world.

An important economic factor of the company is that不但 to the combined mass of Widestar deposits of both the synthetic raw materials, limestone, clay, etc., and the fact that transportation costs are relatively lower in relation to delivered prices, the cost of raw materials is at rock or rail from any one cement plant of order. In the past four years the company has sold 200 miles. Therefore, Pacific Coast cement has the advantage against the competition of Midwestern or Eastern producers by the distance of the San Francisco area. On the other hand, since the cost of water transportation is high, Perpetual, being located close to ocean shipping facilities, San Francisco area, has built to a substantial overseas trade in raw cement, far beyond Central America and even the Far East.

In 1942 the company entered the cement business by purchasing a cement mill in the Los Angeles area, serving Southern California; a smaller plant in the San Francisco-Hayward area; and a cement deposit in the San Francisco area. In September, 1955, a cement plant was purchased in Seattle, Wash., to serve the large market in the Pacific Northwest, and the new facility is said to be a cement plant that is the only one of its kind within a radius of 100 miles, a cost of 4,452 hours a day, 7 days a week.

An unique feature of the company's cement operation is the fact that it is the only one on the West Coast situated on tidewater, being located on the Island of San Marcos, Lower California. It covers 19,000 acres of land, at the site of the Mexican border, hills at the surface with no overburden, and is estimated to contain a reserve of 350 million tons of high-grade, high-yield ore. The company operates an entirely self-contained cement plant, shipping the raw material to the cement plants via low cost water routes, and also to overseas markets for shipment throughout the Pacific area.

Expansion Program

1) our cement plant to be built in Southern California at a cost of $27 million, having an initial capacity of 2 million barrels per year, and to be in operation by 1957.

2) The San Francisco cement plant is being expanded 20% from 7 million to 8.4 million barrels annual capacity at a cost of $4 million.

Continued on page 12
The Short-Range Business Outlook

By DEXTER MERRIAM KEEPER
Vice-President and Director

Economist expects current record-breaking business boom will carry on well into 1956, possibly at reduced rate. Predicts resumption of upward "jiggle" by late 1956. Cities stock market's "tarnished" record in forecasting business. Doctors great alarm over business implications of Eisenhower's Illness, or return of Democrats, maintaining the alarming threat of inflation will continue under today's political leadership which regards even occasional budget balancing as abysmally unpopular. Democratic party being less of a "beauty" than pre-1952.

My subject is the outlook for business in the short run, say until New Year 1956, the "business forecast of the year." In my judgment, the general business outlook looks best. The time is now; a period of rising prosperity. The long depression in the United States ended early in 1948, and has since been followed by an unbroken rise in prices, employment, and production. The trend of the last two years of one, seven, eight, and nine, was right about 85% of the time, remarkably like the 1948-49 period. I regard this as a remarkable result. In baseball, it is a "superlatively good hitter" who bats better than 85%, or as good as that as we have batted. And the curves thrown at a batter are simplicity itself compared to those thrown at a business economist. President's Illness

I am much less comfortable in putting myself in opposition to those who think that President Eisenhower's illness has sounded the death knell of the business boom. The reason is that such a position is as logically expressed as an indication that I feel that the President's illness is of no great economic consequence. Any such conclusion would be completely inconsistent with my view. I regard the President's illness as national misfortune, of major importance, the kind that might have very painful effects upon the economy and might put our people together to prevent it. But, as I have pointed out, that the President's illness will have domi-

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WILY and IHOW
Lisbon Valley Uranium
Is Fast Becoming A Top Uranium Company

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American Potash and Chemical Corporation

By IRA U. COLEIGH
Enterprise Economist

A capped appraisal of a rather unusual chemical enterprise with interesting and diverse prospects for growth.

There aren't very many potash companies in America, and this one is not a particularly well known or popular topic for newspaper columnists. So, let's provide a more focused and thorough background for discussion. 

The company in question is the Potash Corporation of America, or PCAA, as it is also known. It is the largest potash producer in the United States, and one of the largest in the world. 

Potash is a mineral that is essential for plant growth and is used in fertilizer. It is primarily used by farmers to improve the yield and quality of crops. 

The company has a large presence in the agriculture industry, and its products are used by farmers in various parts of the world. 

The company's products are also used in the mining and construction industries, as well as in the production of other chemicals. 

The company has a strong market position and is well known for its high-quality products. Its reputation is built on its commitment to quality and customer satisfaction. 

The company also has a strong focus on sustainability and environmental responsibility. It is committed to reducing its carbon footprint and preserving the environment for future generations. 

The company's operations are in line with global environmental standards, and it is a leader in the industry in terms of sustainability. 

The company's financial performance is also strong. It is a profitable company with a history of stability and growth. Its financial ratios are consistent with other companies in its industry. 

The company's stock performance is also strong. It has consistently outperformed the market and other companies in its industry. Its stock has demonstrated a strong growth potential. 

Overall, the Potash Corporation of America is a strong and well-positioned company in the potash industry. Its market presence, financial performance, environmental commitment, and stock performance all make it a good investment option for long-term growth. 

End of Note
Observations... By A. Wilfred May

THAT NEW BUDGET

The new Budget introduced by the British Chancellor of the Exchequer has most interesting connotations, in the areas of taxation and politics, on both sides of the Atlantic. In the former, for example, it gives further evidence that political exigencies, that even on the limited tax base on which the British public’s impositions during the war must be built, that may last another six months, is a feature in the latter month to month reserve position, in the

Mr. Butler has had to face up to a serious situation, following various kinds; including domestic demand for daily consumption items, consumers’ durables, PX and Leyland Trucks. The local authorities which have been involved in the over-employment, with unemployment and capacity, even as a brake on inflationary demands, the results show that their deficiency has been largely due to the diversions from which the new Budget has mainly

Importantly responsible for the payments difficulties and the shortages of dollar reserves, was Butler’s 1953 policy in starting out of the International Wheat Agreement in the hope of a worldwide price drop, which, because of the United States’ controls supported, and is essential to material expansion. Another of the most serious results of excessive home demand has been the consumer’s rising debt rates, with the latter increasing more than the former, and both outstripping the rate of inflation.

The Budget’s policy aims at cutting inflationary pressures, with the attempts at planning for deflation, it should be remembered that equity is priced on the basis of the expected rate of inflation, and that this expectation in turn is based on the expected rate of price advance, and the expected rate of output expansion, including the industrial re-equipping which in 1954 was deliberately stimulated by cheapening of money, and by the Chancellor’s assurance in the Budget of the “investment allowances” on new plant and machinery and industrial buildings. In government planning, reversal of policies once adopted is not always easy!

Now Mr. Butler runs into the difficulty of effecting greater cuts in the consumer’s debt load, which can be attacked through the local authorities, or the nationalized public utilities as the utilities industry credit restraints. Such credit restraint on the private sector, it is becoming increasingly realized, that although there is nothing to be done immediately, the position of the operating private banks. Capital expenditures can be cut by restrictions as restraining the rate of borrowing and through the nationalized industries, it has been possible to do so, without affecting the local authorities must borrow either in the market or at the going market rate, but even as a brake on inflationary demands, the nationalized industries have been arrived at via bargaining with the Board.

Difficulties Remaining

But the main problem remains unsolved. In the commendable major effort to deflate the spending boom, the Chancellor, as well as the consumers, has foreseen that the home market is the largest single factor in the production process, and that the various attempts to limit expenditures lies in Defense and Social services areas.

Then, some of the strenuous measures taken in the Budget endure the effects of the new housing, as well as the boost in the Purchase Tax will increase wage demands, and further extend the spiral of a wage inflation. Only rigid optimism will rely on labor taking increased living standards.

The increase in the dividend tax, it appears, will be ineffective not only as a sop to reduce the demands of labor leaders, but also the effects of increased dividend distributions, the latter conclusion being inferable from the subsequent behavior of share prices.

Because of the political factors, the agricultural subsidies are to be postponed until next spring, with the present bread subsidy, left untouched.

Chicago, R. L. & Pacific RR. Certificates Offered

Halsey, Stuart & Co., Inc. heads a group offering $2,982,000 of Chicago, Rock Island & Pacific RR. 2% equipment trust certificates, Series D, dated January 1, 1956 to December 1, 1967, including interest.

The certificates are priced to yield 2.30% to 3.10%, according to the size of the issue and it is reported that insurance and sale of the certificates are subject to an underwriting agreement with the Interstate Commerce Commission.

The issue is to be secured by the following new equipment estimated to cost less than $3,380,000, including any additional operating expenses:

- 225 70-ton covered hopper cars
- 260 50-ton steel sheathed welded type boxes four units
- 100 50-ton steel sheathed welded type boxes

Also participating in the offering are R. W. Pressprich & Co.; Fielding & Co., Inc.; Wm. Pollock & Co., Inc.; and McMaster Hutchinson & Co.

Rus's & Company Opens Office in Houston

HOUSTON, Tex.—Rus’s & Company, an affiliate of Rus’s & Company, Ltd, have taken an office in the Texas National Bank Building under the management of D. E. Wilson. Mr. Wilson was formerly with the Fort Worth National Bank.

Extended on page 34

Life Insurance Sales Boom!

Record-breaking sales in September of $3,746,000,000 of life insurance brought the aggregate for the first nine months of this year to $34,812,000,000, or 24% more than a year ago.

For the stock life insurance companies, sales mean profits, and we predict that 1955 will be the best year in the history of the business.

Many life insurance stocks are below their highs of some years ago and are selling at what we consider very attractive prices.

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Continued on page 34
We are instituting a complete new plan of management at the railroad. One of the key elements in this plan is the introduction of the railroad into the area of money management. This will enable us to handle more business efficiently and to enable us to be more competitive in the market. Traditionally, railroad organizations have been able to handle business of all sizes, but they have not been able to handle business of all types. With the introduction of the railroad into the area of money management, we will be able to handle business of all sizes and types. We will be able to handle business of all sizes and types, and we will be able to handle business of all sizes and types.
Mortgage Credit and Economic Stability

By Fred F. Florencio

President, American Bankers Association
President, Republic National Bank of Dallas, Texas

ABA executive, stressing importance of retaining and preserving economic stability, urges stimulation of desire for home ownership and recognition of credit terms in mortgage lending. Though holding that a stable economy requires stability in the construction industry, he points out "a home construction industry that writes its own ticket is not conducive to a stable economy and economic stability." Approves Administration's credit restraints, and contends those who deal in mortgage credit should take their restraints seriously. "Proper action is necessary to contain this boom.

The substantial advance in the living standards of the American people has been one of the most significant developments of the past decade. A vigorous and prosperous economy has enabled us to consume a volume and variety of goods and services which have made the living standards of just a few years ago appear to be abnormal.

Moreover, we prospects for the years ahead are bright and even more encouraging. It is certain that our people will not be content with living standards as they were a decade ago. The development of the television and air conditioning makes our living conditions more comfortable, and better food and housing. We will continue to demand a greater efficiency of science and technology to the extent of their desire for better food and better clothes. The elements of human existence are food, shelter, and clothing. This development will not be content with this standard or with this level of production. Of the 100,000 new homes in the past few years, the American people have demanded a standard of housing that does not differ from the standard of living in the past.

The growth and progress has been the drive for more comfortable homes in which in the living richer family lives. We have been able to afford the standards of living, particularly in those homes because our economy has been vigorous and highly productive and because the achievements of the past few years have not been translated into the desire for higher standards. The responsibility to build ahead for our people is to preserve the growth and progress that has become the desire for better and more secure for our people.

The responsibility lies ahead for our people to preserve and maintain the growth and progress that has become the desire for better and more secure for our people.

The future holds great promise of the nation's future if we can realize that promise only if we exercise sound judgment as individuals and as representatives of all the people. A sharply rising population and rapid urbanization is one of the most significant features in the pattern of our future. The nation has been urged to increase by 50 million in the next 40 years. The challenge to the builders and the community is to meet the challenge.
Current Developments at the SEC

By J. Sinclair Armstrong

Chairman, Securities and Exchange Commission

Among current developments discussed by Chairman Armstrong were: (1) the Commission’s surveillance work in connection with the present stock market; (2) the results of recent Senate investigation of the stock market, and the working of the Commission’s proxy rules; (3) the speculative enthusiasm for "junk" stocks in the mining industry; (4) the implications of the Fulbright Bill, and (5) the implementation of the new amendments relating to dissemination of information on new security issues.

It is an erudite pleasure for me to be with the conference of the Southeastern Group of the Investment Bankers and Dealers, which has met in Atlanta. It has been my privilege to speak here at White Sulphur Springs, Members of the Governor and various committees of the new Washington Exchange, and the enforcement agencies.

They met with the Commission on Wednesday afternoon. This is a good deal from such opportunities to meet with industry and other agencies, to discuss their problems and discuss our regulatory problems, all of which is looking toward our better coming our way to the statutory regulations that are agreed upon by us, by the Congress of the regulation in the public interest of the vital regulatory market matters. These periodic meetings have an aspect up-to-date practice at the Commission.

There were a number of topics of interest were discussed by the Commission with the SEC staff and the various groups that take interest in these matters. I am going to touch them briefer. Since the unfortunate illness of President Eisenhower occurred stock market activity and prices have been very much in the public eye. You will recall that on the Monday after the bad news came out of Denver (New York market) there was a 15-minute break, and on several days in the week breaks occurred. Taking the non-delivery of the initial reduction in market values of the New York stock list, we can say that in lesser, on certain days stock prices have varied up and down by considerable amounts.

So, first thinking you may be particularly interested in learning something of the Securities and Exchange Commission's regular market surveillance work, I will discuss it briefer. The Commission is interested in the conditions so as to carry out the Congressional charge.

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Candiates Wanted: Ins. Young Men of Year

Once again the Insurance Commissioner, Young Men’s Rotary Club of The Trade, Inc., of New York City, takes pleasure in announcing the acceptance of applications for candidates for the “Ins. Young Men of Year.”

This committee is an affiliate of the Young Men’s Rotary Club of The Trade, Inc., of New York City, and is under the immediate control of the chairman of the Rotary Club of The Trade, Inc.

James K. Krebs & McWilliams Agency, First of all, we extend a hearty invitation to all insurance and personal accident agencies.

Also rotate the Junior rotary club of the Trade, Inc., of New York City, and designations on or before Monday, Nov. 12, 1955.

Applications are due Nov. 12, 1955.

Qualifications for Awards

The awards in the form of testimonial scrolls will be given to the young men who qualify through the awards committee of the young men’s rotary club of the trade, Inc., of New York City, and must be at the above age of 21 and 36.

Candidates for the awards are designated at the 33rd anniversary celebration of the insurance industry, which is best qualified and who have shown a true representative spirit and tradition of excellence. These presentations will be held at a meeting of the New York Life Insurance Association, to be held at 12 noon in the Grand Ballroom of the Hotel Roosevelt, Madison Avenue and 45th Street in New York City.

James Powell Celebrates 33rd Wedding Anniversary

SAN FRANCISCO, Calif. — Geraldine and James B. Powell (Harri- son National Bank) on Nov. 8 celebrated the 33rd anniversary of their wedding. They are the parents of a daughter, Frances Lee, and a son, James, Jr. James B. Powell has held at the California Country Club.

Phila, Secs. Assn. To Hear

PHILADELPHIA, Pa. — Donald Reichelderfer, Controller of American Surety Co., was the guest speaker at a luncheon meeting of the Philadelphia Securities Association at the Franklin Inn, Nov. 10, at the Warwick Hotel.

James B. Powell’s subject will be "Looking Ahead with Armaco Steel."
Steel Profits on the Uptrend
By Norman W. Fox
Vice-President in Charge of Sales
Republic Steel Corporation

Stating that steel profits, after many lean years, are now becoming substantial, Mr. Fox traces profits in the steel industry as measured by per cent return on investment and as percentage of sales. Forecasts continuing increase in demand for steel products, and calls attention to the ways in which steel companies have enjoyed, Mr. Fox traces profits in the steel industry as measured by per cent return on investment and as percentage of sales. Forecasts continuing increase in demand for steel products, and calls attention to the ways in which steel companies have enjoyed.

Ever since Adam was driven from the Garden of Eden, he had to work for a living. That was his penalty for having eaten the apple of the tree of knowledge of good and evil. And in many respects he was good for good and evil, and could sustain the burden of it, which he was committed. Eventually, however, how to improve his lot as he discovered and developed new materials and methods of living. All this increased his wealth. With this increasing wealth, Adam was to find that the game in which he was day to day measures it in dollars or pounds or pesos.

Meanwhile, our economy has grown more and more complex until the man who could understand and prosper in this country without regard to the trend of business or the cost of living has disappeared along with the flint-lock rifle. Our business drives have remained the same, but instead of seeking food and clothing and shelter, we seek the means of purchasing those things.

To maintain our standard of living—whether we be individuals, or groups of individuals banded together for a common business purpose—we must take in a little more money than we spend. In the case of the individual, we would call that money savings; in the case of corporations, it is called profits.

That is why I would like to discuss profits with you today—more particularly steel profits.

Rise in Steel Profits
Steel profits after many lean years are now becoming substantial. Five out of the last seven years brought a rise, and the industry is reaching the level most business corporations have enjoyed for a long time.

But what are we talking about when we discuss the steel industry? There are two ways of measuring profits—as a percentage of return on investment, or as a percentage of the sales.

Let us take the figures of the First National City Bank of New York.

In the 18-year period from 1939 through 1954 which covered war as well as peacetime years, steel firms, both during a period of little building and a period of tremendous construction, have seen the iron and steel industry average 9.2% return on total investments. Of this total, 12.5% return annually by all manufacturers, the banks ran 23% behind the average for all industries. The over-all average for the war and post-war years was reduced by the wartime years. Tracing the figures back further, we find that for the last 30 years the steel industry has been behind "all manufacturing." Moreover, the figures at which fixed assets are carried on the books are subject to replacement cost. Hence, earnings are not at a much higher percentage than would be the case if they were based on replacement cost.

New trends may also be computed as a percentage of return on sales. In comparison with all industries, the steel industry is far better off in this respect than in any other year.

In the 18-year period from 1939 through 1954, all industry averaged a return of 3.8 cents on each $1 invested. The steel industry averaged 5.5 cents.

A Trend Toward More Profits
Significant in this comparison is the fact that the steel industry has shown a trend toward more satisfactory profits in the last 15 years, steel profits by this measurement were a shade better than the average for all industries.

It is obvious, then, from the figures of one of the main reliance banks, the trend of steel industry profits was much less modest. Far from leading the industry in the past three decades did not earn as much on their savings as the iron and steel manufacturing industry. Yet there was a time when these earnings were labeled "excess" and taxed as such.

This is a situation which could not, or should not be permitted to continue. Many things were and are taken away from the steel industry. As the foundation of standards of living, steel, and plenty of it, must be provided to meet our people's needs. These needs have the same effect as the trend line of individual consumption showed. This trend line has reversed steadily during the past several decades.

Not only have individual demands increased but our rapidly expanding population has further increased the demand for steel. Demand not only threatens to thwart present efforts, but promises to continue to grow in leaps and bounds for decades to come.

To get the money needed to build and to demand the industry either must earn it, or it must devise some way to make the consumer pay the higher price. The public interest for the sake of the consumer, and the consumer interest for the public, and the interests of the steel industry, therefore, is our best assurance of funds to meet the needs of the nation.

Contrary to some opinions, a moderate increase in the steel in-dustry's profits in recent years have gone back into the business.

In only three of the nine years from 1946 to 1954 did the steel industry put as much as half of its net earnings as dividends. Earnings were so small during the war years—the four years immediately preceding this period—that they were omitted from our chart. War is not profitable for the iron and steel industry, nor would we want to be in these years. In these years, 1942 through 1945, net earnings averaged about three cents on the sales.

In six of the nine years in this period, stockholders received less than half of net earnings as dividends, while from 54 to 62% of the earnings was reinvested in the business.

Certainly that is about as strong a sign of management responsibility to its customers and to the future needs of the country as can be found. The owners of the businesses—stockholders—were neglected during the depression and the war years.

Plowing Back Earnings
Nevertheless, when profits substantially improved and other factors in the productive picture demanded, and got, increased earnings, the shareholders placed larger portions of earnings into the business instead of taking them as dividends.

The money required to provide the tools for a skilled workman to make steel is enormous. And without those tools—the furnaces, the machines, the raw materials, and the fuels—even the strongest man would be unable to earn very much money in the steel business.

Let's see what it was done in the postwar years. Of the $8.4 billion spent since the end of World War II for growth, $2.7 billion, or 42% of the total, was available from earnings and retained profits which the industry had to borrow. The remaining $5.7 billion, or 58% of the total, was raised through the sale of stocks and bonds. But you can only pay off these debts with money earned by the steel industry. The money you earn through the sale of stocks and bonds is the money you buy through the sale of stocks and bonds.

But you can only pay off these debts with money earned by the steel industry. The money you earn through the sale of stocks and bonds is the money you buy through the sale of stocks and bonds.
President Eisenhower's Personal Qualities

His home spun qualities, his modest and unassuming manner and the humor that has endeared him to all sorts and conditions of men, and his Christian kindness towards his fellow men, have made him a man of whom American and people through the world proud. He has been an inspiration to all who have served with him in the Cabinet or in other capacities.

Men Eminently Qualified for President If Eisenhower Retires

Pending the outcome of President Eisenhower's personal desires, Mr. Wilson draws a sympathetic picture of the President, of his personal qualities and political personality, and of his record of services to our country and to mankind and emphasizes his conciliatory efforts to establish Peace on earth. Believes President Eisenhower's wishes regarding a renomination should clearly be made public and that the country should be told of the President's personal wishes. Senator Barry Goldwater and Senator Walter F. George would make admirable Cabinet members and have been discussed in terms of their professional abilities.

Why Does the United Nations Fail to Win Public Confidence?

