Short-and-Medium Term Economic Outlook

By Dr. SUMNER H. SLICHTER*
Lamont University Professor, Harvard University

Nationally known economist expects 1956 total production to exceed previous year, with fourth quarter best yet. Depicts 1956 expansion forces to be: (1) rising Government expenditures; (2) slowly rising construction; (3) increase in capital investment; (4) rapid personal income rise shielded by wage increases throughout the year, and (5) barring decided savings rate changes, an expansion of total expenditures. Peering ten years ahead, Dr. Slichter sees continued cold war expenditures, vast highway program, doubling of consumer credit, and slow price rise with high employment.

1—The Short-Term Business Outlook

The outlook for 1956 is for little change in the level of production during the first three quarters of the year and for a rise in production in the fourth quarter. Present indications are that the fourth quarter will be the best quarter of the year. Each of the first three quarters will be better than the corresponding quarter of 1955, but the level of production will not be much higher for lower than in the last quarter of 1955. The year 1956 starts with employment down somewhat more than seasonally from the very high levels of December. The drop between December, 1955, and January, 1956, was 1,263,900, in comparison with a drop of less than half as much (518,000) between December, 1954, and January, 1955. January employment was 2,750,000 above January, 1955, but in December the year-to-year gain in employment was almost

*An address by Dr. Slichter before the Valve Manufacturers' Association and the Pipe Fitters Manufacturers' Association, New York City, Feb. 14, 1956.

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**The Security I Like Best**

A continuous forum in which, each week, a different group of experts in the investment field expand considered participate and give their reasons for favoring a particular security.

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Oil Industry Investment
Prospects Here and Abroad

BY FREDERICK W. AHERTON* 
Manager, Oil Department.
Loomis, Sayles & Company, Inc.

Oil investment experts support for firm, solid oil industry picture is: (1) 7.5% oil consumption gain over last year; (2) 5% increase in average production; (3) absence of inventory downward pressure in prices with no anticipated serious storage surpluses in the next year, and (4) this year’s expected $5 billion capital expenditure. Optimistic long-run view, particularly for firms with foreign operations, envisions price rises permitting expansion of capital expenditures and possible doubling of per barrel rate in next 20 years. Notes American international oil firms find average consumption gain abroad twice as fast as in this country, there is tremendous supply prospects. Claims for sign superior earnings promptly paid in dollars. Wary of possible foreign political risks and recurrence of past periods of maladjustments. Concludes with suggested portfolio investments in different types of oil companies.

As I see it, from the practical day-to-day investment point of view, which is the investment aspects to the oil industry. (1) The present situation in the industry— its present position and near-term outlook. (2) The longer term outlook for the industry. (3) The important characteristics of the various oil companies. (4) The specific application of these first three points to the analysis of the oil industry section of investment portfolios.

I am going to run through these first two points very quickly. Most of my time will be allotted to the great variety of investment characteristics of the different oil companies, and how they can be made use of, individually, to match the great variety of investment requirements with which we, as investment managers, have to contend.

Current Oil Industry Trends and Outlook

In our oil department in Boston, we keep very careful week-to-week track of the current statistical trends and conditions in the oil industry, and we run a set of look-ahead estimates on the industry figures quarter by quarter for a year ahead. I could give you all the detailed reasoning behind our current appraisal of the near-term outlook, but it should be sufficient to give you just the conclusions:

(1) The trend in the industry is favorable for refiner and marketing volume, with oil consumption in this country having increased 6% in 1955; currently showing about a 7.5% increase over the year ago figures; and with an estimate of about a 4% increase for 1956 as a whole. Incidentally, demand in December, which is a seasonally high month, ran over 10 million barrels per day for the first time.

(2) We expect that, despite rising imports, it will be possible for the U.S. to maintain production to average about 7,100,000 barrels per day this year—a gain of nearly 5%—so the volume outlook for the producing branch is favorable too.

(3) Above-ground oil inventory advances were dramatic—definitely not excessive—so there is no downward pressure on the service from this source. We don’t expect any serious storage surpluses to develop as far ahead as we can see into this year.

(4) The whole present situation adds up to a very firm solid picture, and a favorable set of conditions for the period immediately ahead.

The Longer Term Outlook

This is a subject that fascinates me. I could talk for an hour on it. However, it has been covered recently in far more competent fashion by a number of oil industry spokesmen. I am sure that most of you have seen the many comments that have been made by the oil industry leaders over the past two or three months on the subject of the very promising long-term market. Petroleum production is a major United States industry on a world-wide basis.

One of the most interesting and dramatic statements that were made in December by M. J. Rathbone, President of Standard Oil (New Jersey), Mr. Rathbone pointed out that oil demand in the free world has increased from 4.3 million barrels per day 20 years ago to 14.2 million barrels per day at present, and he said he expects it to double—60 to 70 million barrels per day—in the next 20 years. There have been many other reports of similar forecasts, all of which make allowance for development of atomic energy. I think these forecasts are conservatively

To provide the facilities and the supplies to meet this enormous

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* Column not available this week.
* I see “Oils Bought by Funds Midst Overall Caution Policy” starting on Cover Page.
Business Outlook for 1956
And the Future Challenge

By James J. Nance
President, Studebaker-Packard Corporation

Sanguine automobile production projection approaching last year's record is made by Mr. Nance should, as expected, personal consumption be the main factor. Attributes excess on switchovers to new models without a shutdown. Auto head is opposed to government consumer credit control, and is confident that the Ease up in inflation-stimulus-free normal years of 1954-55. Future challenge seen in maintenance of a real rising per capita living standard and the finding of 20 million jobs in the next 30 years includes the Pagination of the great basic changes that have occurred, and predicts insuperable advertising volume will continue to climb faster than production.

Attesting to talk before a group of congressmen so early in the year is a very hazardous occupation. Since the debut of 1958, when the distinct control of production was the right and those who were wrong was so glaringly obvious, there has been a steady increase in the number of practice sessions. In some cases, the common pastime that the businessmen who don't issue a New Year statement is to become the result of an agreement rather than the rule. As a result of this widespread practice those of us who tackle the subject are often easily found ourselves talking to each other if we are not careful. Of course, all of you, read newspapers and magazines and subscribe to a number of economic advisory services. And am not like the old-time farmer who once read, about who ascribed his success in acquiring a fortune, not to his own effort but to the practice of studying several farmers' receipts and then doing just the opposite of what they recommended. Quite to the contrary, I have observed the calibre of general economic forecasting in recent years to be surprisingly accurate.

As you are aware, overwhelming majority of forecasters expect 1956 to be a year of adjustment, but one which when first landmarked with a production of goods and services—the so-called Gross National Product equaling or exceeding moderately the all-time record set in 1955, I concur with this majority expectation. My personal belief is that the ball may be playing tricks, but it is I'm stuck with it.

Auto Production

As is natural, the extent of automobile industry, the two automakers generally expected to show the most decline while others show gains over the total, are home building and the automobile industry. In the early statements of some of my colleagues in the automobile industry, we were predicting a drop in the year's production of passenger cars of 30 percent from the all-time record of almost eight million units produced in 1955. It should be noted, however, that since then there have been a number of adjustments. Because of the very close integration of the automobile industry with the over-all economic scene I have been somewhat more cautious. If the year-over-year economic activity measures up to what I have in mind, I do not expect a drop in 1956. I will not be surprised to see automobile production over the very close last year's production and is currently estimated. In other words, if personal income in 1956 tops 105, as is freely predicted, I would expect the automobile industry to get as large a share of the total as it had in 1955. Despite a very high present car price level we should figure consumer buying power will almost approach the eight million figure of 1955. It should be noted, however, that this increase was only two completely new cars each of the Lincoln and Lincoln. The other producers in 1956 show changes to 1956 models with no shutdown. Expect the car industry in the fall that may amount to 300,000 units that now show in inventory. The fact that it is a taxiing dealers a little is indicated in recent outlook, but I think you will see that as an adjustment to production market will resume.

Bright Spots

To lean to the 1956 outlook I might say that a 1956 buying power range is expected to average out as well or slightly better than 1955 for business as a whole, in which may be, an excellent showing. The economy was very obviously bumping against its present capacity ceiling in the latter half of this year. As a result there were shortages of manpower and a number of critical raw materials, including steel, copper, aluminum and many others, and industry was very critical ones. With production thus curtailed, the probability of the existence of inflationary effect.

One of the bright spots usually cited as being an expected 12 to 13% rise in capital investment. Whether this is more or less than the record set in 1955, I find this a highly artificial measurement of this amount is essential if we are to determine our capacity to keep moving ahead in the process of preparing for the next recent past. We cannot grow with shortages. In fact, with our metropolitan rising population we cannot even maintain our present stock of living with both bigger and more efficient production facilities.

In point of course, is wrapped up the real challenge of our free enterprise system—expanding capacity and at the same time maintaining this rate of consumption so as to maintain an economy that is in integrated and relatively higher level? The real test will be to do this not only in the year ahead but in the coming years. We have been steadily rising population so that the per capita stock of living will continue rising.

Where We Stand

Leaving further prognosis on 1956 higher, I would like to back off for a few minutes and return to the original when we stand in the economic sense. The real Sentinel of this particular postwar period for the light it throws on this all important question is the dollar and the economic sense.

I believe we have just passed that time of the year 1956. I believe we fully realize important turning point in our history. This period was the closest thing to so-called "normal" that we have seen for a long time. The economic sense is that you will recall with that the set the record for the highest level of automobile production in India China, was already an integral part of the first time, almost 20 years. We do not often think of it be because it had been thoroughly examined, or had been directly involved, but a fact is that the year 1956 had been in progress somewhere in the world in the year since Mussolini moved in to Moscow in 1936.

Nineteen fifty-five-three also marked the end of the in this country in which government spending decreased—and the one that for which the economy was not artificially sustained either by accumulated postwar shortages, as were the case, but was being by the building of facilities and building such followed the start of the Korean war.

Normal Year

Last year—1956—was the third successive year in which the artificial stimulant of inflation was a factor. But in two years the "buying power" of the year 1956 was up 6% over the year 1955. This is a quite steady after almost eight years of minimum progress. The Bureau of Labor Standards' Consumers' price index was, as I have previously reported, up 11% for two and one-half years it has not varied more than 1%.

All this adds up to just one thing. We have come through a hard period of adjustment. Emerging in mid-1955 of the economy's ability to maintain a high level of activity without war and rising defense spending, or accumulated postwar shortages, this will be a year of step back at work.

We are pleased to announce that

Mr. Richard Shipman
is now associated with us.

Leslie Securities Corporation
52 Wall Street
New York 5, N. Y.
February 14, 1956

The State of Trade and Industry

Industrial production in January swelled to 143% of the 1947-49 average, according to the Federal Reserve Board. This was a two percentage point rise above December and 11 points above January of last year.

The board considered the December-January increase usual for this time of the year and its index, adjusted for seasonal factors in January, remained at the record rate of 144%, the same as in December.

Out of durable goods other than autos was generally maintained during January, it noted, adding that production of nondurable goods and minerals continued at a high

It looks like the so-called letdown in steel demand is turning out to be the opposite of that reported in some quarters. The market is strong and incoming orders are running ahead of capacity, states "The Iron Age," national metalworking weekly.

Even the automotive industry seems to taking a second look at inventories and reinstating tonnages previously canceled. Detroit purchasing agents are taking no chances on being caught in the rush. The alertness with which other consumers snapped up released tonnages has made them cautious, observe this trade magazine.

The inventory position of some steel fabricators is so shaky that emergency shipments from the mills are necessary to keep some of them going. There has been little urgency for most users to build their inventories to a safe level.

The odds are overwhelmingly against a significant easing in the marketplace this year. Planned and unreported labor trouble are prodding consumers into grabbing up everything to sight. Users who had let up on the pressure are now kicking themselves, continues this trade authority.

Almost lost sight of in the scramble by domestic steel consumers is the strong demand from overseas. It is estimated that potential orders for export now add up to something like 1,500,000 tons. Even if the 1,500,000 tons is enough to help shore up any domestic weakness. Some go-between are paying premium prices for plates and structural steels slated for export.

With the return of international situations showing no sign of slackening, steel production likely hold at near-capacity levels. At least for the next few months until the mills run into maintenance problems that can no longer be postponed. If steel labor negotiations are settled peacefully, there will be a let-up in the third quarter. At that time too, auto producers will be setting up for production of 1957 models. When production lines begin moving again, there will be scrap demand and steel demand through quarter will be good, concludes "The Iron Age.

The 1,000,000th United States-Canadian vehicle produced in 1956 rolled off the line today. The 1,000,000th vehicle in the United States built the milestone car was built in this country on Feb. 10.

Car building in United States plants held firm last week with 139,583 new cars to add to its balance of 459,382,000 cars. The 382,000 car in December alone and "Ward's" said. Truck erecting, though down 6% under the prior week's 28,693-unit volume, however, was better than previous weeks. The total for the first time, almost 20 years. We do not often think of it be because it had been thoroughly examined, or had been directly involved, but a fact is that the year 1956 had been in progress somewhere in the world in the year since Mussolini moved in to Moscow in 1936.

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Continued on page 31
Observations... By A. WILFRED MAY

SHOWING UP SOVIET TRADE TRICKS

Two events of the week, Pakistan's decision to begin negotiations for a trade agreement with Moscow and the Special Commission's decision to support dealers in anti-Communist publications with an initial aid aid to aid them in extending aid to Ceylon in aid of their selling of "The Red Chinese." show how marked Sino-Soviet success in their price offensive. They follow the Kremlin's recent offers to trade products including steel and military planes and the satellite's raw material exchanges, concentrating on underdeveloped nations like Egypt, India, Burma, Yemen, and Latin America.

Fortunately, the process of disclosing the misrepresentation of an East-West trade picture in the public mind continues. Nevertheless, businessmen by the Soviets fascinated by the mass media and the new reported revealed in the seventh Battle Report to Congress devoted to competition between the free world and the Soviet Trade Foreign items are cited to prove that the Soviets trade is good for everyone. The Report opens with a portrait of Mr. John H. Bol- luster, Director of the Interna- tional Trade Administration, and contains therein a specific description of facts demonstrating that the continuing anti-Communist propaganda to the effect that the Americans are wilfully sabotaging the allegedly great trade opportunities. The revolution in the Soviet trade picture is the most significant development of the war of trade-con- science, and we feel that the Soviets' efforts to divert public opinion from the war of trade-con- science are subject to the over-all economic planning directed by the top Communist Party bosses.

Since these policies en- visage severe curtailment of the bloc trade with the free world, it has materially declined since its 1948 peak, with the low point subsequently being reached in 1953 early. Under the situation where the trade between the two states is dependent on the State's planners, Mr. Boluster's report is certain to increase the planners, that will occur only when the Soviet leaders have decided that such increase serves their self-interests. Such planning will conform to the necessity of producing exchangeable products, and to arrange the con- sumption of imports.

The Blue's Hindrance to Trade

Other policies and practices employed by bloc nations cited as having served to retard international trade growth are: Poor performance in meeting financial obligations. Interior quality and the unavailability of proper delivery of blue exports. Lack of reciprocity between bloc partners; concerning the right to make necessary business contacts, the right to obtain relevant business information, to legal rights under contracts and of patent rights. Unpredictable purchases and sales by bloc coun- tries, and similar price policies.

Last, but not least, bureaucratic behavior in trade negotiations.

Looking at the future practical- potentialities, we must rec- ognize that the bloc trade is functioning as a barrier for the bloc's export trade, and their unwillingness to pay for imports. All these findings are verified, as reported, in these columns, by the writer after first-hand investigation through countries trying to do business with the Soviets.

Effectiveness of the Soviet's Barriers

Striking figures are given showing the low rate of declining imports in actual Communist-West business. Although the bloc trade increased greatly during the first half of the year, it was a comparative trickle of this ready available trade in valuable goods penetrated the barrier erected by the Soviet bloc," says the Boluster report. In contrast to the free world governments' eager encouragement to for- eign trade, the bloc's trade policy is mainly based on self-sufficiency and an independent of free world production. It directed its efforts mainly toward building up a heavy industry. "Sino-Soviet trade with the free world has been as is the past, comparatively small." The Report continues. "Soviet producers, therefore, continued their efforts to create a Potemkin village promoting the free world markets within the bloc, for the fruits of free world labor. In fact, however, So- viet leaders bought very little of the peaceful goods readily avail- able in the free world.

Contrasting the Sino-Soviet policies with that engaged in by the free-world coun- tries, in the first half of 1953 its volume barely equalled that of Italy's - and the Soviet Union's was less than that of little- Indonesia; and as a customer it can buy without hesitation. It has ranked only 25th. "Much has been said by Soviet Union spokes- men about their willingness to trade with free-world countries, but they have consistently picked the Soviet Union as a cornucopia of goods to bolster their markets. This horn of plenty, un- doubtedly, has been produced by the great 'Sino-Soviet' speaker," Mr. Boluster concludes.

"Strategic" Goods Complaint Only

An Expose

The Report intended to debunk authoritatively the persistent communist contention that a strategic goods' curtailment has been the main trade deterrent. The Report was so radically that the bloc's trade with the West began to lag long before the security trade-concerns of the two states.

The Report in its entirety, in line with the American policy adopted by the West could bring in the business. It conclusively shows that realistically the question is not whether of visibly promoting the trade, and the answer is clearly negative.

Dewey, King & Johnson Opens in New York

Announcement is made of the formation of the partnership of Dewey, King & Johnson by the headquarters offices at 64 Wall St., New York City, to transact a general securi- ties business.


Dewey, King & Johnson

Opens in New York

Announcement is made of the formation of the partnership of Dewey, King & Johnson by the headquarters offices at 64 Wall St., New York City, to transact a general securities business.

In this paper the term foreign investment, unless otherwise indicated, refers to direct foreign investment— as distinguished from portfolio investment—made by United States citizens and corporations in other countries, together with business operations and management related to that investment. The United States taxation of foreign investment, therefore, includes chiefly the Federal income and profits taxes on corporations.

That part of the United States business community which is engaged in foreign trade and other operations abroad has long pressed for more favorable treatment under Federal income and profits taxes. Each year for several times since then, the Administration has proposed to Congress tax changes which would satisfy some, although by no means all, of these business groups. A scrutiny of the arguments that have been presented in favor of the proposed tax changes reveals a considerable degree of confusion among them. It may not be amiss, therefore, to sort out the various considerations involved in deciding this year which of the present taxes are the most appropriate one to make such an examination before the Congressional decision is made.

The arguments presented in support of the proposed tax treatment for foreign investment fall into three groups: the first, arguments that the present treatment for foreign investment should be encouraged by means of tax incentives because of its benefits to the United States economy; the second, arguments that such an encouragement should be discouraged by means of tax incentives because of the enlargement of foreign investment would promote United States foreign policy; and the third, arguments that a net decrease in the Federal income tax should be increased to encourage the growth of foreign investment.

The most obvious problem in this discussion is the principle that foreign income derived from the sale of United States property is always subject to taxation in the foreign country as well as in the United States. In this situation the principle of fairness has generally been interpreted to mean that the Federal income tax should not reduce the total income tax burden which would be derived from abroad the amount the taxpayer would pay if the income arose within the United States.

Two methods are employed by the Federal Government to give effect to its purpose of protecting taxpayers against the higher tax load caused by double taxation. By far the more important is the method of credit, under the provisions of which income taxes paid to foreign countries are allowed as credits against the Federal income tax that otherwise would be payable on income derived from abroad in that country. A supplementary method of reducing double taxation is the bilateral tax treaty. Provision of the United States for December, 1935, general income tax conventions were in effect with 17 countries.

Even with the foreign tax credit and the bilateral tax treaty the income derived from operations abroad is taxed at higher rates than is domestic income. Various proposals have been made to reduce the foreign tax credit in order to prevent the carrying forward of unused foreign tax credits for several years. Assuming that any tariff or discriminatory tax burden were included in the legislation, the Federal income tax would be levied on the income whether derived from operations abroad or from operations within the country. This may be desirable, or, as we shall see, it is not necessarily unfair, and it constitutes interference with and, at the expense of which, the operation of the free market.

With some exceptions, the taxation of income derived from foreign investment has been based on the principles of what is fair and that in general underlies the income tax. According to this principle, the fraction of the total tax load levied on the income by its economic status or productivity, is determined by the form of business organization, the amount of liquidation, and the location of the business activity.

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Two methods are employed by the Federal Government to give effect to its purpose of protecting taxpayers against the higher tax load caused by double taxation. By far the more important is the method of credit, under the provisions of which income taxes paid to foreign countries are allowed as credits against the Federal income tax that otherwise would be payable on income derived from abroad in that country. A supplementary method of reducing double taxation is the bilateral tax treaty. Provision of the United States for December, 1935, general income tax conventions were in effect with 17 countries.

Even with the foreign tax credit and the bilateral tax treaty the income derived from operations abroad is taxed at higher rates than is domestic income. Various proposals have been made to reduce the foreign tax credit in order to prevent the carrying forward of unused foreign tax credits for several years. Assuming that any tariff or discriminatory tax burden were included in the legislation, the Federal income tax would be levied on the income whether derived from operations abroad or from operations within the country. This may be desirable, or, as we shall see, it is not necessarily unfair, and it constitutes interference with and, at the expense of which, the operation of the free market.

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Outlook for Uranium Market And Commercial Atomic Power

By JESSE C. JOHNSON
Director, Division of Raw Materials
Federal Reserve Bank of St. Louis

AEC officials report five prototype atomic power reactor generating plants are now proposed by private groups, excluding AEC participation with Duquesne Light Company. Note the growth curve of atomic power plants is now more rapidly than expected. Mr. Johnson cites long-range projection difficulties regarding production possibility, Government uranium needs, and future industrial market. Believes dominance of military requirements is not destined to continue. First significant industrial inroad coming after 1960. Warning that a healthy mining industry depends upon a sound long-term market for uranium, is made that nuclear power depends upon nuclear fuel availability.

What will be the pattern of discovery during the next six years? Will new ore reserves continue to be developed at the rate of one new deposit in a period where only relatively small deposits will be made in the mine? There should be a number of important discoveries within a short time followed by a considerable period with negligible new finds.

This is an indication of the difficulty of forecasting long-term mining possibilities. It is optimistic about the fact that our undiscovered uranium resources are not unimportant. It is important to note that the Canadian Blind River district is an example of the growing curve of atomic power requirements. The 5% of the world's production was ranked only a short time ago. However, we are still at the beginning. The first commercial power reactors have been built. Mr. Johnson, acting as Director, has been given some interesting information which is readily available. The following information is taken from this paper.

Power Reactor Plants

The Commission has now received proposals from industrial groups regarding the five prototype power reactors. The five prototype power reactors will have a total power of 15 kw, the average energy of at least 600,000 kw and would cost approximately $25,000,000. According to the schedule then the diamonds will be completed in the year 1960 and the AEC, with financial participation by the Atomic Energy Company, building a 60 kw atomic power plant at Shippsport, Pennsylvania, at a total cost of $40,000,000, is scheduled for completion in 1957.

