EDITORIAL

As We See It

Congress has adjourned and its members have returned to their homes to mend their fences. It is at such a time that the politician takes most careful note of the trend of thought among his constituents. Even the statesman must give heed to the "sentiment" of those whose votes will send him back to the national capitol or retire him to private life. There are, of course, a few legislators who have very definite ideas of their own and as a rule try to persuade the voters to see things as they do rather than merely to sneer when their constituents take snuff. Most of the office holders of this day and time, however, seek to find out what their constituents want and try to get it for them if they can. What members of Congress or would-be members of Congress hear from their home folk during the next three months or so will largely determine what Congress will be prepared to do when it convenes at the first of the year.

This, in other words, is the time when the rank and file can most effectively influence or even control what is to go on at Washington next year. Both of the major political parties will, of course, soon be coming forth with platforms upon which their members will presumably stand for election, but, regardless of oratory, the individual voter can in large measure determine what his representatives in Washington do next year, and now is the time for the exercise of that influence.

It takes constant mountain high, the individual voter must not complain unless he has done all that he can personally to let the candidates for office know unequivocally that he wishes and indeed demands that something be done to render...

Continued on page 22

Western Europe Today

By NORMAN BRASSLER

Executive Vice-President,
County Bank & Trust Company, Paterson, N. J.

On basis of first-hand investigation of Western European economic and political conditions, mask reports outstanding factors in Italy, Switzerland, Germany, Holland, France, and England. Concludes whole Continent is suffering from severe dose of inflation and no end in sight; its curtailment is obstructed by political pressure. Reports optimism about America's economic outlook, with present soft spot only temporary.

During the past four weeks I was very fortunate in again having the opportunity to conduct a first-hand survey of Western European economic and political conditions. Interviewed were leading bankers, economists, and business executives; the countries visited were Italy, Switzerland, Germany, Holland, France, and England. Obviously, the impressions I obtained were somewhat superficial inasmuch as time did not permit extensive discussions or surveys of all the multitudes of factors making up the Western European economic picture. I propose to discuss conditions in each country rather briefly and then consider certain overall conclusions as to the outlook for the European economy. Finally, a few brief comments in which to the present economic picture in the United States and its effects on the Italian economy are offered.

During the period of my visit in Italy, I found the surprisingly prosperous. Only the textile industry appears in some degree of trouble, but the economy is booming; and great progress has been made in modernizing industry, particularly in the northern part of the country. The government, having been deprived of colonies, is starting substantial internal colonization programs. The southern portion of the country is being slowly rehabilitated by irrigation and agricultural improvement programs. The results are definitely encouraging. This program is being supplemented by United States assistance. Furthermore, Sicily, being an independent region...

Continued on page 18

Economic Consequences Of Disarmament

By DR. GROVER W. ENSLEY

Executive Director, Joint Economic Committee, United States Congress

Dr. Ensley points out that big defense spending causes substantial sacrifices in satisfaction of consumers' human wants; ample opportunities for raising our living standards exist when defense outlays can be reduced. These will affect the complexion of the nation's economy and call for basic changes in public policies; and urges that systematic thought be devoted to development of techniques, both private and public, for assuring effective adjustments. Concludes economic considerations support every feasible effort for disarmament.

A principal objective of U.S. foreign policy is securing the peace and prosperity of the world. As a major step in this objective, the Nation has sought world disarmament whenever the objective was possible. Disarmament was a major item in President Wilson's 14 points. During the 1920's the U.S. disarmed to a significant extent and maintained a minimum military establishment during the 1930's. Other nations increased armaments despite efforts by Presidents Hoover and Roosevelt to obtain their cooperation through the Disarmament Conference of the League of Nations. Following World War II, President Truman insisted for disarmament through the United Nations. The Communist invasion of South Korea in the summer of 1950 found the United States and the Western world's military preparedness woefully inadequate. After the Armistice in Korea, the United States Senate passed unanimously on July 29, 1950...

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(The articles contained in this forum are not intended to be, nor are they to be construed as an offer to sell the securities involved or an solicitation of an offer to buy such securities.

[Text continues with various opinions and analyses from different experts.]

AARON B. FEIGEN
Research Department
J. R. Williston & Co., New York City

The Pittsburgh Company

Important to the investor is the fact that the resurgence in the business of the company has been responsible for the exciting earnings gains of the coal company over the past three years. The company has increased its annual earnings per share from $1.90 in 1955 to $4.75 in 1958, which is an annual average growth rate of over 30% per year. This growth is expected to continue for several years, as the company has announced plans to expand its operations.