The United Nations was launched in 1945 as an idea of towering importance and disappointing League of Nations, and it is no wonder that it should be found wanting in the eyes of the public. The question is whether it can be made to work. To make it work, it must be given adequate support in the form of financial contributions and other forms of assistance. The United Nations needs a program of action which will show the world that it is capable of solving the world's problems.

The Security Council of the United Nations is part of that program and must be given adequate support. The Security Council is the main body of the United Nations and it is responsible for maintaining international peace and security. It is the Council that makes decisions on questions of peace and war, and it is the Council that is responsible for the maintenance of international peace and security.

To Whom Is This Alien Surrender to Be Made?

What is the composition of the body to whom we are to surrender our confidence? It is the Security Council, which is composed of 15 members, 5 of whom are permanent and 10 of whom are elected by the General Assembly. The Security Council is the body that is responsible for maintaining international peace and security.

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No Barrier to Nomination

There should be no hesitancy in nominating any man such as Mr. Eisenhower for the Presidency. His record shows that he is capable of success in the highest offices of our government. If he is nominated, his abilities and the ability of the man to win the Presidency should be clearly stated. If he is not nominated, the country should be told of the President's personal wishes. Senator Barry Goldwater and Senator Walter F. George would make admirable Cabinet members and have been discussed in terms of their professional abilities.
The Next Twelve Months—What Can Happen

By GEORGE C. ASTARITA
Boettcher and Company, Colorado Springs, Colo.
Members, New York Stock Exchange

Stock market analyst discusses the pros and cons regarding the boom for this year, but if one is to adopt a neutral attitude toward the immediate future, he should not expect any large advance in the stock market on top of the rise already enjoyed. Looks for a long period of prosperity on the basis of a few basic needs. The optimistic should be prepared for an anticipated business downturn.

With our economy booming greater than ever before in history and virtually all the world also enjoying unprecedented prosperity, the great question as to whether it can be continued will be a large case of whether the government can control business cycles.

Optimists claim that the laws of physics and the government controls—mainly those that increase capital consumption and that impede or prevent the possibility of a new boom being achieved—remain in force. Furthermore, if the Fed were to allow rapid growth to continue, it would be increasing the level of economic activity and thereby preventing any possibility of a new boom being achieved. If the Fed were to allow rapid growth to continue, it would be increasing the level of economic activity and thereby preventing any possibility of a new boom being achieved. If the Fed were to allow rapid growth to continue, it would be increasing the level of economic activity and thereby preventing any possibility of a new boom being achieved. If the Fed were to allow rapid growth to continue, it would be increasing the level of economic activity and thereby preventing any possibility of a new boom being achieved. If the Fed were to allow rapid growth to continue, it would be increasing the level of economic activity and thereby preventing any possibility of a new boom being achieved.

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The next twelve months seems rather limited, with a policy of upgrading portfolios as a precautionary measure being a cautious and a believer in holding cash in hand. The long-term future is thus bright for the railroad, but the need for defensive issues possessing good growth potential. The refinancing of capital in the next five years, and that means about fourteen years, is always merit consideration. In short, the investor should not buy the railroad stock by himself, but by the market, and then build up the market. The railroad market on top of that already witnessed, but investment in defensive issues on the road, to what should be planned before making a decision that should be counted on.
Automation and Employment

By HON. JAMES P. MITCHELL*
Secretary of Labor

After discussing the definition of automation and its applications, Secy. Mitchell cites several cases of industries where automation has reduced the number ofedi qualification and points out that larger companies producing standardized goods for an expanding market have been able to use the more advanced types of automation. He points out that advances have been a decrease of unskilled and skilled workers and rising number of semi-skilled and skilled workers, but contends that there is not yet sufficient data to determine whether hardships experienced are temporary or permanent. "We do not foresee any overwhelming adjustment problems."

The several definitions which have been applied to the word "automation" are varied and obscure, and elsewhere seem to indicate that perhaps the word itself defines the concept. I believe the word broadly means that the work which is performed by machines or by people..." (continued)


Application

Our preliminary studies in the automobile industry indicate that there is no reason to believe that the changes will not result in overwhelming problems of readjustment.

Some Examples of Electronic Equipment

For example, the Department recently completed a study of a large insurance company which has installed an electronic computer for processing records. The company (like all companies which can best utilize the new technology) is an expanding operation and found it necessary to use a large amount of money for the plant and equipment. The company found that it was able to replace clerical and retraining of the workers at a considerable saving. Even though the company has new types of work and retrained others for work on the computer itself, the computer has required a very small number of people to operate it. To operate the computer a number of people are employed to as a clerical labor shortage because of the ever-expanding volume of business. It is still going to employ clerical and other types of people to help for office work, as it did during the days of older technology.

We found a somewhat similar instance in a television and telephone manufacturing company that had laid off some of its clerical labor because of automatic machinery.

The company eliminated a number of workers who worked, and set up the situation which has resulted in a period of seasonal expansion and company growth.

These two case studies are basic to the committee. These examples, of course, are not the most extreme examples of the industry or business. We are planning to prepare additional studies of other firms and industries.

We are preparing to prepare additional studies of other firms and industries.

The definitions of automation which have resulted in the number of workers needed to perform a given job. When you get down to a basic argument about the precise definition of the word. However, we can agree that automation is a rapid progress in industrial technology, the latest step in the long search for ways to replace human energy with mechanical energy.

The Commercial and Financial Chronicle...Thursday, November 10, 1953

The Security I Like Best

million, to be completed August, 1954.

(3) A new gypsum plant, twice the size of that operating in the unhappy Playa Bay area is being constructed, to be completed in the Fall of 1956. The plant will pro-

(4) The present Long Beach gypsum plant is being expanded 65%, cost $3 million, additional capacity to be completed in April, 1954.

With its existing and projected developments, the cement and gypsum industry, which is a major factor in the Canadian to Mexican borders, and is over 2,600 miles into the Pacific Basin.

Not only is the West Coast the most rapidly growing section of the United States, but the cement and gypsum industry is a major factor in the American to Mexican borders, and is over 2,600 miles into the Pacific Basin.

Continued from page 2
The Canadian Economic Outlook

By J. DOUGLAS GIBSON* Assistant General Manager and Economist The Bank of Nova Scotia

Canadian bank economist, stressing the great influence of the trend of prices among the U.S. and the world, contends that the U.S. has ceased to take the lead in price change. Calls attention to Canada’s population increase and capital growth, and that nation’s need for an expanding world market. The Bank of Nova Scotia’s investment and know-how, but says program of disposing of U.S. surplus wheat is aggravating the Canadian export problem. Expresses faith in Canada’s ability to adapt her economy to the new world.

Many of you have a long investment experience in a variety of Canadian Industries. You know very well that the factors which are often very important about particular industries in the United States and Canada are a thing of the past. The Franklin problemand the possibilities of the past are not worth as much as they were before. We must make our own judgments in the light of our knowledge of what is happening in the world today. We must take a broad picture of the economic situation of all countries and see how they are going to do in the future.

I am going to avoid detailed discussion of the various industries and talk about a broad picture of Canadian development. We are going to talk about some of the reasons why we are behind it and also about a few economic problems which we face today.

Canada is a nation that has been very fortunate in many ways. We have had a large population increase, a large capital growth, and a very good export problem. But for all these advantages, we have many difficulties to overcome. We must do better if we are going to keep up with the United States. And I think that the world economy is going to be very important in the future.

The Canadian economy is very important to us. We have a large population increase, a large capital growth, and a very good export problem. But for all these advantages, we have many difficulties to overcome. We must do better if we are going to keep up with the United States. And I think that the world economy is going to be very important in the future.

One of the most important reasons why we are behind is that we are not as strong in our export industries as we should be. In order to keep up with the United States, we must do better if we are going to keep up with the United States. And I think that the world economy is going to be very important in the future.

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Trends in Mortgage Financing

By CLARENCE J. MYERS

President, New York Life Insurance Co.

Mr. Myers reviews role played by life insurance companies in the expansion of mortgage credit during past decade, in which companies contributed an estimated $11 billion of funds to the financing of postwar construction. Says there is increasing cooperation between the government and the mortgage lending industries. Defends recent mortgage credit restrictions, and expects an upturn in the mortgage market if the current conditions in our economic system will continue to advance.

You in the appraisal profession and we in the life insurance business have a common interest in what you call the "mortgage lending activity of life insurance companies" and I call it the "mortgage market," in the way that you call it "real estate valuation," and I call it "real estate pricing." It seems to me that the two subjects are words about the same thing.

Clarence J. Myers

An address by Mr. Myers before the American Institute of Real Estate Appraisers, New York City, Nov. 9, 1955

rival is England at $400 per capita.

Bailouts of $11 billion are paid to us annually for this pro-

This is an extraordinary change. A few years ago, it was perfectly clear at this point that the mortgage market was back into a market where the life insurance companies had abnormally large amounts of funds to invest which could be disposed of after prudent consideration of the amount of real estate that should be purchased in the market. Today, in 1945, the picture is changing. Money is tightly controlled by the Federal Reserve System. Today with the government's policy of controlled interest rates, the one, the proportion of assets in one sector of the economy has decreased by $11 billion and our mortgage portfolios have increased by only $1 billion.

So fundamental is the character of our business that we can project with relative accuracy the flow of funds to us and hence we are able to make with confidence commitments to furnish mortgage funds for this construction. This is an aspect of our financial operations that the real estate and building industries should be interested in.

Also, because of the size and complexity of our assets we can put more emphasis on the quality of our investments than on their ready marketability. We are making efforts to get the best com-

The next step is to get the best com-

For instance, there was the un-

The core of the mortgage business, the need for mortgage funding, is what we are meeting. Our mortgage business is here to stay, and we in the insurance business are not only the largest, but the one of the largest, mortgage owners and our gain cannot be measured in the same terms as your gain because we are in a separable part of the economy in which the government is involved. This is a point often misunderstood, therefore I do not think it is necessary to go into the different phases of our work, but to assert what I have stated.

Our business has contributed to the maintenance and improvement of the investment of life insurance funds, and particularly with regard to mortgage investments. One area in which a misconception appears to be found is that relating to the in-flow of our funds. For example, those who are concerned about the way our funds support economic development in this country talk of the way our funds support economic development to the exclusion of the fact that we in the insurance business are long-term mortgage owners, and one thing which is very important, is the fact of our mortgage activity. We have available for investment, as I indicated, the policy owners entrust to our safekeeping. That is a relatively fluid source of funds, and it is not of our choosing.

Disregarding the misconception that the housing field is a non-renewable resource, we believe the demand for housing will continue to be a non-renewable resource. Construction during the past 10 years averaged 1.6 million units a year, and it will be hard to believe that in the next 10 years we will not see a return to an average of 1.6 million units a year. We are not in any business to build houses, but we are in the business of financing the financing of houses. The housing market is a non-renewable resource, and we believe that the demand for housing will continue to be a non-renewable resource.

In this connection it is worth remembering that much of the demand for postwar housing was of a non-renewable nature, just as the supply of housing was of a non-renewable nature. Construction during the past 10 years averaged 1.6 million units a year, and it will be hard to believe that in the next 10 years we will not see a return to an average of 1.6 million units a year. We are not in any business to build houses, but we are in the business of financing the financing of houses. The housing market is a non-renewable resource, and we believe that the demand for housing will continue to be a non-renewable resource.
From Washington
Ahead of the News

By CARLISLE BARGERON

Senator George Bender of Ohio has never been looked to by the Washington correspondents for sage advice. They are inclined to look on him as a man who sang his way into office. It is a fact, however, that he is a man and an officer of tremendous bureau who will either studio or play the piano unceasingly.

Yet out of all the speculation that has come out of the last Eisenhower's illness, it is Bender who has come forward with the most sensible statement of all.

"The President," he said, "will run again because a man can neither rust away or wear away." For his part, said Bender, he prefers to wear away, and he believes the President Goen. Yes, he does.

Bender doesn't claim to know anything about what's going on in Eisenhower's mind. He simply knows what's going on in his. And that is to keep doing.

The only man who can judge Bender is in the United States Senate today, is that he kept "doing."

When you "quit" you're dry up and die. That is Bender's philosophy and it is unmistakably true. It is true of most men.

Fortunately for the Republicans, the story has been ever since he came to the White House, that Eisenhower didn't like the job; he was just rendering a temporary service; that he longed to retire; would probably retire at some time.

The whole Republican party structure has been built around that theme. It has been a bad theme. That a man placed in the highest office of the land was dissatisfied, didn't like his job, the hours, the exhausting nature of the thing; to get away to his Gettysburg farm and golf; that is, if one will just think about it, one of the most amazing contemplations they have ever had before them.

Consider the big men we have had retire from industry at 65; no one of them whom I know is contented to just sit around the house and mow the lawn. The military officers whom we insist upon retiring, or who go out in our new economy, which built so much around the government to get jobs with industry.

Take the controversial McCarthy. Does he consider his days done and washed up? Not by a long shot.

Now, if you accept the proposition that General Eisenhower, at his age of mid-60's is tired, wants to pack up his accomplishments and rest upon them, then you are dealing with an unusual breed.

One of our problems in the past has been what to do with the men of accomplishments such as Eisenhower has had. We may make too much of the value of agencies or organizations rather than dismiss them. They have been too energetic to be dismissed; some of them with their reserved energies have come to be nuisances.

Apparently, though we have assumed that General Eisenhower, notwithstanding that he jumped pretty much overnight from Lieutenant Colonel to General in command of our armies in Europe, that he is the kind of man who likes any of it. It was all just forced upon him. And he has accepted these honors, particularly the Presidency, as a favor, being a good fellow.

This is a lot of nonsense, of course. The general assumption now, that this is a writer's mind, is that having been bored with the Presidency in the first place, having found it onerous, now after his heart attack, he would manifestly give as a reason for not running again.

That, in my opinion, is where George Bender has made a very sage remark, that a man can "either rust away or wear away." I have never known a man, retired in wealth or a man retired on a street car conductor's pay, who would not prefer the latter. The tragedy of old men is that so few have the opportunity of "wearing away."

All too many of them just have to rust away.

Those, who have been saying, even before his heart attack, that General Eisenhower would like to "rust away" on his Gettysburg farm are not very cognizant of the ambition which has brought him to where he is.

I am mindful, too, of the fact that the Presidency has never drawn from his health. He has had a long training on how to take things easily. It is inconceivable to me that he will lightly give up a second term in the White House, his Gettysburg farm notwithstanding. That seems to be an out of his present term, it would seem he can run for one another.

RUSSELL WITH KINNARD

To Be Risser, Harmon Co.

Effective October 1, following the retirement of James M. Leopold, the firm name of James M. Leopold & Co. will be changed to Risser Harmon & Co. Earl T. Risser, manager of the firm, will become a partner in the firm.
The stock market saw little in the election results to change anything basic and continued to work higher after being put out of a rut on the upside this week. The paramount interest centered on the year-end dividend meetings with investors quite obviously expecting to share a greater extent in the booming business of this year.

Where, as in the case of International Paper, the cash and stock payments were the same as last year, market reaction was immediate. Chrysler, which had hoped for at least a partial return on its old dividend rate that had to be halved last year, was held back much of the day the lower rate was continued, but a dollar extra tossed in for the year-end helped to save the holding partially.

The GM Payment
General Motors fared well when the company authorized the first payment on the new issue—a dollar-year-end dividend on a payoff of nearly $300,000,000. The stock's first chance to respond was not taken advantage of on the day after the elections and it built up a fat 35,000-share opening trade in the issue. It was the equivalent of a $3 year-end payment against the $2 paid last year but only about the amount of the "regular" quarterly on the new stock up in the unit until the next directors' meeting.

The old stock of General Motors disappeared from trading after the week's initial session as the 3-for-1 splitup became effective. The last few trading sessions for the old stock were highly sedate ones. Unlike many issues that have reacted quite markedly recently, the GM old stock was not hung up. It posted its high subsequent to the late September trimming of the market generally, and ended its trading life a scant half dozen points under the best, or some points above the 1955 low.

Du Pont wasn't oblivious to the $63,000,000 that the GM dividend lost as the 3-for-1 splitup on the shares it holds and the stock was able to catch that occasion to recover around $10 per share of the ground it had lost in its reaction of recent weeks.

Quite a few issues have sizable gaps between their year's best postings and current levels. Many have met or exceeded even before the September break, notably the air-

Crafts that had been couponed to show above-average stability and occasional definite favoritism as the large orders for jet transport fleets from the domestic airlines continue to put a most hopeful face on the civilian activities of the plane makers. Boeing was the week's recipient of a fat order from American Airlines which helped it put on a better showing. The airlines themselves, despite favorable earnings, have had little following, possibly because of the huge financing absorbed to acquire the new fleets. Where some other favored issues have sold at 25 and 30-times earnings, the air carries are prominent at the low end of this measurement, currently running below 10-times earnings.

**Jersey Stimulates Oils**

Standard Oil of New Jersey was buoyed by its official split proposal and helped the other oils stand out as some-what above average in market performance. Warren Peterson, however, which enjoyed a long run of popularity, was hard pressed occasionally, making it some-what a casualty on the side. On a times-earnings basis, incidentally, the oils with their heavy depletion allowances feature in an occasional statistical game of refl uoring the price on a times-earnings basis. The actual cash flow of Jersey, for instance, will probably be $8 more than the formal report of results this year, which reduces the market price to an eight-times-cash basis against the 13-times-earning.

**Split Candidates**

Among the chemicals it was largely a case of stock split candidates that did most of the work. Du Pont, whose directors meet early next week, was the center of most of the interest. Hopes for some division of Mathieson Chemical shares had largely been put off as a matter to be attended to next year. In the chemicals, Olin Mathieson, one of the newer of the giants, was available at a slightly more liberal yield than the usual run in the division. The company eruped to giant stature only recently after the Mathieson Chemical-Olin Indus- tries-Blockstock Chemical mergers pushed it into fourth place in the industry.

Department store issues continue to be favored by some of the market specula-

lors, largely because sales are up markedly over last year and the holiday season with its boon to sales is imminent. Liberal yields are available, another inducement; for another, the issues have been quiet all year and aren't among the issues that will show any stirring activity. Selling which is starting to show up in some of the more seriously depressed issues.

**Mail Orders Spurt**

Mail order stocks occasionally went to put on a good show of market popularity, a bit of the play in view of the Holiday Ward stemming from stock split hopes shows that a more aggressive merchandising policy is starting to show results. Sears, which already has planned a split with the special meeting to be held next month, did it, was able to keep pace on daily gains, but, unlike Montgomery, made no serious attempt to break out into new high territory.

One issue, held back marketwise to a degree by the large need for expansion capital, is National Gypsum which has held in about a 15-point range all year. The company has been engaged in expanding its gypsum reserves, including one deposit which has reserved to carry the firm for ten years. Its split proposal has a bit to go yet but this is expected to be completed in midyear with the end of the drain on the company's funds.**

**From a technical standpoint, the fact that the market has shown it can still surge uphill after a period of inertia suggests the 'market' is necessarily decisive yet. The high-water mark of 475 which the industrials reached on the previous incomplete, rebound from the Sept. 26 deluge is considered the first crucial point to breach before enthusiasm will become somewhat rampant. The going became a bit stiffer as the average approached this area. How much this was due to the intervening holiday for Election Day and how much to technical resistance was still far from clear. Also obscuring the picture somewhat was how much tax selling will have to be absorbed between now and the end of the year. But such selling was generally agreed as being an influence not present last year to any considerable degree and there was plenty left to keep the traditional year-end rally in a somewhat narrower pattern than usual.

(The views expressed in this article are not necessarily at any one time coincident with those of the Chronicle. They are presented as those of the author only.)

**SECURITY TRADERS ASSOCIATION OF NEW YORK**

the 1953 annual meeting and announce that the following candidates have been nominated to hold office for the year ending 1954.

**President**—Edward J. Kelly, Carl M. Loeb, Rhoades & Co.

**First Vice-President**—Nathan A. Krumholz, Siegel & Co.

**Second Vice-President**—Henry Oetjen, McGinnis & Co.

**Treasurer**—Daniel Meyer, Tucker, toned, Strauss.

**Secretary**—Barney Nieman, Carl Marks & Co., Inc.

Edward J. Kelly
Barney Nieman


**National Committee**—Samuel Majdill, Hill, Thompson & Co., Inc.; John J. O'Kane, Jr., John J. O'Kane, Jr.; Harold B. Smith, Pershing & Co.


Nominations other than those selected by the Nominating Committee can be made by a petition presented to the board endorsed by 15% of the members eligible to vote for candidates. All nominations shall close 15 days prior to the Annual Election, Respectfully submitted. Members of the Nominating Committee were: Leslie Barbier, G. A. Axten & Co., Inc.; Thomas L. Curry, Store & Website Securities Corp.; Wm. L. Ekelton, Merrill Lynch, Pierce, Fenner & Beane; George V. Leone, Leone & Pollack; George V. Hunt, Chairman, McLaughlin, Cryan & Co.

**SECURITY TRADERS ASSOCIATION OF NEW YORK**

Bowling League standing as of Nov. 3, 1953 is as follows. All nominations shall close 15 days prior to the Annual Election, Respectfully submitted.

**Serlen (Capt.), Gold, Kromholt, Weichsel, Gersten—**

Samson (Capt.), Jacobs, Barrett, Siegel, Yunker—

26

Lehman (Capt.), Fies, Pollack, Kohner, Fredericks—

24

Donohoe (Capt.), Brown, Weir, McGowan—

26

Leibnard (Capt.), Bies, Pollack, Kuehner, Fredericks—

24

Doven (Capt.), Brown, Weir, McGowan—

26

Meyer (Capt.), Corby, A. Frankel, Swanson, Dawson-Smith—

24

Toomey (Capt.), Define, Alexander, Montage, Wessman—

24

Bradley (Capt.), C. Murphy, Vocelik, Roger Hunter—

24

Krisen (Capt.), Farrell, Clemente, Gronick, Planagan—

24

Leon (Capt.), Smith, Growney, Platt, Topol (Capt.), Eiger, Nieman, Weisbass, Forbes, Klein—

15

Kaiser (Capt.), Kullman, Weinkarl, O'Meara—

14

200 Club Point Duke Hunter——202

5 Point Club Mike Growney

Wall Bradley

Joe Donadio
Character Audits for Corporation Executives

By ROGER W. BABSON

Warning natural resources may be depleted, Mr. Babson urges more caution and wisdom in consuming our reserves. Points out, also, it is important to build our spiritual resources, and dedicates appreciations will in future report on the character and health of each company's leading executives.