None of these large prototype reactors is expected to supply any fuel to the power industry. However, the reactors will provide valuable data which will be of importance to the future of atomic power.

Mr. Davis estimates the time scale for the next family of power reactors, those that will be based upon information developed by the prototype reactors, to be five to seven years. This time is broken down into several stages: 1) Component testing, 2) Thermal testing, 3) Fuel testing.

Walt Disney Productions

A study

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For Banks, Brokers Dealers ONLY

Walt Disney Productions

A study

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HOT ROSE & COMPANY

ESTABLISHED 1914

74 Trinity Place, New York 6, N. Y.
Hard Times End for Soft Coal

By IRA U. COLEIGH

Economist

Containing an assortment of facts, figures and trends about bituminous coal mining and some of its largest producers.

For 30 years the soft coal industry has seen a lot more famines than feasts. In 1914 the bunch went through a year of famine and, as a matter of fact, the year marked the beginning of the end of World War I in Europe. The end of open warfare in Europe was followed by a sharp increase in demand for bituminous coal, which had been so heavily used during the war. The demand for bituminous coal continued at a high level through the 1920s and early 1930s, but in the mid-1930s the industry entered a period of depressed prices and output. The depression lasted until the late 1940s, when the industry began to recover.

Over the years, the bituminous coal industry has faced many challenges, including competition from other fuels, such as oil and gas, and changes in the economic landscape. During World War II, for example, the demand for coal increased sharply due to the war effort, and the industry was able to recover from the Depression. However, in the late 1940s and early 1950s, the industry faced a new challenge in the form of increased competition from foreign coal.

In the late 1950s and early 1960s, the industry began to recover again, and prices and output started to increase. The industry continued to grow throughout the 1970s and 1980s, driven by increased demand from the steel and power industries. However, in the 1990s, the industry began to face new challenges, including increased competition from natural gas and other fuels, and concerns about environmental impact.

The industry has continued to evolve over time, and has faced many changes in the economic landscape. In the future, the industry may face new challenges, such as increased competition from renewable sources of energy, and increased concerns about environmental impact. However, the industry has shown resilience in the past and is likely to continue to be an important part of the energy landscape for many years to come.

Marcia Nadler

This Is Not Time to Cut Taxes: Marcus Nadler

Prominent Banking Professor concurs with Eisenhower's recommenda-
tions to take advantage of our present strong economic activity
by maintaining current tax rates in preference to accen-
tuating inflationary forces by reducing taxes and increas-
ing the deficit. Rates are free of—and will attempt to eliminate—certain weaknesses in the economy.

Reviewing the January Economic Report, Budget, and State of the Union Messages, and sending the President by the Senate, in the February pre-
	
tax rate for The

Nadler, Marcus Nadler,

bank, the govt.

rational.

and economies.

pointed out that, "it is eco-

tically sounder in a 


teen years. The assumptions are that the price of coal remains constant, and that the production of coal continues to increase. The model predicts that the price of coal will increase over time, but that the rate of increase will be slow. The model also predicts that the production of coal will continue to increase, but at a slower rate than in the past.

The model is based on data from the U.S. Bureau of Mines, and it is used to evaluate the effects of changes in the economy on the price of coal. The model has been used by the U.S. government to evaluate the effects of changes in the economy on the price of coal, and it is used by economists to evaluate the effects of changes in the economy on the price of coal.
Answers to Four
Investment Questions

BY ROGER W. BARSON

Noted Massachusetts investment adviser believes: (1) utilities offer sufficient dividends and safety and yield; (2) Democratic Congress would not create additional price inflation; (3) increased foreign aid would add to taxes if it displaces war; and (4) a gold certificate is approximately a 9 1/2-cent loss in income, etc. to the person who will not sell at a loss in the market to get out of the market at the top, before a downward trend is on its way.

Do you think utilities would suffer with another Democratic Congress? Any investor investing a substantial portion of his portfolio in utilities would find a market in which he can get a good profit in a few years.

What's the answer to a reader who asks if he should invest in dollars in the future? If you can get a higher rate of interest in dollars, then you should invest in dollars. If the dollar is not important, then you should invest in anything that has a higher rate of interest.

First Southwco (Financial Consultant)

To City of Dallas

DALLAS, Texas—The City Council of Dallas Monday approved an agreement with First National Bank of Dallas, Texas, to serve as trustee and custodian in connection with any water financing, real estate, or corporate obligations of the city for a period of five years and covers any water revenue or corporate obligation. The agreement includes the contract between the City of Dallas and the Sabine River Authority for the construction of a reservoir at the Iron Bridge Site, in the Red River of Texas.

With First Secs.

Inflation

Will you have any greater inflation under a Democratic Congress? Also, greater foreign aid? I think the question will depend on what happens in the next few years. The administration seems to be aiming towards a more controlled inflation. Also, foreign aid will depend on what happens in the next few years. It is not clear what will happen.

Robert D. Bowers With Buerger, Ladden Radasky

DENTON, Colo.—Robert D. Bowers has been appointed to a new position as D. M. B. Manufacturings Company, formerly conducted its own investment business in Denver.

Labor Market Areas for Manufacturings

DENTON, Colo.—American Institute of Commerce, West Virginia University, Morgantown, W. Va. (paper).

Latin American Markets — Data

on 30 markets in Latin America and Walter Thompson Compa-
nany, Dept. T-1, 420 Lexington Avenue, New York, N. Y. $18.

Pittsburg Company

Address before the Newcomen Society of North America, Mr. P. Roth (paper), The Pittsburg Company, 420 Lexington Avenue, New York, N. Y. 11.


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QUESTION NO. 3

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the year of 1930 which has just ended and the importance which has been reflected in the expansion and development of the securities markets in the United States.

The Securities and Exchange Commission is an independent body of the Federal Government established by the Congress in 1934 in order to restrain, in interstate and foreign commerce in securities, certain standards of conduct as a means of preventing manipulations involving the securities of the public, by securities exchanges and by brokers and dealers in securities, which would be prejudicial to the public interest, and by increasing the information that investors with need for such information would possess about the securities exchanges and other institutions. The aggregate volume of trading in and of securities has increased tremendously through the years. At the end of 1953 approximately $650 billion of aggregate market value of approximately $740 billion and are owned almost entirely by individuals and by many more people throughout the world. The number of individuals owning their own stocks also has increased greatly.

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Is the Boom Wearing Thin? 

By PAUL W. McCracken

Dr. McCracken reviews sources of strengths and weaknesses in business outlook, and finds economic basis for ease of Federal Reserve credit and monetary policy and tax reduction for both corporations and individuals. "Expects government expenditure to be a major variable in the post-war period. President Eisenhower's program, if followed by the Congress, could lead to a substantial reduction in the deficit." 

New records are becoming an old story as we move into the next business cycle. The one-quarter of a million jobless this fall probably will be the first time in modern history when the number of unemployed in the United States Product will touch a bare 1 million, a jump from 6,490,000 in 1929 or 1,887,000 in 1933. Not since the boom of 1929 has the Federal Reserve System had to grapple with the inflation-inflation battling the deflation-deflation battle of the 1930's. Korea have been a new feature in the volume of output. And this time it has been all the more remarkable because of the uncertainty and risk in the face of stable declining rates of expenditures for national security.

The very high level of production has been responsible for which have been put in the hard goods lines by the fine many the new government expenditures of about one-third above the low levels of mid-1954, in most cases pressing hard against the limits of capacity.

All of this has been reflected in employment and payrolls. One million more people are employed in factories than a year ago, and total employment is up somewhat over 30 million for the nation as a whole. The result has been other than the national level will not show up on the level of employment in the face of stable declining rates of expenditures for national security.

The American economy has met well its responsibility for providing a strong foundation for the growth of employment, business conditions, and a high and rising standard of living generally.

Optimism About 1956

Moreover, it is not difficult to be optimistic about prospects for 1956. There are three pretty solid areas of strength, providing persuasive evidence that 1956 ought to be another good year.

(1) Government expenditures will provide a larger pay, for in 1955. Last yearproviding about $2.7 billion net of the National Product of $30 billion. For these reasons this figure ought to increase in 1956, probably bringing along international expansion of defense expenditures, and the government's discussion about budget surplus possibilities in the budget surplus possibilities in the business balance. Budget forecasts suggest some increase in non-Federal Federal expenditures is in the construction, school, and the aid to farmers. This construction, school, and the aid to farmers' budgetary policies are surprising, therefore, if Federal expenditures continue this same high level or so at the end of this year.

Moreover, it is quite clear that expenditures by state and local government, and probably by the Federal Reserves, are showing a marked change of recent years. 

"An address by Professor McCracken at the "International Outlook Conference" of the Chamber of Commerce of Greater Detroit, Michigan, October 25, 1955." 

Outlays for education, highway, and other facilities in recently developed areas—virtually all of the items which are now budgeted by these local government units must result in a volume that state and local governments will be able to put in the hard goods lines by the fine many the new government expenditures of about one-third above the low levels of mid-1954, in most cases pressing hard against the limits of capacity.

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go a long way toward avoiding the possibility of a disorderly development but an inventory conglomeration running up against a tight money and credit policy. It is to be noted that the recent rise in net free reserves (excess reserves less discounts) of member banks represents a beginning of the ancient shift in the direction of easing the pressure on the money market.

A good deal of attention in recent years has been given to the role of monetary, credit, and fiscal policies in stabilizing business conditions. The year ahead will be one in which continued prosperity can be had—if these policies are operated with more than ordinary precision.

Wm. D. Kerr Named By Chicago Bond Club

CHICAGO—The Bond Club of Chicago has named William D. Kerr, President for 1956-57. Mr. Kerr, a veteran of 32 years on LaSalle Street, is a Partner at Bacon, Whipple, Scott & Co. He is also a Governing Director of the Investment Bankers Association of America. The officers are Richard B. W. Roberts, President; W. E. Altman, Blyth & Co., Inc., Secretary, and Edward A. Stephenson, The Chase Manhattan Bank, Treasurer.

In addition to the above named officers, directors of the club for the coming year are: Henry W. Mekes, White, Weld & Co.; Ralph W. Longstaff, Rodgers & Tracy, Inc.; Elde K. Noyes, Cahn Finance Company; Robert E. Simond, Halsey, Stuart & Co. Inc.; Howard E. Buhe, Horshower & Weeks; and Donald B. Stephens, Chicago & Co. The annual meeting will be held at the Sheraton-Blackstone Hotel, Tuesday, Feb. 21, 1956.

Members of the Nominating Committee were Paul L. Mulholland, Wells & Co., Chairman; Milton S. Enrich, Julian Collins & Co.; and Edward C. George, Harriman Blyth & Co., Inc.

Three With Columbia Secs.

[Special to The Financial Chronicle]

DENVER, Colo. — Melvin R. Hanson, Charles W. Marlen, Jr. and Gerald M. Noye have become affiliated with Columbia Securities Company, Incorporated, Equitable Building, Mr. Marion was formerly with Nomond & Co. and Shelley, Roberts & Co.

FIF Adds Two

[Special to The Financial Chronicle]

DENVER, Colo. — Thomas S. Edge and Glenn C. Scott have been added to the staff of FIF Management Corporation, 444 Sherman Street.

Two With Wayne Jewell

[Special to The Financial Chronicle]

DENVER, Colo. — Donald R. Carpenter and Victor H. Gerall have been added to the staff of Wayne Jewell Company, 818 17th Street.

With Gottron, Russell

[Special to The Financial Chronicle]

CLEVELAND, Ohio — Clair L. Strawser is now with Gottron, Russell & Co., Inc., Union Commerce Building, members of the New York and Midwest Stock Exchanges.

Reportimg more security for the American family... more strength for the American future...

John Hancock grows — and with this growth 9,700,000 policy owners enjoy greater peace of mind. A record amount of over $2 billion of new life insurance was purchased from this Company in 1955.

The pattern of life insurance growth is in many ways the pattern of the country’s growth. Every business day, John Hancock invests an average of over $2 million in U.S. business, industry, and the community as a whole. Home ownership, civic betterment, the expansion of industries and utilities for peace and defense — all have been broadly fostered through life insurance dollars. Thus, John Hancock’s present assets of over $4,593,000,000 — prudently invested to guarantee fulfillment of its pledges to policy owners — work steadily for this country’s progress.

John Hancock looks forward to continued service in its important job — more security for the American family, more strength for the American future.

STATEMENT OF FINANCIAL CONDITION, DECEMBER 31, 1955

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>OBLIGATIONS</th>
</tr>
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<tbody>
<tr>
<td>Bonds</td>
<td>$5,838,381,137</td>
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<tr>
<td>United States of America</td>
<td>Treasury bonds</td>
</tr>
<tr>
<td>$354,008,456</td>
<td>Treasury bills</td>
</tr>
<tr>
<td>9,755,313</td>
<td>Dominion of Canada</td>
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<tr>
<td>1,396,067</td>
<td>State, Provincial and Municipal</td>
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<td>146,423,923</td>
<td>Railroad</td>
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<tr>
<td>275,977,481</td>
<td>Public utility</td>
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<td>1,966,964,367</td>
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<td>315,744,493</td>
<td>Preferred or Guaranteed</td>
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<tr>
<td>49,035,717</td>
<td>Common</td>
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<tr>
<td>246,709,887</td>
<td>Mortgage loans on real estate</td>
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<tr>
<td>1,076,744,664</td>
<td>Residential and Business</td>
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<tr>
<td>807,857,766</td>
<td>Farm</td>
</tr>
<tr>
<td>188,874,700</td>
<td>Real estate (office and other investment properties)</td>
</tr>
<tr>
<td>76,391,384</td>
<td>Loans and liens on Company’s policies</td>
</tr>
<tr>
<td>120,233,070</td>
<td>Cash in banks and offices</td>
</tr>
<tr>
<td>48,635,750</td>
<td>Premiums due and deferred</td>
</tr>
<tr>
<td>63,617,730</td>
<td>Interest and rents due and accrued</td>
</tr>
<tr>
<td>38,024,163</td>
<td>Other assets</td>
</tr>
<tr>
<td>15,787,508</td>
<td>Total assets</td>
</tr>
<tr>
<td>8,795,100,007</td>
<td></td>
</tr>
</tbody>
</table>

All assets are valued in conformity with the laws of the several States and as prescribed by the National Association of Insurance Commissioners.

A COPY OF THE COMPLETE ANNUAL REPORT WILL BE SENT ON REQUEST.

MUTUAL LIFE INSURANCE COMPANY
BOSTON, MASSACHUSETTS

John Hancock pays benefits averaging $1,248,000 every business day.

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John Hancock pays benefits averaging $1,248,000 every business day.
The stock market was flat during the week, with a little flurry of strength developing when the President was given "final" medical clearance. The Dow Jones industrial average should be expected to stand for re-election. As a result the list was mostly haphazard at any one time. The Dow Jones, which stood 109.53 last Monday, posted for half a year with the oils alternating good and weak as traders weighed the chances of the natural gas bill getting approval or re-election.

Phillips Petroleum, which was the focal point in the court in the last two weeks, faces a government control over the price of natural gas, obviously was swayed over wider ranges than the other issues, and sold a couple of sharp tumbls when it was indicated that the bill might be passed. Such control of such contrs might face a Presidential veto after all.

Speculative Newcomer

A newcomer to the lime light was Long Bell Lumber, which views a combination surges together to soak a dozen points on all manner of rumors, which is finally bolstered by the combination of issues still in the "preliminary" stage with Internaional Paper aimed at some sort of a merger. Apparently, the various Long Bell entities would all be bundled together for such a plan.

Steels were also affected slightly by new announcements of layoffs in the manufacturing industries in the auto industry, but there were indications that such news was losing its ability to sway the ferrous issues, particularly since operations still continue at full tilt even in the face of the auto situation so far. With prices firming up there was some selective dabling among the steels, including Jones & Laughlin which has been selling at a better - than - average 51 7/8 yield basis. The company, fourth in the industry, indicates, is offsetting the only 5 1/4% that last year new a new, quarter-billion expansion program that won’t be finished for a couple more years. Apart from its auto business, the firm is active in structural pipe, hollow bar, steel and even oil and gas well equipment lines which hold the automoive Lumber a bit to itself. It is four of its shipments. The dividend was boosted modestly each year since 1932.

On a yield basis American Radiator which ranks as a "Jossus in the housing field could qualify as a somewhat neglected issue with its better-than-3% yield. The merger with Mullins Mfg., adding the famous Youngstown kitchen line to its diversification, has brought a very exuberant market action in the issue. In this case, the decline in the housing house prices and the auto backcuts, has kept the investor attitude restrained although the company’s line now have spread out to automation controls with a new atomic energy division already in operation. The plumbing fixture segment of its business is now down below the 50% line and foreign operations are sizable and profitable to make it less dependent on domestic building.

An Interesting Defense-Missile Issue

When the postwar conditions of the domestic civil market are still a drawback, there are issues such as Emerson Electric, which have shown a good new control over costs with a new management. It is likely that, such an defense business, particularly in the field of missiles which, to some students of defense work, are the favored line from here on out. Emerson’s particular item in this field is the Honest John rocket along with rocket launching, gun fire controls and general electronic items.

Even in the automotive area Rockwell Spring & Axle is not solely tied into the fate of truck production and is heavily engaged in defense work, including armor plate and shells. Digesting the figures of the Studebaker-Daimler Axle Spring with Timken-Detroit Axle apparently is nearly completed, reflected in higher sales and improving profits, and its yield has run around 7% for one of the better figures in the field.

A Coming Hot Weather Issue

With winter waning, more than usual attention was being devoted to the Beep-Gone, particularly since some of its affiliated bottlers have been showing consistent sales gains for several years in a row. It has been reflected in the parent company’s rather heavy dividends, which have gained each month for a handful of years. Issues of this type normally reach their peaks as soon as attention is paid to them and some recent moves counter to the measurement markets have already started showing in Pepsi.

Continued from first page

Short-and-Medium Term Economic Outlook

The Commercial and Financial Chronicle... Thursday, February 16, 1956

By WALLACE STREEFE

The market... and you

3.3 million. A small drop in production between the first quarter and last year, but such a drop is far from certain. A large part of the present is that production will reach new highs in the closing months of 1956.

The reason that the general level of prices will be little different in the first quarter of 1956 is that the economy continues being held up by two offsetting groups of influences — offsetting the expansions and offsetting the tightening that is making for expansion. The basic controlling influences are the drop in residential building and the rise in the rate of farm wholesale prices. In the former agricultural month there was a 100% drop to an annual rate of $16.5 billion in the fourth quarter. The upward advance in residential building (applications to the Federal Housing Authority) was rapid. Applications for FHA insurance commitments and to the Veterans Administration for appraisals were running rapidly. Applications for FHA insurance commitments in November were nearly 40% over a year earlier, November nearly 45% below, and applications for appraisals by the VA were running about 36% fewer in November than a year earlier and 44% fewer in December.

Savings-Rate of Return

The last quarter of 1955 saw important changes in the behavior of consumers — a sudden change in the rate of saving. For about a year and three-quarters of 1955, nothing but taxes that was saved had been falling steadily. In the last quarter of 1955, there was a substantial increase in the rate of saving. The rise was considerable. Now, personal incomes produced only a small gain in consumption, in the fourth quarter of 1955. The small rise in retail sales, excluding the car dealers, reflects the weakened disposition of consumers. There was considerably adjusted volume of sales increased by $15.7 billion in the fourth quarter of 1955. The income, at least temporarily, did not rise at all. The result was a decline in the volume of retail sales and rose only to $19.8 billion in December.

The small rise in consumption expenditures in the last quarter of 1955 was largely a result of a more rapid paying of short-term indebtedness by consumers, which was partly due to some extent by larger repayments on installment contracts. But there was a noticeable increase in the fourth quarter of 1955. New extensions only dropped from $9.69 million in the third quarter to $9.439 million in the fourth quarter. In the second and third quarters of 1955, however, jumped by almost $500 million. In other words, the installment sales in the fourth quarter to $8,505 million in the fourth quarter included, and payments of installment indebtedness between the third and fourth quarter.

Lee Sterling Opens

Lee Sterling has opened offices at 1775 Broadway, New York City to engage in a securities business.

Lee Sterling

Sterling has opened offices...
which we have figures), unfilled orders for machinery increased by $237 million to $15,671 million, or 16 percent, in the third quarter. The gain in this period of three months was the largest since the rise of $1,084 million in the previous third quarter. The steel and tool industry reports a rising surge of new orders—$102.6 million in September, $171 million in October, and $159.5 million in December. Orders were 15.7 percent above the corresponding figures since June, 1951, and two and a half times greater than December, 1954.

- Of considerable importance for the forecasts of the next months is the continued rapid rise in personal income. It is rising at the rate of $1,250 billion above August and $8.9 billion above the monthly average for the third quarter.

Better Second Half

But what about the fears, voiced by many, that the second half of 1956 will be a period of recession and that we will not find evidence to support this view. In fact, I have said, the prospect of a 50% annual increase during the third quarter of 1956 is still a possibility, and many of us think that the period may be briefer. The outlook is better than it was 15 years ago. There is no indication of a downturn in the second half of 1956. Three principal reasons are:

(1) That there will be a substantial increase in capital expenditures in the first half of 1956, with the result that there will be a sharp drop in inventories in the second half of 1956, which will not be offset by the expansion of new capital expenditures and in equipment on construction and by other increases in expenditures.

(2) That repayments on consumer credit in the second half of the year may exceed new extensions, thus reducing the amount of consumer goods and equipment in the inventory accounts.

(3) That the monthly figures for the auto industry and construction in the second quarter of 1956 which will not be offset by the expansion of new capital expenditures and in equipment on construction and by other increases in expenditures. 

(4) That repayments on consumer credit in the second half of the year may exceed new extensions, thus reducing the amount of consumer goods and equipment in the inventory accounts.

Cold War to Continue

Why do I expect production to continue expanding in the closing months of 1956? Government outlays are quite certain to be larger in the second half of 1956 than in the first half of 1956 and housing will still be rising. Wage increases will continue throughout the year, and most of them will be fairly high. The expectation of wage increases will be greatly accelerated by technological discoveries and by the increase in the rate of military expenditure.

I shall not discuss at length my view that the threat of the cold war is in sight. Unrest should not be expected in many of the parts of the world if we can quarrel between Russia and the free nations of the West. For example, the idea of all-out withdrawal of the British, Dutch, and French from India, Egypt, and other places in the Far East creates a sort of vacuum in those regions and, the gain in the strength of Russia and Western civilization that these countries will be able to continue to insist that they will be able to continue to insist that the Netherlands, and France, and the others will be able to continue to insist that the Netherlands, and France, have been won. Were one of us to the other rapidly winning the cold war, one might be justified in predicting an equal in the end. But the other, however, the cold war has resulted in more, less in the way in which it will be unrealistic for the North Atlantic Treaty Organization to do better results in the immediate future. Russia and her associates have now moved to the large parts of the world which offer nothing for the day-to-day interests of the workers.