The company's operations are primarily in the production of steel and related products. This includes a wide range of products, such as steel bars, beams, and sheets, as well as other metal products.

In addition to its steel operations, the company also produces a variety of other products, including copper, zinc, and lead. These products are sold to a variety of industries, including construction, manufacturing, and transportation.

The company's operations are highly diversified, with a large number of customers. This diversification reduces the risk of relying on a single market or product.

The company is also well-positioned to take advantage of the increasing demand for steel and other metal products.

In conclusion, the Pittsburgh Company is a highly attractive investment, with strong fundamentals and a promising outlook for future growth.

Anna S. Keller
The Security I Like Best 1959

[Continued on page 26]
The Dynamic Decade: 1956-1965

By Paul Mazur
Partner, Lehman Brothers

Banker-Economist declares America's future economy possesses enough power ingrediants to create a future with different results. Therefore, he insists we change the way we think about our economic future. On the way, my efforts and Lincoln in the magnificent mansions are all that. I have always believed that a banker is an economist! The basis of a banker is to answer the question, "Who says this banker is an economist?" I say that he is an economist!... and that he is a banker! Further... it is not difficult to equip oneself with the knowledge necessary to think like a government to plan to do the spending of a spending program and to the accumulation or decumulation in any given year. The 1956-1965 decade requires adequate management and proper control by businessmen and government officials.

Theodore St. Kilton, Taking Issue With Neil Carothers, Holds Unions Raise Wages (Letter to Editor)

Pressing City Problems and Taxes—Roger W. Babson

Pressing City Problems and Taxes—Roger W. Babson

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Midyear Construction Review
Of Contract Awards for 1956

By GEORGE CLINE SMITH
Vice-President and Economist, F. W. Dodge Corporation

First half year contract awards for future construction is reported 10% above last year's record with each major category setting a new record by F. W. Dodge Economist who notes emphasis continuing in two main areas: new business facilities and public construction.

Contract awards for future construction in the 37 eastern states set all sorts of new records during the first six months of 1956 despite the fact that June got out of step with the other months and registered a slight decline. Coming at the end of the period as it does, the June drop makes it a little difficult to keep the first half in a simple, coherent way, but there are certain clear-cut facts which should not be lost to view.

One of these is that the first half as a whole was a tremendously active period of contract awards, with all this that implies for the future of actual construction spending. Another is that the June total of $2.8 billion, even though it was below June of last year, as a huge figure, some 27% ahead of the third highest June on record. A third fact is that an extraordinary situation, the steel strike, is probably the dominant influence on the immediate outlook, both for actual construction and for contract awards.

Total contract awards in the first half of 1956 amounted to $13,199,000,000, the highest total in history and 10% above the record set last year. Each major category also set a new record. Non-residential building, at $4,060,000,000, was 11% ahead of last year; residential building, at $5,850,000,000, was up 5% (although the number of dwelling units represented by the contracts was down 21%).

The emphasis in the first half has continued to be on two main areas: business investment in new facilities, and public construction of all types. Business investment shows up in sharp gains in factory and commercial buildings and in utilities. Public construction is particularly strong in highways and schools. Shifts in the various categories have tended to balance out so that there is no change in the proportions of public and private contracts in the totals. Total for the first half of 1955, private awards were 69% of the total, and public awards were 31%.

As is our custom in this midyear review, we are making available details of Dodge contract award statistics which are not ordinarily made public. All figures below refer to the 37-state area, and are for the first six months of the year specified.

Commercial Buildings: Awards for commercial buildings made up the largest single segment of non-residential building in the first half of 1956. The total of $1,200,000,000 was 11% above the record set last year, and the physical volume as represented by floor area was also a record.

Schools: The educational and science building sales speeded up in the growth. In 1955, even though a new record was set, the total was only 4% ahead of 1954, an increase which was so small compared to those of previous years that it aroused fears of a leveling off in school-building to the contrary time when the number of children born was setting up new records.

Manufacturing Buildings: While this was not the largest class of new buildings in terms of dollar volume, while it set no new records, it is perhaps the most significant of all. The steel strike has caused an extremely sharp increase. Awards for manufacturing buildings totaled $1,096,000,000, an increase of 29% over last year and 88% above 1954. This year's figure is far below the record of more than two billion inspired by the Korean War in the first half of 1952, but it is far above any other half in history.