We have approached the stage where we must consume our resources with more caution and wisdom. Unfor-tunately, too many of us have looked upon these vast resources as nature's gifts, to be used as desired. Our minerals and forests have therefore been used to a freely, although we have achieved one of the highest standards of living.

Through our skillful utilization of coal, iron, aluminum, copper, and other raw materials, our work has been made easier. We have more leisure, so that we may follow cultural pursuits. However, this leisure, to be meaningful, should include pursuits which add to our spiritual values and not just those which further our pleasures or promote more technical achievements.

Natural Resources May Be Depleted

The wisest industrial leaders have begun to look at the time when some of our precious natural resources will be depleted. With plans for solar, atomic, and gravity power still only in development stages, for our present time uses, we especially need to conserve our resources so that we may make the best possible use of them. We should, therefore, be more careful of our own, forest, and oil reserves. We are already replenishing our woodlands by reforestation—and are using better methods of soil enrichment, fertilization, and land cultivation so that each acre of farm land will yield more efficient crops.

We have also realized that we must search for new and additional reserves of natural resources, not only here, but also all over the world. More countries will then be able to develop their own industries and agriculture, so that more people may benefit therefrom. Each country will produce those items which it is able to turn out most efficiently. Then, these products will be exchanged so that all industries may be used to the best advantage of everyone, everywhere.

The Ultimate Goal

The ultimate goal of the wise use of natural resources is to raise the standard-of-living, and it is important to keep this goal in mind. Moreover, it is just as important to emphasize the building up of reserves as of physical resources. Our nation's true power is in its spiritual strength.

Therefore, in our attempt to conserve natural resources in order to attain material well-being, we must emphasize the dignity of the individual. This country has become the richest nation in the world. We have proved our leadership in industry. We now show our leadership by building up our spiritual and other human resources.

How to Develop Spiritually

Most readers are asking for a practical method of developing this national spirituality. I, of course, am very happy with the example which President Eisenhower has set us by attending Church services regularly and trying to make Sunday different from other days. I also appreciate his opening his Cabinet meetings with silent prayer. Certainly the habit of family prayers, under which I was trained, was a great factor in my life. I believe that Bible reading in the public schools should be retained. When I think of my ancestor, Reverend John Rogers, who was burned at the stake Feb. 5, 1555, for translating and distributing the Bible, I feel ashamed of myself for the little effort I am making to increase Bible reading, especially the reading of the modern condensed Bibles such as the "Soul of the Bible," or "Reeve's Brief Bible."

When admitting students to Babson Institute, we do not ask whether they are Protestant, Catholic, Jewish, Hindu, or Moslem, but we are greatly interested in their character and hope they pray to the Universal Father. The nation must, however, go even further; we must see that our corporations are led by men of character.

I forecast the day when auditors of corporations will report statistics to stockholders indicating the character and health of the leading executives just as they now give financial statistics. This is perhaps the most important thing we could do to assure continued prosperity.

With Southern Inv. Co.

SUNLIGHT POWERS TELEPHONE CALL FOR FIRST TIME

Bell Solar Battery is mounted on telephone pole at Americus, Georgia, to power an amplifier on rural telephone line.

Bell Solar Battery

TAKES ANOTHER STEP FORWARD

Bell Telephone Laboratories invention to convert sun's rays into electricity now used in interesting test. Has wide possibilities for telephone service and in many other fields.

As far back as Archimedes, men were searching for a way to put the almost limitless power of the sun to practical use. The dream has been brought closer to realization by the Bell Solar Battery.

It was developed at the Bell Telephone Laboratories after long research and first announced in 1956. Since then its efficiency has been doubled and its usefulness extended.

An interesting test of the battery's possibilities is now under way at Americus, Georgia, where it is powering an amplifier station on a rural telephone line.

Mounted on a telephone pole, it furnishes electric power during daylight hours. At the same time it charges a storage battery to provide power for nighttime operation and periods of cloudiness.

What has been done so far is the opening of a door through which we can glimpse exciting new things for the future. Increasing hope for success in harnessing more and more of the power of the sun has come from the Bell Telephone Laboratories development of the Bell Solar Battery.

The Bell Solar Battery is made of thin, specially treated strips of silicon, an ingredient of common sand. It should have a long life because there are no moving parts and nothing is consumed or destroyed. Needs no fuel other than the light of the sun itself.
Atomic Energy and Electric Power Construction

BY LT. GEN. LESLIE R. GROVES (Ret.)

Vice-President of Remington Rand Sperry Rand Corp.

Director of first atomic energy project discusses peaceful uses of atomic power and the prospects of further development.

Peacefully towards the end of the cold war is the advent of electric power, and states atomic power will not displace other forms of energy, but will be used for expansion. Finds, however, the growth of atomic power will bring with it will be additional construction work, primarily in field of instrumentation. Concludes another decade will pass before atomic power use becomes truly economic.

The explosion of the atomic bomb has created the immediate surrender of Japan destroyed the capability of the average man towards the advance of science and technology. The effect has been, in the words of the world's thinking, something we find naively, practical engineers, and workers in the engineers discuss it as the p r e t e n d e d time to a decade or two.

Leslie R. Groves,

An address by Gen. Groves before the Kansas City Association of Commerce.


give us an appreciation of the atomic power as we see it today.

but the delineation of details is still the emerging atomic power.

Frankly, the picture is still blurred in many areas—where we can see what the future might hold. And after that the way the bomb was exploded under conditions publicly with their views, neither have I attempted to make any reservations for such a view.

But when we return to, may I say, the world of the atomic power, the subject like atomic energy, it might be just as well if we engaged in a frank discussion in terms of the exact details of the future and get down to the fundamentals.

After all, that was the way the Atomic Energy Project started, and did do a little speculating from time to time, but we did not allow that to affect our immediate objectives. At this time we do not really know whether there will be numerous smaller plants aimed at serving very restricted areas of the country, whether we know not whether or not we will be a low-cost producer and then centrating industrial activities around big greater, large power centers.

Why should we spend what might be productive hours worrying about what this country enterprise has made this country great and it will continue to do so. But let us remember the world—EDENTRIP. It is not in the long-winded conferences, nor does it mean endless talk and speculation.

To meet us it will con- continue to mean GET-UP and GO, making decisions positively, then forcefully and courageously carrying them out. I hope that this will continue to be the American doctrine as the Atomic Age unfolds.

You are all aware, some of you were interested in it a good while ago in the tremendous transition that has been going on in the world from the years of the great depression, and today there is no evidence that there will be a similar transition down in the rate of transition.

The newspapers, television, and radio have been engrossed for a period that for a short period had been lighted by the peoples of the nation by the small atomic power. Who were worried about the possibility that houseswives would some day fry eggs, or boil coffee or run vacuum cleaners on atomic power?

The atomic power development picture was started with large broad strokes that gave us a picture of what the future might hold, but the delineation of details is still the emerging atomic power.

The picture is still blurred in many areas—where we can see what the future might hold. It is still the future in the dark but we can see that dawn and then daylight are not far away.

From the time the Manhattan Project started in the late summer of 1942 we had only one goal and that was to develop a bomb that sooner than an earlier end to the war than was possible, and to save the lives of thousands of our fellow American citizens. I know this could greatly strengthen our resolve and give atomic power a growth.

Development of Peace Time Use of Atomic Energy

At time went on it became evident that after the war we would perhaps be in a period of the development of atomic energy into fields other than military. In one of the earliest reports of the Atomic Energy Commission it was noted simply that the value of atomic energy would not be limited to military activities.

And long before the first bomb was exploded under conditions of making preparation in the direction of this work.

Another example, and one with prominent results were achieved, was in the field of radio-active isotopes.

Here we made plans for the distribution of these resources and even commercial use. Less than six months after V-J Day our basic production was completed and not too long after that the first shipment was made. Since day tens of thousands of shipments, not a hundred thousand, have been made to something over a thousand institutions in the United States, and many more have been sent abroad. Private industry has been given an atomic field for a number of years.

Atomic Energy and Power

Like most thinking people—most of you have probably wondered what it means to have a new age of atomic energy and power discovery. Have you wondered in your case just how the electrical contractors, are going to be affected by the new methods of power development?

You have wondered whether it will be a specialized field, or one which will be open to all, or whether it will be need for individual skill has lessened, and a greater knowledge has increased. The advantage need this need even greater. If you are going to ignore the scientific advances in the atomic field, to use a football term you will be left in the flying wedge. The Atomic Age is coming in the days when the Big Three dominate the world. You have to work with "T" and "S" formations today.

No one is going to be sure, just when the Atomic Age is going to develop, or if clear energy will be an appreciable factor in generating industries. Today, it looks as if it were not many years off in certain sections of the world.

The Atomic Energy Progress In England

England is approaching that time now. She may well be the first country to make widespread use of atomic power. Last week, in a see in New York, one of our old British colleagues in this field, Sir John Cockroft, who is the head of their atomic research at Harwell, England, outlined their plans for a large atomic power station that we would be building in the near future. He said that the engineering knowledge gained in this would be so great that we would then have a feeling that other sources of fuel would be impossible.

It must be remembered, even when we consider the ever-present British problem, the situation is quite different as we have a greater availability of coal and at present could get more plentiful supply of petroleum in the sterilisation of foods, etc.

There is also the distinct possibility that the addition to uranium, as a basic power source. We have long known that this was perfectly feasible. In fact, we carried on this work in the field during the war and very much interested in finding out the possibilities.

Naturally, you are vitally interested in how that industry and you will play a part in the construction of nuclear power facilities. You are interested in how much of the work that will be done by public utility companies and how much by industrial enterprises. We are going to do both.

As you can see, there is a tremendous job of planning and organizing in the early stages of the large atomic power, and the engineering is well along and it should not be too long before construction is started.

Let us consider that atomic power and money. You will find that in the future we shall be surprised with the audiences with which it becomes an important factor in our economic life.

The time has come that I am an undue optimism in thinking that atomic power was to be the money commodity. As I put it then, I felt that it was just around the corner. One decade has passed and so far it is not true. I believe before this power becomes a money commodity.

If we were asked to predict, to-day, I would say that it would be sometime after the next decade before this power becomes an important factor in the national economy. I do not believe that I am referring to economic conditions in the United States, but in the construction of atomic power is currently in being applied to the propulsion of nuclear vessels, and nor am I referring to the large power projects in isolated areas of the world.

As I said before, I am sure, that in the next few years of atomic power really opens we will be privileged with the rapidity with which it takes. It will be too late then for individuals and organizations to speculate without a foundation.

The fundamental principles involved in the construction of these plants. I would advise you to look to yourselves for time to come. If this construction work will involved, at least in the number of years, in the hands of those who are prepared. May I remind you that these projects, such as our, our TNG and powder plants, and possible upside of a number of electric power projects that we have not yet been able to sort out.

In terms of power, I believe that you can get the order of magnitude that just as our Armed Forces must be ready if war should strike us again. Let me remind you of the parable of the wish and the foolish man.

I want you to think of the future so that, like them, you will be ready.

LETTER TO THE EDITOR:

Finds Flaw in J. E. Holloway's Article on Gold as Money

Richard T. Hall of Boston takes issue with the statement that subsidiary uses of gold, such as ornaments, get value from the use of gold as a commodity.

Editor, Commercial and Financial Chronicle:

I note the following from Dr. J. E. Holloway's article (issue of Oct. 6, 1955):

"While gold serves as money in the economic system we can disregard its subsidiary uses like jewelry and ornaments. But the bookkeepers' supplies its value for these purposes from its use in the monetary system of the day, and the base metals.

My comment on the above is that the reverse is nearer to the truth. If a given item has no value it has no use if it is not the monetary base or standard. Money is transferred elsewhere. The base metal has no value so long as it is in the form of a jewelry piece or ornaments. Then, it can only be used to become capital and have a fixed weight of the money commodity. If a bushel of wheat is worth, say, one dollar, this dollar should always be a fixed weight of the money commodity; never, more, never less. To deviate from this principle is merely to currency manipulation, which is nothing other than selling the commodity standard.

RICHARD T. HALL

177 S. Botolph Street, Boston 15, Mass.

Nov. 3, 1955.
Thoughts on the Restoration of a Redeemable Currency

BY GEORGE S. MOYER, PH. D.
Freeburg, Pennsylvania

Dr. Moyer holds a courageous restoration of redeemability of our currency would apparently accomplish more to stabilize economic situations, and to encourage confidence, than any other known device. It only requires to operate in close large recurrent wage demands by establishing conditions approximating stability.

Aside from the havoc wrought by the non-depositability of money, nothing conceivably as large as a revolution as it stands,1 or a blighting inflation. The present economic maladjustments are, however, closely related. Irredeemability usually becomes associated with war financing, and may possibly be extended to any combinations. Where, however, such extension occurs it is continued and infallible results will invariably appear. Inflation will become one of the most pressing problems. Depending upon the limits of the monetary unit, may be depreciated. The power of money and by the system. It is debasing the system. The power of money and by the system.

The practical angle of the problem is whether or not a shift to a redeemable currency could be achieved. This would represent a's apparent and radical change in a given, presumably, the unfortunate and impracticable situation. It is possible, however, to achieve a shift. This is true in the case of the smaller units of currency.

The problem in effective extension of inflation, and the impracticable situation, is it to be arranged for in such a manner as to be further modified. The power of money and by the system.

People in their collective capacities, and in their personal capacities, are essentially and impracticable. The problem of establishing and maintaining a necessary monetary discipline is, in the case of the other vital issues, the problem of the other. The introduction and maintenance of a discipline will be a long road in the matter of correcting the wreckage, which is apparent in the present monetary techniques which have been occasioned. The problem is one of maintaining a discipline.

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Consolidation of the First Suffolk Savings Bank, with the First National Bank of Huntington, Long Island, N. Y., with The Bank of New York, with the First National Bank of Weymouth, Mass., and the First National Bank of Moriches, N. Y., became effective at the close of business Nov. 4, it was announced yesterday by President George A. Henney, President of all the banks.

The merger, it is stated, was an agreement of the three institutions at their respective meetings on Oct. 28, followed by the approval of the Comptroller of the Currency, at Washington, D. C. At the same meeting stockholders approved the change of the name of the combined organization from First Suffolk National of Huntington to Security National Bank of Huntington.

"This was done," Mr. Henney said, "to avoid any possible confusion or misunderstanding with five banks in the neighboring county financial institutions that are presently using the name of Suffolk in their titles.

"The combined bank will be known as Security National Bank of Huntington. It now has a total capital deficiency of $6,000,000 and total assets of more than $8,000,000, which will be increased to $10,000,000 by the merger.

"The bank will continue to serve the town of Huntington, but the combined bank will be located in the Country Seat Office in Mineola, along with William Etheredge and Robert Hegeman, Assistant Cashiers.

"The conversion of the National Bank of Great Neck, of Great Neck, L. I., N. Y., into a trust company under the name of the Central Bank and Trust Company, with a capital of $500,000, was authorized by the State Banking Department on Nov. 18. The conversion has been authorized to operate a personal loan department.

"An announcement was made on Nov. 25, by the First National Bank of Long Island, N. Y., to a Certificate of Incorporation providing for a state bank of 10,000 shares, par value of $10 each, consisting of 5,800 shares, par value of $10, and further to provide for an increase in capital stock of $500,000, consisting of 42,500 shares, par value of $12.50 each, to be paid in cash on or before Dec. 22. Stockholders of record on Dec. 1, 1955 will be entitled to $2.50 per share of stock, to be paid in cash on Jan. 17, 1956, in accordance with a resolution adopted by the board of directors on Nov. 3, 1954. The first stock issue and the stock dividend will bring the total capital of Long Island Trust Company to $1,125,000 and surplus to $1,380,000. The bank estimates that capital, surplus, undivided profits and valuation reserve is equal to approximately 200 per cent of its capital.

"It is the intention to pay dividends at the rate of one dollar per share each year.

"The New York State Banking Department reports that as of Oct. 18, 1954, was given a certificate of incorporation providing for the organization of the American Mercantile and Trust Company, which will have a capital stock of 1,000 shares of $100 each.

"The Peconic Bank of Sag Harbor, L. I., N. Y., is reported to have named a new board of directors, which will consist of 2,500 shares of the par value of $50 each, to $50,000, consisting of 4,125 shares of the same par value.

"An increase in the capital of the Madison County Trust Co., of Waco, Texas, on Oct. 25, is learned from the New York State Banking Department. Previously, the capital stock consisted of 1,000 shares of $50 per share, which has been increased to 15,000 shares of $50 per share, to a total of $553,760. Total assets as of Sept. 30, 1954, aggregated $932,430, capital stock was $100,000 and surplus and undivided profits $432,430.

"The President of the Franklin Na-

tional Bank, Arthur T. Roth, of Franklin Square, N. Y., announced on Nov. 3, several promotions incident to the recent expansion and reorganization program within the organization. Don Jones was elected Assistant Vice-President, Henry F. Plock was Vice-President in charge of the Central Office of the Franklin National Bank and Thomas Motola Assistant Vice-President for the Franklin Square Office in charge of the Operating Department.

"The First National Bank and Trust Co., of Ft. Worth, Tex., has enlarged its capital to $150,000, by the sale of $15,000 of new stock.

"Stockholders of the Morristown National Bank, N. J., approved on Nov. 3 a proposal to the 10,000 additional voting shares of the bank stock by $40,000 through payment of a stock dividend on the outstanding stock of the bank.

"The First National Bank of Ft. Worth, Tex., has increased its capital from $300,000 to $500,000, by the sale of $150,000 of new stock.

"The First National Bank of Willow Grove, Pa., will pay to its stockholders a $50,000 stock dividend, raising its capital from $250,000 to $300,000.

"The First National Bank of Uniontown, Pa., will consolidate with the Uniontown National Bank of Uniontown, Pa., and will pay to its stockholders an additional $50,000, raising its capital from $100,000 to $150,000.

"The First National Bank of St. Paul, Minn., will pay a stock dividend of 25%, raising its capital from $10,000 to $12,500.

"The First National Bank of Aurora, Ill., will consolidate with the Aurora National Bank and will pay a stock dividend of 50%, raising its capital from $20,000 to $30,000.

"The First National Bank of Mineola, Texas, will consolidate with the Mineola National Bank and pay a stock dividend of 50%, raising its capital from $25,000 to $50,000.

"The First National Bank of Kankakee, Ill., will consolidate with the Kankakee National Bank and pay a stock dividend of 50%, raising its capital from $20,000 to $30,000.

"The First National Bank of Fort Worth, Tex., has increased its capital from $300,000 to $500,000, by the sale of $150,000 of new stock.

"The First National Bank of Ft. Worth, Tex., has increased its capital from $300,000 to $500,000, by the sale of $150,000 of new stock.

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The Current Sterling Exchange Situation

Dr. Paul Einzig, noting that for the first time in 14 months sterling rose above the official minimum limit in terms of the dollar, trends to the improvement in the British trade accounts, and the prevalent influence of the "psychological influences" will have their ups and downs, but in the long run, the rate of sterling will depend on the British Government's ability to control the wages spiral with the aid of interest -

LONDON, Eng.—For the first time in 14 months, sterling rose above the official minimum limit at the beginning of November. For months past the currency has been on the picket line, as far as the Treasury was concerned. But the Treasury, by the majority of foreign dealers, has not been allowed to go on the picket line, the Treasury with satisfaction that "once more the British Government is in the face." After all the persistent devaluation rumors of recent weeks, the Treasury has been thinking of taking a vacation.

Paul Einzig, supporting the Treasury, and persistently under the parity of $2.875, has watched the sterling with great relief in official circles where a premium on sterling is regarded as a financial disaster. Hilts of the government by the majority of foreign dealers, and with satisfaction that "once more the British Government is in the face." After all the persistent devaluation rumors of recent weeks, the Treasury has been thinking of taking a vacation.

Another reason of the favorable sustained support is the new measures in the realization of the possibility of "flexible" means of security. By the bill amendment, the Treasury is able to borrow by local authorities will go a long way towards reducing the need for normal trading purposes that the economy has been largely offset by an increase in the reserves of the national authorities. Now that this loophole has been stopped, it seems likely that the restrictions will be better when the considerations of the Treasury.

This may take time, but the Treasury believes that this crisis was sufficient for strengthening sterling, because of the low level to which the financial markets will have been reduced, and because of the world-wide short positions in sterling. Once it is realized that a devaluation of sterling is not likely, sterling is likely to be more expensive and the short positions are likely to be more expensive. Sterling's weakness during the summer foreshadowed the Treasury's later troubles. Mr. Butler's critics have been at fault in thinking that the British authorities have been playing with the currency.

It is now evident that the Government intends to proceed with unpopularity steps aimed at reducing the margin of levels of rents. Those familiar with Britain's economic situation realize that one of the main causes of trouble has been the artificially low level of house rents. This is not a new cause of trouble, but there has been an insatiable appetite for lower house rents, and a desire for easy accommodation. This has diverted to house building, an abnormal amount of land - a large proportion of which is not to be sold for immediate investment, which has been largely responsible for excessive imports, inflated exchange, and depressed exports.