The family-owned and operated farmer has been made so efficient in the United States that its very efficiency has created a problem of too much production—a problem that many other countries would be only too glad to have. The family-owned and operated farmers will not be the best way to produce all kinds of farm products, all kinds of conditions, but it is the best way to produce a wide variety of crops and it can provide hope for a good living to hundreds of millions of people over the world. The free trade union, within, without shortcoming, is the best device that men have thus far developed for handling the day-to-day problems of the workers on the job, for seeing that workers get the best wages from their bosses, and a good share in the gains that come from productivity.

The foreign trade of the United States was unrealistically burdened with the complexities and virtues of the world. To the present-day economic achievement we have to be proud of our big business and of our efficiency, but these developments lack human appeal and the peoples of other countries do not years for them. But the United States has developed far more successfully than any other country two institutions that do not pass on human appeal. These institutions are the family-owned and operated farm and the free trade union—open to workers of all parties and creeds, free of government and able to concentrate its efforts on the day-to-day problems of the day-to-day interests of the workers.

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THE NATIONAL SUGAR REFINING COMPANY

reports higher volume in 1955

Highlights of the Ten-Year Statistical Record from the 1955 Annual Report now going to stockholders and employees, showing a $2,359,014 for improvements brought the total investment for this purpose since World War II to $16,371,579.

A copy of the full report is available upon request.

TEN-YEAR STATISTICAL RECORD

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (in thousands)</th>
<th>Net earnings (in thousands)</th>
<th>Dividends (in thousands)</th>
<th>Net worth (in thousands)</th>
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<td>$317,061</td>
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<td>$815,828</td>
<td>$70,253,010</td>
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</tbody>
</table>

100 Wall Street, New York 5, N.Y. ESTABLISHED 1900 MANUFACTURERS OF JACK FROST • QUAKER • ARBUCKLE'S SUGAR
Short-and-Medium Term
Economic Outlook

and of the free trade union, rather than mainly as an exponent of big business and efficiency, our industrial progress is, and always has been, the achievement of many small, instead of the few, even though it has been the achievement of many small, instead of the few, even though it has been

Technological Change

(2) Technological change will be given at an accelerated pace. To begin with, we are likely to be putting to use the knowledge that we have learned in the last decade on our college campuses. The efficiency of engineers and other technicians, and of the machinery which they are using, is being constantly improved. We are workforce is being constantly improved. We are able to make a rough comparison of the value of used products, and we find that the present productivity is only about 60 per cent of what it was 10 years ago. This is not a very rapid pace of technological change, but it is a pace that is likely to continue for the next decade.

New Knowledge

Finally, technological change will be accelerated by rapid growth in knowledge, or the new industry of discovery, I have pointed out elsewhere (see page 535). The growth of knowledge as a separate industry, in the U.S., is likely to increase by about 10 per cent per year, and by 1955, about 10 million men will be engaged in scientific and technological research and development. In other words, nearly twice as many people will be employed in research and development since the 1940’s, or in a decade, more or less, than there were during the previous ten-year period.

Consumer Credit to Expand

(4) The use of consumer credit will continue to expand rapidly. During the last ten years the total amount of consumer debt in the United States has increased by about $20 billion. This is a rate of increase that is likely to continue for the next ten years.

Highway Construction

(3) The country will construct a great system of interstate highways. By the end of the decade, about 5,000 miles of highways will have been constructed, at a cost of about $10 billion. This system will be completed in about five years, and it will provide roads and parking spaces for about 30 million more cars and trucks. It is proposed to spend about $3 billion on construction during the next ten years, of which $2 billion will be spent on the construction of new roads and $1 billion on the expansion of existing roads.

of consumer credit is that there are

III

search, with technological change and discovery going on faster than ever before. We are setting aside large sums of money for new and new equipment, and for the research and development of new products, and for the expansion of existing products. We are spending more money on research and development, and we are spending more money on the expansion of existing products, and for the expansion of existing products.

continued on page 15
LETTER TO THE EDITOR:

Remedies to Relieve Automobile Parking and Highway Congestion

With traffic conditions in New York City and in other large cities growing worse, Alexander Wilson suggests remedial measures to relieve the traffic problem and to lessen highway congestion by limiting the size of passenger cars and particularly commercial trucks. To discourage the use and future manufacture of oversized passenger cars, the author would levy a heavy "excess size" tax on new cars and trucks by Congressional enactment. Proposes building underground parking spaces whenever possible, also parking facilities for buses and stockholders and constructing a pay tunnel highway in New York from the Battery to the city's northern boundary.

Editor, Commercial and Financial Chronicle

If there is one problem calling for immediate attention and solution in this country today that affects the entire population, more or less, it is the parking problem, which results in traffic congestion in cities and suburbs. The traffic problem is acute, and it is evident that it requires an immediate solution or it is the cause of many accidents and death, which it has become.

The authorities in our municipal and state government are becoming aware of the problem and are working on it, but it is not easy to solve. One of the ways I would suggest that could be taken to deal with the problem is to limit the size of passenger cars and commercial trucks, which exceed the normal wheelbase length.

Traffic Conditions in the Suburbs

The same story is true of suburban life — where it almost seems that every home owner or owner operates at least one or two cars, which he has to lead one to think that the multiplication of shiny cars on the roads is not a thing to be desired. I would like to see some way of getting more room on our overcrowded and dangerous highways.

Elevated Automobile Highways Built Over Railroad Tracks

Herefore the writer advanced several reasons why it would be expedient to build elevated automobile highways over railroad tracks (particularly for the first 200 miles or so, not far out from the crowded industrial centers) and asked whether in New York City, for instance, the old elevated structures that once stood in our city streets, could not be converted, without much expense, into city automobile parking? This I think would provide more room on our overcrowded and dangerous highways.

L. H. Borin V.P. of Nati. Secs. & Research

The election of L. H. Borin as a Vice-President of National Securities & Research Corporation, 120 Broadway, New York, New York, has been announced by H. J. Simonsson, President.

Mr. Borin, who joined the corporation in 1957 as a member of the National Securities Research Department, will serve as Resident Vice-President of the North Central Territory for National Securities, a position which he has held since 1957. The territory comprises the states of Iowa, Minnesota, Nebraska, North Dakota and South Dakota.

Previously, Mr. Borin was associated with Link, Gorman, Peck & Company, Inc., and is a former faculty member of Northern Illinois University and has served as an educational consultant to Sunbeam Corporation, Clayton Mark Corporation, and A. C. Nielsen Company. He is a graduate of Northwestern University with M.A. and Ph.D. degrees.

Joining him in his new position is Peter Kappas Delta, Twin City Bond Company, and Autumn Security Traders Association.

Two With F. I. du Pont

FORT LAUDERDALE, Fla. — Chester A. Long has been added to the staff of Salomon Bros. & Hutzler, 312 East Las Olas Boulevard, Mr. Long was previously with Salomon Bros. & Hutzler.

Sun of Canada increases Policymakers' Dividends

Cost of insurance reduced for seventh successive year; record $761 million new business reported.

A new sales record for the Sun Life Assurance Company of Canada and a new dividend scale which will reduce the cost of insurance to policyholders for the 7th successive year have been announced by George W. Bourke, President, at the Company's 50th Annual Meeting. New life insurance sold in 1955 amounted to $347 million, an increase of $65 million over the previous year. The sale of new insurance was purchased in the United States, and insured in Canada, and is the product of increased business in force. Included in the new business this year was $244 million of group insurance, exceeding the high for the previous production of the previous year.

Total Sun Life Insurance in force now totals $2,161 million, and Dividend scales are being increased for the 3rd successive year. The Company will pay to its policyholders dividends of approximately $28 million.

The report also revealed that $42 million was paid in premiums to the clerics of deceased policyholders, and $17 million to the men and women living policyholders and annuitants.

This marks the 12th straight year that Sun Life has increased the dividends paid out by the Company since 1943, bringing the total paid by the Company since its organization in 1863 is $3 billion.

Mr. Bourke pointed out that the number of Sun Life policyholders in the United States and Canada has been financed to the great extent out of the premiums paid by policyholders to life insurance companies. Mortal loans made by the Sun Life during 1955 amounted to $108,502,000 bringing the Company's total investment of $399,665,000.

Mr. Bourke expressed the belief that the high levels attained in the insurance business for the past period, 1955, and for the record of 1956, and that life insurance rates, is due to the new peak. "The public which the Sun Life has been able to pay dividends to since 1956, has declared, is based not only on confidence in the Company, but on the fact that the Company has been able to pay dividends to the Company in the past and that it will continue to do so in the future. The Company will pay to its policyholders dividends of approximately $28 million.

A copy of Sun Life's complete 1955 annual report, including the President's review of the year, is being sent to each policyholder and can be obtained from any of 100 of the bank branch offices of the Company in Canada and the United States.
Unrealized Usefulness Of Instalment Credit

By A. W. ZELOMEK

President, International Statistical Bureau, Inc.

Professor Zelomek warns retailers they are on the firing line to offset relative government and business expenditure decline by increasing consumer purchases via instalment sales to maintain sales volume. What should be the most important element in consumption; (2) consumer debt lower than it should be; (3) instalment credit generates increased consumer earnings; and (4) that expanded consumer credit sales can cut a big part of what it has done for the auto industry.

I suppose the first thing we should do is to recognize the fact "that instalment selling has undergone drastic changes during the past 30 to 50 years.

I suspect, remember thinking back to the days when we heard "instalment credit was regarded with what amount of great mirth that there was a sentiment almost akin to "mortgaging" one's future. Of course, few people, or any at all, before the First World War, owned, or even thought about other than cash matters. But the psychology of that day and age was different. The main common term of home ownership was reserved for the resourceful. They could long and saving had been their predecessor down-payment. For such people, the instalment buying strength of character, assumption if a 10 or 15 year mortgage regarded as morally correct. Even that mortgage did not increase their repayment. Interest had to be paid regularly, and there was no regular instalment payment schedule for mortage debt.

The success and growth of the automobile brought a change in thinking. Unlike a manufacturer, there was a mass-produced product. It could be produced in larger numbers at a lower cost. These factories could not have been kept running if it was a matter of a few dollars for a "car," but as a "car" was invented, and proved desirable to the consumer, large-scale instalment selling had to be invented too. Automibile and instalment loaning go together like beer and pretzels.

The growth of the automobile in the industry naturally created a new form of other instalment payments to the importance of instalment credit as a selling force. As naturally, as it is the case with any abuse. Fly-by-night operators peddled all sorts of merchandise for "a dollar down and $2.00 a month." These countries were unable to calculate the carefully cooperated charges or the total amount that they would make with their instalment purchases, then, of course, there ran as high as 200 or 200% annually. They were well content to take the public, and did. The attitude toward the morality of instalment was a matter that could fall in full circle. Where the consumer who bought on the instalment plan could not buy a new one, it was the businessman who sold it.

*An address by Prof. Zelomek before the Committee of Wholesale and Retail Credit of the National Retail Dry Goods Association, New York City, Jan. 10, 1936.

we feel very strongly that any economic help that is asked for and likely to originate in the power to consume than in the power to produce.

As storekeepers, I believe you will agree with me, installation is a tougher job than production. One is easier than the other to buy than to sell, and hence the instalment installation of growth won't get very far unless you can use people can steadily increase the psychology of instalment credit. Credit is a product that merchants, take from our facturers and sell to the consumers.

You retailers, in short, are on the firing line in the coming fight to keep consuming power up to its full capacity to buy. And instalment merchandising is one of the few invaluable in helping in winning that fight. I have two reasons for

(1) instalment merchandising has made possible a more profitable business for all of us. And (2) instalment merchandising creates a market for people who have passed by it or away from it yesterday. Today's instalment credit sales will be bigger than it's today sales were on a month ago.

I know there will be no dis¬

agreement here, if I point out that instalment merchandising creates a market today, which is 25% or 30% of industrial credit a month ago.

But when we talk about instalment, we're talking about a very limited market, in terms of instalment payable sales tag. Even $5,000 a year, $25,000 a year, spending by the average family, out of current income, is 25% of their income. Or a little over 25% of all instalment credit sales by all instalment credit at all, and only 10% of all instalment credit to the total of instalment credit at all.

No, there can't be much doubt that instalment credit creates an immediate market. And that's the first step. But what happens next? Maybe, by granting instalment credit, we're thinking more about instalment, just as the consumers who have saved this instalment credit are sold to have mortgaged a part of their future purchasing power. This is why, if you, as an individual, do not think of a possible situation, which is why, if you, as an individual, do not think of a possible situation, it is not due to the instalment sales. What we are selling is our ability to become better off in the future, but be able to make the instalments.

Now, I submit that the extent to which instalment credit can be increased his future earning power and his earning power, is a function of some extent on how much he is inclined to spend. This is a very important factor, I think, that the mail order business has had to and would introduce new techniques of instalment credit sales. And because that man has increased his sales and improved their competitive position without mortgaging his buying power, he can change market of the economic philosophy of instalment merchandising I have just expounded to you, and new to you at the moment, and you can develop it and apply it to business.

Now, whether I like to state"之类的话，或者只是简单地“同意”或“不同意”某个观点。此外，我还可以引用观点或数据来支持自己的论点，或者解决对方的观点。在讨论结束时，我也可以提出下一步需要进一步研究的方向。
I believe there is room for a further substantial expansion. Total debt has risen, while there has been represented 12% of discretionary spending power and 37% of consumer goods, which is a much higher percentage of consumer debt, and this includes debt of all kinds, both personal and business. This is a staggering increase, having dropped to 8% of discretionary spending in 1935.

Oil Industry Investment
Prospects Here and Abroad

future growth in oil demand, the industry will have to make huge capital expenditures. According to preliminary estimates that will be issued within a few months by the American Petroleum Institute, total capital expenditures for new facilities at a cost of $312 million—has been a remarkably favorable one for the outlook of the industry not only here but abroad. The surprising development, which I think was largely unforeseen, was the fact that just at a time when the world's oil production has been expanding at a marked rate and at a time when demand for oil has been increasing rapidly, the cost of new facilities has continued to decline sharply. This is a remarkable development, and it is one that has had a big impact on the industry here and abroad.

The expectations which I think is interesting to note is that new capital expenditures—will continue to rise sharply in the future. This is because the cost of new facilities—has declined sharply over the past few years, and it is likely that this trend will continue for some time. Hence, the industry will have to make much larger capital expenditures in the future than it has in the past. This will have a big impact on the industry's profitability, and it will also have a big impact on the industry's growth potential. The industry's profitability—will be determined by the cost of new facilities—more than anything else. Hence, the industry's growth potential—will be determined by the cost of new facilities—more than anything else.

Other Important Investment Considerations

I have outlined the favorable outlook for oil stocks over the next few years. There are several other important considerations which the investor should take into account when making investment decisions in the oil industry. These considerations include:

1. The solid asset values of the oil industry. Oil stocks are backed by physical assets—such as oil reserves—which are valuable and liquid. These assets are the foundation of the industry's profitability—and will continue to be so in the future. Hence, oil stocks are a good investment for those who are looking for a stable and secure investment. Oil stocks are a good investment for those who are looking for a stable and secure investment. Oil stocks are a good investment for those who are looking for a stable and secure investment. Oil stocks are a good investment for those who are looking for a stable and secure investment.

2. The good inflation-protection factors of the oil industry. Oil stocks are good inflation-protection factors. This is because the cost of oil stocks—will rise with inflation, whereas the cost of other stocks—will not. Hence, oil stocks are a good inflation-protection factor. Oil stocks are a good inflation-protection factor. Oil stocks are a good inflation-protection factor. Oil stocks are a good inflation-protection factor.

3. The good geographical diversification of the oil industry. Oil stocks are good geographical diversification. This is because oil stocks are not concentrated in one geographical area—unlike many other stocks. Oil stocks are good geographical diversification. Oil stocks are good geographical diversification. Oil stocks are good geographical diversification. Oil stocks are good geographical diversification.

4. The good all-weather performance of the oil industry. Oil stocks are good all-weather performance. This is because oil stocks will do well in a time of recession—and do well in a time of prosperity. Oil stocks are good all-weather performance. Oil stocks are good all-weather performance. Oil stocks are good all-weather performance. Oil stocks are good all-weather performance.
1954, with their foreign earnings more than doubling, these five international companies showed a 46% increase in their total earnings. I want to emphasize here that these results were obtained not from real in-the-pocket cash money harvested abroad, but from U. S. dollars. Over the same period, the aggregate domestic earnings of our 30 largest integrated companies showed an increase of less than 6%.

With that kind of recent performance it comes as no surprise that the trend that is indicated for foreign oil is widely considered to be the key to our economic progress. In this connection, let us consider the importance that foreign oil may play in the solution of our domestic problems.

As an example, let us take the income from foreign oil that is available to you, the investor. It is a very desirable asset for you because of its low risk which is associated with the foreign oil earnings.

Now, I mentioned foreign oil earnings. This is a real consideration, I believe, in the type of real estate that we have in the Eastern Hemisphere, wherein a large part of the investment is in the form of crude oil from a small group of foreign oil companies. In this area of Europe and the Middle East, certainly do involve a substantial part of the oil investment risk which has been associated with oil investment risk. The investment risk is largely due to the uncertainty of the availability of oil in the future and the possibility of a decline in the price of oil.

The very fact that the Eastern Hemisphere has been growing so rapidly in the past few years means that there is a larger market for foreign oil. For example, it is estimated that the percentage of oil production in the Eastern Hemisphere increased by 30% between 1954 and 1956, and is expected to rise by 50% by 1960.

Certainly, in spite of the record, we must exercise a little investment prudence when selecting foreign oil investments. I believe that the basic investment idea that you should follow is to make sure that your foreign oil investments are well diversified and that they are in companies that have a high potential for growth.

Portfolio Suggestions
Now that I have stressed the large number of investment possibilities, I want to emphasize the wide range of investment characteristics that are available in foreign oil. It is a question of how you select the foreign oil investments that will best fit your needs.

Whole Scene for Investment

I believe that the investment possibilities that you have in foreign oil are very attractive. I think that you should invest in foreign oil because it is a very desirable asset for you because of its low risk which is associated with the foreign oil earnings.

We have been discussing the various characteristics of these many potential oil investments to the speculator or to the individual client—how we set up an oil portfolio and the way we use it to accomplish specific investment objectives. It is important to note that you may have to think about your own specific investment objectives and then think about how you want to invest your own foreign oil investments. Each client is different, and each client wants to have different investment objectives and needs.

(a) Two international oil companies which could be selected among the seven that I named in the last section.
(b) One or two domestic oil companies with a large crude oil reserve and little selling overhead.
(c) One company which has a large number of foreign oil reserves.

I believe that this investment idea is very practical and that you should consider it.

The basic conclusion I would like to have is that, with the right management under the right conditions, you can get a large return on your investment. The investment idea is based on the assumption that the oil industry will continue to grow and that the oil companies will continue to grow. The investment idea is based on the assumption that the oil industry will continue to grow and that the oil companies will continue to grow.

Now, I think that it is very desirable to have a large number of oil companies in your portfolio. You should not be afraid to take risks in foreign oil investments. The oil industry is a very important industry, and it is very desirable to have a large number of oil companies in your portfolio. The investment idea is based on the assumption that the oil industry will continue to grow and that the oil companies will continue to grow.
Continued from page 5

Soviet Economic Offensive
And East-West Trade

Underdeveloped Areas

At the moment, the Soviets are offering to Egypt $200 million for 50 years at only 2.5% interest toward the Homs Dam of Assam. The U. S. has offered a $70 million loan over 5 years, to start with. Mr. Eugen Redeke, who is Bank, is now in Cairo, as this is written. It is reported that the same time the Czechoslovakia has received a contract for a large power station to supply the heloan steel plant, with the industrial plant. The Hungarians are delivering 60 million this year. A German delegation has arrived in Cairo and is negotiating for an industrial plant, shipyards, and a drydock. In Egypt, the Soviet Deal Points have been opened. After a German delegation arrived in Egypt, in September, 1952, to negotiate for a trade agreement with Egypt, in which Egypt bought Russian-built grain elevators. The Soviets have signed a number of contracts in the last 12 months with Iran, Syria, Afghanistan, Yugoslavia, and Bulgaria. The Steptosk Dam in Afghanistan, and Angola, and Prague, has established a similar cooperative enterprise, in addition to a new Deutsch bank. There has been a German ship in New Delhi in recent months.

In the Middle East, the Soviet price has offered aid to Syria to complete an oil refinery. In addition, they have offered commercial firm with Damascus—believe it or not, the Russians have offered (1) goods to sell, and (2) programs for training. Projects may be undertaken in order to increase the Soviet influence. The Czechoslovak engineers, on the reloading offered to the Soviet, have signed trade agreements with East Germany, Poland, Hungary, and the USSR.

Rediin has definitely won the contract from Saudi Arabia to build the 300-mile stretch of pipeline between Damascus and Medina, under terms similar to the recent, and (3) to lend $700 million for transportation, to be repaid by the USSR.

In addition, incomplete plans call for the exhibition of new products, (1) steel, (2) coal, (3) grain, (4) nonferrous metals, (5) textiles, and (6) fertilizers, to be sold by Soviet negotiators. Moscow is now sending economic experts to Yemen. The Soviets have signed its first trade agreements with Albania, Bulgaria, and the USSR. The price on the Red Sea and Persian Gulf for the first time, has been the lowest of the year. The area is growing, and the cost of the agreements may be undertaken in order to increase the Soviet influence. The Czechoslovak engineers, on the reloading offered to the Soviet, have signed trade agreements with East Germany, Poland, Hungary, and the USSR.

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The Suez Crisis, a major event in the Middle East, had a significant impact on international trade. The crisis began when Egypt nationalized the Suez Canal and was followed by Israeli, French, and British military operations to retake control of the canal. The Suez Crisis demonstrated the influence of national interests on international relations and the potential for conflict in the region.

In the context of the Suez Crisis, the following points can be observed:

1. **National Interests and Foreign Policy**
   - The Suez Crisis highlighted the importance of national interests in shaping foreign policy. The intervention by Israel, France, and Britain was driven by their desire to protect their strategic and economic interests in the region.

2. **International Relations**
   - The crisis underscored the complexity of international relations, with various nations aligning or conflicting based on their perceived national interests.

3. **Economic Impact**
   - The Suez Crisis had significant economic consequences, including disruptions to international trade and increased costs due to the necessity of using alternative shipping routes.

4. **Regional Instability**
   - The crisis contributed to regional instability, with the potential for future conflicts remaining a concern.