Hospitals and Institutions: This group has been strong in recent years, although the contract awards this year were not as large as in the past. The peak of $300,000,000 was set in 1950, and since then first-half awards have been maintained at considerable lower levels. This year's total is 14% below last year's level.

Residential Buildings: The total of $5,600,000,000, a new record, a little less than 5% above last year's total, was highly scattered. Single family units involved, however, declined by 3%. The reason for the increased costs and larger size of housing units this year. The trend of the away from downtown apartments toward suburban living was mentioned in last year's midyear review. This year apartment contracts amounted to $2,300,000,000, the lowest figure in 10 years, and 11% below last year. Two-family houses rose 31% to $500,000,000, and the total of $198 million was still only a very small fraction of residential building.

Public Works: Contracts for public works continued their all-time high. Output of World War II, reaching the then record total of $7,150,000,000 in the first six months of 1956, is a new record 26% ahead of the 1955 total. Of this, the railway work which is being done. Construction work is being met by such high engineering projects as the Laramie River project in Wyoming. "Public works" as used in this classification refer to the nature of the project and not to the ownership. Most of the category is privately owned, but public projects of a similar character are also included.

Public Utilities: This group also set a new all-time record at $739,000,000, nearly 56% above last year's record. This category also refers to construction type, and includes both privately and publicly owned utilities; so far this year, a little more than half of the contracts for utilities have been under public ownership. It should be clear from these figures that only all types of construction are at high levels, the principal boost this year comes from increases in investment in commercial, industrial, and utility buildings, and in public investment in schools, public works and also in utilities.

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The Commercial and Financial Chronicle...Thursday, August 2, 1956

The Steel State of Trade and Industry

A noticeable rise occurred in total industrial production for the country-at-large in the period ended on Wednesday of last week as many industries resumed normal operations after shutdowns for vacation periods.

On Friday, President Eisenhower came in the nationwide steel strike with the signing of an agreement that three years of uninterrupted labor peace in this basic industry.

End of 600,000 striking members of the United Steelworkers of America are expected to return to work this week after individual contracts are completed with the 12 major steel companies.

With respect to the condition of employment in the United States it was a mild fall and a slight decline in January last, but were 11% higher than those of December. There were marked declines in the textile industry and many workers returned to work following vacation shutdowns. Claims fell most noticeably in New York, New Jersey and Ohio.

Initial claims filed by workers for unemployment insurance during the week ended July 21, last, dropped by 12,483 bringing the total to 239,900, the United States Department of Labor reported.

The agency said state employment security agencies attributed the cut chiefly to fewer layoffs in food processing, appliance, and tire plants, and many claims filed by workers ineligible for pay during plant vacation shutdowns.

Largest declines, the department stated, in Massachusetts, New York, North Carolina, 3,900, due to the slackening in the auto industry and in a large refrigerator plant in Indiana brought a drop to 2,180 there. Pennsylvania, the agency said, reported that a drop in claims from apparel and food-processing workers more than offset claims filed by coal miners hit by the steel strike.

The agency reported that total insured employment during the week was 22 million and total claim payments, $42,100,000. The increase was 19,300 in insured employment and added that most of it came from the secondary effects of the steel strike.

The steel strike left metalworking plants literally hanging on contract work. However, the strike figures are not in many cases a reflection of the real activity in the market, said President Roosevelt.

The strike that started, finished steel inventories in consumers’ hands, including work in process, were at a record 21,500,000 tons. The inventory of pig iron, 3,500,000 tons, was at a record 2,160 there. "The Iron Age" estimated the inventory of steel in the major consuming areas to be 10,000,000 tons.

On the other hand, the strike which started a year ago as an effort to force steel companies to increase steel output, eventually succeeded in bringing about a 12,000,000-ton increase in the output of steel companies.

Most mills the nation over have increased the output of steel, with the many details that must be cleared up before individual contracts are drawn up 35% higher than the average of the first two weeks to three weeks before their production level returns to where it was before the strike.

Meanwhile, the cost of the strike to the steel industry was estimated at $335,000,000, including out-of-pocket expense during the shutdown and loss in net earnings based on what sales would have amounted to during the walkout. The wage loss to the steel workers ran about $250,000,000.