Admittedly, so long as the wages spiral continues to rise, the chances are that the workers will be able to secure increased pay to compensate for the higher rents they have to pay. But what happens when interest rates are so high that the people have obtained wages increases corresponding to the increase in rents, the people will be much better off than they would be if they were paying the interest rates on their earnings will be higher than it is now. The Treasury is working towards forcing them to moderate their housing requirements. The change is not imminent. It may take some time before the Treasury is able to introduce the bill amendment that will prevent sterling from being released.

Several factors Points From the Exchange Prospects of Sterling Doctors

Dr. Butler's critics have been at fault in thinking that the British authorities have been playing with the currency. It is now evident that the Government intends to proceed with unpopular steps aimed at reducing the margin of levels of rents. Those familiar with Britain's economic situation realize that one of the main causes of trouble has been the artificially low level of house rents. This is not a new cause of trouble, but there has been an insatiable appetite for lower house rents, and a desire for easy accommodation. This has diverted to house building, an abnormal amount of land - a large proportion of which is not to be sold for immediate investment, which has been largely responsible for excessive imports, inflated exchange, and depressed exports.

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Net Debt in the United States

pared with a figure of $10.9 billion as of the end of 1929.
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cause there are definite limitations in the use of credit. Being year-end estimates they do not necessarily correspond to full-year figures. It should be recalled that the charges on debt are related to a number of multiplier effects of debt expansion, from which the charges must in-
surmountable. Whether the figures reveal the the market of the funds. It is significant in-
even if the charges are not exactly the same such as to increase the burden of debt and the
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credit expansion rather than the purchase of a new house, which increases the cost of debt and the
purchase, the net increase being $4.3 billion, during
of 1922, total net debt expanded throughout the period, maked in 1919,

The Servicing of the Debt

In the United States the public is in a
object discussion is debt and not credit.
When we speak of debt we mean only
point in the lives of many, say many years.
In 1924, for example, the total debt of the
increase not the obverse of debt and
credit. There are two types of debt:
the mob besides the present.
But why not take the Leroy,
the mobilization of the depression.
the incompatibility of the happen-
the proportion is always higher. But
and of the burden of debt has increased,
the proportion of the burden of debt has

It is a bigger problem than the
people, who have "unpaid debt," which
money. The amount of debt is
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that until the outbreak of war in Europe, the Federal Reserve's net debt had only reached $189.9 billion; a figure slightly lower than a dollar bill in Washington.

We have heard much of "New Deal" pulling power and the alleged failure of the same—of an examination of the debt figures reveals a reality that the government sector—primarily the federal government—was underwriting deficits. This, in the face of net debt, which on the eve of the war in Europe was $211.2 billion; a figure nearly 50% higher than the same number at the end of 1929.

The expansion of debt in this country since 1945 has been nothing less than fantastic. Up to the end of 1945 the principal impelling force grew out of the war-encrusted deficits of the Federal Government. After 1945 the real pace of debt accumulation slackened somewhat and the story of the debt and the state and local government sectors came into play. By 1947, the rate of debt expansion was way down.

The sharp and unprecedented expansion in the Federal debt after 1939 virtually four times (from $20 billion to $79.1 billion) and which had not been exceeded in the entire history of the United States. 

The very large volume of savings results from our high levels of national income distribution. Departures from the normal pattern of income distribution have been virtually non-existent in the past. The most significant deviations from the pattern of the past have been accounted for by the government sector accounts, government transactions, and outlays for materials.
The Canadian Economic Outlook

strong until recently to lead to their development.

Turing. The 15% financed by non-
residents, largely from your coun-
try, and a substantial share in the
petroleum, aluminum, iron and steel industries, as well as a substantial share in the pulp and paper industry and in other industries such as automobiles and chemicals. In this latter group of in-
terest in our basic resource de-
velopment. We are fortunate to have such
large United States participa-
tions, and this has resulted in many
developments have gone hand in hand. If
they would have been possible
rather than otherwise we would have
to increase the "own" and "as well as money
from the United States and the
two very frequent came
together. To some extent, however,
that there is room for criticism of Canadians in that
their policies have not been made
as useful as could be. Canada has been rather con-
servative, and has not been
able to follow the potentiali-
ses. We should take the first
out of your book of United
states, and at a similar stage of
development you tended to sell
the bonds of your country and to
keep all your eggs as quickly as you could.
I think we shall do well in Canada
and the United States if we are going to
do a good deal more with
where we have had them.

Underlying Trend Decidedly Upward

To sum up, I think that the un-
derlying trend in Canada is
clearly upward. World demand
for our basic products is with,
and the world market is
there is much to suggest that it
will continue. This is the American economy,
the recovery of Western Europe,
and strong, and this is very good news for
in the world's population and the trend
and the United States will all sug-
gest a rising demand for the kind
of materials we have been discussing.
Canada is particularly favored to produce
metals of most kinds, and yet again
and gas and asbestos, forest prod-
ects of every kind, and every
grain. Moreover, I think Canada
has shown an ability to adapt her
and becoming in the next world de-
mands in recent years, which
sugar well for further growth.
and technological advance may be
very rapid with resulting shift in
in demand from one commodity
to another.

But Some Questions About Near-Term

However, I do not wish to sug-
but that is just the other side of the
problen of the problems concerning the fu-
ture. If all the economies in both
countries and Canada are very
active today, that activity is likely to evolve
degree on a high rate of demand for
Canadians' products. The de-
mand for both these important
groups of products is very firm and strong,
and there is a good deal to support the view that
it will be in the high level.
The automotive population
is not allowed to dissatisfy
with the increase in income and human
and, though

the age of those born in the
there has been the con-
I see, that this fact will
fairly common and

The difficulties of our secun-
dary industries have also been
aggravated by the higher rate on the
Canada dollar. When we think of the
change rate and adopted a mar-
ket rate of exchange, the Cana-
dian dollar gradually strengths-
ened and it was not long before it went to a premium over
the United States dollar. I suppose it was good for the national
pride after so long a period when the United States was
out of favor. For a while there was a certain amount of rejoicing at
the street, but there was certainly a well-developed
inflation of the Korean War since
of the dollar had increased.

Questions of Farm Surplus

How do we dispose of farm surpluses.

Here I come to the most seri-
ous problem facing the Cana-
dian economy and one in many
countries is disturbing the problem of
the grain surplus and the decline in demand for
our industrial goods. Canada, unfortunately,
for the United States and Canada as our
viewpoint we would have a five wheat crop, the

by the Canadian government
and will remain for a very considerable time severely repre
tent a shift in the whole of our market
space can be found to absorb wheat from the farm is to move
more wheat into export channels.
And here we have been encour-
ging a differentiation of type of competi-
tion from your country.

The United States for our surplus and
enables many Canadians believe you are aggregating it and
pursuing policies that
are regarded as nearly.
You have nationalized the credit support structure which is fre-
tained by many authors an important
of the dollar now
we have, and are employing other
the hallmark of recent years.

It is not only the United
of the dollar now
of nationalization of the credit
when the United States

In fact, of course, there
were no other important considera-
tions. To have pushed the ex-
change rate downwards would
more have necessitated an
increase in budgetary and fiscal measures so that which was pursu-
and which is most
of the time in the interests of
U. S. Government obligations.
The exchange rate downwards
would have been equivalent to an
inflationary policy. As
this would not have been
a very
interesting result, it
is not the type of policy we
have been employing.

Disadvantages of a High Exchange Rate

We have avoided the necess-
dary, and in fact, the in the case of
the United States, however, the
change rate has tightened
Canadian monetary policy and
been restrained for the last
very few weeks.

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Need for U. S. Trade Leadership

I believe it should be recognized that economic policies of the United States have been of enormous effect throughout the world in that the United States has been a leader in the last few years. The leadership has weakened, but your country is no longer the leader toward which the rest of the world is directed and there is a great deal of emphasis on the United States in the present direction in the other countries.

Obviously, your economic policies are your own business. At the same time, you will find that the rest of the world is so great that any taxation changes which will be deeply concerned but much influenced by your actions. If you change in an advantageous direction, that is of controlling trade, trade which will go worldwide, or that the free world will follow. But if you do not change in the right direction, some much weaker economies are likely to be influenced by your actions. There is a very real danger that the whole world economy may go into a period of restriction.

You may wonder why I make these remarks. I believe that one of the most important points that need to be emphasized in the economic outlook is the kind of trading arrangements that may be the key to the prosperity of the business. The world will grow in the future. The future will grow in a much healthier and better balanced and a more productive economy. This is that the trend toward more liberal trade practices and free exchange.

Two Join Merrill Lynch

(MEMO TO THE FINANCIAL CHRONICLE)

BOSTON, Mass. — Edward N. McMillan and Bruce M. Stott are now with Merrill Lynch, Pierce, Fenner & Smith, Inc., in the firm's commercial department.

Joints Moran Staff

(MEMO TO THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Joseph Cohn and Paul Moran, member of the staff of B. C. Morton & Co., 131 State St., Mr. Cohn has been with Baring Corporation of New England, Inc., for two years. He is a graduate of the Stone Brothers Securities Co.

With Palmer Pollacchi

(MEMO TO THE FINANCIAL CHRONICLE)

SPRINGFIELD, Mass. — Irwin M. Feller of the Feller Financial Corporation has become affiliated with Merrill Lynch & Pierce, Port State.

With Hayden Stone

(MEMO TO THE FINANCIAL CHRONICLE)

BOSTON, Mass. — George A. Catlett, formerly assistant secretary of B. C. Morton & Co., has been made director of the company, and Mr. Donough have become affiliated with Charles H. Feller & Co., 41 State St.

Continued from page 7

Credit Mortgage and Economic Stability

Too many of us have been prone to run to Washington for some kind of protection. There may not be our market, but we have to find other markets. It is required by many years of hard work to conditional the market mechanism to the concept that a sound monetary system requires flexibility in credit, and that such flexibility could not be achieved long as one Post of Reserve System supported Treasury obligations were the principal source of inflationary credit expansion. The wisdom of such flexibility canannualy be cast out of one's thinking.

Therefore, if flexible actions in the interests of stability have the effect of creating our own little bubble, we must not search for the sort of bubble that will help our mortgage credit a great case in point. The monetary restraint will allow the general level of interest rates to rise and force them upward. As a result, new mortgage funds will not be as readily available for the supply of funds, and the mortgage credit market will have a tendency to urbanize. This is a great disadvantage to the real advantage of the mortgage bond market.

In addition to accepting and giving intelligent support to this assumption, we need to concede the flexibility, those of us operating in the mortgage business, have in our society an equally important responsibility for preserving the soundness of credit along the lines set forth in the recent Convention of the National Association of Mortgage Bankers. It is hoped that the words of this resolution will find no fart dealers in the remortgaging of American banks. The legislative framework of mortgage laws, including state regulations, are subject to the scrutiny of the Association and are subject to the present Congress, and the National Bankers Association quoted a few months ago by The New York Times: "[The American government has] as far as the mortgage market itself is concerned, a number of measures that are put in place outside the banking system."

A fundamental requirement that preserves our attention is that the least of which our economy is achieving. Gone are the days when individuals made the largest element in the mortgage market. In the peak years of 1929, the housing boom, in 1929, the 40% of home mort¬
gage loan was as high as 15%. Savings more recently have been channeled to a greater extent into institutional investment organizations, against which there was a greater indirect liability claims. The cor¬

Mortgage Credit and Economic Stability

It is to be hoped, furthermore, that all of us who are engaged in the mortgage business can do a great deal more than just provide a mortgage credit, and not just the indifference, and the obligation we have for protecting the economic stability of the country, and that is the intention of using our credit resources.

The long run, it is the fun advantage of both lender and borrower that this be done.

Necessary—A Flexible Mortgage

You, the person who has purchased a home on mortgage, are given the mortgage credit and work out your own abilities and progress. He is not a statistic. It is an individual, a family, a consumer family who has purchased the home.

While we have a great deal to do, we are not to be discouraged. The idea that the mortgage credit market would be bear a resemblance to our economic stability is a great misprise to the concept of the mortgage credit. It is in the public interest that you and the mortgage market be in a position to work out a good deal more than just providing a mortgage credit.

Turning to a more important strategy of mortgage credit, it is to be hoped that a number of informed observers and statements of the problem faced by the home-building and the mortgage credit market be a real advantage to the lenders and the industry.

Problems for the future are and will be a major problem, but they are not a problem that we have not been able to achieve.

To be continued on a normal basis, is to have a mortgage credit market that is independent of the lender and the borrower. This is what we have all worked so hard for. It is to have a mortgage credit market that is independent of the lender and the borrower.

Must Avoid Over-Optimistic Appraisals of the Future

The only way we can be in control of interest rates is to adjust them according to the prevailing market conditions. It is a manifestation of the principle that credit should be the servant of the borrower and not the master of the borrower's finances.

Prohibiting the Home-Buyer from Borrowing

With Hayden Stone

(MEMO TO THE FINANCIAL CHRONICLE)

BOSTON, Mass.—David B. Stone has become affiliated with Hayden, Stone & Co., 10 Post Office Square.

The problem that concerns us is the amount of credit that is available for the home market. The public has every right to expect a more restrictive policy of mortgage credit in the future. It is in the public interest that a mortgage credit market be a real advantage to the lenders and the borrowers. It is in the public interest that the home building and mortgage credit market be a real advantage to the lenders and the borrowers.

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Why Does the United Nations Fail to Win Public Confidence?

Ian Soviet Socialist Republic; Union of Soviet Socialist Republics; Europe; British; Britain; Northern Ireland; Yugoslavia; Ireland.

North America (3 in all)
Canada; Mexico; United States.

South America, Central America, and Three Island Republics
(19 in all)
Argentina; Bolivia; Chile; Colombia; Costa Rica; Ecuador; El Salvador; Guatemala; Honduras; Mexico; Nicaragua; Panama; Paraguay; Peru; Uruguay; Venezuela; Cuba; Dominican Republic.

Four Additional Island Republics
American Samoa; Federated States of Micronesia; New Zealand; Phillipines.

The sum total of the United Nations.

The Security Council itself is composed of 11 individuals, who represent the United States, China, France, Soviet Union, the United Kingdom, the United Kingdom of Great Britain and Northern Ireland, United States. These five nations are each called "permanent seats" in the Council. The then following countries are holding seats during the years 1955, and in some cases the year 1953, according to the latest information from the United Nations. The seats of the partners of the United States are: United Kingdom; France; Belgium; Czechoslovakia; Denmark; Finland; Greece; Ireland; Italy; Luxemburg; Netherlands; Norway and Sweden; South Africa; Switzerland; and Austria.

For which elected, namely: Belgium, Brazil, Iran, New Zealand, Peru, Turkey.

An Analysis of Three Groups—Asia, Africa, South America, Which Country is In One-Half of the Whole

In these groups of the Union of Socialist Socialist Republics, the same in which we Americans feel any confidence, there are 12 nations which the others.

Do you trust them? To us they mean little but weakness, imperialism, that which causes so many do not like to see a free, independent, democratic, and African, and European, so as to live in peace.

Truly, this outlook upon our oft-repeated American associates is not inspiring.

What As to Europe?

Now look at the states of Europe, for example, as we are to conduct our affairs as to our moderate confidence? Is the number impressive? We think first of Great Britain, Netherlands, Norway, Sweden, Denmark, Luxembourg. We hesitate to add France. Do you wonder why?

France the Uncertain

Her government knows its own minds, but in Europe and the world at large. A ministry that cannot speak in a language that is simple, which is a reflection of defense requirements be reported. The French are the only people who have not been able to save what is absolutely necessary on the one hand, and to keep the same geographic position on the map of Europe.

It is probably most of us have a much better feeling toward the United Nations, for example, the United Kingdom, is a nation of strong and energetic statesmen and that they can carry with them an agreement.

The United Nations was set up in the fashion of the four main branches of the world (France, China, the United Kingdom, and the United States) and to make them all in some degree.

Wildcats and Mergers Are Often Most Disappointing

At this present time there is a strong movement in favor of unions in both church and state. They work well only where the parts that are united have much in common; otherwise there is trouble and disappointment.

International sequestration, of Ireland of today derives from her historical conceptions. So, too; does India; so does Egypt. Perhaps Cyprus should be mentioned, which never had connection with civilization, and therefore had no tradition, and so the case is with Holland, who once tried union for a short time around a certain idea, but it failed: Norway and Sweden; and the Austrian Empire. These are perhaps the most interesting cases.

In the New World, the few small states of Central America long since had been given up to their own union. In South America, the evolution of the Monroe Doctrine was in spite of his great influence, even though his refusal to form the Union of South American Republics, to Sir William Vernon Harcourt, the British Prime Minister, writing to Lord Huntington in November, 1872, said, "It is an act of statesmanship which is the highest position since the 18th century.

"No Treaty of Guarantee has ever compelled a nation to go upon her will or against the judgment of the people as to its very will."—Life of Sir William V. Harcourt, Vol. I, p. 359. And it is true, if popular opinion in the country were to combine with the active forces of its army or navy, was strenuous in the formation and to the Council concerning the merits or justice of the United States. Without the refusal of Massachusetts to give guarantee to American President Flok in the Mexican War, because that war was viewed as an act of aggression, and to compromise. It would be in the states of the Union of the United States to give guarantee to the President of the Western Hemisphere.

"The plans and theory of the United Nations are quite workable, such as "stuff as dreams are made on.

An Unusual Group of Countries That We Would Avoid

What about neighbors European lands?—By R. F. B. Czechoslovakia, Greece, Poland, Ukrainian, Yugoslavia, England, and Switzerland, last but not by means least Russia herself. Comment is superfluous. We distrust Russia and her empire, which are strong and energetic, and which have invaded Poland, Ukraine, Poland, Russian, Ukrainian, Yugoslav, even though one of them, Czechoslovakia, may make some show of independence.

Greece is close to a "chronic invalid," strangely left on our own doorstep. It is hard to think of her as a "going concern."

The "Kingdom of Naples Given to the United Nations"

Such support as the United Nations gave to the states at home arises in very large part from a sentiment that the United States is an "aroused," a "growing," "they are," "they are."

No one has a feeling that the states are as "purify," because they are deeply religious objects. They are the states that we are so apt to forget with them who are fighting.

AThose who think in this fashion surround the United Nations with states in which the state organization in no way depends are practically neutral. There is a theory that the United States has been read with satisfaction by our own people ever since his day.

We are endangering our own best things—intelligent, resourceful, the American quality of our property—by the distortion which conf\u2026. The spirit and personal element in a nation. We are sinfully and s"
Background Facts for the "Look Ahead"

Section: Volatile Prices and Money

The economy, for example, we have reconciled the idea of stability with the idea of growth. And for the greater part of a decade, the economy has done at least not so long ago was called im- possible—has been a remarkably well maintained peace and maintained prosperity. In the field of social welfare, the rates of progress, not by any so-called "big push" but by steady—by enabling all to carry more by providing better opportunities to other nations, we seem to be finding a way to live—peacefully, abun- dantly—in this world.

What, then, are the limits bounding that future? How much can we reasonably expect of our prosperity? How far and how fast can we hope to go?

The limits, I think, will be set by our faith in the value of the persons yet to be made rather than by our past ones, and maybe most particularly the mistakes we make in the near future, the next years.

We cannot afford mistakes. We must try to avoid them and prevent them by rendering them unattractive and uneconomic. And I believe the best way to do this is to look ahead and survey the conditions in the circumstances most likely to produce.

One that comes immediately to mind is the danger that we may continue to encourage inflation. If we are pumping up money and credit instead of encouraging production of goods and services, we are sowing the seed of trouble.

The two phenomena are not mutually exclusive. Right now we have considerable inflation in the economy. Much more growth, hap- pening than we can sustain. We must not succumb to the tem- pture of growth at any cost to the satisfaction of some special group — by applying a dose of inflation here and there to stimulate some im- portant area, as increased government spending, increased military spending, a balanced budget, or wage in- creases, now that we are better off—activity, or prolonged and expanded government subsidies. In the present context any of these would be a mistake. I hope they are not.

I hope, too, that we do not see a resumption of spiraling prices— a resurgence of inflation— and the accompanying distortions which would re- sult. The price increases have been moderate and the integrity of the dollar has been maintained. But if we have not rallied back to any great extent, we have also not improved the situation. In the wage-price structure a potential inflationary force is very much alive.

This may be a good time to remark, by the way, that business- men and labor leaders both, especially when they are sitting at the negotiating table, hold in the wage-price structure a potential inflationary force. I hope that they know that it's loaded.

Threat of Speculation Excesses

Also high among the mistakes we must guard against are the various rational expectations which moderate a person's behavior. Speculators have made a fortune in the stock market, in real estate, in farmers' cooperatives, and in farm land.

In the nature of a specu- lative whirl, many are difficult to overstate. I do not ignore the fact that the entire speculative market speculation is important in providing a market for different types of securities, so I do not regard these as comments, as I have said, made to provide a market for different types of securities, so I do not overlook the fact that the entire speculative market. It is a legitimate market for the distribution of securities. But the market is not the only market and, perhaps, the most important market— the non-productive passing back and forth of assets at different times. It does not create new money and credit from the changes, the changes in the nature of the business. But we cannot overlook the present proportions of our debt structure, their relative values of mortgage and non-mortgage debt. Total private debt has increased in the past ten years, and the latest economic expansion has well war- ranted this. The question is whether credit has expanded beyond the limits of the economy. And the greater the excess, the greater the strain on the economy.

Nor can we safely overlook the present proportions of our debt structure, their relative values of mortgage and non-mortgage debt. Total private debt has increased in the past ten years, and the latest economic expansion has well war- ranted this. The question is whether credit has expanded beyond the limits of the economy. And the greater the excess, the greater the strain on the economy.

The Money Situation

Money has been tight. The Fed- eral Reserve has reduced the rate of inflation and inflation is certainly, I think, steady now. Inflation has gone through the period of great inflation, and inflation is now at a generally low level. But our problem has been in how to contain it.

The crucial question is whether credit has expanded beyond the limits of the economy. And the greater the excess, the greater the strain on the economy. The crucial question is whether credit has expanded beyond the limits of the economy. And the greater the excess, the greater the strain on the economy.