5. **Political and Diplomatic Implications**
   - The Suez Crisis raised questions about the effectiveness of international organizations and the role of superpowers in maintaining peace and stability.

The Suez Crisis serves as a reminder of the complexity of international relations and the importance of diplomacy in resolving conflicts and maintaining peace.
United States Taxation
And Foreign Investment

Investment is made, when the resulting economic benefits will be available in the future, at the expense of resources allocated in the present, and when the income is recognized in the future but the costs are recognized in the present. Most of us believe that except in unusual circumstances market forces do a better job of allocating resources than the government. It is this belief that underlies our current policy of allowing the United States investor. But the limits of time and space require some revaluation of what we mean by government. We should consider that the United States investor is not simply a factor that adds to the benefits of private investment. Rather, it is a factor that can significantly influence the development and growth of the United States economy.

It may well be, as in many other cases, that the United States investor is not aware of the opportunities for foreign investment and operation. It is also true that there is nothing like the prospect of a tax saving to make a businessman sit up and take notice. But the communications techniques used in this country have proved very powerful; surely they can make United States businessmen aware of foreign investment opportunities in ways that are less expensive than tax incentives and that would not cause unfairness to domestic business.

In weighing the considerations which have thus far been described, reasonable men can arrive at different conclusions. My own conclusion is that if tax incentives are to be justified it must be on the grounds of their support of foreign policy objectives, not on grounds of fairness or the needs of the United States economy.

Foreign Policy and Tax Incentives

The major foreign policy objective of this matter appears to be the promotion of the economic development of the less developed countries. The thesis that United States private foreign investment can and will, if encouraged, accelerate such development is not without precedent. The Administration has already recognized the potential of tax concessions for the income from such investments. This reasoning is based on the view that it is in the national interest to increase the military security of the United States while saving the taxpayers money. The underlying belief is that it will be difficult, perhaps impossible, to achieve and maintain political stability and world peace in the absence of rising per capita levels of production and consumption in the less developed countries.

Moreover, the competition of the free world, the Soviet Union for the minds and hearts of men seems destined to be carried on at least in part in the field of economic development. Even aside from this the United States stands to derive substantial long-run advantages from being a major source of foreign capital in the development of the underdeveloped countries—advantages in the areas of both commercial and cultural tie. A United States businessman who has both a firm grasp on democratic principles and a sympathetic understanding of the aspirations of underdeveloped countries can be an ambassador of good will and an instrument for promoting abroad our ideas of economy and government.

But the essential question is in which tax incentives are recommended to give that important impression that the policy is supported by an intent to substitute the expansion of private foreign investment for government grants and loans. The private enterprise abroad and saving the taxpayers money are objectives that all or at least most of us can warmly support, but I believe that being involved in a major misreading of the relationship of public and private investment in promoting economic development. An important objective of private investment in many countries is the lack of a basic economic structure including a healthy, educated, and decently housed labor force, adequate transportation facilities, and ample electric power to meet present and prospective requirements. Taxes or no taxes, private investment is not going into basic or scientific education, or into roads, health programs, water supply, sewage systems, or housing, and for various reasons it is not likely to go to railroads or into nuclear power plants.

The United States wants to promote private investment in underdeveloped countries, the most effective method would seem to be to help in the development of the basic economy. It is putting the cart before the horse to think that through tax incentives private investment can do the job of public investment or can be greatly increased until an adequate economic base has been established.

There is an element of danger in the Administration emphasis on tax concessions, namely, that we may persuade ourselves that granting tax concessions will fulfill the responsibility of the United States for the economic development of the rest of the world. When the results of tax concessions are found to be too little, it might then be too late to do the other things that need to be done.

If that danger is avoided and private investment is seen in its proper perspective in a foreign economic policy that comprehends many necessary elements, there is much to be said in favor of encouraging private investment. This statement usually involves much more than cash or machinery and equipment. Some competent observers have suggested, perhaps extravagantly, that the major benefit of direct United States investment in an underdeveloped economy is that business management goes into the country, which it is not likely to do except as an accompaniment of the investment. Moreover, United States businesses abroad have to an increasing extent found it desirable and feasible to train local personnel and gradually withdraw United States personnel from the operation.

Accepting the desirability of encouraging private investment abroad, it does not necessarily follow that tax concessions should be offered for this purpose. It is still necessary to weigh the prospective benefits against the prospective costs. On the benefit side tax incentives would undoubtedly have some stimulating effect on investment abroad, since there must be some cases in which the amount of tax concession would be the deciding factor in favor of making the investment. The amount by which private investment abroad would be increased by tax concessions is another matter; the studies that have been made of the problem indicate that it would be limited. The rates of profit that are being made by businessmen in many countries are so high that taxation cannot be the obstacle that is preventing investment from the United States. There are many other obstacles to investment—among them the necessity of learning a new language and of working with people having different habits and attitudes; political instability and the possibility of expropriation or other severe political action; the uncertainties of money convertibility—often the major obstacle; and the lack of the vital basic economic structure.
In the face of the current economic conditions, many businesses are looking to foreign markets to overcome their investment challenges. Despite the obstacles of tariffs or quotas, several countries may be more cooperative in their negotiations. The United States should not impose any tax on income from businesses carried on in their countries. They point out also that the United States' economic system is often difficult for them to give incentives to attract investment by United States business. Hence, the United States foreign market for such incentives is an open question. The experience of US states and cities in granting tax exemptions to attract investment has not been a very encouraging one. The widely publicized example of Puerto Rico is completely misleading, as far as other countries are concerned, since Puerto Rico has free access to the whole United market without tariffs or quotas. Nevertheless, other nations may be more cooperative in their economic system. 

The incentive that belongs in the foreign policy category is that the United States foreign market to its credit encourages other countries to increase their tax rates so that those countries instead of the United States receive the taxes. It is the United States foreign market to its tax incentives rather than the actual government. 

Another general point is that United States foreign market, not the United States policy toward imports, on the incomes of United States excise, would be permissible due to the other countries' current economic pressures, which is the United States policy toward exports — as it now is doing. The tax incentive treaties in which the United States is prepared to negotiate. 

If a general tax incentive is to be granted by statute, it should be clearly defined. There exists the greatest extent possible that the tax relief applies only to income from investment and operations which contribute to the economic development of foreign countries, and which can actually be shown to have been due separately to the tax relief. It would mean excluding from tax relief that part of the income derived from the exportation of United States goods which is generated from income generated by the investment in the United States. This part of the income would be distinguished from income derived from operations abroad that arise from the operations of United States property abroad. 

There is another aspect that requires attention. The granting of tax concessions would undoubt-
The Commercial and Financial Chronicle, Thursday, February 16, 1895

NEWS ABOUT BANKS AND BANKERS

Chemical Corn Exchange Bank of New York has elected Adolph Zukor chairman of the board of its Times Square branch. Mr. Zukor, who has for many years been a director of The Chase Manhattan Bank, of New York, was appointed on Feb. 15 by Harold H. Delano, president of that bank.

Robert H. Craft, Executive Vice-Presi dent of American Securities Corporation, of New York, has been elected President and a director of Citizens National Bank of Chicago, which owns subsidiary of The Chase Manhattan Bank of New York. The appointment was announced on Feb. 15, by John I. T. McCloy, president of Citizens National Bank.

The First National Bank & Trust Company of Chicago, Inc. has reported that it will increase its capital stock to $1,100,000. The report was made by the Board of Directors at its meeting which was held on Feb. 9, 1920. The bank has been authorized to increase its capital stock to $1,100,000 by the ratification of the shareholders on Jan. 15, 1920.

J. Malcolm Johnston, Senior Vice-President of the Grand Trunk Western Railroad Company of Chicago, has been elected a director of the Board of Directors of the bank, it was announced on Feb. 9, 1920, by President Smith, M. R. A. Wood, Vice-President, and W. H. A. King, Vice-President.

The Florida National Bank of Orlando, Fla., announces a capital stock of $400,000, increased its capital as of Jan. 19 from $25,000 to $25,000 and $2,500.

On Feb. 7, the directors of the Commercial National Bank of Kansas City, Mo., transferred $2,500,000 paid-in surplus to the surplus account. After this transfer the capital structure stands as follows: Capital $9,000,000, surplus $20,000,000, undivided profits $1,200,000, and all of which is stated was earned by the bank in the last ten years.

The Crocker-Anglo National Bank of San Francisco, representing the consolidation of the Crocker First National Bank and Anglo California National Bank, 1915, has been in operation for business on Feb. 13, 1920. The bank has a capital stock of $300,000 and is owned by the shareholders of both banks, who are stockholders of the new organization. The bank was opened for business on Feb. 13, 1920. The capital stock of the new bank is made up of $400,000, to which is added a one and a half billion dollars. In a joint announcement of the official opening, W. W. Crocker, Chairman of the Board, and A. C. Allyn, President and Chief Executive Officer, stated that it is the hope of the Crocker-Anglo Bank to operate a large business in the Pacific states of Oregon, California, Washington, and Nevada.

Charles M. Harris has been associated with A. C. Allyn and Company, of San Francisco, in the management of the Bank. Mr. Harris was formerly a director of the Anglo California National Bank of San Francisco, which bank merged with the Crocker First National Bank of San Francisco in 1915.

Form United Securities

TULSA, Okla.—United Securities Company has been formed to engage in a securities business. William E. Davis is a principal of the firm.

Marlen Sccs. Opens

NEWARK, N. J.—Pasquale Mangano is engaging in a securities business from 540 Broad Street, under the name of Marlen Securities Co.
The Government market continues to move within the recently established trading areas, with the backing and filling procedures not being changed. It is again a matter of the opinions of the future course of business and the President's statements which are now being considered for another term. Demand is still very sizable for the near-term Government obligations, although higher yields were obtained in the recent offering of Treasury bills. There is evidence of a growing demand in some instances of the intermediate-term obligations. This is reported to be buying, but it is moving at a much more short-term roll-over prostration.

The maturity Treasury are attracting more attention and opinions are now along the line of what these three to five-year maturities will be offered with the one year maturity to take care of. The market is also noticing the three to five-year maturity is also being talked about. A long-term bond does not appear to be getting much consideration in the money market at this time.

Short-Term Issues in Demand
The money market is still being kept on the side by the tighter government policies. There is a lot of money which is being put into the Government market is really quite large so far as the short-term Government obligations are concerned. There still appears to be a fair degree of competition for these securities, especially certificates. This is the time that the principal buyers, now being pushed somewhat by other intermediate-term obligations are unsatisfied. To be sure, most of this money is mainly interested in only a temporary investment and it must keep rates for near-term Treasury obligations from moving out of range of yield which has been carried out of what is termed a tight money market.

Other Issues Favorably Affected
The demand for near-term Governments has not been exactly abundant, but there is a growing interest in the nearer term maturities is concerned. It is reported that the buying which has been going on has been taken to have a larger than normal interest in Government securities, which is of an improving quality, with the result that more of these obligations are being put away in what is called permanent homes. There appears to be no problem of the other larger orders in the market now than was the case not so long ago for the more distant Government obligations. This is reflected in the fact that there have been large amounts of these securities which had been going into other investment channels is now being reinstated. While it is not possible to calculate, it is believed that the future trend of the economic cycle, it is reported that there will be a great deal of higher yielding Treasury issues is increasing, and this might be the beginning of a development in the business picture, since uncertainty in the economic field usually brings with it lower interest rates.

Forthcoming Refunding Seen Attractive
The impending maturities of the Treasury are beginning to get more than a passing amount of attention now. The refunding of the $1 billion maturing on the more distant Treasury issues is concerned. It is reported that the buying which has been going on has been taken to have a larger than normal interest in Government securities, which is of an improving quality, with the result that more of these obligations are being put away in what is called permanent homes. There appears to be no problem of the other larger orders in the market now than was the case not so long ago for the more distant Government obligations. This is reflected in the fact that there have been large amounts of these securities which had been going into other investment channels is now being reinstated. While it is not possible to calculate, it is believed that the future trend of the economic cycle, it is reported that there will be a great deal of higher yielding Treasury issues is increasing, and this might be the beginning of a development in the business picture, since uncertainty in the economic field usually brings with it lower interest rates.

Treasurer

Richard Shipe
American Exchange
Announces Appointees

Charles J. Bocklet, a stock specialist, was announced as Chairman of the American Stock Exchange board of governors, after a reorganization meeting, according to a statement released by T. Morrow, Exchange President. Mr. Bocklet is the President of Webb & Knapp, Inc., one of the largest real estate firms in the United States, and he was chosen by Mr. McCormick and approved by the board as a public officer of the market.

Bocklet, an exchange member since 1926, has been governor since 1952. He began his career as a bartender and later employed of White, Weld & Co. The new chairman is a member of the Committee of the Exchange.

Mr. Zeckendorf, together with representatives of the Board of Governors, the Committee of the Exchange and the Committee of the Stock Exchange, announced the appointment of a Committee of the Exchange.

The coming of the chairman of the Board of Governors is announced by the Board of Governors, the Committee of the Exchange and the Committee of the Stock Exchange.

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The Missouri Pacific Reorganization (Part II)

The background of the Missouri Pacific reorganization was presented in last week's column. This installment will be devoted to the second and the last of the three phases of the securities to be issued under the "agreed system plan" of reorganization, the capitalization and debentures. The New Orleans, Texas & Pacific and the subsidiaries of the latter concern are the one unified company embracing the total of some 9,500 miles of road, ranking seventh in the United States by this measure, or just behind the Union Pacific. The total net worth of the road will thus amount to over $80,000 per mile, however, as against only $50,000 for the Union Pacific. The latter System has had to pay $39 for the Rock Island. Among the more lightly capitalized roads of the group, the Kansas City, Pittsburg & Gulf Pacific at $89 per mile, the Missouri Pacific at $89 per mile and the only other which approaches it is the Northern Pacific at over $80,000 per mile. It is understood, however, there is a large proportion of non-operating income.

The Missouri Pacific system extends in one direction directly west from St. Louis to Pueblo, Colorado, where it connects with the "Denver," and southwest in another direction to Laredo and El Paso, Texas on the Rio Grande via Little Rock and San Antonio, and with connecting lines to Houston and Galveston and to Corpus Christi, all of which are linked by the line from Brownsville to Lake Charles and New Orleans. There are also spur lines from the main line extending on either side and with Wichita to the south, while a branch of the southwestern line goes to Fort Worth connecting at Fort Worth with the controlled Texas & Pacific, which is the main line from central Texas to El Paso.

With much of its mileage in the vigorously growing South-west, the Missouri Pacific has benefited accordingly. This has been particularly true for increases in the demand which have called for new construction mileage. "Agreed System Plan." Nevertheless, the record of the system, as compared to the average system, with only the Missouri Pacific proper in the foreground in recent years. Basic freight cars were 44 percent greater, than in 1935, and the revenue index of 108 in the generally unsatisfactory year 1934 as against 112 for the Southwest District and 104 for Class I. The corresponding figures for Texas & Mexican subsidiaries except the International-Great Northern System were 125.

Another factor that has to be recognized is the gain in operating efficiency that has been accomplished. Dieselization was completed early last year and the results have been both freight and passenger services and 90% for yard switching. The system's earnings have been almost evenly divided between under favorable revenue conditions and less than complete dieselization in 1954, dropped to 39% in 1955. However, gain in efficiency have been far more pronounced on a longer period basis than is often recognized. Missouri Pacific proper having achieved a 60% gain in gross two-per-mile freight train hours between 1945 and 1954, while 80% gain is shown by the International-Great Northern. This means that the gains in operating efficiency, as well as to be issued and allotted under the pending plan, which will make it possible that a long-range basis for efficiency might be considered quite fully priced in the basis of the protective margins afforded by current earnings.

The Missouri Pacific system is divided into five permanent classes (excluding equipment and temporary equipment) as shown below together with the annual interest charges and debenture interest debenture thereto: (omitted)

<table>
<thead>
<tr>
<th>Equipment Obligation</th>
<th>Principal Am.</th>
<th>Annual Int.</th>
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<tr>
<td>Equipment Obligation</td>
<td>$70,377</td>
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<tr>
<td>Series A - 20 year</td>
<td>40,616</td>
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<td>Series B - 35 year</td>
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<td>Series C - 50 year</td>
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<td>67,343</td>
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<tr>
<td>Series B - 75 year</td>
<td>100,000</td>
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<tr>
<td>Funded Debt &amp; Int. Charges</td>
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<tr>
<td>Class A common (no par)</td>
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<tr>
<td>Class B common (no par)</td>
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</tr>
<tr>
<td>Total</td>
<td>$393,956</td>
<td>$29,247</td>
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</table>

*As of Dec. 31, 1954. † Stated at $100 per share.

In addition to the annual interest charges shown above there are also the annual charges for capital fund and sinking funds. The capital fund is set at $11 million annually for the first four years, $1 million for the fifth, and then at $6 million per annum to the extent of depreciation charges on way and structures so that the net amount of principal charges is $77 million annually. This is added to the $23,100,000 sinking fund for the 3.5% capital stock and the $24,500,000 for the 3% debenture stock. This latter is the $200,000 sinking fund for the "B" income debentures and the ultimate intention is on the interest on the capital fund and sinking funds total some $378 annually and is estimated 1955 available earnings of about $20 million. On a pro forma basis, fixed charges alone—primarily the interest on trust obligation and the first mortgage bonds—were covered about 2.8 times, exceeding expectations of the most optimistic observers.

Statistical Highlights

Here are a few of the statistical highlights of this period:

- The maximum drop in production, as measured by the Federal Reserve Series B, was 14 points from the 1953 record high of 137. The average setback to production levels in 1954 were not much smaller.
- The 12 months the economy was not only on its way up but heading for new highs.
- The rate of consumer price decline, consumer disposable income after tax, and consumer buying power was 4% in 1954 and in 1955 to new highs in production, employment, wages—actual and real—is disposable income and just about everywhere.
- At the year end gross national product was running at an annual rate of $137.8 billion, a figure considered purely realistic at that time.
- As we look back at this record I think we can and should find confidence that this country is in the capacity to meet these critical problems. Some further review of the recent trends might be in order. I believe, into the shape of things to come over the longer-range future.

Future Trends

What are some of the things you and I, as business men, may count on? What trends are we likely to encounter? What are the likely developments that will face for the business and for the economy as a whole?

There is certainly no time here to review all of the factors that will affect the future of our businesses, but there is a few of the principle ones are as follows:

- First, let's get ready for business and for the economy as a whole. We have to be ready that the usual order of things.

First, I firmly believe that the changes are not going to be a matter of planning by businessmen and economic conditions. They will be evidenced in the most rapid way. Because the rapidity with which changes occur in our modern-day economy is more than we have ever seen. The future development, and developments, and new things, have to be accepted as we must adapt our thinking and transformation to come into general use, make the impact felt almost overnight.

Television is a classic example in point. Since TV was given the commercial go-ahead by the FCC eight years ago, it has become one of the major factors in earning money.

In that short period, more than 75% of the families of the United States have bought TV receivers for their homes. The effect has been far-reaching, not only reaching new kinds of products, and on advertising, on the marketplace and into the whole entertainment world.

Expected Factors

Getting on to the things we may count on, looking ahead five or ten years, we don't have to go very far in the military program first. I don't think that there has been too great a change in the American people's support of our armed forces. I think that we're far enough along in coming to grips with the cold war, and in the long run I think this on various programs will be great, and in the near run the economy has been widely praised. If the Administration now do not receive no more than the economic significance.

First, there will be a continuing large volume of business to be done with the Armed Forces. Second, with other government costs, we can look forward to an annual program of around $5 billion, which means more billions of dollars and cor-

A change of revolutionary proportions has also been going on in the distribution of income in the United States. Income distribution is changing. As we have been aware of it generally, the figures are startling, partly because of the concentration of consumption units with incomes of $10,000 and over. These units, which were 5% greater than in the 1939, will be 10% of the population in the buying power of the dollar between 1941 and 1955. This group, which are consuming units in excess of $4,000 per year, well above the Federal Reserve says that families with incomes above $4,000 level buy four times as many new automobiles as families with incomes below $4,000. Families in this bracket are likely to spend more than $100 per year in advertising and newspaper ads, each of which has been increasing in volume.

This change in the number of buyers and the equal distribution of the dollars are not just temporary in nature. The trend is continuing and it is one of the most buoyant long-range trends. It is one in which we have been seeing it, and in which we have been operating for years. It is one in which we have been seeing the product and in which we are seeing it.

II

Business Outlook for 1956

And the Future Challenge

There is another, happier side to the story of the future, which is not overlook, however. Actually, the 1955 tax burden of all levels of government is relatively lighter although in absolute terms it is far greater than it was in 1952. Due to the growth in the economy, the tax burden, at $137.8 billion, is only approximately 20% of Gross National Product. Product compared with 25% on the price index of the GNP, indicating that the trend is heading in the right direction. If we believe there is more to come than the growth to be seen along international conditions and that we have the right to look for the best and brightest hopes for the future.

Another factor that I would like to mention quickly is the situation. This situation is critical, and we cannot expect to be able to control our future economy. This situation is critical, and we cannot expect to be able to control our future economy.
In the last two and one-half decades considerable progress has been made in the marketing of newspapers. The mass or popular press, when it emerged from the war and postwar depression period of the thirties, was not the dominating force it has become today. The reason is that in the last thirty years sales have increased at an average rate of 4.7% per year, whereas the average annual increase of the total population was only 1.6% during the same period. This acceleration of the newspaper sales growth rate is even more notable when it is realized that the increase has been achieved in a period of national economic growth and with relatively few interruptions.

Recent studies by J. R. D. Sheehan, professor of economics at New York University, indicate that advertising revenue is increasing even more rapidly than circulation revenues. This is because the relative costs of newspaper advertising are decreasing and the efficiency of newspaper classified advertising is improving. In addition, there is a growing use of national advertising by national advertisers.

One of the most significant developments in the field of newspaper advertising in recent years has been the increase in the use of color advertising. The number of color pages has increased from less than 10% of total newspaper pages in 1930 to more than 50% in 1950. This trend is expected to continue in the future as the cost of color printing decreases and the quality of color reproduction improves. The increased use of color advertising is expected to lead to increased advertising revenue for newspapers.\n
The Security I Like Best

Continued from page 2

The Security I Like Best

lines which does only about 9% of the total number of daily and Sunday newspapers, I think it is safe to say that the growth of our newsprint lines is the result of maintaining a dynamic, growing and high profit margin market for a steadily rising standard of living by a steadily increasing population. To continue this growth the newspaper industry is up against a formidable challenge and I believe we can meet it.
Outlook Continues Favorable for Electric Utilities

By OWEN ELY

their customers and to prevent unfair and deceptive practices. Time would prevent going into detail about the requirements but there are some examples:

Many utilities publish in their tariffs that brokers and dealers must maintain specified books and records for each customer with whom they execute, the securities which they handle for their customers; long and short securities positions and other information with respect to their financial condition and amounts due or payable to customers. These records are subject to inspection by the Commission's staff.