The race to replace the inventories in the months ahead will be briskly among all products, including sheet and strip, plate, structural, tinplate, and oil country goods. Automotive is back in the picture for 1957 model requirements. Oil and gas construction and freight car building are hungry for steel. Structural and plate are being snapped up at premium prices asked by importers, gray market operators and conversion sources, "The Iron Age" said.

Although they laid in heavy inventories before the strike the tinplate consumers will be back in the market both to replenish their stocks and to be Heaven-eyed on the boost when their latest price contracts with steel firms expire in October.

On the labor front, steel mills braced themselves for new contract demands from United Mine Workers. The mine workers will look for something equivalent.
Observations...

By A. WILFRED MAT

RIGHTS OFFERINGS AND THE SHAREHOLDER

The American Telephone and Telegraph Company's prospective offering of five and three-quarter million shares of new stock to its 1,400,000 shareholders serves to highlight the prevalent uncertain concepts concerning dilution and other impacts from the issuance of additional shares.

The inflation of dilution of the shareholder's interest under certain conditions surrounding additional stock issues is more discernibly disparate, in the case of closed-end investment companies with their activities concentrated on arithmetically-calculated money changes. But the principles and workings of rights offerings are similar to those pertaining to the industrial enterprise. Dilution by investment companies, because of its needlessness from the business operation requirement motivation, is, of course, less justified.

The crucial factor determining the presence or absence of dilution—and then only to the shareholder who does not exercise his rights—is the relation of the prevailing market price to the equity value.

(1) The "Discount" Stockholder Who Does Not Subscribe

Let us first calculate the result on the non-subscriber in the market-price-under-equity value situation. Assume that the book equity of the outstanding ATT shares were not the actual 150, but 250, and the stock's market price still at 180. With the 1-for-10 rights to subscribe at 100, the right given each outstanding share is worth $7.50. But the book equity as a result of the offering would be reduced from 250 to 250 (1/11th of the difference between 150 and 200).

So in this "market discount" situation, the non-subscribing shareholder—

Has lost in book equity $14.00 gross

Has received from the sale of his right... 7.50

The resulting net loss being... $6.50

Such dilution loss similarly applies with clarity and ease arithmetical calculation in the case of investment companies dealing in exact money values, where new stock is offered below assed value and at less than market discount. Thus the shareholder may be said to suffer an "assessment" to protect his equity status.

(2) The "Premium" Stockholder Who Does Not Subscribe

When, on the other hand, the outstanding stock's market price exceeds its equity value, the gain will offset the dilution because the market price on which the price of the right is based, exceeds the book value. In the case of ATT, the 10-share offering sells at $8.22 each (representing the difference between the subscription price and the approximate market), grossing him $72.70. The dilution on his retained holdings of 37 shares is $11.10 x $4.55 per share). Hence from a book equity viewpoint, our subscribing shareholder has actually gained an advantage of $37.20.

(3) The "Discount" Stockholder Who Subscribes

In the situation where the holder of stock which is selling below its equity value, subscribes to the new offering, he is not diluted and comes out even.

This is so because the dilution of

Continued on page 35

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LETTER TO THE EDITOR: 

Says Unions Raise Wages

Reader takes issue with thesis advanced by Dr. Neil Carothers in recent "Chronicle" article that unions have effect of lowering general wage level. Charges him with ignoring arguments of the classical economists.

Practical invalidities in marginal productivity theory cited.

Editor, Commercial and Financial Chronicle

As a business and financial economist trained to use economic theories only insofar as they conform logically to reality, I must rise to the occasion in answer to the comments of Dr. Neil Carothers in his article on July 19, 1956, "The Economics of Minimum Wage Rates". In the"Chronicle".

Carothers urges a return to the laissez-faire pre-union contract theory advocated by the classical economists. He argues that wages being so low would enable wages to rise to equal higher levels than those which will be possible in the future.

He chooses to ignore the wage theories of the classical economists, of conditions prevalent in pre-union wage.

Malthus, in his "Essay on the Principle of Population," observed that wages tended to rise to subsistence levels, Ricardo stated, in his "Principles of Political Economy and Taxation," in an oft-quoted statement: "The opening paragraph states: 'the wages, that Labor, like all other commodities, are purchased, and sold, and which may be increased or diminished in quantity, will raise or fall with the natural and its market price. The natural price of labor is that price at which it is necessary to enable the laborer, one to another, to subsist and to perpetuate his race, without an increase or diminishment.'