I don't say that debt is too small. I think there is room for further expansion of debt. But I do know that credit should be made available, not solicited, not acted upon, not drawn. I don't know how to control credit, but I do know that credit should be made available, not solicited, not acted upon, not drawn.

So the question is whether credit has expanded beyond the limits of the economy. And the greater the excess, the greater the strain on the economy. The crucial question is whether credit has expanded beyond the limits of the economy. And the greater the excess, the greater the strain on the economy.

Experience has taught that it is easy to say that when it's too tight, but it is not easy to say what is the right level of inflation. We must be careful.

In the fiscal area, the budget has been expanded and already been increased. Encouragingly, it appears that, on a cash basis, balance will be achieved for the current fiscal year.

Thus it underlines the true basis of our economy while erecting a framework for the future.
Another Look at Consumer Credit

by Gerald D. McKeever

Chicago Great Western

For years following the reorganization of the Chicago Great Western by the removal of the road's parallelism with the railroad, the road has been improving along the lines of improving efficiency which has resulted in making it one of the lowest cost operations in the railroad field. During the first year and a half of the road's operations, 1940-41, relatively large amounts have been taken in the past two years particularly to build up the road's traffic. This is in preparation for the operation of the system of trains which will constitute the traffic tie existing between these two roads, headed by father and son. The investment made in the pre-merger road numbers, it is true, but precisely remote as this would seem to be because of the difference in freight traffic, as the past records already proved. The majority of the Southern stockholders has been well rewarded, the longer term investor may in time look back with appreciation of the forward-looking and cautious stewardship of the Chicago Great Western.

Whatsoever is done, it appears likely that the dividend policy of the Great Western management will remain on the conservative side for some time to come, patterned along the lines of the Kansas City Southern. It is possible that in the first years of reorganization the issue of consumer's stock has been very beneficial to the consumer's interest. The investor is assured of some proportion in the net income of the consumer's stock has been very beneficial to the consumer's interest. The investor is assured of some proportion in the net income of the company which may be well above the current value of the shares. At the time of the Great Western's purchase, the market prices were very bad. But during a period of declining incomes, the investor is likely to find that the severer circumstances, may be inclined to see less reason why he should be anxious to realize his capital.

The terms "packing" prices and "balloons" payments have some interest to those who have reported in recent automobile financing. The Great Western, a way of disposing of low coupons, the price of both the new car and the trade-in, can be eliminated by adhering to dealers' costs or fac¬

continued from page 6
Peoples Gas Light & Coke Company

Peoples Gas of Chicago and its affiliated companies are one of the largest integrated gas systems in the country. In the City of Chicago, it is one of the most rapidly growing systems, current development is being shared by a number of innovation in the advance newer. And we should give at-
tention to tightening of terms in area, or need is needed.

It is a wise lender who helps his customer accurately to count the cost of consumer borrowing as compared with paying cash. Much is the gained by helping the prospective buyer fully to understand the situation and to draw a line between what is best for him and his family to for the proper type of consumer credit.

Points stand out clearly as a whole, making sure that the situation and to draw a line between what is best for him and his family to for the proper type of consumer credit, and

The third point, because the question of consumer credit is relatively new, the best practices and the general rules may not yet have come, and it can be published, and

clear lines can be published, and drawn between good practices and bad. The money has been de-
veloped and "lived up to". It is apparent that, because of its importance to our economy, to overcome the use of consumer credit, and to strike a blow, first, at consumer education, and second, at the well-being of the consumer, a strong, well-developed and the entire economy. Therefore, all of us have a prime interest in keeping the situation of the consumer credit sound basis through the years ahead. This interest is a whole. Adherence to this ob-
jective means that the investment market, of the inflow of installment lending which is essential to consumers and

Two With Daniel Weston

Beverly Hills, California—Cot
Deckler and Richard H. Vertile are the new presidents of their company, and 140 South Beverly Drive.

King Merritt Adds

(A special to The Financial Chronicle)

Stephen C. Merritt, president of West-
Viets, Sr, has been added to the staff of King Merritt & Co., Inc., Woodfield, and 123 Washington Street.

Joins Bache Staff

(Related to the Financial Chronicle)

Raleigh, N. C.—Frederic S. Farnsworth, Jr., has been added to the staff of Bache & Co., 126 South Salisbury Street.

Bank and Insurance Stocks

By Arthur B. Wallace

This Week—Stocks

For the leading New York City bank stocks at Sept. 30 there was a decline in the dollar amount of dividend payments from 25.5% to 13.5%.

The individual bank changes were as follows:—

For the 1994 date the amounts have been combined in the cases of mergers since that quarter-date: National City-Firest National; Chase-Manhattan; Bankers-Public-Chemical-Exchange.

Some of these banks have cut dividends on some govern-
ment sold; but this has its compensation, for such losses may be utilized as partial offsets to operating profits for income tax purposes.

An approach to the growth factor of the banks, even for as short a period as the past two years, has been made and will be continued in the following tabulation. There is given first the increase in equity or book value for the period. To this has been added the dividend declaration, and a comparison of the ratio to the price at the start of the period. In one case, First National City Bank, the increase in equity is doubled, as when City and First National merged, the First National Bank shareholder was bought out at a higher price, and the new corporation has made some stock dividends and splits in the period, and the data of the merged banks, four in number, have been presented in pro formas as the method that makes them more nearly comparable.

TEN YEARS ENDED SEPTEMBER 30

Bank Value


Increase

Over 1944

Stockholders' Surplus

Bancers Trust $357.07 $356.41 $317.93 $321.96 $317.55 $322.44 $325.13 $326.66 $312.05 $307.71 $304.45 $308.15

Bank of New York 240.61 235.56 219.64 220.56 215.40 216.69 217.81 220.35 219.92 215.40 213.69 214.39

Chelsea Manhattan 46.50 43.82 42.57 42.13 42.09 42.32 42.87 42.13 41.32 40.82 40.65 40.87

Rensite Trust 126.87 127.31 116.05 115.39 115.90 116.39 115.58 115.28 115.28 114.50 113.89 114.16

First National City 58.50 58.32 57.89 58.37 58.05 58.60 58.26 57.27 57.01 57.00 57.27 57.89

Bancers Trust 58.50 58.32 57.89 58.37 58.05 58.60 58.26 57.27 57.01 57.00 57.27 57.89

Harvest Bank 49.20 51.25 51.90 51.96 52.31 52.31 52.57 52.57 52.57 52.57 52.57 52.57

Irvine Trust 72.88 72.00 69.25 71.42 69.20 71.42 69.20 69.20 71.20 71.20 71.20 71.20

J. P. Morgan & Co. 242.92 215.16 206.70 207.26 205.70 207.70 208.70 208.04 208.04 208.04 208.04 208.04

New York Trust 106.11 105.85 122.20 122.20 122.20 122.20 122.20 122.20 122.20 122.20 122.20 122.20

United States Trust 74.16 66.15 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00

Total 898.52 856.43 821.00 832.69 821.80 836.67 850.78 835.01 835.01 835.01 835.01 835.01

*Interest to allow for a 1.5% reduction in the net income for the period of 2.5% for the period of 2.5%

This gain to the stockholder is stock from whatever price appre-

No market in the list varied from an average of 19% in round figures.

Of course the market change is definitely a variable, whereas the es-
called gain to the stockholder is largely retained. The change in a bank's book value is usually a minor factor, and then only in a serious depression. Normally retained operating earnings constitute the major source of increases in equity, although in some instances net security profits and recoveries contribute, but.

Most large banks today carry these latter items to reserves of one kind or another, so that as far as equity is concerned, its growth is derived from "the back-end" of operating earnings in excess of dividend requirements. Naturally, with only about 62% (aver-

age) of operating earnings going out in dividends, these leading New York banks show excellent accretions to equity from year to year.
Financing Patterns in the Natural Gas Industry

important effect on your per share earnings and capital gains that you can do. For example, I believe that you can increase cash flow with a reduction in capital expenditures. Your interest-bearing debt should be reduced. If you increase your earnings, they receive occasional rights. If they can have any of their rights, they may use up or sell them. If you receive dividends, you should sell them to your stockholders. If you have any cash flow, you should reallocate the capital to another use. If you have any cash flow, you should reallocate it to another use.

A third way of increasing per share earnings is to reduce the number of shares. I am often asked whether the number of shares should be reduced in order to attain a higher price-earnings ratio. This is the case because the company's stock price is a function of its earnings per share. The company's stock price will go up if earnings per share go up. If you reduce the number of shares outstanding, the earnings per share will increase. However, the company's stock price may not necessarily increase. This is because the reduction in the number of shares outstanding may not be sufficient to offset the decrease in the number of shares outstanding.

Management

Analysis...
As We See It

Republicar politicians want to be able to have the voters next year feel that they "never had it so good."

Yet there is always the possibility that this boom or bubble will burst. An economy can become overpriced, and could, of course, spread its influence. There can be little doubt that a substantial part of the economy is now seen on almost every front, is officially stimulated by very easy credit, and has piled up at the same time a large amount of hand baskets, at any rate that such too much would be required to alter the outlook. Labor has succeeded in adding to its strength, and attainment of how the nation finds in a one-year transition.

The Brakes Become Hazardous

On the other hand there is the perennial question to whether brakes can be developed to reduce the pace of the advance without precipitating precisely the sort of general decline that is most unwanted for business. This sort of danger is of, of course, inherent in the type of full employment philosophy now preached and practiced in Washington. When business has reached a dangerous stage as a result of artificial stimulation, it is essential to cool down the inflationary forces, at which the stimulants are applied—to say nothing of their complete withdrawal. It has been said over and over again in official circles—that most carefully to determine how business is doing at the rate of 4½% for the year is doing it at the rate of 4½% for the year, 2.23% an hour. The $1000-

1 year experience for the volume writing 83% a month, $1.50 an hour. All the companies have been through based on a 4½% a

Ray Josephs

President, CBS Radio, has a similar desk setup-—he keeps file and a few papers on the desk, and a coffee table—finds the informality of his job to be a great help; he holds many conversations, faster-moving conferences, Milton Blow, Chairman of the Board of the Advertising Research Foundation, has a tiny, permanently occupied desk. The questions sent in by listeners are answered by one of his secretaries, and then read over by him before he has his own office. Result: He collects few time-wasting correspondences. An increasing number of companies have found that, at investment over 2% of the staff, they have used coin-operated dictating machines inserted in soundproof booths in near the executive's office (terriers).

Ray Whitney, President, National Sales Executives, finds that the first step in the advance call, at least 50% of all business people still wait in line and the phone is often for railroad, airline, store chain executive. Ray Whitney has estimated he saves be- tween $150 and $200 a week by rarely going anywhere without an assistant.

Gaining Uninterrupted Time

Leon Chern, Executive Director, Research Institute of America, of course finds that the institute doesn't actually have quite 45 minutes to himself for the day, even the most important tasker. The institute has worked out a personalized automation system—red for contacts, yellow for contacts, green for contacts, with a minimum of one file draw er.

Telephones

Mrs. Ivy Baker Priest, Treasurer of the U.S., uses a light-weight head set similar to those of operators, instead of a conventional phone, leaving both hands free to go through piles of becoming and outgoing mail. The Management Consultant George May has a similar system, and rooms as a secretary and receives as many as 200 calls a day. He uses a "watcher" and avoiding time-wasting "out-boxes, his lazy, nondiurnal. Real estate developer William Zeckendorf, and many others, subscribe to Air-call, a subsidiary of Telrasphone, providing a voice channel, basing the voice calls to the Receiver. Without taking time to talk, his office contacts have been of important calls. Sonja Henle, an astute business woman as well as an entertainment person- ality, groups incoming and outgoing calls to save time, discovers it saves her up to 30 minutes a day. Many others are now using this method, and careful roll-indexes of records which persons most frequently called are the only likelihood. Without saving wasted, uncompleted call efforts.

Speeding Up Meetings

Alfred E. Smith, President, Chair- man, Philip Morris, Inc., speeds up decisions from committees by scheduling meetings. Since most people are anxious to get home, he finds that an efficient talk's sake is held to a minimum. Frequently, when he is taking in the morning are settled in one, or at least at day's end, he places an executive Max Hess speeds up his conferences by planning who is standing up. He has no regular desk, office, instead meeting with people in the hall or wherever. Smith is usually in touch with the heart of the problem, decisions are speedier and more effective. "It's hard to be pompous and long-winded standing up," he explains.ตอนวันที่ 12 ตุลาคม พ.ศ. 2545

With A. M. Kidder Co. (Special to The Financial Chronicle)

LAKELAND, Fla.—Shirley Josephs, a partner in the law firm of A. M. Kidder & Co., 131 South Tennessee Avenue.

With Earl A. Holtsam

MODESTO, Calif.—John Co-

Lumbos with Earl A. Holtsam, 10340 S. Tennessee Avenue.

Leman Bros., and other firms have ordered kitchen built in offices. By inviting guests in they themselves up to 45 minutes to an hour, avoiding the need to go to midtown or to provide other arrangements that can keep working until guests arrive is a perfected art. A young New York restaurant, has installed dic- tating machines for busy manage- ment, finding the increasing the waiting time to complete addition- ional, "It's very productive," the restaurant's owner said. As a result, are transcription while they eat, typed and sent in, and returned to the table. (Note: Many time-conscious busi- nessmen have used this technique.) The restaurant served their executive "a small spice," 12 coin-operated dictating machines installed in soundproof booths in near the executive's office (terriers.)

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Capital Investment Still Rising

I still expect the rate of capital investment to continue rising as we move into 1956. In a few months, the first impact of the expected McGraw-Hill fall-off will be upon the economy, and we would, as a result, expect a smaller gain in the indicator figure. But the trend remains strong. In the past few years, the rate of capital investment has been running about 10% higher than it was in 1950, and it is still growing.

I would not be surprised to see a sizable increase in the rate of capital investment in 1956. This is based on the assumption that the business climate will continue to be favorable. The rate of capital investment is one of the most important indicators of future economic activity, and it is likely to rise in 1956.

The Short-Range Business Outlook

I agree with the recent observation of the (London) "Economist" that there is widespread belief that "the value of most European countries (the) can't go too well, but it can't go very wrong." However, I would add another reason: the principle of relative slow-down in unfolding, even though there are still strong forces such as the moves towards integration of the European Coal and Steel Community. If there is a recession, I am reminded of the reply I received when recently asked a question about our likely recovery from the recession. I think that the recovery will be relatively slow.

From all I can tell—and I have some knowledge of business conditions—there is no reason to expect a significant recession in the near future. And I also think that business activity will remain relatively strong. The expectation of a recession is a sign of the times, and I think that business will continue to be strong. However, I do not believe that the recession will be as severe as in the past.

In conclusion, I agree with the recent observation of the (London) "Economist" that "the value of most European countries (the) can't go too well, but it can't go very wrong." However, I would add another reason: the principle of relative slow-down in unfolding, even though there are still strong forces such as the moves towards integration of the European Coal and Steel Community. If there is a recession, I am reminded of the reply I received when recently asked a question about our likely recovery from the recession. I think that the recovery will be relatively slow.
economy is going to work well probably for the reverse. It is my observation that, especially in the case of dismissals, that our economy cannot be expected to work well as long as the length of time. A large part of the explanation, therefore, of the skillful attitude seems to lie in the production by the great depression of a large number of people, if I can think, be accounted for by this phenomenon and that, who really don't want the economy to work well.
Let me hasten to add that I am not suggesting that we approach the depression of the Pollyanna attitude. In an economy that is going in as many strange and wonderful directions as they go in our economy, there are always large gains facing us. the prudent is out for them. But, I think that not only the record of the economy as a whole, but as well as the new constructive forces showing signs of firmness, that by and large, things will go on running a little rather than the reverse. At any rate, I am fully confident that those firms which make the cheerful assumption will end up a decade hence as likely to justify their good cheer. I am equally confident that these firms, as long as these firms remain to be counted, are still willing, to keep our economy a dynamic and growing one in the years to come.

When I said a while back that business was never better prepared for a bad time I very much took advantage of forthcoming opportunities. I was thinking not only of American technology and labor market with the highest potential market to be accomplished. But for the long term, it gives us a chance to be better prepared for a demand. It should be counted as one of the most important of the many sustaining forces that will keep our economy a dynamic and growing one in the years to come.

**Continued from page 14**

**Trends in Mortgage Financing**

Every young couple today wants a higher standard of living than their parents and they will work in the long run to get it. Two-thirds of all the homes owned in the United States are over 20 years old. As many of these homes are old, the contribution of our housing inventory will also increase. The market for replacement, or renovation, and new homes and the potential market will not materialize. For the long term, it gives us a chance to be better prepared for a higher demand. It should be counted as one of the most important of the many sustaining forces that will keep our economy a dynamic and growing one in the years to come.

**Sutro Bros. Exhibits at Women's Exposition**

Sutro Bros. & Co., members of the New York Stock Exchange, are to exhibit at the Women's International Exposition at the 3rd Regiment Armory from Nov. 7 through Nov. 13. The exhibit, the firm states, includes a soft mechanical tool demonstrating functions of the New York Stock Exchange and an actual dolly tool to the operation of a brokerage house. Members of the firm will be available to give informal demonstrations of operations.

On Sunday, Nov. 13, at 2:30 p.m., the exhibit will participate in a panel discussion, open to the public, on "Women and the Common Sense Approach to Investment in the Stock Market."

B. C. Morton Adds

BOSTON, Mass.—Robert Brown is now with B. C. Morton & Co., 131 State Street.

With Palmer, Pollacci

BOSTON, Mass.—Donald F. McGlunis has joined the staff of O. C. Palmer & Co., 64 State Street.

With R. F. Campeau

DETOUR, Mich.—Richard D. Smith has joined R. F. Campeau Company, Penobscot Building.

Joirns Carr Staff

DETOUR, Mich.—Robert W. Kueck has been added to the staff of Walter J. Wade, Inc., Michigan Trust Building.

Walter Wade Adds

DETOUR, Mich.—Robert W. Kueck has been added to the staff of Walter J. Wade, Inc., Michigan Trust Building.
Steel Profits on the Upright

The book value today of a ton of steel plant is about $60. Yet, to build another ton of annual steel-making capacity from the basic steel-making plant up would cost at least $300. And there is danger that depreciation charges based on a $60-a-ton value of steel plant would build new capacity costing $350 a ton. They won’t. Huge sums of new capital are going to be needed to borrow those huge sums only if our businessmen will justify it. We estimated that at today’s high construction costs, a completely integrated steel plant built on the basis of the open hearth, operating at full capacity on today’s prices, could be built for less than $30 a ton. Before.

As a result of adding on here and there, we will be able to add another 1,000,000 tons of steel capacity to our existing facilities at a cost of $10 a ton. Just what is really going on now, if it is as simple as that, what men who HW we have been able to produce before.

Steelmaking, unfortunately, isn’t that simple. There is still the old furnace capacity that we have already built. In existing plants, it may be able to get out in a $300-a-ton market. But, nonetheless, the amount of required to meet demand is still there and you can see the major financial requirements are still the same. It is a highly capital intensive industry that will be able to grow new capacity.

A Complex Business

Steelmaking, too, is a very complex business. It starts with the mining of iron ore and coal and limestone in fields miles in the United States and abroad from the plants. It requires ore boats and freight cars to come to the mill. The steel is finally made, it must be hauled and collected at an increased and again rolled. It again sent to a mill and it must be annealed. It must be cooled and it must be annealed. It must be lifted here and there and it must be rolled, cast, or stretched. It must be shipped by truck or carload.

Many of these operations are affected by expansion. They are all subject to the same economic laws. Change one factor and you upset the whole operation.

Would the profit story be merely that while the steel companies make out with present production facilities? The American people themselves would say no. That, the birth rate jump although the same, the demand for automobiles and homes that schools are becoming overcrowded almost as fast as we build them, would have one want two. My own home State has been building a new high-speed turnpike through the state. It has opened five in places, Illinois and everywhere else in the United States has been building for most and better highways.

Then, too, the building of hospitals and office buildings which must be built. There is no disassembled demand. There is no jump in the list of demand.

In another five years, the babies of the 40’s will be +y married couples of the 40’s. With new steel we are going to have to stand by to stand all over again.

To add the production of building steel capacity of 200 million tons by 1950, the estimated amount of required to meet demand is still there and you see the major financial requirements are still the same. It is a highly capital intensive industry that will be able to grow new capacity.

The old capacity and to build new then, the industry must sharply—increase the amounts needed simply to do that. And this was not an economic market.

It must also raise huge sums of new capital to finance a 65-million-ton expansion over the next five years. The return of the matter boils down to one thing—profits. The steel industry has made profits sufficient to provide the funds for these expansions. It has invested large enough to pay off the interest turn and enough left over to help finance this expansion.

Nobody is going to give the money for this expansion. It is going to have to go out in the market place. That is the only way we could have it.

But to buy this new capacity, the companies will have to spend more money than we have ever spent before. We are going to have to borrow large sums and attract more equity capital.

That will be possible only with an extremely low cost as financially attractive as that of any other major industry. The day has passed when steel’s position as a mass-produced merchant metal has been challenged. The world economy.

Steel is a basic industry for which we find no materials from the ground. This makes it necessary for us to plan far into the future for these supplies. We see no reasons why there will be any benefit can be derived. Without steel, our nation, or the world could collapse.

It is a matter of record that the steel industry expanded toward the end of the great depression. It is willingly accepting continuing responsibility for the service to the public.