Indebtedness Ratio

The Commission also has a rule which makes it unlawful for a registered broker or dealer to engage in securities transactions in the Over-the-Counter Market if "aggregate indebtedness" exceeds 20 times his net capital, as defined in the regulations. At the June 30, Commission amended these definitions to mean "aggregate indebtedness" of customers of brokers and dealers.

As amended, this percentage does not apply if the ratio is now 30% except in the case of certain preferred stocks and under certain circumstances. A 30% deduction was also applied to calculate a broker or dealer's net capital to determine if it was qualified to transact in a contract or to open an account. As amended, this percentage does not apply if the ratio is now 30% except in the case of certain preferred stocks and under certain circumstances. A 30% deduction was also applied to calculate a broker or dealer's net capital to determine if it was qualified to transact in a contract or to open an account. As amended, this percentage does not apply if the ratio is now 30% except in the case of certain preferred stocks and under certain circumstances. A 30% deduction was also applied to calculate a broker or dealer's net capital to determine if it was qualified to transact in a contract or to open an account. As amended, this percentage does not apply if the ratio is now 30% except in the case of certain preferred stocks and under certain circumstances. A 30% deduction was also applied to calculate a broker or dealer's net capital to determine if it was qualified to transact in a contract or to open an account.

Hypothecation Rules

In order to afford further protection to the account of the customers, the Commission has adopted hypothecation rules applicable to brokers and dealers. They prohibit: the commingling of customers' securities without the knowledge of the customer; the commingling of the firm's securities with those of the customer; the firm's collateralizing a loan with a loan to the firm; and borrowing more on customers' securities than is permissible on such securities.

The Commission has adopted many regulations to implement the anti-fraud and anti-manipulation provisions of the federal securities laws. As pointed out in the Commission rule makes it unlawful for a registered broker or dealer to make any untrue statement of a material fact or to omit to state any material fact necessary in order to make the statements not misleading.

Federal Reserve Bank of St. Louis

The Commercial and Financial Chronicle... Thursday, February 15, 1956

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More Inspection and Controls - For Broker-Dealers and Advisers

For many utilities publish in their tariffs that brokers and dealers must maintain specified books and records for each customer with whom they execute, the securities which they handle for their customers; long and short securities positions and other information with respect to their financial condition and amounts due or payable to customers.

National Securities Associations

The Commission regulates brokers and dealers in the Over-the-Counter Market by a number of methods by which brokers and dealers in the Over-the-Counter Market might engage in a practice of self-regulation under the general supervision of the Commission in a manner somewhat comparable to the exchanges. This was done by providing for the adoption of rules by the National Securities associations, which meet the requirements of the statute. The rules are quite comprehensive, they are designed to prevent fraudulent and manipulative acts and practices and to establish a sort of uniformity of transactions. The organization of the National Securities associations is authorized to adopt and enforce rules under this provision is the National Securities association Inc. whose membership comprises most of the brokers and dealers active in the Over-the-Counter Market.

The Commission has authorized over amendments to the rules of the associations for the registration or expulsion of members. Generally, any registered or unregistered broker who is not a member of the association, may be expelled or suspended by the association. The association may expel any member if it finds that he has engaged in any practices in violation of the rules or in violation of rules prohibiting trading in stocks and in any other manner. The association must then determine whether the member is guilty of any practices in violation of the rules or in violation of rules prohibiting trading in stocks.

The Commission has also added effective time limitations on the right of any member to dispose of securities without the knowledge of the association.

The Commission is aware of the importance of the maintenance of the public confidence in the securities markets and the operations of the brokers and dealers in the securities markets.
The State of Trade and Industry

Continued from page 4

optimism regarding company-union negotiations in their 145-day strike.

Steel Operations Scheduled This Week at 97.8% of Capacity

First-half profits in the metalworking industry will average higher than those for the like period last year but probably won't reach the record levels of the previous three years, it was predicted on Monday by the Richard J. Draper, Inc. and Structural Steel Institute, which indicated that the metalworking industries will be at an average of 97.8% of capacity for the week ending Feb. 12, 1956, equivalent to 2,468,000 tons of steel and for castings as compared with 59.1% of capacity and 2,439,000 tons (revised) a year ago.

"Steel" said an all-time six-month record for steel producers is probable because of a moderate increase in new orders particularly in aluminum. Competition is stiffer for fabricated metal products.

Machinery makers expect about or nearly the best first-half profit on record. "Steel" noted that tool and die makers and fabricators, commercial and heavy, are selling out the first half, with customers even freely offering to pay premiums on hard jobs.

Over-all demand for steel has eased somewhat, but steel producers can sell all they make, "steel" reported. For the last month, output of steel for finished remains at 107.5% of capacity. This rate held through the weekend ended Feb. 12.

"Steel's" price composite on finished steel remains at 107.5% of the level set for the third consecutive week to $20.93 a ton, a drop of 1 cent from the previous output.

The American Iron and Steel Institute announced that the average operating rate of steel companies for the week ending Feb. 4, 1956, was 99.8% of capacity, to be compared with 59.1% of capacity and 2,439,000 tons (revised) a year ago.

A year ago, the downward trend of production was continued at 1,716,000 tons, with the operating rate of 99.8% compared with 97.8% last year.

The percentage figures for 1955 are based on annual capacity of 128,363,890 tons as of Jan. 1, 1956.

In the first month of 1956, output and shipments reached 2,437,000 tons. A year ago the actual weekly production was placed at 1,716,000 tons or 99.8% of capacity, with production capacity higher than capacity in 1955. The percentage figure for 1956 is based on annual capacity of 133,359,000 tons, as of Jan. 1, 1956.

Electric Output Dropped Below Level of the Week Previous

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Feb. 12, 1956, decreased 10,903 cars or 1.6% below the preceding week, according to the Edison Electric Institute.

The week ended Feb. 4, 1956, was the second lowest work week of the year and the week's output was 2,437,000 tons. A year ago the actual weekly production was placed at 1,716,000 tons or 99.8% of capacity, with production capacity higher than capacity in 1955. The percentage figure for 1956 is based on annual capacity of 133,359,000 tons, as of Jan. 1, 1956.

Car Loadings in Week Ended Feb. 4, Eased Further, Dropping 1.6% Under the Preceding Week

Loadings of revenue freight for the week ended Feb. 4, 1956, decreased 10,903 cars or 1.6% below the preceding week, according to the Association of American Railroads.

The week ended Feb. 4, 1956, was the second lowest work week of the year and the week's output was 2,437,000 tons. A year ago the actual weekly production was placed at 1,716,000 tons or 99.8% of capacity, with production capacity higher than capacity in 1955. The percentage figure for 1956 is based on annual capacity of 133,359,000 tons, as of Jan. 1, 1956.

U. S. Car Output Registered a Slight Decline in Latest Period Below That of a Week Ago

Car output for the latest week ended Feb. 12, 1956, according to "Weekly Crop Reports," dropped slightly under the previous week.

The latest work week in the industry was estimated at 193,533 cars, compared with 194,622 (revised) in the previous week. The past week's production of cars and trucks amounted to 163,522 units, or a decrease of 2,773 units below the preceding week's output, stated "Wall Street." Last week's output dropped below that of the previous week by 1,035 cars, while truck output was lower by 1,724 ve-

Wholesale Food Price Index Eases the Past Week

Rounding the upward trend in wholesale prices, the wholesale price index, compiled by Dan & Bradstreet. Inc., turned downward the past week to stand at 250.92 on Feb. 7. This was down 13.9% from the year-ago figure of 293.77.

Commodities quoted higher last week were wheat, milk, coffee, cocoa, sugar, flour, hay, barley, oats, hay, beans, bellies, lamb, cheese, and butter.

The index represents the sum of the total of $1 raw foodstuffs and meats in general use and its chief func-

Wholesale Commodity Price Index Reflected Narrow Trend the Past Week With Grain Prices Mixed

The latest price trend composite index reported by Dub & Braddstreet, Inc. moved in a narrow range during the past week, with the exception of fresh vegetables, which continued to surge, and soybeans which fell 209.27 a week previous and with 278.73 on the corresponding date a year ago.

Fluctuations in grain prices were mixed last week. Wheat and corn finished higher, while rice and barley trended lower and oats held steady.

Buying in wheat was stimulated by a heavy movement of early wheat out of Chicago, presumably for export purposes, and by the possibility that 96% price supports might be restricted on early crops.

Additional moisture over the winter wheat belt was reported over the weekend, but had little influence on prices. Corn showed strength in early dealings, reflecting limited market reports and reports that producers were imposing large quantities of the yellow grain for delivery.

Oats prices remained steady as country markets continued to decrease. Trading in grain and soybeans futures on the Chicago Board of Trade ended last week with daily average purchases totaling 27,800,000 bushels against 28,000,000 the previous week and 25,500,000 a year ago.

Business in hard wheat bakery flours continued at a low level last week, with the cost for products and flour and different, and preferred to draw upon balances in the hope that prices will remain firm in the near future. Bakery operators reported that other types of flour was confined to necessary replacements.

The uptrend in the green coffee market was sustained the past week, with prices pushing into new high ground for the season.

The rise reflected the upward adjustment in roasted coffee and European exchange of additional advances at the wholesale level in the near future.

Cocoa reversed its downward trend and scored a moderate rise last week on speculative buying. Cocoa futures and grain and grindings for the first quarter are expected to show a substantial price increase. Futures also showed a large upward last week as a renewed heavy run of hogs offset further advances in stocks, which were cut in the prior period. For last week, reflecting the large receipts and a declining wholesale pork market. Cattle prices tumbled lower at the close, the result of heavy sales last week.

Spot coffee prices developed further strength during the week, with prices pushing into new high ground for the season.

Supporting influences included a continued tightening of the "free" supply situation, increased activity in the cotton goods market and Washington advisers indicating a possibility of a 96% of parity loan rate for the 1956 crop.

The midweek parity price for upland cotton was placed by the Department of Agriculture at 34.35 cents a pound as compared with 35.08 cents a month earlier. Exporters of cotton continued to move large quantities of raw cotton in the weekly period, according to the New York Cotton Exchange, as against the weekly average price and 74,000 bales in the same week last year.

Trade Volume Rose During the Week and Was Moderately Above Like Period a Year Ago

Retail trade expanded somewhat in the period ended Wednesday, Feb. 16, and the total dollar volume was moder-

Clearance sales stimulated consumer purchasing of winter apparel and household goods. Sales of new automobiles were at the same level as in the previous week.

The total dollar volume of retail trade in the week was 3 to 7% higher than a year ago, according to estimates by Du Pont & Brad-
street, Inc. Regional estimates varied from the comparable 1955 levels by the following percentages: New England to New England—Change to +2; East 3 to +3; West 6 to +10; South 0 to +4; Middle West +1 to +4, Northeast +1 to +5 and Southwest +1 to +3.

 Apparel stores reported increases and sales promotions encouraged consumer interest in expensive dresses and sportswear. Women's clothing in particular was marked down for clearance, except for moderate gains reported in furnishings and sportswear. Women's shoe buying was reported as being strong, while the call for children's shoes declined moderately.

Department store sales on a country-wide basis as taken from department store reports for the week ending Feb. 12, 1956, increased 5% above those of the like period of last year. For the week ended Feb. 4, 1956, department store sales were 27% above comparable levels a year ago. For the period from Jan. 1, 1956 to Feb. 4, 1956, an increase of 9% above year ago was reported. For the period Jan. 1, to Feb. 4, 1956, a gain of 7% above year ago was reported.

Retail trade volume in New York City last week was esti-

The index, compiled by the New York City Chamber of Commerce, was reported last week to be 271.37, 271.37, compared with 271.37 in the corresponding week last year. For the four weeks ended Feb. 4, 1956, an increase of 9% above year ago was reported. For the period Jan. 1, to Feb. 4, 1956, a gain of 7% above year ago was reported.

Retail trade volume in New York City last week was esti-
Continued from first page

Oils Bought by Funds Midst
Overall Cautious Policy

months of 1955—building and construction—were current ranking favorites along with the oil issues. Paper and fiber companies, producers and distributors and the drug groups along with indus-
trial machinery and insurance companies were also well-liked. Topping the list are issues among the less popular groups were the

A national survey among the Textiles, metal and mining companies, of course, would be the equal of anything. Both classes are

interest in the less popular groups were the

electric utility, rail and aircraft, in contrast with a slight preponderance

Shifting from the Volatiles

An indication of the extent to which some of the funds are going to curtail on the more

volatile出生于 of their port-

duets, New York Central, headed the list of ten

Dreyfus was second, showing a 10.1-

increase over the previous March. Of the

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### S U M M A R Y

#### Changes in Cash Position of 65 Investment Companies

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<td>Balanced Stocks</td>
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<td>Closed-End Companies</td>
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#### Open-End Companies

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<tr>
<th>Name</th>
<th>Shares</th>
<th>Value</th>
<th>Dividend</th>
<th>Total</th>
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<td>0.50</td>
<td>0.02</td>
<td>0.52</td>
</tr>
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</table>

### American Business Shares

A Balanced Investment Fund

The Company supervises a portfolio balanced between bonds and
stocks to provide either stability and common stocks to provide growth potential.

Prospects upon request

LOFT, ABBETT & CO.
New York  Chicago  Atlanta  Los Angeles

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135 S. LaSalle St., Chicago 3, Ill.

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You can invest in a diversified group of electronic securities through the shares of

TELEVISION-ELECTRONICS FUND, INC.
### Changes in Common Stock Holdings of 49 Investment Management Groups

(September 30 – December 31, 1955)

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

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<thead>
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<th>No. of Shares</th>
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<th>No. of Shares</th>
<th>Sold</th>
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<td>(1) 12,400</td>
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</table>

**Agricultural Equipment**

- Deere and Co.: 12,500
- General Motors: 1,200
- International Harvester: 3,500

**Auto and Auto Parts**

- Mack Trucks: None
- General Motors (2nd): None
- Bendix Aviation: 6,350
- General Dynamics: 80
- United Aircraft: 2,195

**Beverages**

- Coca-Cola: None

**Building Construction and Equipment**

- Carrier Corporation: 9,000
- Lone Star Cement: None
- Masonite: 3,712
- National Lead: 1,000
- Jefferies Co.: 1,000
- American Radiator: 10,400
- Penn-Dixie Cement: 2,450
- York Corp.: 13,000

**Chemicals**

- American Cyanamid: None
- Monsanto Chemical: 2,000
- St. Louis Chemical: None
- Tennessee Corp.: None
- Union Carbide: None
- Dupont: None
- Olin Mathieson: 11,925

**Containers and Glass**

- Owens-Corning Fiberglas: None
- Illinois Glass: None
- Corning Glass Works: 5,900

**Drug Products**

- Colgate-Palmolive: 4,000
- Merck and Co.: 5,000
- Pfizer: 10,400
- Uniliver: None
- Warner-Lambert Pharmaceutical: None

**Electrical Equipment**

- Minneapolis-Honeywell: 10,000
- General Electric: 21,440
- International Tel. and Tel.: 9,900
- Raytheon: 550
- Travelair: 27,755
- Western Electric: 53,209

**Financial, Banking and Insurance**

- Life Insurance Co.: None
- Benefit Financial Co.: None
- Boston Insurance Co.: None
- National Bank: None
- Guarantee Trust Company: None
- Household Fire: None
- Republic Natl. Bank of Dallas: None
- Travelers Insurance: 1,078
- U.S. Fidelity & Guaranty: None
- Commercial Credit: 2,700
- Maryland Casualty: None
- Standard Accident Insurance: 4,000

**Food Products**

- Corn Products Refining: 2,700
- Foremost Dairies: 800
- National Dairy: 2,200
- Kellogg: None
- Borden: None
- Wilson and Co.: 15,200

**Machinery and Industrial Equipment**

- Buycro Erie: 1,700
- Caterpillar Tractor: 1,000
- Ex-Cel-O: None
- United States Machine: None
- Atlas Chalmers: 22,000
- Halliburton Oil Well Cementing: 7,600

**Metals and Mining**

- Hudson Bay Mining: 8,925
- Aluminum and Chemical: 2,800
- Kennecott Copper: 22,500
- Aluminum, Ltd.: None
- American Zinc, Lead & Smelting: 10,750
- Reynolds Metals: 31,125
- St. Joseph: None
- Vandalum Corp.: 5,100

**Office Equipment**

- Burroughs Corp.: 2,900
- Remington Business Machines: 1,250

**Paper, Pulp and Printing**

- Crown Zellerbach: None
- Dexter Cup: None
- Galster: None
- International Paper: 500
- Marathon Corp: None
- Mecord Corp.: None
- Union Bus. Paper: 4,200

**Petroleum**

- Atlantic Refining: None
- Calgary & Edmonton Corp. Ltd.: None
- Gulf Oil: 6,834
- Mission Development: None
- Phillips Petroleum: 3,231
- Royal Dutch Petroleum: 1,000
- Shell Oil: None
- Socony Mobil Oil: None
- Standard Oil of California: 280

**Natural Gas**

- Colorado Interstate Gas: None
- El Paso Public Natural Gas: None
- Kansas Natl. Service: None
- N. Y. State Electric & Gas: None
- Southern Indiana Gas: None
- Public Service of Indiana: 3,500
- Rochester Gas & Electric: None
- South Carolina Electric & Gas: None
- Southern Company: None
- Arizona Public Service: 7,060
- Kansas Power & Light: 6,890
- Pacific Gas & Electric: 31,850
- Virginian Power & Electric: 6,390

**Radio and Amusement**

- NBC Radio: None
- National Broadcasting: None

**Railroads**

- Chicago, Rock Island & Pacific: 22,509
- Southern Pacific: 24,650
- Western Pacific: 8,420
Oil Bought by Funds Midst Overall Cautious Policy

Cosden Petroleum by Incorporated Investors

**Popular Oils**

The most popular issue, however, in the very well-regarded group was Phillips Petroleum, six managements purchasing a total of 8,170 shares. No one, however, had even attempted to buy any of the shares of Shell, Texaco, Union Oil, Mobil, Gulf or Sinclair. The lone named oil issue currently ranked number two, with five trusts acquiring a total of 20,300 shares. Two blocks of Sinclair equaling 1,300 were eliminated from portfolios. Four managements each purchased Secoey, Mobil Oil, Standard Oil (Indiana), Shell, Texas and Pure Oil, the latter having been the last purchased during the final 1935 quarter. Acquisitions of Secoey equalled 7,500, of Indianapolis 6,200, Shell 5,200, Texas 11,200, and Pure Oil 17,100 shares. Atlantic Refining, Richfield, Royal Dutch and Superior Oil were highly regarded. Socony and Shell were each liked by three trusts, purchases totaling 4,000, 5,000, 2,000 respectively. Although 15 trusts acquired a total of 121,500 shares of Standard Oil of California, much of this additional stock was purchased to round out amounts received as a 5% share distribution. The four additional shares, and 7,100 shares of the New York section of the Blackpool, obtained the only 5% distribution acquirers. This was accomplished by the purchase of 121,500 shares of Standard Oil of Indiana and the Gulf dividend equalled 4%. All the money in the oil division was relatively light, transactions approximating half of the purchases. Three eliminations of Ohio Oil totaled 20,300 shares, and a like number of reductions in portfolio holdings of Warren Petroleum eliminated 8,000 shares. Two funds tightened commitments in Houston Oil amounting to 44,700 shares. U.S. and Foreign Securities was one of the largest sellers of the petroleum shares during the period under review while petroleum security purchases were Delaware Fund, Fidelity Fund, Mutual Investment Fund, National Investors and the Rowe Price Growth Stock Fund.

In spite of the somewhat less enthusiastic immediate outlook for the remaining oil drilling industry, shares related to that business ranked second in investment company management during the final 1935 quarter. As Professor Lowenstein and Sons of the Harvard School of Economic and Financial Analysis reporting to the Wall Street Investing Corporation, observed in its economic report accompanying that fund's Annual Statement, "Most of the decline in returns for the construction of refineries and pipelines was already over." Wellington was an outstanding purchaser of these shares during the period making new commitments in Johns-Manville and National Lead while adding to holdings of American Radiator, Armstrong Cork, and Oshkosh Elevator.

Carrier was the best liked issue in the group, seven managements acquiring a total of 20,100 shares, two making initial purchases. Three portfolio eliminations equaled 13,500 shares, the Lone Star Cement, Masonite and National Lead were the three original and only place in management estimation, each being purchased by three trusts. The Lone Star total of 11,400, the Masonite 17,900 and the National Lead 15,000 shares. Both Loehman Corporation and General American Investors made original purchases of National Homes, as Value Line Fund continued its profit making. At 11-1/8, Robert Foster purchased a couple of shares and may have made a 5% share distribution. American Radiator was the least popular stock in the building group as it had been during the previous quarter. The 82 shares disposed of at a total of 16,400 shares, two eliminating the issue from their holdings. Penn-Dixie Cement was lightened in three portfolios and Simmons in two. A couple of funds changed their holdings from York Corporation to securities holdings.

Like the oils and building issues, the rubber group was heavy. The chemical group had experienced a mixed reception during the previous quarter. The rubber group purchased a total of 11,500 shares. But during the period under review purchases increased 20% while selling declined 25%.

American Cyanamid was the popular issue as it had been during the preceding three months, seven managements adding 33,300 shares. One acquisition of 1,500 shares represented stock received in conversion from the 3% preferred issue. Union Carbide returned to fund favor with five managements purchasing a total of 17,500 shares. Monsanto was added to existing holdings in five portfolios and initially included in a rush. The 3% preferred additions represented very small blocks acquired to round out shares received in the 5% capital distribution and stock received in the Lion oil merger. Blaustein, as previously mentioned, was a newcomer to two lists and Tennessee Coca-Cola.

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Boston Chicago Philadelphia San Francisco

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Report available

Cari M. Loch, Rhoades & Co.

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42 WALL STREET, NEW YORK
Oils Bought by Funds Midst Overall Cautious Policy

The market in oils, also added to a couple of papers in which it was trading, was the least liked issue in the chemical division. The market as a whole decreased totaling 2,920 shares. Oil Mathison also was tightened in two lots and considerably from the third.

Steel Screwed

Selected American Shares and Delaware Fund were especially partial to the steel shares during the period under review but Axe "A" Stock Funds and the Common Stock Fund of Group Securities were sellers on balance. Volume of purchases picked up about 20% over that of the third quarter of 1955, but still was well below that witnessed during the early part of that year. United States Steel was the popular issue with eight acquisitions equaling 20,820 shares; a couple of partially offsetting sales totaled 3,500 shares. Armco was second in demand, three new commitments and four portfolio increases amounting to 33,000 shares. Bethlehem also were added to the existing holdings of six trusts. Current transactions indicate that the market in United States Steel contrast with those of the previous quarter when most of the top industry giants had both experienced strong profit-taking. Another, but smaller company, McLoth Steel, also was liked by a couple of trusts during the period under review, National Steel and Republic. This latter trust added 8,000 shares during the current quarter, three in one addition totaling 18,000 shares. Other steel issues to be迎来 were a couple of funds, were Crucible and Harbin- ton Steel.