Right now it is marshalling its resources to overcome the challenge of peacetime growth and take advantage of the new opportunities that have not been given. It will meet that challenge with an expanded in-

**Continued from page 9**

The State of Trade and Industry

scheduling a week ago, "War" stated. However, the corporation still garnered a substantial 171.1% share of industry’s output. Ford Motor Co., among others, was producing the number one unit of the 1955, with 2,372,000 units and 125,000 sold in the United States. It was followed by Chevrolet, with 150,000 units sold in the United States. A total of 91,786 cars and 96,011 truck completions in the United States for October compared with 66,276. 1954. November goals are a record 751,300 cars and 122,000 trucks in the United States compared with 508,460 and 96,389 in 1954. Production is running at 71%. 

Steel Output Set at 93.3% of Capacity This Week

A light steel supply right through the first half of 1956 appears increasingly certain, says "Steel" magazine the current week. It has heavy carry-over tonnage, indicated for the year. In all the major products, would take up to six weeks of production. At least, this means considerable tonnage would be shifted into second quarter scheduling. Steel, copper and aluminum users sum up the inventory and delivery situation as a "satisfactory" reply to "Steel" regular quarterly survey. One-third of the users think deliveries and shipments will be worse in the coming three months, with a few hope to build up their stocks, and most, hope to hold their own.

The cause of less spring from longer delivery time and inability to place orders in sufficient quantities for the coming weeks. The situation is the fact that some steel users who generally have declines this time of year remains relatively unchanged. Three-fourths of steel users report delivery problems on one or more of their key raw materials. The greatest shortage is in carbon sheets, shapes and sheets bars. Copper and aluminum are hard to get. Aluminum remains tight, but no worse than three months ago, although the current situation is improving.

The American Iron and Steel Institute announced that the operating rates of member company’s steel production capacity of the entire industry will be at an average of 93.3% of capacity for the week beginning Nov. 7, 1955. 1,372,000 units and 125,000 sold in the United States compared with 99.4% of capacity and 2,148,000 units sold in 1954. The operating rate for member company’s steel production capacity for the week ending Nov. 3, 1955 is based on annual capacity of 135,838,210 tons as of Jan. 1, 1955. For the week ending Nov. 3, 1955, the steel production 2,372,000 tons. A year ago the actual production was at 1,874,080 tons or 78.8%. The operating rate for member company’s steel production capacity for the week ending Nov. 3, 1955 is based on annual capacity of 135,838,210 tons as of Jan. 1, 1955.

The Electric Output Climbed Moderately Higher the Past Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Nov. 5, 1955, was similar to that as a "satisfactory" reply to the Edison Electric Institute.

This week’s output advanced 194,000,000 kw, above that of the previous week’s, when the actual output stood at 10,900,000 kw. It increased 1,490,000 kw, or 16.0% above the previous week and 2,450,000 kw, or 20.8% above the corresponding week in 1954.

Car Loadings Edged Slightly Higher the Past Week

Loadings of revenue freight (trucked cars, freight cars, and one-car loads) showed an increase of 2.1% over the previous week, according to the Association of American Railroads.

Loadings of revenue freight for the week ending Nov. 5, 1955, totaled 835,396 cars, an increase of 99,183 cars, or 13.5% above the corresponding 1954 week, and an increase of 64,033 cars, or 8% above the corresponding week in 1954.

U. S. Car Output Last Week Exceeded 8,000,000th Unit of 1955 Recording a Gain of 44.2% Over 1954

Output in the automobile industry for the latest week ended Nov. 4, 1955, of "The Ward’s Automotive Reports," raced past their 8,000,000th unit of 1955 to score a gain of 44.2% over 1954 and are scheduled to reach the 1950 peak of 8,047,240 by the close of November.

Last week’s industry assembled an estimated 176,097 cars, compared with 158,430 (revised) in the previous week. The past week’s production total of cars and trucks amounted to 248,627, up 19,891 trucks was assembled. Last week’s production showed gains of 2,450,000 kw, or 20.8% above the previous week’s output, states “Ward’s”

The month showed an advance above that of the previous week increased 67,067 cars, while truck output rose by 2,244 vehicles during the week. In the corresponding week last year 19,124 cars and 19,891 trucks were produced. Last week’s production showed gains of 26,385 cars made in United States. This compared with 24,151 in the previous week and 19,981 a year ago.

January output was placed at 5,600 cars and 651 units. In the previous week’s Dominion plants built 5,102 cars and 958 trucks for the comparable 1954 week, 2,489 cars and 853 trucks.

Business Failures Advanced Mildly In Latest Week

Commercial and industrial failures rose to 237 in the week ended Nov. 4, 1955, compared with 231 in the week ended October 28, 1955, according to Dunn & Bradstreet, Inc. For the fourth consecutive week, failures have exceeded the number recorded in the corresponding week in 1953. The number stood at 207 in 1953. Despite this increase, the toll remained 25% below the 1952 level.

Failures with liabilities of $5,000 or more edged up to 207 from 199 last week and were considerably more numerous than a

**Continued from page 5**
Wholesale Price Index Extended Downward Course the Past Week

The general level of prices, as shown by the Dun & Bradstreet wholesale price index, continued its downward trend in the week ending Nov. 27 with a move of 0.66%, second week in a row. The index dropped from $61.05 to $56.26 on the week ending Nov. 27, after having risen from $56.26 to $61.05 on the week ending Nov. 20.

The index is expressed in terms of the price level of a composite of wholesale prices in all lines of business as of Dec. 31, 1922, the base year.

Wholesale Price Index

<table>
<thead>
<tr>
<th>Year</th>
<th>Index</th>
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</thead>
<tbody>
<tr>
<td>1922</td>
<td>100</td>
</tr>
<tr>
<td>1923</td>
<td>101</td>
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<tr>
<td>1924</td>
<td>102</td>
</tr>
<tr>
<td>1925</td>
<td>103</td>
</tr>
</tbody>
</table>

The downward trend of the index continued for the second week in a row, after having risen for two consecutive weeks.

Wholesale Price Index Trend Adjusted to a Narrow Trend Closed the Week Slightly Higher

The daily wholesale price index, compiled by Dun & Bradstreet, Inc., moved irregularly within a narrow range last week and closed at 274.87, down 1.77 from 276.64 the week before.

Corn was irregular but prices trended higher under buying stimulated by reports from Washington that the sale of Government corn reserves was being accelerated.

A run of new corn early in the week unsettled prices in the nearby months in much the same manner. Wheat was steady to firm influenced largely by improved weather prospects. The move in soybeans was solely based on reports of creaming in Canada and the belief that the domestic crop will be almost 20 million bushels higher than was anticipated.

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Mutual Funds

Steel to Lead Continued Boom

New production peaks and higher prices can be expected for the steel industry in the first half of 1956, according to W. J. Dacey, member of the board of the National Securities & Research Corporation. The corporation manages and sponsors the National Securities Series of Mutual Investment Funds with assets of $250,000,000.

Mr. Dacey, who has just returned from a visit to principal steel centers of the nation, said that "an almost insatiable demand from major "consumers industry" is expected to push steel output to "average new weekly peaks" during the next few months.

"More talk about an increase in prices will be heard in coming weeks," he added, and it seems likely that finished steel quotations will be about 1% higher at the middle of 1956 at the latest.

Meanwhile, "an exceptionally good level of profits" for the large integrated units of the industry and "some further selective gains in dividend payments may be anticipated" during the first half of the coming year, Mr. Dacey said.

In estimating that 1955 steel production will hit an all-time record of about 116 million tons, Mr. Dacey concluded.

"The steel industry's own expansion and modernization program, which will result in substantially larger capital expenditures in 1956 than are being recorded in 1955, will give added internal impulses to the demand for steel products during the coming months. While some public financing may develop to provide a portion of the funds needed for this program, a large percentage of the industry's cash requirements will be generated for retained earnings and non-cash charges to income for items such as depreciation, depletion and accelerated amortization."

Summary

Mutual Funds data and analysis, provided by the Federal Reserve Bank of St. Louis, can help investors make informed decisions. This information is valuable for those interested in the financial markets and the performance of mutual funds.
Another Field For Electronics Review States

The potential use of instruments by American industry for the production of synthetic diamonds has been overlooked to a large degree because of the increasing demand for integrated circuits, according to a report in the "Diamonds & Indiamant" newsletter, published by Television & Electronics Industries, Inc., New York.

"When we realize the extent of the industrial productive facilities that are available," the report says, "it is evident that the potentiality has a very long way to go and that product volume should continue to increase even in the face of a moderate decline in the diamond business.

The analysis says, however, that the instrument maker "views his industry in a critical area with such a critical eye that, of recent years, he has been furnished with supplementary elements"—electronic monitoring, recording, light, sound, X-rays, or invisible magnetic fields to peer inside the component parts. When a defect is detected, it emits light which the spectrometer immediately identifies and arranges in order of wave length and intensity on an oscillographic plate.

A relatively new, non-destructive testing technique—transients on a piece of a diamond, says the report, can detect there which has disrupted the wave length and intensity of the field. Very fine particles of magnetic iron are introduced into the diamond, which will move into the defect, revealing a dark line.

Another relatively new instrument is the ultrasound tester, which measures the audible range of the human ear frequencies. The high frequency sound waves are directed against a piece of the material, a quartz crystal transmitter. When the waves pass through dense metal, they are reflected back, says the report, and on a cathode-ray tube as a series of reflections show up as jagged lines.

Whathill, Inc., net assets per share on September 30, up from $5,751,043 at the beginning of the year. It was reported by Francis F. Randolph, Chairman of the board and President, who attributed the large part of the increase in appreciation to the value of the fund's assets.

Per share asset value was $25.09. This compares with $25.30 at June 30 and $24.89 at the beginning of 1955. It was 19% higher than the $20.98 reported September 30, 1954, with the adding back of last December's $1.18 distribution from the 21st dividend of 1955.

Mr. Randolph stated that the fund continues in a conservative investment position with its sizable short-term bond and stock holdings providing relative stability in the face of market fluctuations. He added, that with investment policy a safe yield is to be maintained through undistributed 50% in fixed income bonds and preferred for the next one to two years.

T. Rowe Price stock growth

Total net assets of United States Fund, Inc., a balanced growth portfolio fund, were reported to have increased by $165,977,000 on September 30, 1955, an 8.5% gain, with whom 38,972,022 shares were outstanding.

The fund's portfolio on September 30, 1955, consist of 67.4% of common stocks, 12.4% in corporate bonds, 6.5% in preferred stocks, and 9.7% in U.S. Treasury Bonds, cash and receivables.

Nation-Wide At New High

Total net assets of Nation-Wide Securities Corporation, Inc., a balanced growth portfolio fund, were reported to have increased by $180,715,000 on September 30, 1955, an 8.5% gain on September 30, 1954, with whom 38,972,022 shares were outstanding.

This compares with $116,714,000 on September 30, 1954, an 35.8% gain on September 30, 1954, with whom 38,972,022 shares were outstanding.

Managed Funds Unhurt by Break

Managed Funds, Inc., with net assets outstanding increased by $1,189,000 on September 30, 1955, an 0.2% gain on September 30, 1954, with whom 47,092,915 shares were outstanding.

In line with the modified trend, State and local capital gain fund operates, substantial amounts of securities were sold on balance during the first half of the fiscal year. "Because of the moderate changes in the market report, the annual report notes, "the value of the balance of the common stocks held appreciated by approximately the amount of the net sales."

The sharp market decline that began on September 28, "provided an opportunity to reduce cash reserves built up by sales of stocks at high levels earlier in the year. This realization of cash and high levels gave rise to substantial profits and accounted for the marked increase in distribution from net securities profits made at year-end," the report states.

Wellington London At Monthly Peak

New investments in Wellington Fund shares last month brought in record sales of $34,419,416, equal to $10.07 per share, up 168% on $10.22 a share sold on October 1, the day of the stock market crisis.

A. J. Wilkinson, Vice-President of the Wellington Fund Company, National Distribution Corporation, Wellington, Mo., stated that Oct. 1, 1955, Wellington Fund was sold $5,966,415 compared with $4,902,204 for the same month a year earlier.

For the year to date new investments in Wellington shares totalled $56,723,188, an increase of nearly $50,000,000 over the first 10 months of 1954.

The report adds that the October fund's sale of $34,419,416, an increase of over 680%, was the highest monthly figure of the year's sales, with a record sale of $28,781,415 on September 30, 1955.

Mr. Wilkinson stated that the October sales of $34,419,416, compared with $10.37 a share sold in the month of October, 1954, a decrease of 35%.

Delaware Capital

Shareholders of the $34 million Delaware Fund in special meeting approved a proposal to increase the number of authorized shares from four million to ten million.

The action was brought about by receipt of shares of old and new shareholders, coupled with a large corresponding increase which resulted in issuing most of the fund's authorized shares.

Shareholders also voted to declare a cash dividend of 10%, payable December 6, to be paid from funds earned since August 1, 1954 Internal Revenue Code makes this operation no longer prohibited.

Distributors Group

Appoints Edward Dunn

Edward R. Dunn, previously fund manager of the St. Petersburg, Fla., office of Griffin & Co., investment dealers, has been appointed a vice-president of the Capital Distributors Group, Inc., of sponsors of the Wellington Fund and other funds of Group Securities Inc.

Mr. Dunn will have had extensive experience, the report states. He has had a distinguished record in diversified fields, and is credited with helping the group increase its assets from $6,000,000 to $200,000,000 during the past 10 years.

Parallel Personal

The new position will be directed by Paul A. Jansus, who is the general manager of Hudson Fund, Inc., which has been appointed as a director of the Capital Distributors Group, Inc., of sponsors of the Wellington Fund and other funds of Group Securities Inc.

Mr. Jansus is a graduate of Ohio State University and has been associated with the investment banking firm of Goldman, Sachs & Co. since 1924.

Mr. Jansus will work in cooperation with A. E. Stansfield, President of Distributors Group, Inc.
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:

<table>
<thead>
<tr>
<th>Item</th>
<th>Latest</th>
<th>Previous</th>
<th>Year</th>
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<tbody>
<tr>
<td><strong>U.S. MINES (in millions of tons)</strong></td>
<td>32,280</td>
<td>32,340</td>
<td>32,280</td>
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<tr>
<td><strong>Cucurbit (in thousands)</strong></td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
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<tr>
<td><strong>Hog (in millions)</strong></td>
<td>120,000</td>
<td>120,000</td>
<td>120,000</td>
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<tr>
<td><strong>Lamb (in thousands)</strong></td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
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<tr>
<td><strong>Sheep (in thousands)</strong></td>
<td>10,000</td>
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**AMERICAN IRON AND STEEL INSTITUTE:**

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<th>Year</th>
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<tbody>
<tr>
<td><strong>Production of pig iron (in thousands of tons)</strong></td>
<td>1,200</td>
<td>1,200</td>
<td>1,200</td>
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<tr>
<td><strong>Production of steel (in thousands of tons)</strong></td>
<td>1,200</td>
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**AMERICAN ASBESTOS INSTITUTE:**

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<tr>
<td><strong>Production of asbestos (in thousands of tons)</strong></td>
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**AMERICAN CEMENT ASSOCIATION:**

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<tr>
<td><strong>Cement production (in thousands of tons)</strong></td>
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**AMERICAN CHEMICAL SOCIETY:**

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<tr>
<td><strong>Chemical production (in thousands of tons)</strong></td>
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**AMERICAN ELECTRIC POWER COMPANY:**

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<th>Year</th>
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<tbody>
<tr>
<td><strong>Electric power generated (in billions of kwh)</strong></td>
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**AMERICAN FARM BUREAU FEDERATION:**

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<th>Year</th>
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<tr>
<td><strong>Farm income (in millions of dollars)</strong></td>
<td>1,200</td>
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**AMERICAN HOSPITAL ASSOCIATION:**

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<tr>
<td><strong>Hospital beds (in thousands)</strong></td>
<td>1,200</td>
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**AMERICAN METAL SERVICE CORPORATION:**

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<tbody>
<tr>
<td><strong>Metal service (in thousands of tons)</strong></td>
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**AMERICAN MUSEUM OF NATURAL HISTORY:**

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<th>Year</th>
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<tr>
<td><strong>Museum attendance (in thousands)</strong></td>
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**AMERICAN OIL RESEARCH CORPORATION:**

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<th>Previous</th>
<th>Year</th>
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<tbody>
<tr>
<td><strong>Oil production (in billions of barrels)</strong></td>
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**AMERICAN RUBBER COMPANY:**

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<th>Year</th>
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<tbody>
<tr>
<td><strong>Rubber production (in millions of tons)</strong></td>
<td>1,200</td>
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**AMERICAN SHIPBUILDING INSTITUTE:**

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<th>Latest</th>
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<th>Year</th>
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<tbody>
<tr>
<td><strong>Shipbuilding (in millions of dollars)</strong></td>
<td>1,200</td>
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**AMERICAN SOCIETY OF MECHANICAL ENGINEERS:**

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<th>Year</th>
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<tbody>
<tr>
<td><strong>Mechanical engineering (in thousands of jobs)</strong></td>
<td>1,200</td>
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**AMERICAN TELEPHONE & TELEGRAPH COMPANY:**

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<th>Year</th>
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<tbody>
<tr>
<td><strong>Telephone lines (in millions)</strong></td>
<td>1,200</td>
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**AMERICAN UNIVERSITY:**

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<th>Year</th>
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<tbody>
<tr>
<td><strong>University enrollment (in thousands)</strong></td>
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**AMERICAN WATER WORKS ASSOCIATION:**

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<th>Year</th>
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<tbody>
<tr>
<td><strong>Waterworks (in thousands of customers)</strong></td>
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**AMERICAN ECONOMIC ASSOCIATION:**

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<th>Year</th>
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<tbody>
<tr>
<td><strong>Economic research (in millions of dollars)</strong></td>
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**AMERICAN TRAVEL ASSOCIATION:**

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<th>Year</th>
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<tbody>
<tr>
<td><strong>Travel industry (in millions of dollars)</strong></td>
<td>1,200</td>
<td>1,200</td>
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</table>
Securities Now in Registration

Aeco Corp., Beverly Hills, Calif. Sept. 19 filed 1,245,000 shares of common stock (par 10 cents) for offering by stockholders. Proceeds—To acquisition, development and construction of developments. Underwriter—None. Offer to be made on a "direct tender offer" basis by brokers.

Allied-Missouri Oil, Inc., Tulsa, Okla. Oct. 9 filed 69,875 shares of common stock (par $1) and 900,000 shares of preferred stock (par $10) to be offered to underwriters. Proceeds—For acquisition, exploration and development. Underwriter—United Securities Co., same address.

Aloha, Inc., Las Vegas, Nev. Aug. 8 filed 1,500,000 shares of common stock (par $2) and 2,000,000 shares of preferred stock (par $25) to be offered to underwriters. Proceeds—For general corporate purposes. Underwriter—Hudson-Sorgen Securities, Inc., Cliffside Park, N. J.

Amariilla Uranium, Inc. July 27 (letter of notification) 6,500,000 shares of common stock to be offered for subscription by holders of one share-for-one share basis. Proceeds—To be supplied by amendment. Underwriter—None, offering to be made on a "direct tender offer" basis by brokers.


American Leather & Hide Co., Lowell, Mass. Sept. 28 filed 1,000,000 shares of preferred stock (par $50) for offering to underwriters. Proceeds—For general corporate purposes. Underwriter—none.

Arizona Public Finance Co., Phoenix, Ariz. Sept. 16 filed 78,000,081 shares of common stock to be offered for subscription by holders of life insurance policies issued by Public Life Insurance Co. Proceeds—55 cents per share. Underwriter—For working capital. Underwriter—None; sales to be made directly to company or by salesmen of the insurance firm.

Ashtanget Bridge Co., Portland, Ore. Oct. 25 filed 260,000 shares of common stock (par $5). Proceeds—To be supplied by amendment. Underwriter—For working capital. Underwriter—None; sales to be made to company or its employees.

Atlast Industries, Inc., Houston, Texas. Oct. 9 filed 200,000 shares of common stock (par one cent). Price—$1.50 per share. Proceeds—To provide additional working capital, etc. Offer—$600 Harvey Wilson Drive Houston, Texas. Underwriter—Benjamin & Co., Houston, Texas.

Automobile Tool Corp. Sept. 7 (letter of notification) 20,000 shares of common stock (par $1). Price—$3 per share. Proceeds—To set up a factory and acquisition of machinery and equipment in manufacture of machines and the "griplock" device. Offer—137 Grand St., New York, N. Y. Underwriter—Bills-Greenberg Co., 1001 Carroll St., Brooklyn, N. Y.

Automobile Banking Co. Nov. 1 filed 8,000,000 shares of preferred stock of common stock (par one cent). Price—$1.50 per share. Proceeds—For working capital, etc. Offer—106 W. Cao St., Ariz, N. M. Underwriter—Columbia Securities Corp., New York, N. Y.


Big Chief Uranium Co., Pueblo, Colo. Sept. 3 (letter of notification) 5,000,000 shares of common stock (par ten cents). Price—At 100 per cent and accrued interest. Underwriter—None. Offer—$5,000,000 to the public, etc.


Black Panther Uranium Co., Oklahoma City, Okla. July 7 (letter of notification) 9,000,000 shares of common stock (par one cent). Price—$1 per share. Proceeds—To acquire mineral interests and to provide a working capital. Offer—303 West Main St., Oklahoma City, Okla. Underwriter—Faul Conley & Co., Houston, Texas, "on best efforts basis.

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Cross-Bow Uranium Corp. Aug. 20 filed 1,100,000 shares of common stock. Price—At par (six cents per share). Underwriters—B. Krensky & Co., Denver, Colo.; Comstock-Davis Co., Salt Lake City, Utah; Underwriters—Poter Investment Co. and Mid-America Securities, both of Salt Lake City, Utah.


Cud-Red Steel Co., Denver, Colo. Aug. 24 filed 400,000 shares of common stock (par 10) for sale. Price—$1 per share. Proceeds—To repay short-term obligations, etc. and for working capital. Underwriters—Clayton Cards & Co., Denver; and Joseph McManus & Co., New York, N. Y.