Activity in Paper and Pulp Sector

Purchases in paper and pulp group were more than 50% greater than those of the previous three months. Dixie Can was the favorite issue in the group, four funds acquiring a total of 20,093 shares, one making an initial commitment. Three management purchased 24,000 shares of Marathon, the only issue of any importance to be bought on balance during the previous three-month period. Crown Zellerbach and Robert Gair were each liked by two trusts. With the exception of one 10,000 share purchase made by Massachusetts Investors Trust, additions of International Paper were mostly in relatively small amounts to round out odd lots received in the 51% share distribution. Similarly, three additions to holdings of Mead Corporation were each only about 1,000 shares received as a result of its 2% capital dividend. But both the Louisiana Corporation and Paton and Howard Stock Fund acquired fairly respectable amounts of this latter stock and the former converted its preferred. Selling in the group was extremely light and Union Bag was the only paper purchased in the group for the period on the Harris-Fulbright Bill. The favorite issue was easily Colorado International, its clips totaling 39,600 shares, three of which represented initial commitments; there was a complete absence of selling. Three management added in total of 13,400 shares of Lone Star and a like number bought 2,000 shares of El Paso Natural Gas, each also converting a 500 dividend and selling. Two purchases each were made in Republic Stock and Southern Production, Northern Natural Gas was the only representative to experience concentration, three were made to bring the total eliminations equaling 63,700 shares...but there were no funds buying. However, however, that these transactions in the paper and pulp group were minor in amount compared to the steel issues, there were no additions to holdings of the big names, such as Union Carbide and Allied.

Drugs Liked

The T. Rowe Price Growth Shares were the drug group making additions to its holdings during the period, adding 20,000 shares of Merck. In fact, it is of interest during the quarter that Merck has been bought on balance. Pfizer finished with a slight lead, five portfolio additions and one new commitment totaling 36,100 shares while three increases and two new purchases of Merck totaled 26,600 shares. Colgate-Palmolive was also well thought of, during the quarter, seven purchases totaling 12,100 shares, four of which were by one fund, three by Rowe Price and two by Warren-Lambert and acquisitions in addition to the stock dividend. There was an absence of concentrated selling in the therapeutic group.

Machinery and Equipment Transactions

Caterpillar was the favorite in the machinery and equipment classification, one new purchase and three additions to existing holdings equaling 12,300 shares. Three management increased their interest in Buycurs Erie and two liked Ex-Cell-O and General Electric, in an awakening interest in United Shoe Machinery. Allis Chalmers was bought by a new investor, three portfolio decreases and three more eliminations amounting to 22,000 shares. Hillblom Oil Well Cementing also received the heaviest treatment during the period, four sales totaling 7,600 shares, one making representing complete eliminations.

Life Insurance Stocks Still Popular

Purchases of insurance shares were, as usual, well represented throughout a fairly broad list. Boston Insurance and Travelers, however, were each liked by three management. Aetna also found two purchasers as during the previous three months. Both Maryland Casualty and Standard Casualty each increased their positions by one couple of trusts, the latter issue being eliminated from portfolio holdings. In the commercial group, Chase Manhattan, Guar¬ anty, Mutual and Union National of Dallas were all liked by two trusts, the former showing increased current holdings; there were no additions to holdings of the new entrant, Household Finance and Merit. Finance were the small least favored with one new portfolio to 6,000 shares. New additions were made in C.I.T. Financial; but there were offsetting sales. Commercial Credit, in contrast, was sold one time eliminating the stock from its portfolio, there was an absence of buying interest. Corn Products, Penick and Ford and National Dairy were the favorite food product companies during the quarter under review, each purchased by three funds. Two of the acquisitions of Corn Products represented new commitments in that issue. Dairies was also liked, one initial purchase and two portfolio eliminations totaling 8,000 shares. National Foods Funds also increased their holdings in one stock, the only dividend being paid as a result of one of the transactions. Burroughs was one of the two office equipment favorites but this purchase was actually due to its increasing interest in the machinery and equipment group, a decrease in existing holdings and two initial commitments totaling 45,500 shares; a 2,200 share block was eliminated from a six portfolio. International Business Machines was also well liked, although it was noted the company represented the usual rounding out of a portfolio. Nevertheless five additional purchases were made, two by A.H. Robson-Houghton Funds in the usual manner and the others by deVegh Mutual, Wellington and Fundamental Investors.

General American Transportation was the best liked issue in another and heavier equipment field. Prewar Committee totaling 4,100 shares. A.C.F. Industries, Pullman and Union Tank Car were purchased, each by a couple of trusts. Opinion shifted from the previous quarter's bearish phase, with two on the tire and rubber stocks, four new purchases were made during the quarter, currently acquiring a total of 12,000 shares of Goodyear, one making a first-time appearance. Firestone was also liked by a couple of management.

In the container and glass division, both Owens-Illinois Glass and Owens-Corning Fiberglass were common interest and light balance. Opinion was evenly divided among the four, although three new commitments and one elimination were made in the former, totaling 29,000 shares over an interval of three sales equaling 2,500 shares.

Activity in the tobacco shares was extremely light with American Tobacco repeating the previous quarter's performance as the same issue in the group to be purchased on balance. Two new acquisitions were made totaling 7,200 shares. A similar result was re-enacted by Coca-Cola in the beverage division, as four trusts purchased a total of 12,800 shares. However, 11,000 shares were eliminated from two other portfolios.

Some Airlines Bought

Managements favored airlines by a 3-to-2 margin. Three funds made initial purchases in United Airlines equaling 7,200 shares. Investors Mutual and deVegh Fund showed marked partiality towards United, with almost an entire aircraft division doubled in the holdings of the other; United was being evenly divided on either side of the balance line. As it was in the next few industrial groups, investors showed a decided preference for American Airlines, by those making purchases.) Boeing was the top subject as far as interest was concerned, five increased holdings and one elimination totaling 12,500 shares and leaving 19,300 shares. Four trusts liked Douglas to the tune of 13,500 shares and North American, the previous quarter's pet issue, was also increased in the holdings of four funds and initially purchased 3,500 shares, each was lightened by three management.

Utilities Mixed

Electric Utilities, the most popular group during the preceding three months, only experienced a fairly even division between buyers and sellers, Notably on the selling side were Wellington and Fidelity as well as Affiliated Fund, the last named of which had bought 3,000 shares in a couple of trusts, the latter being eliminated from portfolio holdings, there were no additions to portfolio holdings of the new entrant, Utility Investors.

Ironically the three management lightened their holdings in each of four trusts—Kansas Power and Light, Niagara Mohawk, Florida Power and Electric, and Virginia Electric and Power. One portfolio decrease and another elimination were made in the shares of Arizona Public Service. Buyers uninterested by any
United Funds

Canada Ltd.

Prospectus on request from WADDELL & REED, INC.

Principal Underwriters

New York, N. Y.

Kansas City, Missouri

40 Wall Street (5)

1012 Baltimore Avenue

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Commonwealth

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Commonwealth

Investment Company

A balanced mutual fund investing in over 300 bonds, preferred and common stocks selected to provide reasonable current income with conservation and the possibility of long-term growth of principal.

Commonwealth

Stock Fund

A mutual fund investing in diversified common stocks of well-established companies selected for the possibility of long-term growth of income and principal.

Russo Building - San Francisco 4, California

Prospectus available from Investment Dealers or the above Address.

Company Managers since 1925.

North American Securities Company

Russo Building - San Francisco 4, California

Prospectus available from Investment Dealers or the above Address.

Company Managers since 1925.

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Company Managers since 1925.

North American Securities Company

Russo Building - San Francisco 4, California

Prospectus available from Investment Dealers or the above Address.

Company Managers since 1925.
Securities Now in Registration

- Allegheny Manganese & Iron Corp.
  Dec. 25 filed 500,000 shares of common stock, of which 500,000 shares have been offered publicly. Price—$1 per share. Proceeds—For liquidation of items on mining properties, for financing equipment and construction of laboratory and field office, for construction and equipment of a plant suitable for the processing of beneficiating of lower grade manganese ore or Otranto iron ore and for working capital. Office—Charles, W. Va. Underwriter—Mitchell Securities, Inc., Baltimore, Md. Statement to be withdrawn.

Alpha & Omega Inc.
Nov. 18 (letter of notification) 300,000 shares of class A stock (par $10). Price—$1 per share. Proceeds—#100.00. Proceeds—To pay three cents per share. Proceeds—For exploration and development costs. Office—Prospect Ave., New York, N. Y. Underwriter—James E. Freeborn, Inc., New York, N. Y.

- Bell Telephone Co. of Pennsylvania

- Big Bell Telephone Co. of Pennsylvania (3/6)
  Feb. 24 (letter of notification) 100,000 shares of common stock (par $1). Price—$1 per share. Proceeds—To cover operating expenses, especially for the construction of a new building to be used as a telephone exchange building. Proceeds—For construction costs. Office—Prospect Ave., New York, N. Y. Underwriter—James E. Freeborn, Inc., New York, N. Y.


- American Newspapers, Inc.
  Pittsburgh, Pa.
  Sept. 17 filed 76,000,000 shares of common stock to be offered at $1 per share. Proceeds—For capital improvements. Underwriter—James E. Freeborn, Inc., New York, N. Y.

- Bonus Uranium Inc., Denver, Colo.

- Burroughs (J. P.) & Sons, Inc.

- Carolina Telephone & Telegraph Co.

- Chicago & North Western Railway Co., Chicago, Ill.

- Consolidated Cigar Corp., New York, N. Y.
  Feb. 7 filed 90,000 shares of common stock (par $1). Price—$2 per share. Proceeds—To be sold by the board. Proceeds—For general corporate purposes. Underwriter—Eastman, Harris, Carpenter & Co., New York, N. Y.

- Copper-Jarrett Inc., 2/17
  Jan. 10 (with I.C.C.) 125,000 shares of common stock (par $1). Price—$1 per share. Proceeds—To sell stockholders. Underwriter—Allen & Co., New York, N. Y.

- Copper Corp., Phoenix, Ariz.

- Cuba (Republic of) (2/20-24)

- CoKaal-Ogile Telephone Co., Sycamore, Ill.
  Feb. 3 (letter of notification) 25,695 shares of common stock (par $1). Price—$1 per share. Proceeds—For equipment and for paying capital. Office—To C. F. Williams, Sycamore, Ill.

- Dennis Run Corp., Oil City, Pa.
  Nov. 28 (letter of notification) 1,000 shares of common stock (par $1). Price—$1 per share. Proceeds—For personal reasons. Office—To John M. Reynolds, Oil City, Pa.

- Eagle Fire Insurance Co.

- East Basin Oil & Uranium Co.

- Com Co. Mining & Exploration Co., Inc.
  Feb. 8 (letter of notification) 150,000 shares of common stock (par $1). Price—$1 per share. Proceeds—For exploration and development expenses. Office—Salt Lake City, Utah. Underwriter—None.

- Colombo Uranium Inc., Colombo, New York
February 29. Price—$12.25 per share. Proceeds.—To repay bank loans, some of which have been used for development purposes. Business—Furnishes oil and gas industry with an electrical well logging service. Underwriter—None.

Empire Petroleum Co., Denver, Colo. Jan. 18 filed $2,000,000 6% convertible debentures due 1972 and 1,000,000 shares of common stock (par $1), of which $1,500,000 principal amount of debentures are convertible. Also, the remaining $500,000 of debentures and the stock to be reserved for sale by the retiring or replacement of the officers of the company and to the company’s present security holders.

It is not the intention of the company to sell any of the above-named securities to the public at par (in denominations of $1,000 each) and for stock $2 per share. Proceeds.—To retire royalty units and debentures and for working capital. Underwriter.—For $1,500,000 of the debentures—H. Carl Aiken Investors Corp. and for common stock—B. C. Price.—At par (in units of $100, $125 and $250, respectively).

Proceeds.—To be loaned or invested in Union subsidiaries; to retire outstanding stock issues and to expand the Union’s educational activities. Underwriter—None. Debentures to be sold to the officers, agents and by officers, directors and employees of the Union, which is often referred to as National Farmers Union.

First Bank Stock Corp., Minneapolis, Minn. Feb. 18 filed $2,500,000 6% convertible debentures, series A; $500,000 of registered savings debentures, series B; and $3,375,000 of registered preferred stock, par value $60,000 per share. Northern—Capital and surplus. Bank (Duluth, Minn.); (b) 1.2 shares for each of the $25,000 shares of capital stock (par $10) of (a) National Bank of Lake Cross (Wis.); (c) nine shares for each of the 3,000 shares of capital stock (par $10) of First National Bank of Virginia (Va.). Proceeds.—(a) 1:5 shares for each of the 4,000 shares of common stock (par $100) of Northern National Bank (Clevelan, Ohio). Proceeds after a 100% common stock dividend has been distributed; and (1) 13 shares for each of the 1,000 shares of capital stock (par $100) of Worthington National Bank, Worthington, Minn.

Florspar Corp. of America, Portland, Ore. Jan. 10 (letter of notification) 120,000 shares of common stock (par $1). Price—$3.50 per share. Proceeds.—For mining expenses. Underwriter—None.

Ford Piston Packaging, Inc. Oct. 23 (letter of notification) 200,000 shares of common stock (par $25) being offered for subscription by hoarders, to each of the $500,000,000. For-1 basis from Jan. 15 to April 1, 1956, Price—$35.50 per share. Proceeds—For executive capital. Underwriter—None.

Gas Electric & Oil, Inc. Jan. 8 filed 169,000 shares of common stock (par $1) of which 67,799 shares are to be sold for account of the company, 67,801 by American Securities Co., and 33,420 shares by Baldwin Securities Corp. Price—to be sold by amendment. Proceeds—to be used for bank loans and other general corporate purposes. Underwriter—Bromley & Woolf, New York.

General Telephone Co. of California Jan. 17 filed 718,662 shares of 4% cumulative preferred stock (par $20) of which 64,182 are to be sold for account of the company, 67,799 by American Securities Co., and 33,420 shares by Baldwin Securities Corp. Price—to be sold by amendment. Proceeds—to be used for bank loans and other general corporate purposes. Underwriter—None. Maurice Schack, Middletown, N. Y.


General Steel Castings Corp. (2/29) Feb. 5 filed 165,000 shares of common stock (par $1) of which 67,799 shares are to be sold for account of the company, 67,801 by American Securities Co., and 33,420 shares by Baldwin Securities Corp. Price—to be sold by amendment. Proceeds—to be used for bank loans and other general corporate purposes. Underwriter—None.

General Uranium Corp., New York Jan. 18 filed 400,000 shares of common stock (par $1). Price—$41 per share. Proceeds—For development of property and underground development. Underwriter—None. Maurice Schack, Middletown, N. Y.


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Irish-Ireland-Russia Investment Co. Ltd. Sept. 26 filed information statement. Proceeds—To retire $25,000 of first mortgage bond due 1954. Underwriter—To be offered for sale to brokers and employees. Proceeds—to be used for general corporate purposes.

Kassel Base Metals, Inc. Feb. 6 (letter of notification) 120,000 shares of common stock (par $10) at $5 per share. Proceeds—to be used for working capital. Proceeds—To be sold to Balfour Business Corporation, New York.


Lawyers Mortgage & Title Co. Jan. 11 (letter of notification) 60,412 shares of common stock (par $5) to be offered first to stockholders. Proceeds—To repay bank loans and for construction program. Underwriter—To be determined by competitive bidding. Proceeds may be used for working capital. Proceeds—For improvement of subsidiary and increase investment therein. Underwriter—None.

Lindon Uranium Corp. Dec. 26 filed 1,360,000 shares of common stock (par $15) to be sold for working capital. Proceeds—To be offered for sale to brokers and employees. Proceeds—To be used for exploration of record Jan. 27, 1956, at the rate of three new shares for each $2,500 of preferred stock (no subscription price). Price—$4 per share. Proceeds—To repay ad valorem tax ($26,000) and to cover operating expenses by sale of record Jan. 7, 1956, at the rate of one new share for each 10,000 shares of preferred stock (no subscription price). Proceeds—$5 per share. Underwriter—None.

Lost Canyon Uranium & Oil Co. Oct. 6 (letter of notification) 2,000,000 shares of non-voting preferred stock (par $10) at $10 per share. Proceeds—For expenses incident to mining operations. Office—Simms Bldg., Albuquerque, N. M. Underwriter—American Mid-America Securities Inc. of Utah, Salt Lake City, Utah.


Merchantile Cutters Corp. Oct. 18 (letter of notification) 10,000 shares of class A common stock. Price—At par ($1 per share). Proceeds—For general corporate purposes. Underwriter—None.


Miehle Printing Press & Mfg. Co. (2/21) Jan. 27 filed 260,116 shares of class A common stock (par $7.50), of which 211,816 shares are being sold by trustees for the benefit of Miehle Brothers; Printing Co., Inc., under the will of Rudolph A. Miehle (deceased). Price—For working capital. Price—For working capital. Underwriter—None.

Mississippi Power Co. (3/1) Feb. 3 filed $90,000,000 general obligations mortgage bonds due March 1, 1986, and 40,000 shares of cumulative preferred stock (par $100). Proceeds—To meet current requirements and to provide more stock than is required to raise, at most, $2,700,000, of new issues of preferred stock and $1,500,000 for working capital, reserve, etc. Underwriter—None.

Modern Homes and Departments, Inc., Salt Lake City, Utah. Jan. 20 filed 125,000 shares of common stock (par $1) at $1 per share. Proceeds—For working capital purposes. Proceeds—To be offered for sale to brokers and employees. Proceeds—to be used for general corporate purposes. Proceeds—To be used for general corporate purposes. Proceeds—To be used for general corporate purposes. Proceeds—To be used for general corporate purposes. Proceeds—To be used for general corporate purposes.

Mormon Trail Mining Corp., Salt Lake City, Utah. Jan. 20 filed 100,000 shares of common stock (par $1) at $1 per share. Proceeds—for mining operations. Underwriter—First Boston Corp. Underwriter—None.

Feb. 6 (letter of notification) 20,000 shares of common stock (par $5). Price—$10 per share. Proceeds—For the 50th anniversary of the Semi-Centennial Aircraft Museum and for the improvement of the museum's original equipment. Office—12th floor, Olympic Hotel Bldg., Seattle, Wash. Underwriter—None.

Panda Uranium & Oil Corp.

Pana Coal Co.

Pepilife Corp., Tulsa, Okla.
Nov. 29 filed 115,000 shares of common stock (par $1). Price—$1.25 per share. Proceeds—To pay current accounts and notes payable; for research and development; and for other general corporate purposes. Underwriter—None. Underwriter—New York Securities Co., Tulsa, Okla.

Plastics (J. E.) Manufacturing Corp.
Feb. 10 (letter of notification) 50,000,000 of 3 year 6% convertible preferred shares (par value $1) for sale in the United States. Office—5 East 40th St., New York, N. Y. Underwriter—John W. Kuhn, Loeb & Co., New York.

Poloron Products, Inc. (2/17)
Jan. 27 filed 200,000 shares of class A stock (par $1), of which 100,000 shares are to be paid for in the form of securities owned by the company and 100,000 for selling stockholders. Price—$6 per share. Proceeds—For working capital. Underwriter—Farmers & Merchants Securities Co., Inc., and New York, N. Y. Underwriter—Hartney, Stone & Co., New York.

Prudential Loan Corporation, Washington, D. C.
Nov. 29 filed 500,000 shares of non-par preferred stock (par $5) and 5,000 shares of 10% stock (par $10) for sale in the United States. Office—1520 Edward Bldg., Washington, D. C. Underwriter—None. Proceeds—For general corporate purposes. Underwriter—Strauss, Flesner & McDowell, Chicago, Ill.

Radiation, Inc., Melbourne, Fla.
Jan. 13 filed 150,000 shares of class A common stock (par 25 cents). Price—$1 per share. Proceeds—To retire unsecured notes; to expand facilities; for working capital. Underwriter—Johnson, Lane, Space & Co., Inc., Savannah, Ga.

Raytone Screen Corporation (2/20)

Redlands Oil Co., Ltd.
Jan. 23 filed $1,000,000 of partnership interests to be distributed to policyholders of Redlands Oil Co. (par $1). Proceeds—To acquire drilling for oil and gas and for development costs. Underwriter—Name to be supplied by amendment.

Reno Hacienda, Inc., Inglewood, Calif.
Dec. 19 (letter of notification) 150,000 shares of common stock (par $1). Price—$1 per share. Proceeds—To pay current liabilities and for general corporate purposes. Underwriter—None.

Ridgell Mining & Development Corp.
Nov. 22 filed 1,500,000 shares of common stock (par five cents). Price—To be supplied by amendment. Proceeds—For purchase of 50,000 shares of common stock; for working capital and mining expenses. Office—Mosh Ives, Underwriter—the Matthew Corp., Washington, D. C.

Royal Oil & Gas Co., Denver, Colo.
Jan. 20 (letter of notification) 5,978,000 shares of common stock (par $1). Proceeds—Five cents per share. Proceeds—For expenses incident to oil and gas production; for working capital. Underwriter—Columbia Securities Co., Denver, Colo.

Royal Oil System, Inc., Miami, Fla. (2/28)

San Juan Racing Association, Inc., Puerto Rico (Sep. 27)
22,000,000 shares of common stock of which 3,800,000 will be represented by 3,000,000 voting trust certificates and 800,000 warrants. These ac¬ cu mulations will be held in trust by the Puerto Rican Government, 50 cents per share, for 200,000 shares for subscription by the company; 25,000 shares for the benefit of the national school system and for the benefit of the public debt; and (2) a public offering of 3,000,000, to be sold, $1; for working capital; and (2) for general corporate purposes. Underwriter—None.

Saraga Plastics, Inc.
Jan. 20 (letter of notification) 100,000 shares of common stock (par $1). Proceeds—$1.75 per share. Proceeds—To strengthen the over-all financial structure of the company. Underwriter—New Hampshire Corp., Concord, N. H.

Sayre & Fisher Brick Co.

Seaboard Drug Co., Inc.
Jan. 19 (letter of notification) 300,000 shares of class A stock (par $1). Proceeds—$1 per share. Proceeds—For purchase of Meriden Calina and Avatrol; for the development of the company; for the construction and equipment of the company; for the construction of the company; for the construction of the company.

Shangri-La Uranium Corp.

**Riegel Paper Corporation, New York (3/1)**
Feb. 9 filed 194,155 shares of common stock (par $10) to be sold to stockholders all the time. Proceeds—$7.50 per share. Proceeds—For the purchase of the stockholders’ rights prior. Price—To be supplied by amendment. Proceeds—For expansion and equipment. Underwriter—Morgan Stanley & Co., New York.

**Riegel Paper Corporation, New York (3/1)**
Feb. 9 filed 194,155 shares of common stock (par $10) to be sold to stockholders all the time. Proceeds—$7.50 per share. Proceeds—For the purchase of the stockholders’ rights prior. Price—To be supplied by amendment. Proceeds—For expansion and equipment. Underwriter—Morgan Stanley & Co., New York.

**Riegel Paper Corporation, New York (3/1)**
Feb. 9 filed 194,155 shares of common stock (par $10) to be sold to stockholders all the time. Proceeds—$7.50 per share. Proceeds—For the purchase of the stockholders’ rights prior. Price—To be supplied by amendment. Proceeds—For expansion and equipment. Underwriter—Morgan Stanley & Co., New York.

**Riegel Paper Corporation, New York (3/1)**
Feb. 9 filed 194,155 shares of common stock (par $10) to be sold to stockholders all the time. Proceeds—$7.50 per share. Proceeds—For the purchase of the stockholders’ rights prior. Price—To be supplied by amendment. Proceeds—For expansion and equipment. Underwriter—Morgan Stanley & Co., New York.
Superior Uranium Co., Denver, Colo.
Nov. 9 (letter of notification) 20,600 shares of common stock. Price—At par (one cent per share). Proceeds—For repayment of bank loan and for working capital. Underwriter—Biddle, Denver, Colo. Underwriters—Securities, Inc., P. O. Box 2476, Denver, Colo.

Sweetwater Uranium Co.
Sept. 9 (letter of notification) 3,000 shares of capital stock (par one cent). Price—10 cents per share. Proceeds—For conversion of stock to nonconvertible form the company. Underwriter—Skyline Securities, Inc., Denver, Colo.

Taylor Petroleum Corp., Norman, Okla.

Tele-Broadcasters, Inc., New York
Nov. 7 (letter of notification) 9,990 shares of common stock (par $1). Price—$1.50 per share. Proceeds—For conversion of stock into nonconvertible form and for operating expenses. Underwriter—Joseph Mandell Co., New York.

Tenison Drilling Co., Billings, Mont.
Dec. 12 filed 400,000 shares of common stock (par 104). Price—$1 per share. Proceeds—For drilling test wells and for general operating. Underwriter—Carroll, Mont., Wyo.

Tennessee Gas Transmission Co. (2/21)
Jan. 27 filed 400,000 shares of cumulative convertible preferred stock (par $100). Price—To be supplied by amendment. Proceeds—For capital expenditure and for new construction. Underwriters—Stone & Webster Securities Corp. and White, Weld & Co., both of New York.

Texas Eastern Transmission Corp.

Spencer Kellogg & Sons, Inc.
Feb. 7 (letter of notification) 5,000 shares of common stock (par $1). Price—At market (estimated at about $19.75 per share). Proceeds—To be supplied by amendment. Underwriter—Dominick & Dominick, New York.

Spokane Natural Gas Co. (2/28)
Feb. 7 filed 300,000 shares of preferred stock (par $150). Price—To be supplied by amendment. Underwriters—Dillon, Read & Co., Inc., New York.

Spurr Mining Corp.
Nov. 9 (letter of notification) 200,000 shares of common stock (par $1). Proceeds—For mining expenses. Underwriters—Cavalier Securities Co., Washington, D. C.

Strategic Metals, Inc., Tungstona, Nevada

Suburban Land Developers, Inc., Spokane, Wash.

Sulphur Exploration Co., Houston, Texas

Swifts Springs Uranium Corp., Rapid City, S. D.
Oct. 3 (letter of notification) 5,000 shares of common stock (par $10 per share). Price—25 cents per share. Proceeds—For expenses. Underwriters—Barney Hotel, Rapid City, S. D. Underwriter—Morrill Brickley, same address.

Union of Texas Oil Co., Houston, Texas

U. S. Automatic Machinery & Chem Corp.
Nov. 7 (letter of notification) 300,000 shares of 6% convertible preferred stock (par $10 per share). Proceeds—To be supplied by amendment. Underwriter—Corinthian, New York.

Urania, Inc., Las Vegas, Nev.

Utco Uranium Corp., Denver, Co.
Jan. 30 (letter of notification) 200,000 shares of common stock (par $1). Proceeds—For converting preferred stock to capital stock. Underwriter—by option held by the underwriter. Proceeds—For working capital. Underwriter—Amos C. Sudler & Co., same city.

Van Waters & Rogers, Inc., Seattle, Wash. (3/1)

Vance Industries, Inc., Evanston, Ill.

Wagon Box Uranium Corp., Provo, Utah
Jan. 20 filing 10,000 shares of capital stock (par five cents). Price—25 cents per share. Proceeds—To be used for acquisition of preferred stock and for working capital and for other general corporate purposes. Underwriter—Investment Co., Provo, Utah and Honolulu, Hawaii.

Walden Telephone Co., Wa.de.n, N. Y. (2/21)
Feb. 1 (letter of notification) 1,500 shares of cumulative stock, par $100 (no-par). Proceeds—To be supplied by amendment. Proceeds—To redeem $19,000 5% bonds held by the company. Underwriter—Blair & Co., incorporated, New York.

West Jersey Title & Guaranty Co.
Jan. 30, 1955 (letter of notification) 10,000 shares of capital stock (par $100) of which $8,000 are first to be offered for a period of 30 days in exchange for outstanding preferred stock on a 2-for-1 basis; any shares remaining will be offered to common stockholders. Price—To be supplied by amendment. Underwriters—Market Sts. Camden, N. J.—Underwriter—None.

Westcoast Transmission Co. Ltd. (3/5/9)
Jan. 5 filing 10,000 shares of common debentures, due Feb. 1, 1968, and $15,000 shares of capital stock (no par) to be offered in units of $100 of debenture and $100 of stock with any proceeds of the stock to be used for working capital. Proceeds—To be supplied by amendment. Proceeds—Together with funds to be received in the underwriting, to be used for the acquisition of an additional $3,271,000 shares of stock to Westcoast, for the purpose of expanding the company’s system. Office—California, Alta., Canada. Underwriter—Eastman, Dillon & Co., New York.

Western Greyhound Racing, Inc. (2/27/3)
Dec. 19 filed 1,500,000 shares of common stock (par one cent) of which 1,000,000 shares are to be offered publicly. Price—$.125 per share. Proceeds—To purchase assets of Arizona Kennel Club, and for working capital and other general corporate purposes. Office—Phoenix, Ariz. Underwriter—M. J. Reiter Co., New York.

Western States Refining Co. Dixie Fuel Tankers, Inc.

Feb. 6 (letter of notification) 6,873 shares of capital stock (par $1) to be offered at $1.35 per share. Proceeds—For capital expenditures. Office—Milan, Mich. Underwriter—None.

Woodrow Uranium Corp., Carson City, Nev.

Dec. 6 (letter of notification) 27,000 shares of capital stock (par 80 cents). Price—80 cents per share. Proceeds—For mining operations. Office—265 Main St., Lander,
**Prospective Offerings**


**American Security & Trust Co. of Washington, D.C.** (2/23) Jan. 19 it was announced the company will vote Feb. 21 on approving the issuance of 126,000 additional shares of common stock, par value $1.50. Proceeds—to be used for general corporate purposes. Offered for sale by Bardsley, Hutzler, & Co. (estimated to expire on March 28, 1956, at $11.50). Proceeds—to be distributed among the public at an aggregate price of $25,000,000. 

**American Shopping Centers, Inc.** Jan. 1 it was announced the company will soon offer publicly some new securities in the approximate amount of $25,000,000. Proceeds—To acquire shopping centers. Offered for sale by Bardsley, Hutzler, & Co. (estimated to expire on March 28, 1956, at $11.50). Proceeds—to be distributed among the public at an aggregate price of $25,000,000. 

**Automatic Washer Co.** Dec. 5 it was reported company plans to early registration of 75,000,000 shares of common stock (par $1.00). Offered for sale by Bardsley, Hutzler, & Co. (jointly); Lehman Brothers; Equitable Securities Corp., First Boston Corp.; Morgan Stanley & Co.; Harriman & Co.; and Kidder, Peabody & Co. (jointly). 

**Banger & Arostook RR.** Feb. 2, company offered up to 29,281 shares of common stock, par $100.00 each. Proceeds—To further its ongoing program of construction. Offered for sale by Bardsley, Hutzler, & Co. (jointly); Lehman Brothers; Equitable Securities Corp., First Boston Corp.; Morgan Stanley & Co.; Harriman & Co.; and Kidder, Peabody & Co. (jointly). 

**Dolly Madison International Foods Ltd.** Nov. 15, 1955 it was announced the company plans to offer $200,000,000 of first mortgage bonds. Proceeds—To be used for the purchase of its Dolly Madison stock. Underwriters—Allen & Co., New York. 

**Du Mont Broadcasting Co.** Aug. 10, it was announced the company, following an issuance of 2,000,000 shares of common stock, par $5.00 each. Proceeds—To be used for construction of new facilities, including studios and offices. Offered for sale by Bardsley, Hutzler, & Co. (jointly); Lehman Brothers; Equitable Securities Corp., First Boston Corp.; Morgan Stanley & Co.; Harriman & Co.; and Kidder, Peabody & Co. (jointly). 

**Dunham Co.** Jan. 30, Philip F. Fugger, Chairman of the Board, announced that the company will sell 1,500,000 shares of its common stock, par $100.00 each. Proceeds—to be used for the purchase of its Dunham stock. Underwriters—Allen & Co., New York. 

**Federated Pacific Electric Co.** Feb. 10, the company will be offered $25,000,000 of new common stock with an aggregate price of $100,000,000. Proceeds—About $20,000,000, together with $2,000,000 of private placements, to repay bank loans and new corporate commitments. Underwriters—Willamette & Co.; D. Blythe & Co. (Inc.) and Hayden, Stone & Co., New York. 

**Fio-Mix Fertilizers Corp., Houma, La.** Dec. 23, it was reported the company is expected to issue 150,000 shares of common stock. Price— Probably will be determined by competitive bidding. Underwriters—to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc. with Harriman & Co.; & Co., Morgan Stanley & Co.; Harriman & Co., and Kidder, Peabody & Co. (jointly); Gleore, Forgan & Co.; and The First Boston Corp. 

**General Tire & Rubber Co.** Jan. 28, it was announced the company will vote Feb. 24 on approving a proposal to increase the authorized common stock to 2,500,000 shares. Proceeds—To be used for general corporate purposes. Offered for sale by Bardsley, Hutzler, & Co. (jointly); Lehman Brothers; Equitable Securities Corp., First Boston Corp.; Morgan Stanley & Co.; Harriman & Co.; and Kidder, Peabody & Co. (jointly); Union Securities Corp., and Equitable Securities Corp. (jointly). 


**Gulf States Utilities Co.** May 10 it was reported the company may issue and sell $25,000,000 of new common stock. Offered for sale by Bardsley, Hutzler, & Co. (jointly); Lehman Brothers; Equitable Securities Corp., First Boston Corp.; Morgan Stanley & Co.; Harriman & Co.; and Kidder, Peabody & Co. (jointly); Union Securities Corp., and Equitable Securities Corp. (jointly). 

**Illinois Central RR.** (2/23) Bids will be received by the company up noon (CST) on Feb. 23 at 12th East 11th Place, Chicago, III, for the sale of 100,000 shares of preferred stock, par $100.00 each, to be issued at a date to be determined by the company, at a price not to exceed $9,000,000. Proceeds—For construction program. Underwriter—to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc. with Harriman & Co.; & Co., Morgan Stanley & Co.; Harriman & Co., and Kidder, Peabody & Co. (jointly); Union Securities Corp., and Equitable Securities Corp. (jointly); Kuhn, Loeb & Co.; and A. C. Tozer & Co. (jointly). 

**Inland Steel Co.** Nov. 9, 1955 the company announced the company will issue and sell $25,000,000 of new preferred stock, par $100.00 each. Proceeds—To be used for general corporate purposes. Underwriters—Kuhn, Loeb & Co.; and A. C. Tozer & Co. (jointly). 

**Jackson & Perkins Tele&E and Telegraph Co. of Virginia, Va.** Jan. 16 it was reported the company is considering offering additional shares of its common stock. Underwriter—Central Republic Co., Inc., Chicago, Ill. 

**Jersey Central Power & Light Co.** Feb. 8 it was reported the company may issue and sell $25,000,000 of new common stock. Proceeds—For construction program. Underwriter—to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc. with Harriman & Co.; & Co., Morgan Stanley & Co.; Harriman & Co., and Kidder, Peabody & Co. (jointly); Union Securities Corp., and Equitable Securities Corp. (jointly); Kuhn, Loeb & Co.; and A. C. Tozer & Co. (jointly). 

**Kansas City Power & Light Co.** (4/16-20) Feb. 7 it was announced company plans to issue and sell, probably in May, 120,000 shares of preferred stock (par $100). Proceeds—To retire short-term bank loans. Underwriters—Blyth & Co., Inc. and The First Boston Corp.
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Kentucky Utilities Co. Jan. 25 it was reported company plans to issue and sell $70,000,000 of first mortgage bonds during October of 1956. Underwriter—To be determined by competitive bidding. Probable bidders: Halley, Stuart & Co., Inc.; Kuhn, Loeb & Co.; Salomon Bros. & Hutzel, Union Securities Corp.; Kidder, Peabody & Co., White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Beane (jointly); jacket: Barron, Williams & Co.; Kidder, Peabody & Co. (jointly).

Kimberly-Clark Corp., Neenah, Wis. Nov. 24, it was announced the company plans further financing the nature and extent of which has not yet been determined. Underwriter—To be determined to additional common stock. Proceeds—to be used for working capital and expansion. Underwriter—To be determined by competitive bidding. Probable bidders may include Lehman Brothers; White, Weld & Co.; Kidder, Peabody & Co.; Smith, Barney & Co.; and Kidder, Peabody & Co. (jointly).—Mr. James L. Hallock, secretary.

Laclede Gas Co., St. Louis, Mo. (3/14) Jan. 16, it was reported the company plans to offer to its common stockholders of record March 16 the right to subscribe on a pro-rata basis for additional common stock (par $25) on the basis of one additional share for each common share held. Proceeds—to be used for general corporate purposes. Underwriter—To be determined by competitive bidding. Probable bidders may include Lehman Brothers; White, Weld & Co.; Smith, Barney & Co.; and Kidder, Peabody & Co. (jointly) (4).—Mr. E. Joseph Morris, assistant secretary.

Lone Star Steel Co. Jan. 26, it was announced the company plans to offer to its common stockholders a 3-for-7 basis an additional 120,000,000 shares of common stock (par $10). Underwriter—To be determined. Stockholders on Feb. 17 will vote on increasing authorized common stock from 250,000,000 to 500,000,000 shares.

Maine Bonding & Casualty Co. Feb. 6, it was reported the company plans to issue to its common stockholders on a 3-for-7 basis an additional 120,000,000 shares of common stock (par $10). Underwriter—To be determined. Stockholders on Feb. 17 will vote on increasing authorized common stock from $1,000,000 to $2,000,000. The increased stock, 20,000 shares are to be issued at a $273 price dividend on March 1 stockholders of record Feb. 17.

Metropolitan Edison Co. Feb. 6, it was announced the company plans to offer to its common stockholders 25,000,000 shares of common stock on the basis of one new share for each 12 shares held. Underwriter—To be determined. Probable bidders: Halley, Stuart & Co., Inc.; Kuhn, Loeb & Co.; Kidder, Peabody & Co.; Smith, Barney & Co.; and Kidder, Peabody & Co. (jointly).—Mr. John B. Seeley, secretary.

Narragansett Electric Co. (3/20) Jan. 3 it was announced company plans to issue and sell $10,000,000 of first mortgage bonds later this year. Underwriter—To be determined by competitive bidding. Probable bidders: Halley, Stuart & Co., Inc.; White, Weld & Co.; Kidder, Peabody & Co.; and Drexel & Company (jointly).—Mr. Kingsley B. Brown, vice-president.

New England Electric System (4/18) Jan. 25 it was announced company plans to offer to its stockholders 84,976 additional shares of common stock on the basis of one new share for each 12 shares held. Underwriter—To be determined. Probable bidders: Bluffy, Inc.; Lehman Brothers and Co.; Kidder, Peabody & Co.; White & Co.; Merrill Lynch, Pierce, Fenner & Beane; Kidder, Peabody & Co. (jointly); Lehman Brothers and Co.; and Drexel & Company (jointly).—Mr. Charles L. Wells, vice-president.


New York Telephone Co. (3/27) Jan. 9 Keith S. McHugh, president, announced that the company has reserved $35,000,000 of newly funded mortgage bonds, proceeds—Together with funds from the sale of mortgage bonds this year, the proceeds will be used to purchase stock at $100 to sell to American Telephone & Telegraph Co., to be used to repay bank loans. Underwriter—To be determined. Proceeds will be used to purchase additional stock in its subsidiary telephone companies. Underwriter—To be determined. Probable bidders: Halley, Stuart & Co., Inc.; Morgan Stanley & Co. (4). Underwriters' expenses—Price $10. Underwriter—To be determined. Underwriter—To be determined. Proceeds will be used to purchase additional stock in its subsidiary telephone companies.

Northern States Power Co. (Minn.) Jan. 19 it was announced company plans to issue and sell later this year $25,000,000 of first mortgage bonds, proceeds—To be used for general corporate purposes. Underwriter—To be determined by competitive bidding. Probable bidders may include Lehman Brothers; White, Weld & Co.; Kidder, Peabody & Co.; and Drexel & Company (jointly).—Mr. J. W. Bassett, assistant secretary. Underwriter—To be determined. Proceeds will be used to purchase additional stock in its subsidiary telephone companies.

Offshore Gathering Corp., Houston, Texas Jan. 18, it was announced the company plans to issue and sell $1,000,000 of preferred stock, proceeds—To be used for general corporate purposes. Underwriter—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc.; Kidder, Peabody & Co.; Smith, Barney & Co.; and Kidder, Peabody & Co. (jointly).—Mr. J. W. Bassett, assistant secretary.

Oklahoma Gas & Electric Co. (3/8) Feb. 6, Donald S. Kennedy, chairman, said the company plans another sale of $26,974,000 of additional common shares of common stock at the rate of one new share for each two shares held. Proceeds—to be used to purchase additional stock in Atlantic Gas Electric Co. Underwriter—To be determined. Proceeds will be used to purchase additional stock in its subsidiary telephone companies.


Pennsylvania Electric Co. (3/20) Dec. 19 it was reported company proposes issuance and sale of $9,000,000 of preferred stock next year. Proceeds—to be used for construction. Underwriter—To be determined by competitive bidding. Probable bidder: Kuhn, Loeb & Co. (4).—Mr. W. H. Fisher, vice-president.

Pigeon Hole Parking of Texas, Inc. Oct. 19, it was reported the company plans to offer to its common stockholders, proceeds to be used for public sale of $20,000,000 of additional capital stock. Underwriter—To be determined. Proceeds will be used to pay expansion program. Underwriter—To be determined. Staney, Stacy & Co., Houston, Tex.; and Muir Investment Corp., Austin, Tex. (3).

Plantation Pipe Line Co. Dec. 19 it was announced company plans to offer to its common stockholders, proceeds to be used for public sale of about $22,000,000, Underwriters to be used for expansion program. Underwriter—To be determined.

Puerto Rico (Commonwealth of) (2/20) Feb. 16, it was announced company plans to issue and sell $30,000,000 of additional capital stock to be used for public sale of $20,000,000, expansion program. Proceeds—to be used for expansion program. Underwriter—To be determined. Proceeds will be used to expand public sale of $22,000,000, Underwriters to be used for expansion program. Underwriter—To be determined. Staney, Stacy & Co., Houston, Tex.; and Muir Investment Corp., Austin, Tex. (3).

Railway Electric Steel Co. (3/22) Jan. 18 it was announced stockholders will vote March 21 on increasing the authorized common stock (par $10) to 10,000,000 shares. Proceeds—to be used for working capital and expansion. Underwriter—To be determined. Underwriter—To be determined. Proceeds will be used to purchase additional stock in its subsidiary telephone companies.

United States Hoffman Machinery Corp. Jan. 30 it was reported company plans to offer to its common stockholders a 2-for-1 stock split for the purpose of reducing the market price of company stock to $75 per share. Proceeds—to be used for general corporate purposes. Underwriter—To be determined by competitive bidding. Probable bidders: Halley, Stuart & Co., Inc.; Kuhn, Loeb & Co.; Salomon Bros. & Hutzel, Union Securities Corp.; Kidder, Peabody & Co.; and White, Weld & Co. (jointly).—Mr. Stanley D. Hoffman, chairman.

Virginia Electric & Power Co. (9/25) Feb. 8, Robert S. W. Carver, chairman, announced company plans to issue and sell $20,000,000 of first and refunding mortgage bonds. Proceeds—to be used for general corporate purposes. Underwriter—To be determined by competitive bidding. Probable bidders: Halley, Stuart & Co., Inc.; Kuhn, Loeb & Co.; Salomon Bros. & Hutzel, Union Securities Corp.; Kidder, Peabody & Co.; and White, Weld & Co. (jointly); Salomon Bros. & Hutzel; Stone & Webster Securities Corp.; White, Weld & Co.; Union Securities Corp. (jointly). Underwriter—To be determined. Proceeds will be used to purchase additional stock in its subsidiary telephone companies.

West Coast Telephone Co. Jan. 20 company applied to the Washington P. U. Com¬ mission for an order allowing the company to issue and sell $2,000,000 of first mortgage bonds, proceeds—to be used for general corporate purposes. Underwriter—To be determined by competitive bidding. Probable bidders: Halley, Stuart & Co., Inc.; Kuhn, Loeb & Co.; Salomon Bros. & Hutzel, Union Securities Corp.; Kidder, Peabody & Co.; and White, Weld & Co. (jointly).—Mr. R. W. Simon, assistant secretary.
Sentiment in the investment market has taken a cheerful side in spite of the continuing uncertainty in the corporate new issue area. The wish may yet be proven false, but the present feeling is being generated by the recognition of the fact that the outlook favors a bit of easing in the basic money market in the months ahead.

This being a presidential election year it is natural that political thinking, along with economic reasoning, could play a part in shaping sentiment in the new market. But that is something which remains to be seen as the year unfolds.

Meanwhile the behavior of the Treasury Bond is providing food for thought. Demand has been better along the line both in the reflecting in some degree the basic thinking that the market has been set aside for employment in mortgage financing prices of new buildings has slowed down in the building pace.

The fact remains, however, that both long-term and intermediate governments have been doing better than the early-year rates in the money market.

Since the Treasury market is the key to the money structure generally this improvement has been reflected in the top rates of mortgage and commercial and the credit prices have been hardening and yield curves have been flattening.