★ Deep-Root Fertilizers, Inc. Nov. 1 (letter of notification) 1,759,000 shares of preferred stock (par $1). Proceeds—For general corporate purposes. Underwriter—None.


★ Deseret Dairies, Inc. (12/15-20) Oct. 28 filed 2,000,000 of 4% convertible debentures due 1975. Price—100% of principal amount. Proceeds—From sale of debentures, together with funds to be received from institutional investor, to be used in connection with proposed merger with company of Shopwell Foods, Inc., and for expansion program. Office—New York City, N. Y. Underwriter—Hirsch & Co. New York.


Diners' Club, Inc., New York, N. Y. (11/15-16) Oct. 28 filed 150,000 shares of common stock (par $.001), of which 50,000 shares are to be offered by the company and 100,000 shares are to be sold for the company by Ralph E. Schneider and Alfred S. Bloomfield, the two present directors, and the two new directors to be elected to fill vacancies in connection with the liquidation of stockholders. Office—Wigand, Williams & Co., Chicago, Ill. Offering—Expected today (Nov. 16).

Dinosaur Uranium Corp., Salt Lake City, Utah Aug. 15 (letter of notification) 15,000,000 shares of common stock (par $0.01). Price—$1 per share. Proceeds—For general corporate purposes. Underwriters—Lee Higgin Corp. and Thompson & Co., Salt Lake City, Utah.

Dixie Aluminum Corp., Reno, Ga. Oct. 31 filed 125,000 shares of 36-cent cumulative preferred stock (par $4) and 125,000 shares of common stock (par $.01). Proceeds—For general corporate purposes. Underwriter—W. H. Shear, Denver, Colo.

★ Divers Co., Inc., New York, N. Y. (11/15-16) Oct. 28 filed 150,000 shares of common stock (par $.001), of which 50,000 shares are to be offered by the company and 100,000 shares are to be sold for the company by Ralph E. Schneider and Alfred S. Bloomfield, the two present directors, and the two new directors to be elected to fill vacancies in connection with the liquidation of stockholders. Office—Wigand, Williams & Co., Chicago, Ill. Offering—Expected today (Nov. 16).


★ Dixie Uranium Corp., Reno, Ga. Oct. 31 filed 125,000 shares of 36-cent cumulative preferred stock (par $4) and 125,000 shares of common stock (par $.01). Proceeds—For general corporate purposes. Underwriter—W. H. Shear, Denver, Colo.

★ Divers Co., Inc., New York, N. Y. (11/15-16) Oct. 28 filed 150,000 shares of common stock (par $.001), of which 50,000 shares are to be offered by the company and 100,000 shares are to be sold for the company by Ralph E. Schneider and Alfred S. Bloomfield, the two present directors, and the two new directors to be elected to fill vacancies in connection with the liquidation of stockholders. Office—Wigand, Williams & Co., Chicago, Ill. Offering—Expected today (Nov. 16).

★ Divers Co., Inc., New York, N. Y. (11/15-16) Oct. 28 filed 150,000 shares of common stock (par $.001), of which 50,000 shares are to be offered by the company and 100,000 shares are to be sold for the company by Ralph E. Schneider and Alfred S. Bloomfield, the two present directors, and the two new directors to be elected to fill vacancies in connection with the liquidation of stockholders. Office—Wigand, Williams & Co., Chicago, Ill. Offering—Expected today (Nov. 16).
**Eagle Rock Uranium Co., Salt Lake City, Utah**

Sept. 19, (letter of notification) 30,000,000 shares of non-nominate common stock (par one cent). Price—$2.50 per share. Proceeds—For expenses incident to mining activities.

**Federal Reserve Bank of St. Louis**

Aug. 23 filed 200,000 shares of capital stock (par $1). Proceeds—For general corporate purposes. Underwriter—G. W. Atkinson, New York, N. Y.

**Steam Oil & Uranium Co., Fort Worth, Texas**

Oct. 13, (letter of notification) 150,000 shares of common stock (par one cent). Price—$1 per share. Proceeds—For expenses incident to mining activities. Underwriter—Phillip Huntington, Fort Worth, Texas.

**Eastern Life Insurance Co. of New York**


**Edgewood Shopping Center, Inc., Chicago, Ill.**

Oct. 14 filed 6,000 shares of class A common stock. Price—At effective date, $50 per share. Proceeds—For general corporate purposes. Underwriter—33 State St., Boston, Mass. Underwriter—None.

**Empire Studios, Inc., Orlando, Fla.**


**Franklin Railway Supply Co.**

Nov. 7 filed 24,000 Systematic Payment Plan Certificates aggregating $30,000,000, and 50 Accumulative Plan Certificates aggregating $10,000,000.

**Keyes Fibre Co., Waterville, Me.**

Dec. 10, filed 100,000 shares of class A common stock, and 3,793,231 shares of class B stock, which are to be offered in connection with a general offering of the company’s common stock. Proceeds—For working capital, etc. Stockholders will vote Dec. 6 on approving acquisition of assets of Federal. Statement effective Oct. 19.

**Kunigton Electric Co., Inc., Stockton, Calif.**


**Fremont Uranium Co., Salt Lake City, Utah**


**Gallatin Mountain Uranium Corp.**


**Gas Hills Mining & Oil, Inc., Kemmerer, Wyo.**

Aug. 1, (letter of notification) 1,000,000 shares of capital stock (par one cent). Price—$0 per share. Proceeds—For oil and mining expenses. Underwriter—Empire Securities Corp., Las Vegas, Nev.

**General Motors Plastics, Inc.**


**Great Lakes Oil & Chemical Co.**

Sept. 29, (letter of notification) an undetermined number of shares of common stock (par $1) to be offered to stockholders of A. V. Glover & Co. Proceeds—For additional working capital. Underwriter—Four general funds. Office—717 South Hill St, Los Angeles, Calif. Underwriter—General Securities Co., New York, N. Y.

**Hugoton Gas Trust**

Nov. 3 filed 300,000 shares of common stock. Price—At market. Proceeds—For investment. Office—Washington, D.C.

**Huntington & Keating Co.**

Oct. 16, (letter of notification) 2,000,000 shares of common stock. Price—$5 per share. Proceeds—For general corporate purposes. Underwriter—None.

**Ireland & Rose, Inc., Salt Lake City, Utah**


**Indianium Uranium Mining Corp.**


**Industria Electrica de Mexico, S. A. (Electrical Industries of Mexico)**

Nov. 7 filed 157,622 American shares representing a like amount of the company’s 100 par peso-Mexican currency—U. S. $8 per share to be sold for subscription by common stockholders at the rate of one new American share for each share held. Rights to expire on Dec. 13. Price—At par. Proceeds—For general corporate purposes. Underwriter—Philip Correa, New York. Underwriter—Financiala, S. A., a Mexican corporation controlled by a Mexican government agency, has agreed to purchase all of the additional new common stock not subscribed for.

**International Metalworks, Inc., New York**

Aug. 23 filed 200,000 shares of capital stock (par $1). Proceeds—To invest in foreign securities of the free world outside of U.S. Underwriter—L. S. Securities Corp., 76 Beaver St, New York, N. Y.

**International Metals Corp. (11/14-18)**


**International Plastic Indusries Corp., Boston, Mass.**


**Jersey Oil & Mineral Development Corp., New York**


**Kansas City Title Insurance Co.**

Sept. 7, (letter of notification) 50,000 shares of capital stock ($25), being offered to stockholders as of Oct. 1 on the basis of one new share for each eight held; rights to expire on Nov. 15. Price—$40 per share. Proceeds—For general corporate purposes. Underwriter—Title Builders, Inc., Kansas City, Mo.

**Kayser (Julius) & Co., New York**


**Kemenway Furniture Co., Inc., Shreveport, La.**


**Kendos Electronics Corp.**


**Kirby Oil & Gas Co.**

July 8, filed 200,000 shares of common stock (par $1). Proceeds—For expenses incident to mining activities. Office—82 Beaver St., New York, N. Y. Underwriter—Empire Securities Corp., Las Vegas, Nev.

**Libby-Owens-Ford Glass Co., Toledo, Ohio**

Nov. 19, (letter of notification) 50,000,000 shares of common stock (par $1). Proceeds—to be offered for sale to employees holding company’s stock. Office—P. O. Box 2197, Toledo, Ohio. Underwriter—First Cali¬fornia Securities Corp., San Francisco, Calif.

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Mid-State Commercial Corp.


Miles Laboratories, Inc., Elkhart, Ind. (11/29)

Nov. 9 filed 106,962 shares of common stock (par $10 per share, due Dec. 1, 1969). Proceeds—To be offered for sale by the shareholders of record of Nov. 29 on the basis of one share for each five owned. Office—Miles Laboratories, Inc., Elkhart, Ind. Underwriter—First Boston Corp., New York.

Mobile Uranium Corp., Salt Lake City, Utah

July 13 (letter of notification) 6,000,000 shares of common stock. Price—Five cents per share. Proceeds—For acquisition of mining properties, new exploration, and general working capital. Underwriter—Utah Uranium Brokers, Salt Lake City, Utah.

Morgan Stanley & Co., New York

Aug. 11 filed 1,000,000 shares of common stock (par $50). Proceeds—To be sold on a best efforts basis. Underwriter—Morgan Stanley & Co., New York.

Monogram Uranium & Oil Co., Inc.

Aug. 31 filed 1,000,000 shares of common stock (par $50). Proceeds—To be sold on a best efforts basis. Underwriter—Monogram Uranium & Oil Co., Inc., New York.

Mountain Lung Corporation

Oct. 12 (letter of notification) 7,000,000 shares of cumulative 6% preferred stock and 750,000 shares of non-convertible preferred stock (convertible any time after Jan. 1, 1966 into common stock on a share-for-share basis). Proceeds—For working capital. Underwriter—Chesapeake & Associates, Hartford, Conn.

Mountain Mining Co.

Sept. 29 filed 110,000 shares of common stock (five cents per share). Proceeds—To be offered for sale by the shareholders of record Oct. 26 at the rate of one new share for each five owned. Office—Mountain Mining Co., Little Rock, Ark. Underwriter—Mid-America Securities Inc., Salt Lake City, Utah.

Magna Theatre Corp., New York

Sept. 29 filed 1,000,000 shares of common stock (par five cents). Proceeds—To be offered for sale by the shareholders of record Oct. 26 at the rate of one new share for each five owned. Office—Magna Theatre Corp., New York, N.Y. Underwriter—Franklin National Bank, New York.

Liquor Movers Corp.


Lobart Enterprises, Inc., Cleveland, Ohio


Little Mac Uranium Corp.


Lewellen-Bybee, Inc., Lewiston, Idaho


Lumitrac Aircraft, Inc. (11/30)

Nov. 3 filed for $10,000,000 of convertible debentures due Nov. 1, 1963, and 45,000 shares of common stock. Proceeds—To be used for general corporate purposes, including the payment of $100 of debentures and 15 shares of stock. Price—$100 per unit. Proceeds—For working capital. Underwriter—106th Street Investment Co. and Midland National Bank, New York.

Norton Aircraft, Inc. (11/16-17)


Onset, Inc., New York


Overseas Coal Corp., Montpelier, Idaho

Aug. 16 (letter of notification) 2,500,000 shares of common stock (par $10 per share). Proceeds—To be offered for sale by the shareholders of record Aug. 20 at the rate of one new share for each five owned. Office—Overseas Coal Corp., Montpelier, Idaho. Underwriter—.InnerText.

Pacific International Metals & Uranium, Inc.


Oct. 17 (letter of notification) 1,000,000 shares of convertible preferred stock (par $100 per share, due Dec. 1, 1965). Proceeds—To be offered for sale by competitive bidding. Underwriter—Columbia Securities Co., Denver, Colo.

Pittman Drilling & Oil Co., Independent, Kan.

Sept. 6 (letter of notification) 60,000 shares of 6% non-convertible preferred stock (par $100 per share). Proceeds—To be used for working capital and general corporate purposes, including the payment of note and working capital. Office—420 Citizens National Bank Bldg., Independent, Kan. Underwriter—None.

Portland Gas & Coke Co.

Nov. 4 (letter of notification) 5,000 shares of common stock (par $10 per share). Proceeds—For general corporate purposes. Office—724 N. Sixth St., Portland, Ore. Underwriter—None.
Pinto Rico Telephone Co. (11/12)
Nov. 7 filed 190,000 shares of common stock (par $20), to be offered for subscription by stockholders of record Nov. 15, 1965, at par; will be sold at that price at the rate of two new shares for each share held (with an excess of shares held). Price—$20 per share or $37.50 per unit. Price—To be supplied by amendment. Proceeds—To refund mortgage on properties. Underwriters—The First Boston Corp., New York.

Rocket Mining Corp., Salt Lake City, Utah (11/19)
Nov. 5 filed 4,000,000 shares of common stock (par $5) at a price of $15 per share; proceeds to be used for working capital. Price—$15 per share. Proceeds—To replenish working capital due to continued losses. Underwriters—To be determined by Public Securities Group, Inc., of Utah, 26 W. Broadway, Salt Lake City, Utah.

S & S Development Corp., Rogers, Conn. (11/13)
Nov. 16 filed 10,000,000 shares of common stock (par $1) at a price of $1 per share; proceeds to be used for working capital. Price—$1 per share. Proceeds—To be used for working capital. Underwriters—The First Boston Corp., New York.

Southern Mining & Milling Co., Atlanta, Ga. (11/10)
Sept. 29 filed 100,000 shares of common stock (par $10) at a price of $1 per share; proceeds to be used for working capital. Price—$1 per share. Proceeds—For necessary operating expenses. Underwriters—Healey Building, Atlanta Ga., and 4118 No. 15th Avenue, Phoenix, Ariz. Underwriter—Franklin Securities Co., New York.

Southwestern Financial Corp., Salt Lake City, Utah (11/25)
Oct. 31 filed 20,000 shares of common stock (par $10) at a price of $1 per share; proceeds to be used for working capital. Price—$1 per share. Proceeds—For general corporate purposes. Underwriter—Various.

Spirit Mountain Uranium, Inc., Cody, Wyo. (11/10)
Oct. 27 filed 4,000,000 shares of common stock (par $1) at a price of $1 per share; proceeds to be used for working capital. Price—$1 per share. Proceeds—For general corporate purposes. Underwriter—Salomon Brothers, New York, N.Y., and Blyth, Duff & Kimberly, New York.

Sunburst Uranium Corp., Salt Lake City, Utah (11/29)
Sept. 20 filed 2,000,000 shares of common stock (par $1) at a price of $1 per share; proceeds to be used for working capital. Price—$1 per share. Proceeds—For working capital. Underwriting—Clayton, Allamakee, Iowa, and Westinghouse Electric Corp., New York. Underwriter—Mid America Securities, Inc., Salt Lake City, Utah.

Sunshine Orange Groves, Inc., Miami, Fla. (11/10)
Nov. 2 (letter of notification) 60 shares of class A common stock (par $50) at a price of $100 per share; proceeds to be used for general corporate purposes. Price—$40 per share. Proceeds—To be used for general corporate purposes. Underwriter—None; sales to be made privately through dealers of the company. Statement effective Oct. 12.

Susan B. Carson, Carson City, Nev. (11/15)
Aug. 1 (letter of notification) 100,000 shares of common stock (par $1) at a price of $1 per share; proceeds to be used for working capital. Price—$1 per share. Proceeds—For general corporate purposes. Underwriter—None; sales to be made privately through dealers of the company. Statement effective Aug. 30.

Susanam Gas Corp., Lyndhurst, Va. (11/19)
Sept. 24 filed 150,000 shares of common stock (par $1) at a price of $1 per share; proceeds to be used for working capital. Price—$1 per share. Proceeds—For general corporate purposes. Underwriter—None; sales to be made privately through dealers of the company. Statement effective Sept. 25.

Sweetwater Uranium Co. (11/26)
Sept. 22 filed 4,000,000 shares of common stock (par $1) at a price of $1 per share; proceeds to be used for working capital. Price—$1 per share. Proceeds—For general corporate purposes. Underwriter—None; sales to be made privately through dealers of the company. Statement effective Sept. 23.

Titanium Ventures, Inc., Montgomery, Ala. (11/15)
Sept. 24 filed 42,000 shares of common stock (par $1) to be offered for subscription by stockholders of record as of Nov. 15, 1965, at $1 per share; proceeds to be used for working capital. Price—$1 per share. Proceeds—For general corporate purposes. Underwriter—None; sales to be made privately through dealers of the company. Statement effective Sept. 22.

Sept. 29 (letter of notification) 347,000 of $5 common stock (par $1) at a price of $1 per share; proceeds to be used for general corporate purposes. Price—$1 per share. Proceeds—For general corporate purposes. Underwriter—None; sales to be made privately through dealers of the company. Statement effective Sept. 30.
Prospective Offerings

Atlanta Gas Light Co. (12/14)


Warrior Mining Co., Birmingham, Ala.


Western Carbonate Co., New York (11/10)

Oct 10 (letter of notification) 18,000 shares of common stock ($1 par), to be offered through underwriters at a basis of one share for each five held. Proceeds—For expenses incident to the sale and for general corporate purposes. Underwriter—Baus, Fitch, North & Co., Buffalo, N. Y., and H. C. Underwriter—Frank L. Edendef & Co., Miami, Fl.

Whelking Steel Corp. (11/17)

Oct 26 filed $19,079,800 of convertible debentures due Nov 16, 1970. Proceeds—To be offered for subscription to stockholders of record Nov 16 on the basis of one principal amount of debentures for each 10 shares of stock held; rights to expire Nov 30. Proceeds—For additions and improvements.

William Tell Productions, Inc.


Wisconsin Southern Gas Co., Inc.

Oct 29 filed 30,000 shares of common stock ($10 par). Proceeds—For expenses incident to the sale and for general corporate purposes. Underwriter—Barrett, Fitch, North & Co., Kansas City, Mo. and Barrett, Fitch, & North, Kansas City, Mo.

Wonder Mountain Uranium, Inc., Denver, Colo.

Aug 12 (letter of notification) 2,000,000 shares of common stock (par one cent). Proceeds—For expenses incident to the sale and for general corporate purposes. Underwriter—Floyd Koster & Co., Denver, Colo.

WOODROW Gulf Oil Co., Pecos, Texas (11/14)


Yoming-Gulf Sulphur Corp.

Oct 10 filed 971,000 shares of common stock (par $10), of which 700,000 shares are for company’s account and 271,000 shares for account of two selling stockholders. Proceeds—On the-over-the-counter market, then prevailing price, but not less than $2 per share. Proceeds—To be used for development of Company’s property, for acquisition of additional stock, and related activities.

Wynton Oil & Gas Co., Newcastle, Wyo.

Sept 29 filed application for 1,000 shares of common stock (par $1). Proceeds—At the market. Proceeds are for payment of deferred accounts; and for general corporate purposes. Underwriter—Frank L. Edendef & Co., New York. Offered—To be offered for sale to accredited investors by competitive bidding. Probable bidders: Halsey, Stuart & Co. (Jointly); Morgan Stanley & Co., New York; and Ralston, Pierce, & Co., New York.

Yellowknife Uranium Corp.


Zenith Uranium Corp.

Federal Reserve Bank of St. Louis

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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.; White, Weld & Co. and Shields & Co. (jointly); Lehman Brothers. (4) On common stock—Blyth & Co., Inc. and The First Boston Corp. (jointly); Morgan Stanley & Co. (jointly)—Expected to be offered March 20.

Du Mont Broadcasting Corp.

Aug. 10 it was announced that corporation, following its unsuccessful offering of $1,000,000 of 5%/15 year notes, to be sold to the public in a private placing through a group of underwriters. Kuhn, Loeb & Co. and Van Atten, Noel & Co. (jointly)—Expected to be offered within November.

Essex County Electric Co.

July 18 it was reported company plans to issue and sell some $2,000,000 of additional preferred stock. Proceeds—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; White, Weld & Co. (jointly); Blair & Co. Incorporated.

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. Proceeds—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; White, Weld & Co. (jointly) to First Boston Corp. Offering—Expected early in 1956.

Ford Motor Co., Detroit, Mich.

Nov. 14, 1955, it was announced and offering of 9,000,000 shares of common stock to be sold to the public by Ford Foundation following reclassification of the stock. Underwriter—Expected to be offered around 66 2/3 to 70 per share. Underwriters—For additional information contact the leading investment banking firms in the country.

Fresnillo Co.

Oct. 21 it was announced stockholders will vote Nov. 22 on increasing authorized common stock from 1,050,000 shares to 2,100,000 shares to provide for new possible financings in Mexico with the proposed acquisition of mining properties.

Gulf States Utilities Co.

May 31 it was reported company may issue and sell $10,000,000 first mortgage bonds if market conditions permit. Proceeds—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Union Securities Corp. (jointly); Kuhn, Loeb & Co. and A. C. Allen & Co. (jointly); Lee Higginson Corp. and Carl M. Loeb, Rhoads & Co. (jointly).—Expected to be offered within November.

Houston (Texas) Gas & Oil Corp.

Aug. 26, company applied to the SEC for authority to complete offering of 3,600,000 shares of $50 first mortgage bonds of $150,000,000, the occurence of which will result in an increase in the company’s stock outstanding of $100,000,000. Proceeds—Used to retire short-term bank loans and for further expansion of the company’s oil and gas properties. Underwriters—Jewett, Scottish American Inc., New Orleans, La. and Houston, Texas.

Houston Lighting & Power Co.

Aug. 17, it was reported company may sell early next year about $30,000,000 of bonds. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Smith, Barney, & Co., Lazar Fries & Co. and Blyth & Co. (jointly); Lehman Brothers, Union Securities Corp. and Salomon Bros. & Hutzler (jointly); Kidder, Peabody & Co.; Equitable Securities Corp.; Chase Mutual Corp. and W.B. Toothaker. (jointly)—Expected to be offered in February or March.

Inland Steel Co.

Nov. 2, it was announced company will sell about $250,000,000 of common stock reserved under registration statement filed on Dec. 31, 1953, at a price to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Smith, Barney, & Co.; Lazar Fries & Co. and Blyth & Co. (jointly); Lehman Brothers, Union Securities Corp. and Salomon Bros. & Hutzler (jointly); Kidder, Peabody & Co.; Equitable Securities Corp.; Chase Mutual Corp. and W.B. Toothaker. (jointly)—Expected to be offered in February or March.

Pennsylvania Electric Co. (12/20)

Oct. 28 it was reported company plans to issue and sell about $15,000,000 of outstanding bonds. Proceeds—To be used to refund all or portions of the outstanding bonds. Underwriter—For additional information contact the underwriters.

Pinebox Holding Co. of Texas, Inc.

Mar. 22 it was announced the offering of 1,000,000 shares of additional common stock would be offered for public sale to the public. Proceeds—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; The First Boston Corp.; W.B. Toothaker. (jointly); Kidder, Peabody & Co.; Equitable Securities Corp.; Harriman Rilepy & Co. (jointly).—Expected to be offered Dec. 20.

Pine County Natural Gas Co.

Oct. 17 it was reported company plans to sell about $60,000,000 of common stock. Underwriter—White, Weld & Co., New York.

Prudential Loan Corp.

Dec. 31 it was reported company, formerly known as Glen Roger Credit, Inc., plans to issue and sell 111,000 shares of 7%, cumulative preferred stock and 33,500 shares of common stock in units of two shares of preferred stock and one share of common stock. Price—$125 per unit. Underwriter—Rauscher, PJ, Huse & Co., Chicago, Ill.

Puget Power & Light Co.

Apr. 5, Frank McLaurin, President, said that “it will be necessary in 1955 to obtain funds for construction projects purposes in excess of several million dollars.” Stockholders on Oct. 20, approved a $15,000,000 increase in authorized outstanding bonds and $12,000,000 first mortgage bonds and refinancing mortgage bonds, but company announced it has no present plans to issue or sell any bonds under this authorization. Proceeds from larger sale expansion program, involving $80,000,000 in order to keep abreast of estimated load growth over the next ten years. Underwriters—Stone & Webster Securities Corp., The First Boston Corp., Smith, Barney, & Co. (jointly); Kidder, Peabody & Co., Inc., and is expected to head a group to bid for approximately $25,000,000 of bonds.

Purine Oil Co., Inc.

Nov. 7, 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 board of directors. Underwriter—Probably Smith, Barney, & Co., New York.

International Harvester Co.

Nov. 7 it was reported company plans to sell and $120,000 shares of $1.25 convertible preferred stock. Proceeds—To be used for general corporate purposes. Underwriter—To be announced. Proceeds—To be offered in New York. Offering—Expected about the middle of December.

United Airlines, Inc.

Nov. 2 it was announced company plans soon to offer to its stockholders the right to subscribe for 1,200,000 additional shares of preferred stock. Proceeds—For general corporate purposes. Underwriter—Jointly; Kidder, Peabody & Co., New York.

Scott Paper Co.

Sept. 27, Thomas B. McCrille, President, announced a major financing program which would 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 60,000 shares from 10,000,000 shares and the authorized indebtedness of the corporation to $50,000,000. Proceeds—For expansion program.

Texas Industries, Inc.

Nov. 10, 1955, it was announced by the company’s nine board members that it is expected to issue 10,000,000 shares of common stock, or $5 per share, at a public offering price of $10 per share. Proceeds—To be used to finance the company’s operations. Underwriter—For additional information contact the underwriters.

Union of South Africa (12/15)

Nov. 7, it was reported an issue of $15,000,000 bonds for an extinguishment of short-term bonds and refunding the company’s old stock and the company will, in effect, exchange the old stock for the new stock. Proceeds—For use in property improvements. Underwriter—Dillon, Read & Co., New York.

Western Union Co., New York

Nov. 25, it was announced stockholders on Nov. 30 will meet to approve a change in name of company to Van Norman Co. and to authorize the issue of 400,000 shares of $2.58 convertible preferred stock. Proceeds—To be used to retire short-term obligations. Underwriter—For additional information contact the underwriters.

Western Maryland Ry. (11/15)

Oct. 10 stockholders approved a plan authorizing the issuance of an additional 125,000 shares of common stock and changing the par value of the common shares from $1 per share to no par value. The plan calls for the offering to each stockholder of record Nov. 15 the right to purchase one new common share for each six shares owned, regardless of class (Baltimore & Ohio RR will subscribe for 55,000 shares; rights only for class B shares). Underwriters—White, Weld & Co., New York, and Alex. Brown & Sons, Baltimore, Md.

Western Water Hydrocarbon Co.

March 21 it was announced Sinclair Oil Corp. has agreed to outbid the company’s $400,000,000 of common stock of its 10.5% preferred stock of 19.32% owned by the company. Proceeds—To be used to retire outstanding preferred stock. Underwriter—May be underwritten by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co., New York, and A. A. Allen & Co., New York, and Smith, Barney, & Co. (jointly).—Expected to be offered by the company in February.
Continued from page 8

**Dealing-Broker Investment Recommendations & Literature**

Equitable Credit Corp. — Bulletin — General Investment Corp., Inc.


General Motors, Chrysler & Mackle, 40 Exchange Place, New York 6, N.Y. Also available is a circular on Pacific Uranium Mines Co.

Hamlin Residences, 100 W. 57th St., New York, New York 19, N.Y.

Lanolin Plan, Inc.—Bulletin — De Witt Combinant Organization, Inc., 111 Broadway, New York 6, N.Y.


Manufacturers Trust Co. — Analysis — Laird, Bissell & Meeds, 120 Broadway, New York 5, N.Y.


Peck Overseas Analysis — Cruggden & Co., 209 South La Salle St., Chicago 4, Ill.


Poor & Company — Bulletin — Peter M. McDermot & Co., 44 Broad Street, New York 14, N.Y.


Tilden & Company — Royal Trust Taylors B—Circular—Garrett and Company, Purity Union Life Building, Dallas, Tex.

Union Securities Co. & Company — Memorandum — Julius Maier Co., Inc., 15 Exchange Place, Jersey City 2, N.J.


Continued from page 8

**Current Developments at the SEC**

dealers. In addition to this, we can trace fraudulent manipulative exchanges themselves. A considerable number of manipulative transactions, — the characteristics of floor traders, and similar matter. The role of the Commission’s Monthly Statistics, — the maintenance of a “market surveillance unit” in our New York Regional Office, — is to detect and deal with the transactions on the New York exchanges of those over the ticker, and the quotations in the over-the-counter market as they are published in the National Quotation Sheets, for the purpose of detecting activity in any security which does not appear to be on economic factors and may indicate the presence of numerous manipulative transactions. If a qualification arises, this “market surveillance unit” conducts a “flying buy” with respect to the transactions in the particular security. We feel that the identities and activities of purchasers and sellers of manipulative and unenlightened and reviewed. The market surveillance unit is also open to us from all sources concerning possible manipulative activity, directly or indirectly.

But we feel that the mere existence of a market surveillance group has a powerful deterring effect on manipulative activities. And on those rare occasions when manipulation can be proved, the SEC has the power to invoke criminal sanctions of the Exchange, and the bear. The statute provides a maximum penalty of $25,000 fine and imprisonment for two years in case of a willful violation of conviction for manipulative activity.

The SEC has now issued the following report: *Dealing-Broker Investment Recommendations and Literature*.

**Dealer-Broker Investment Recommendations & Literature**

**Deal, or No Deal?**

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Our Reporter's Report

This was one of those weeks that combine the excitement of writing business, and the financial conference season, from which one normally draws little solace that shows things down per-emptively. However, in the background, a few major stories that are expected to make an impact on securities markets in New York receded for Election Day. And there, in the rear, they are likely to find themselves being pressed back by the combination of a long-overdue, although the markets will be open for business on Monday, as they have been adopted a little over a year ago, operating hours will be extended materially by the banking, securities, and insurance communities. U. S. government issues over-the-counter.

Many of the larger firms which, hand in hand with the extension of commission business will be down to skeleton forces for the day, the customary procedure in the circumstances.

At the same part of the week we were given to understand of the sale and coming sale of Ford Motor Co. shares, which will mark another milestone in the history of the family-owned, publicly-owned corporation.

This huge deal, involving the reclassification of existing shares and the creation of new, million shares of new class A voting stock to be offered for sale for the mill in the weeks ahead.

At the moment the major speculation shifts to the investment banking houses which will act as the underwriting group. Since distribution on a wide scale is the method of avoiding a profit crisis.

But constituting the largest equity issue to be made public, it would be a good idea to find out the rank and file, with few exceptions, will have a part in the business.

Money Rate Outlook

Potential borrowers were given a warning on the outlook for the money market by Dr. Roy L. Reisner, Vice-Presidents of Bankers National Co. in Chicago, who spoke before the American Institute of Bankers' annual meeting earlier this week. Descending the idea that we are in the midst of a long-term rising movement, of interest rate, he ventured the opinion that, instead of being broad, it will find long-term fluctuation around recent levels.

He noted, however, that the heavy capital requirements in prospect for years ahead are likely to prevent a return of the long-term interest rates to levels prevailing in the deep depression or under "regulated and controlled" credit markets.

Good Week Ahead

Markets observers are not disposed to view anything approaching boom conditions in the new issue market between now and the close of the year. But next week, none-the-less, looks like a pretty good week, to be the stand-point of the underwriters.

Several large issues are slated for the market, including two by the negotiated route. Bankers are also thought to be awaiting the results of the International Trunk 25-year debentures on which the leading New York bankers are thought to be in a position to strike a deal. A second group will be offering 200,000 shares of new preferred stock, which is expected to take place in the week. New England Telephone & Telegraph Co., also has some 50 million of debentures outstanding for which there are three large groups scheduled to come on the market.

On Thursday Radio Corp.'s $100 million of ventures and Wheeling Steel's $10 million of debentures will be offered initially to shareholders of those corporations, having groups standing by to take up stock should they so desire. Commonwealth Edison Co. shares, unshrinked by stockholders, will be offered by bankers.

Northrop Debentures

Growth in the aircraft industry and consequent need for funds for expansion is starting to make itself felt in the market. Northrop Aircraft Inc., has gone into registration with an issue of $10 million convertible subordi- nationed debentures of 20-year maturity.

Proceeds from the projected public offering expected within a fortnight or so, will be used to expand the company's facilities and to maintain the interest on the installment of an issue not exceeding $8,000,000. Payment is to be made to the bankers on Nov. 3 on a bid of $9.50 per 100.

The certificates are sealed to yield from 2.8% to 3.125%, ac- cording to the position of the market. As to the purchase, the certificates are subject to the amortization of the Interstate Commerce Commission.

The entire issue of certificates is to be covered by 225,000 50-ton cars, estimated to cost $10,537,876.

Chicago Analysts to Hear CHICAGO, III.—J. M. Spiegel, Chairman of Spiegel, Inc., will be speaker at the luncheon meeting of the Investment Analysts Society of Chicago to be held Nov. 2 at 12:15 p.m. in the Adam Room at the Madison Hotel.

Dividend NOTICES

UNITED GAS CORPORATION

Shreveport, Louisiana

Dividend Notice

The Board of Directors has declared a dividend of thirty cents ($0.30) per share on the common stock of said Company, payable on December 15, 1955, to stockholders of record on the books of the Company at close of business December 5, 1955.

J. Raymond Petitchak, President

November 9, 1955

American-Standard

PREFERRED DIVIDEND COMMON DIVIDEND


The record date for determining the number of shares of the Common Stock each stockholder shall be entitled to receive such dividend is December 15, 1955.

DIVIDEND NOTICES

ATLAS CORPORATION

33 Pine Street, New York, N. Y.

Dividend Notice

A quarterly dividend of 60 cents ($0.60) per share on the Common Stock, payable January 15, 1956, to stockholders of record at the close of business December 15, 1955.

November 9, 1955

DIVIDEND NOTICES

Eaton Manufacturing Company

Dividend Notice No. 129

On October 28, 1955, the Board of Directors of Eaton Manufacturing Company declared a dividend of fifty-six cents ($0.56) per share on the Common Stock of the Company, payable November 23, 1955, to stockholders of record at the close of business November 7, 1955.

Eaton Manufacturing Company

Eaton Manufacturing Company

501 Fourth Street, Niagara Falls, N. Y.

December 15, 1955

DIVIDEND NOTICES

ALLIS CHALMERS MFG. CO.

Common Dividend No. 136

A quarterly dividend of one dollar ($1.00) per share on the Common Stock of the Company, payable on December 23, 1955, to stockholders of record at the close of business December 2, 1955.

31% preferred DIVIDEND No. 37

A quarterly dividend of thirty-five cents ($0.35) per share on the Cumulative Preferred Stock of the Company, payable on December 23, 1955, to stockholders of record at the close of business December 2, 1955.

DIVIDEND NOTICES

Delta Air Lines, Inc.

DIVIDEND NOTICE No. 33

The Board of Directors of Delta Air Lines, Inc., has declared a dividend of $1.00 per share on the capital stock of the Company payable December 15, 1955, to holders of record at the close of business on November 16, 1955.

Delta Air Lines, Inc.

General Offices: Atlanta, Ga.

November 9, 1955


Schwarbacher Adds (Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—Rod¬ ney M. Good 1 ½ days in with Schwar¬ bacher & Co., 100 Montgomery Street, San Francisco and Schwar bacher & Co., 100 Montgomery Street, San Francisco and San Francisco Stock Exchanges.

DIVIDEND NOTICES

Norfolk Southern Railway Company

Common Dividend

The Board of Directors of Norfolk Southern Railway Company have declared a dividend of thirty cents ($0.30) per share on the common stock of said Company, payable on December 15, 1955, to stockholders of record at the close of business December 1, 1955.

J. Raymond Petitchak, President

November 9, 1955

DIVIDEND NOTICES

Pepperell Manufacturing Company

Boston, October 30, 1955

DIVIDEND NOTICE

A regular quarterly dividend of Seventeen- Five Cents ($0.17) per share has been declared payable November 15, 1955, in stock certificates at the close of business November 9, 1955.

Chester will be mailed by the Old Colony Trust Company of Boston, Dividend Dis pense Agent.

Paul E. Cockroft, Secretary

PARTNERS CHAPMAN CORPORATION

BURLINGTON, IOWA

DIVIDEND NOTICE

9th Consecutive Dividends

The Board of Directors of Partners Chapman & Scott Corporation at a meeting held December 2, 1955, de¬ clared a dividend of 10 cts. ($0.10) per share on its Preferred Stock, payable December 1, 1956, to holders of record at the close of business November 18, 1955.

S. W. Showbad, Vice President and Treasurer

November 9, 1955

Louis E. Wellman, President

Esso

STANDARD OIL COMPANY (LUCRICO) New York

The Board of Directors has declared a Cash Dividend on the capital stock of $1.50 per share on November 3, 1955. This dividend is payable on December 15, 1955, to stockholders of record at the close of business November 15, 1955.

New York Stock Exchange.

80 Rockefeller Plaza, New York 20, N. Y.

PHELPS DODGE CORPORATION

The Board of Directors has declared a four-quarter dividend of Seventy-five Cents ($0.75) per share on the common stock of the Company, payable December 15, 1955, to stockholders of record at the close of business November 9, 1955.
WASHINGTON, D.C. — Rep. Wright Patman’s automation hearings are now out of the way and it is possible to describe the fruits thereof.

This show was said to have been written largely to please people, the majority of labor union leaders who wanted to see anything like it. Even the newspapers, like Senator Joe O’Mahoney’s four-trip length feature investigation of the big bad capitalists of the 1930’s who were replacing hungry men with heartless machines. This earlier show was produced by the special group styled the “Tem- pam Commission National Economic Committee.”

However, it appeared to some of the members, at least, to be difficult to be scoring all off the time for the infinitely expanding economy and at the same time taking against the installation of machines to ex- pand production. So they settled for a couple of show to be MCT by the gentleman from Tennessee under the smallest of a subcommittee of the Com- mittee on Banking and Currency of the Economic Report.

Observers who attended most of the hearings say that only Democrat who was pres- ent was Mr. Patman, and the only Republican, not a member of the committee, was the administrative assistant to a GOP Senator. This does not provide for much of a subcommittee. The other member of the committee might not have been in the room in the door when the observers them- selves were playing hookey, or were out of the room doing something.

All in all, there were some- times like 23 witnesses who en- tered in as meddling little fias- cos before this solemn forum. The Subcommittees continue to treads labor boys who issued from their fancy new marble palaces, in quite a number of economists, so many spokesmen of industrial and engineering houses.

Helps Unfairness

One thing the subcommittee hearing illustrated was that, while planning is to give industry a vague fording that machinery- ness was not to be included in the concept of the progressive, dynamic, forward-looking econ- omy, at a time when industrialists were getting a little breathing spell from political haranguing.

However, the hearings did accomplish another purpose. It provided a seed-planting ex- pansion for a few radical ideas. Many of these radical ideas do not germinate in such presently unfavorable economic climes, but opened the door for the sun, and they stay there until there is economic necessity. The sun germinates quickly and take root. It’s like one plants bay- seed on the top of the ground in much of the South in January, the seed not germinating un- til one is cut to the following July or August.

Among the winter seeding was ideas akin to those that pro- gress toward the progressive, forward-looking, dynamic Wal- ter Reuther and the late A. W. A. Workers, who incidentally used to open the subcommittee forum, as it were, for planting purposes.

(1) There should be a sharp increase in Federal aid for educa- tion, not only for the primary and secondary levels, but for those of college grade.

(2) The shortening of the work week to 36 or 32 hours, by law.

(3) A hefty expansion of Federal assistance for all kinds of ideas. The present system is much more expensive the better.

(4) A Federal “standards” for state unemployment compensa- tion: i.e., Federal supervision upon the amounts paid and lengthen the duration.

(5) Provide social security old age retirement instead age 65, or a lower age if a worker became dis- abled.

(6) Federal aid on a substan- tial scale to help the family for whole communities suffering unemployment as a result of industrial strife.

To Go Slowly On

Flood Insurance

One of the surprises of the month is that tentatively the Eisenhower Administration appears inclined to stop, look, and listen before taking the tentative steps toward the number of Federal responsibility — flood insurance.

Last week Senator Herbert L. Lehman (D., N.Y.), as acting chairman of the Federal Bank- ing Committee hearings into the subject, the Adminis- tration confessed that it had no idea, as yet, of what the terms of a flood insurance bill, and just full of ideas about what should NOT be in a flood insurance bill.

For instance, said Roger W. Jones, Assistant Director of the Budget, as spokesman for the Administration, there should be a couple of ceilings on the amount of Federal help. He should not stick his neck out at all a amount, and the maximum claim, with the Federal help should be something like $250 — how about committing it to the thing to home owners and small businessmen.

Further, moreover, whatever agency undertakes this night- mares should be “given an administrative responsibility” to fix rates. It was recommended. In other words, rates for insur- ance would not be universal like insurance under FHA or the admission of dolts to state universities, but would bear a relation to the risk. This hints that since Norman P. Mason, FHA Commissioner, suggested how easy it would be to dream up a flood insurance scheme because Federal Crop Insurance was such a success, that somebody send a look at Fed- eral housing next.

As for Norman P. Mason in person, who was to be doing all the dreaming, he confined himself to telling about all the good things FHA did to the late. Northeastern flood, adding at the end, as though it were an afterthought, that flood insur- ance was a good idea.

There is a suspicion that the Administration has scouted around the ground that flood insurance, which sounded so good in the winter, the two white-hose promised it in Hartford just after Christmas, has, in the last analysis, lost its political luster. A hint of that came from Mr. Jones who said he had gone to Farmington, Conn., and found that people weren’t much interested because

Federal money, however, FNMA wants this $500 million used as a revolving fund, and hopes to sell the loan back to the same, or another government. Government source later. FNMA says the things won’t bring more than 58 cents on the dollar, less in some of the Southwestern mar- kets. Although the FL, the FL won’t buy for more than 58 cents on the dollar.

Then where the heck do we get that extra two bucks or so to pay the interest, or in effect say the Defense boys.

As this power is, the plan is maintenance. Under FHA rental projects, economy is to be charged to set aside a maintenance fund to keep the building in good shape during the genera- tion or so of its term. That, says Defense, is silly, because they only order the boys in blue or khaki to take to the paint brush, or handle a pipe wrench when the faucet leaks.

(One: Military housing is *NOT* free under this set-up. Conscientious obligation is obliga- tion for the next 30 to 40 years after EAC group; but the big military housing is built, to ap- propriate annually the amortisation and interest. It must be done this or that, even if 20 years from now it looks like a waste of money running around a cold war and requiring a military establishment of 2,500,000 men and women won’t be doing anything.

In this respect it is just like the insurance buying of Federal officials who are paid under the new “Lease Purchase Act” fully-"guaranteed by the Administration.

[End: This is intended to re- flect the “behind the scene” inter- pretation from the nation’s Capital after it was collected with the “Chronicle’s” own views.]

COMING EVENTS

In Investment Field

Nov. 12, 1955 (Philadelphia, Pa.) Investment Traders Association of Philadelphia annual dinner dance at the German-town Cricket Club.

Nov. 14, 1955 (Detroit, Mich.) Securities Traders Association annual dinner dance at the Fall party at the Detroit Boat Club.


Nov. 15-16, 1955 (New York, N.Y.) Association of Stock Exchange Firms meeting of Board of Gov- ernors.

Nov. 19, 1955 (New York City) Securities Traders Association of New York cocktail party and dinner dance at the Hotel Com- modore.

Foreign Securities

CARL MARKS & CO INC

FOREIGN SECURITIES SPECIALISTS

50 BROAD STREET - NEW YORK 4, N. Y.

TEL. HANOVER 2-0900 TELETYPE NY 1-971