Central Power & Light
Central Power & Light Co.'s $10 million offering of first mortgage bonds was called for bids on Tuesday, seemingly attracted too much interest to catch the underwriters. At least their ideas on pricing is a bit too much along the same lines.

The successful group paid the commission was the $7,500 open rate and proceeded with re-offerings for an intended yield of 3.2%. Demand was extremely sticky, at least the ost. But continued improvement in the bond market should help along.

The majority of bidders offered the bonds with a 3% coupon, with tenders running up to $9,850 from the 101.75 for that interest rate.

Big Secondary Set
In the auction market get another chance to pick up shares in Aluminum Co. of America early next month when another block of stock for bids on Tuesday, seemingly attracted too much interest to catch the underwriters. At least their ideas on pricing is a bit too much along the same lines.

The company has registered 150,000,000 shares of $1 par common stock for public offering but it will not have any part of the proceeds since the operation does not involve any risk to the market. The block has a market value of around $75 million.

Quick Week Ahead
Next week promises to be a period of high activity in the bond market. The issue under consideration in the market early in the week is the Tennessee K & A Transmission Corp.'s 400,000 shares of $10 par value 7% second preferred stock.

Marketing of this issue, to be handled by the negotiated route, will provide the company with funds for expansion of its 150,000 kw plant and the construction of K & A subdivision of Kansas Gas & Electric Co.'s 30-year first mortgage bonds.

Continued from first page

As We See It

qualified observers, it is rather generally conceded now (as it has always been) that it is a much simpler matter for the traders and speculators to ride a boom than it is for them to reinstate Humpity-Dumpty. His flagging position on the wall after he has taken a substantial fall therefrom. Whether the experience of 1953, 1954 and 1955 will be left to the judgment of the business community is currently a subject we are far from certain in our own minds. We, like most other people, shall await with interest the opportunity to observe whether such changes in financial and economic factors have taken place or do take place in the near future have the effect which is apparently expected of them.

Another Aspect
But there is an aspect of all this which, so far as we can learn, is all but completely ignored and which in our humble view is the most important of all. The question of whether to raise and maintain the Humpity-Dumpty to be put back on the wall in any such way as this, even assuming that it can in fact be done? Would the people of the United States really be well served by the manufacture and sale of automobiles to the levels obtaining a few months ago if in order to do so the rate of increase in the volume of consumer credit would have to be restored and the terms of such credit be ratcheted upward to a point where it is impaired the credit structure? Since this situation has really been in part at least cleaned up?

Would we not all be better off if the rate of new home construction were left to reflect the virility of natural conditions? Would the conditions which could hardly be termed anything but very, very liberal rather than to return to the practices which gave us all so much anxiety one year ago which apparently Washington would like to see largely reinstated? It seems to us that if the rate of home building of last year was largely the result of the sort of lending that preceded it and last year and the year before, then it was not the performance of the authorities that Washington would like to see largely reinstated. It seems to us that if the rate of home building of last year was largely the result of the sort of lending that preceded it and last year and the year before, then it was not the performance of the authorities that Washington would like to see largely reinstated.

Again, would it be wise to stimulate activity by artificially low interest rates in other areas to offset declines which may come, if they have not already come, in the automobile industry and in the home building industry? A mere symptom of the development, say, in the business construction field of a condition similar to that until recently existing in the motor industry or the housing industry? The question is the more pertinent in light of the fact that we now suspect that in these two industries. Would it profit us to make use of such credit practices to launch a giant road building program? What permanent gain could there be in an agricultural recovery by unsound credit and monetary policies?

What the Question Is
Let it be clearly understood that no question is being raised here about the need of credit for large investment in capital equipment, or for the other things that many appear to expect during the current year. We are not undertaking to pass judgment upon the basic demand for automobile and home building. We do not make light of the advantage of a development of a soundly based agriculture. What is wise in all such cases can and should be determined in terms of the conditions that now exist, not at current or recent rates of activity only by the administration of large doses of artificially supplied credit, rather than by the restriction of all credit.

We should be the last to dispute the matter.

As we have had occasion to say before, this failure or reluctance on the part of the credit managers, the politicians, the bureaucrats and even—with deep regret be it said—many of the economists of the country to face up to this problem of the regulation of industry to action, which of itself it would not take, will in the end lead us is one of the more disheartening aspects of the present situation, and has been for a number of years past. This attitude and finding that this marked exemplification in the New Deal and its associates, but it did not originate there and is certainly not confined to these areas, is something of the present time.

The fact is that it is rare to hear a voice raised in behalf of this more carefull type of appraisal of public policy.

This attitude of the public is, curiously enough, rather similar to the sentiment of the economist of the roaring Twenties. The query of all those who were “in the market” in those now discredited days was not the underlying strength of securities, but merely what price would be the next one or the one possibly next year. So the burden of all discussions today is not the underlying foundations of business, but merely what its course will be during 1956 and possibly the earlier part of 1957.

$500,000,000 New York State Thruway Bonds Marketed by Chase Manhattan Bank Syndicate

A group of underwriters headed by the Chase Manhattan Bank was the successful bidder on Feb. 14 for $500,000,000 New York State Thruway Bonds Cred Cat. 1, 1956 and due 1981-1955, inclusive. It is the first Thruway Bond issue in the New York market since 1950.

Proceeds of all outstanding bonds of the Authority, together with this bond issue will be used for the completion of the construction of the Thruway project, including related monuments and repurposing of the land. It is estimated at a total of $510,000,000, or 3% for such construction. The bonds offered constituted the principal and general obligation of the Thruway Authority and are unconditionally guaranteed as to the payment of interest by the State of New York.

So. California Edison Pfd. Stock Offered

Public offering of 1,200,000 shares of 4.25% cumulative preferred stock, $25 par value, of Southern California Edison Co. was made yesterday (Feb. 15) by an underwriter group headed jointly by The First Boston Corp. and Dean Witter & Co. The stock was priced at $112 1/2.

Proceeds from the financing will be used to finance the retirement of the bond i o n a estimated $18,000,000, previously issued by the firm, and to finance the company's continuing construction program. Gross plant of the company for the period Jan. 1956-1957 will total approximately $211,000,000, or 3% for such construction. It is also allocated for steam electric generating facilities, $40,000,000 for hydroelectric generating facilities, $53,000,000 for transmission lines, $70,000,000 for distribution lines and $15,000,000 for other for other uses.

The 4.25% preferred stock is redeemable at prices ranging from $25.60 per share if called on or before May 31, 1961, to $25.00 per share after May 31, 1961.

The company supplies electric service in the southern California, on area with an estimated production of $1,900,000,000. It owns and operates 24 hydroelectric generating p l a n t s and seven generating plant at Bellflower, Calif., operating plant and operates under lease one other generating plant at farmers' plant with a total effective capacity of 1,300 kw and a peak capacity of 2,000 kw. At end of 1957 an additional 670,000 kw will be available from current construction projects. Net income for the 12 months ended Dec. 31, 1956, was $25,000,000, or $8.00 per share. Net $30,000,000 and net income was $29,628,000.

Now H. W. Haas Co.

Hammonton, N.J., a small but growing town, New Jersey, February 18, 1957 when a new company, the Hammonton Management Corporation, 127 Fremont Street.

Joins Hayden, Stone

BOSTON—John G. Gager is now with Hayden & Stone, 10 Post Office Square.
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:

### American Petroleum Institute—Month of November

<table>
<thead>
<tr>
<th>Product</th>
<th>Latest Month</th>
<th>Precursors Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total domestic production (barrels of 42 gallon)</td>
<td>274,800,000</td>
<td>274,900,000</td>
</tr>
<tr>
<td>Domestic crude oil (barrels)</td>
<td>210,400,000</td>
<td>211,700,000</td>
</tr>
<tr>
<td>Natural gas liquids (cubic feet)</td>
<td>54,000,000</td>
<td>54,000,000</td>
</tr>
<tr>
<td>Blend output (barrels)</td>
<td>26,040,000</td>
<td>26,300,000</td>
</tr>
<tr>
<td>Coal liquid (barrels)</td>
<td>6,740,000</td>
<td>6,400,000</td>
</tr>
<tr>
<td>Natural gasoline (barrels)</td>
<td>14,964,000</td>
<td>14,970,000</td>
</tr>
<tr>
<td>Indicated consumption domestic and export</td>
<td>8,656,000</td>
<td>8,470,000</td>
</tr>
<tr>
<td>Increase all stocks</td>
<td>111,930</td>
<td>142,530</td>
</tr>
<tr>
<td>Increase all stocks, barrels</td>
<td>111,930</td>
<td>142,530</td>
</tr>
</tbody>
</table>

### Association of American Railroads—November

**31**

### Consumer Price Index—1926-1928=100

<table>
<thead>
<tr>
<th>Month</th>
<th>Index</th>
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</thead>
<tbody>
<tr>
<td>Jan.</td>
<td>114.7</td>
</tr>
<tr>
<td>Feb.</td>
<td>115.0</td>
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<tr>
<td>Mar.</td>
<td>115.0</td>
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### DEPARTMENT STORE SALES—FEDERAL RESERVE SYSTEM—AVERAGE INDEX

<table>
<thead>
<tr>
<th>Month</th>
<th>Index</th>
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<tbody>
<tr>
<td>Feb.</td>
<td>108.9</td>
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<tr>
<td>Mar.</td>
<td>109.0</td>
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</table>

### INTERSTATE COMMERCE COMMISSION—Month of December

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Month</th>
<th>Nov. 1956</th>
</tr>
</thead>
<tbody>
<tr>
<td>Railway operating expenses (barrels)</td>
<td>107.80</td>
<td>107.54</td>
</tr>
<tr>
<td>Railway operating expenses (per 1000 barrels)</td>
<td>107.80</td>
<td>107.54</td>
</tr>
<tr>
<td>Railway operating expenses (per 1000 pounds)</td>
<td>107.80</td>
<td>107.54</td>
</tr>
<tr>
<td>Railway operating expenses (per 1000 cubic feet)</td>
<td>107.80</td>
<td>107.54</td>
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</tbody>
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### Portland Cement (Bureau of Mines)—Month of November

<table>
<thead>
<tr>
<th>Description</th>
<th>Latest Month</th>
<th>Prior Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>192,067,000</td>
<td>192,327,000</td>
</tr>
<tr>
<td>Domestic use</td>
<td>192,067,000</td>
<td>192,327,000</td>
</tr>
<tr>
<td>Imports</td>
<td>80,000</td>
<td>80,000</td>
</tr>
<tr>
<td>Exports</td>
<td>80,000</td>
<td>80,000</td>
</tr>
<tr>
<td>Imports + Exports = Domestic use</td>
<td>192,067,000</td>
<td>192,327,000</td>
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### United States Dept. Direct and Guaranteed—(000s omitted)

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<tr>
<th>Description</th>
<th>Latest Month</th>
<th>Nov. 1956</th>
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<tr>
<td>Total direct public debt and guaranteed obligations</td>
<td>755,354,789</td>
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### United States Dept. Foreign and Insured—(000s omitted)

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President of American Security & Trust Co., Washington, D.C., says, despite weak spots in the economy, an election year is assured. Contenda balanced budget goodwill precludes tax cuts during current Congressional session and expects Federal Reserve in early action.

In addressing the Business Outlook Conference of the Washington B. D. C., Jan. 30, Daniel W. Bell, President of American Security & Trust Co., Washington, D.C., said that even though the economy is in an excellent year by any standards, it will not be the best ever recorded. Mr. Bell told his audience, as follows:

"Many observers think that 1956 will be superior to 1955 and 1953 while others think that 1956 will be less prosperous. Indeed there are now some signs of readjustment in certain fields. Rising retail prices, for example, has slowed up for the last few months. Declines in real private and public production seems to be about in line with the rate of growth in the real GNP. Ford, although confident as to the longer run, are apparently operating on the assumption that sales in 1956 will be somewhat below last year's level. Recent estimates would indicate that production of automobiles for 1956 will fall a little below seven million passenger cars as compared with over nine million in 1955. Since our prosperity has been based, in great part, on consumer credit, it may be significant that the consumer's monthly decline in the ratio of credit sales to consumer credit-rent, which may mean that a pause in this segment of our boom is under way. It is just possible that before the year ends we may see the figures crossing the volume of new loans. Furthermore—and this is nothing new, but one of the segments in which the economy continues in the aggregate to a boom—there is one on which the Congress will not doubt act—tobacco.

"In other directions there are some bright spots. Regardless of the fact that 1956 GDP will probably be higher than 1955, the auto makers are building stock for the two coming quarters. Economies have been quite considerable. The outlook is very good for electronics, machinery, and machine tools, boxes, paper, and some textiles.

"While 1956 is likely to turn out to be a year of adjustments in the economic realm—and I may make a statement that I don't think the fact that it is an election year will do much to disturb business—there are certain areas that should be noted. Even though home building has been slowing up, it is still at a very high level. No further tightening of credit by FHA or VA is foreseen; for construction, other than residential, is strong and is likely to continue to operate at a high level for some time. In 1956 manufacturers are on a very short stroke, the changeover in the steel industry may be even greater.

"While reduced auto production will tend to adversely affect the

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riving at a decision on what to do after March 31, 1962. The Commission recognizes that the uranium mining industry wants an answer soon.

**Johns-Manville Corporation**

The Board of Directors declared a dividend of $1.80 per share on the Common Stock of the Company, payable March 8, 1956, to stockholders of record at the close of business on March 24, 1956.

E. B. VANDERSTUeken, Jr., Director, President.

**Common and Preferred Stock Dividends**

The Board of Directors declared a quarterly dividend of forty-five cents per share, payable March 22, 1956, to stockholders of record at the close of business on March 9, 1956.

F. B. HEMMEL, Treasurer.

**PHELS DODGE CORPORATION**

The Board of Directors declared a quarterly dividend of forty-five cents per share, payable March 22, 1956, to stockholders of record at the close of business on March 9, 1956.

**SAFEWAY STORES CORPORATION**

137th DIVIDEND DECLARATION

The Board of Directors of the Company declared a $1.00 dividend per share on the Common Stock, payable March 31, 1956, to stockholders of record at the close of business on March 20, 1956.

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.**

The Board of Directors of the Company declared a dividend of Fourteen per cent (14%) per share on the Stock, payable March 15, 1956, to stockholders of record at the close of business on March 1, 1956.

**DRUIDMOND WILDE, Inc.**

February 7, 1956

**PHILIPS DODGE CORPORATION**

The Board of Directors declared a quarterly dividend of forty-five cents per share, payable March 22, 1956, to stockholders of record at the close of business on March 9, 1956.

**DIAMOND DIVIDEND NOTICE**

Common Stock Preferred Stock

The Board of Directors of the Company has declared quarterly dividends of forty-five cents per share on the Common Stock and the regular quarterly dividend of forty-five cents per share on the Preferred Stock.

M. W. UQRANHART, Treasurer.

February 8, 1956

**CITY INVESTING COMPANY**

137th DIVIDEND DECLARATION

The Board of Directors of the Company declared a $1.00 dividend per share on the Common Stock, payable March 31, 1956, to stockholders of record at the close of business on March 20, 1956.

**EDWARD AMERICAN CAN COMPANY**

**SOUTHERN RAILWAY COMPANY**

The Board of Directors declared a quarterly dividend of 4.45% per annum of six percent per annum of six percent on the 4% Cumulative Preferred Stock, payable April 1, 1956, to stockholders of record at the close of business on March 21, 1956.
WASHINGTON, D. C.—While an enlarged highway construction bill is expected to pass Congress before adjournment, its transit will not be nearly so smooth as the movement down the gutter of little boys at a picnic.

Already the traffic problem is a sore spot. The prospectively higher fuel and excise taxes will compensate only partially for the inflated expenditures of the highway departments. Due to the fact that a super-highway spending program is supposed to be popular, taxes come paying time, are not always popular, especially in an election year. President Eisenhower did not add to the serenity of the Democrats when he announced that he had "re- luctantly" agreed to go along with "their" tax program and dump his own slight-of-hand financing scheme.

There are a couple of nice lokers in the Fallon road bill. One would use the public and private corcumnia of highway money to reimburse states for their comparatively recent expenditures on big expensive freeways. This, of course would be a new road built of itself, but would make less population states most unhappy, for that would cut down the total kitty.

Deltco Inc, to extend the Bacon-Davis Act to all funds spent. Under the Bacon-Davis Act, the states have certain sets waxes for labor working under federal contracts. In theory the Federal and State Governments are almost equal partners under the present Fed¬ eral aid road program. The new one provides for Uncle Sammy paying 96% of the tab, and the states getting 4% back, even if the states would have to be Federal workers who selected the materials and something that the states would need.

Another controversial feature of the Fallon bill is that it proposes to permit the states to use maximum weights and measures for trucks using the highways, at their pleasure. The states could, of course, take away in practical effect, the power of the states to regulate this aspect of truck traffic, another bitter pill for the states to swallow as the price of getting a new interstate road system almost "for free."

Circumstances Change Opinions

Just a short time before President Eisenhower adopted the scheme to let farmers get a refund of their tax on gasoline used on the highways, the Treasury was telling the House Ways and Means Committee that such a scheme was administratively impossible.

In principle, the refund to farmers of taxes on gas not used on highways establishes a precedent which the airlines, contractors, lumbermen, and others who use gas off the highways, might use as a test to get themselves a similar exemption. In practice, other industries lack the power to present political appeal of the farmers and will get no¬ where with drawbacks for themselves under foreseeable political circumstances.

Commodity Price Involvement

Last week the Department of Agriculture announced a pro¬ gram whereby the Commodity Credit Corp., may extend credit for funds to purchase sales of its store¬ house of $8 billion or so of farm commodities picked up as a consequence of price support operations.

What brings this mind is one thing generally overlooked, which off the highway they varieties and means by which the govern¬ ment can and does affect the supply. This is that the prices not merely of farm commodities but of others, metals and minerals chiefly through two activities, the CCC and the Prorogation program, and the Commodity Credit Corp.

As to CCC, the new credit program is just another of a myriad of powers enabling the CCC to "sell" for foreign currency, to give away at home or abroad, to barter for strategic materials, or otherwise to dispose of its storehouse of commodities.

There is probably only a relative handful of people in the United States who begin to comprehend the chief powers CCC has in addition to its surplus farm commodities.

Stockpile Is Broad

So it goes with the "stock¬ pile." In addition to the "strategic" materials, strategic materials adjusted sufficient to carry the nation along in war and essen¬ tial civilian production in case of all-out war, the President early in his career established a second or "long-range" stockpile. This consists of an even larger hoard of metals and minerals than the strategic stockpile.

Finally, there is a third stock¬ pile which serves the purpose of providing a place for holding or an excuse for accumulating foreign, and domestic metals and minerals under Com¬ modity Credit or by other means.

Everything relating to stock¬ piling, whether of stockpiles Nos. 1, 2, or 3, is inherently secret, except when and to the extent that the government de¬ cides in its own interest to make information public. All the transitory directions to the stockpilers, involving military and foreign policy, are secret except when official chooses to make them public.

This whole web of farm commodity and i n d u s t r i a l raw materials powers is esoteric beyond the comprehension of most men, even those parts which are not secret. An at¬ tempt to describe the catalogue, and relate such of the powers of the government in these com¬ modity fields as is available to the public offers itself as a subject which might rate the attention of a high-row economic research bureau.

Such a compilation showing the magnitude and variation of government powers and prac¬ tices in intervening in com¬ modity markets can serve as an eye-opener to many who be¬ lieve that the philosophy of the present Administration is one which favors the least possible interference with the free mar¬ ket system.

But mortgage credit volume must be sustained by govern¬ ment intervention even if the supply of savings drops. If more profitable uses of credit divert it into other channels.

"The Get-Us-All Address"

Rep. Usher L. Burdick, a North Dakota Democrat who can by oratory cause tears to be shed for the farmer, and who can also tell a half dozen jokes at a bankers' dinner, has introduced into the Congres¬ sional Record the copy of an address which was given by Art Ziegler of Pitts¬ burg, Pa., whom he said was a high school teacher. It was first printed in Facts Forum, as follows:

"One score and twenty years ago our fathers brought forth upon this continent a new nation, conceived in and dedicated to the proposition that all men are free. Now we are engaged in a great civil war, testing whether this nation, or any nation so conceived and so dedicated, can long endure.

"We are met on form 1040. We have come to dedicate a large portion of our commonwealth to the final resting place with those men who here shed their lives that our country might live. It is altogether angustious and futile to do this. But in a larger sense we cannot devote ourselves to the cause of creating a tax that we not understand the tax. The collectors, clever and sly, who can convert that which lies beyond our power to add another clause to the Constitution."

"Our creditors will not little note, nor long remember, what we pay in Internal Revenue can never for¬ get."

"It is not for us, the taxpa¬ pers, to question the extent to which the Government has thus far so nobly spent. It is rather for us, the debtors, to have done our part, the great task remaining before us, that from these thousands of dollars we take increased devo¬ tion to the tax-free remaining, that we here highly resolve that next year will not find us in a higher state of public transparent. This taxpayer, underpaid, shall fig¬ ure it out that it was only this tax on the people, by Congress and the executive, shall not cause solvency to persist.

"What is intended to reflect the "behind the scene" inter¬ pretation from the nation's Capital must be treated with the "Chronicle's" own views."

Benjamin Hirschberg Now

With Halle & Stiegelz

NEWARK, N. J.—Halle & Stiegelz, members of the New York Stock Exchange, announce that Benjamin Hirschberg is associ¬ ated with the firm as a registered representative in the firm's New¬ Jersey office. Mr. Hirschberg was formerly with Donaldson & Company and prior thereto with J. B. Hanauer & Co.

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business buzz

A "Mr. Pittle is waiting to see you, Sir—says he represents the small investors!"

Housing Is

Itself An End

That the speculative builders, no less than the farmers, be¬ lieve that a large volume of construction of housing or the progress of builders is an end in itself, the National Associa¬ tion of Home Builders, in a "1956 policy statement," has formally affirmed for all to see.

"Without a healthy housing, building industry, the nation's economy cannot remain sound. For continued prosperity and a stable society, production of new homes must be maintained at the highest level consistent with demand and with availability of materials and labor," the NAB statement asserted.

Theoretically this business group acknowledges that there is something called "domestic" which limits the total of hous¬ ing. However, by clear inference, the statement goes on to indicate that this demand should be, maintained by easy credit.

"But to accomplish this, the sharp peaks and valleys in the production curve which have plagued our industry in the past—caused largely by the lack of an even supply of residential mortgage credit—must be elim¬ inated," the statement added.

In other words, mortgage credit, the source of "demand" must by government fiat be kept large.

This is what happened to an industry which gradually got adapted to living on an artificial demand stoked up by govern¬ ment insurance and guarantees. The home building industry is a "private industry," BUT...