In France, Jean Baptiste Say was compelled to state that the capitalist, or rough labor may be excelled by any man possessed of labor's existence is all that is requisite to raise a mechanic's wages. Consquently, its wages seldom rise in any country much above what is absolutely necessary to subsist; and the question always remains on a level with demand; may often goes beyond it, it is a difficult disease in acquiring existence, but in supporting it."

Necker was moved to write: "Were it possible to discover a kind of food, which is as nutritious as bread but having double its sustenance, people would then be reduced to eating only once in two days."

In a somewhat later period, Mary Wollstonecraft, the 18th century-day students of economic theory as the classical economist, in her "Principles of Economics," that "if the economic conditions of the country remained stationary sufficient, the power of the human beings would gain enormously an amount that corresponded to the equality and fair trade, convenient and conventional- necessary, which are strictly necessary being the greater the working classes can afford so little luxuries, to the many conventions; their earnings would result in such an increase in their numbers as to drive down their earnings quickly to nearly the old level at their mere expenses of rearing.

Congressional Investigation states:

Working conditions in the United States in the 1950's, before unreported surveys, that 1945, were bad that Congress felt required to investigate. There were two exceptions from a Committee report (U. S. House of Representatives, 2nd Session, Report No. 2399).

As to hours, there is practically no limit, except the endurance of the employee, the work not merely being paid for by the task, but the task being so adjusted as practically to drive a man out of work whose leisure is not willing to work to the limit of his energy. The hours of labor under this system rarely being less than 12, generally in the range of 16 hours in 24.

Machines, which are specially prevalent among those people, thrive with their hands, and from their own unprotected from their occupation only can they receive any necessary to disposing of the body. As to wages, there practically is no compensation, as is that so-called. The work has been stated as a sine qua non of even the tenement house sweat shops, or by subcontract from which the individual work piece work, involving several employers who are attended to by the family, and the rest by its other hand, the efficiency of capacity. Indeed as to this class of people, it is that of those who are compelled to accept rather than to choose their work that it is taken without reference to the possibility of a satisfactory life, to make the miserable workers getting simply all they can from it, beggar and thus implement their below starvation wages. This is a consequence of the charge of the labor's authorities when they are driven to.

And, in 1892, a report of the State of Ohio (Ninth Annual Report, Department of Workshops, Factories, and Public Buildings), stated: "The unfair advantage of the manufacturer employing this system over his fellow manufacturer is at once perceptible, for the more humane employer intelligent workmen, provide them with healthy, roomy and well ventilated workshops, where they can work in comfort, and pay them a fair wage for their services. This unfair advantage and this human system if permitted would in a short time destroy all means of driving manufacturers from one city to another, and make employment into its adoption, for they cannot compete with their labor at a higher rate and his wages will be increased.

It is highly doubtful that the marginal productivity theory of Carothers can be applied for the full of the workers.

Even the advocates of the marginal productivity theory admit there are numerous advantages of wages, as long as the theory is accepted before the theory can be effective. John Bates Clark, one of the leaders of the marginal productivity theory school, pointed out that the benefits of the theory are fully stated only in a static state where the population was not increasing. He also stated that the labor force was constant, there was no change in the amount of labor and capital (machinery), existing forms of industrial establishments were unchanged in demand. Professor (now President of Columbia) Carothers in his book "The Theory of Wages," added the following assumptions: the employers are to measure and to estimate in advance the added productivity that will accompany the employing of given workers, that there is free and complete competition among employers, that the workers know their marginal advantages and compete to compete with the wage-earners for work; that the employing of the non-union mobile; that all labor finds employment; that the bargaining powers of labor are equal to employers; and that the supply and durs of the exercise of the right for the workers" reasons are as decided by the decisions of workers and employer.

Carothers' views are untenable. Carothers indicates the weakness in his arguments at the beginning of the text. "If the American Economic Association, was widely held to have the authority of the economists of the world.

Productivity Theory Generally:

It is of particular interest to note in passing that non-union or labor groups admit the feasibility of the productivity theory. The National Association of Manufacturers in a thorough analysis of the Project "Gauge of Economic Performance," added: "A policy of boosting productivity, as shown by the marginal productivity theory, is in the interest of the whole system". The American Economic Association, was widely held to have the authority of the economists of the world. The Congress of the American Association of Economics, which was the authority of the economists of the world, added: "In the interest of the whole system".

As to wages, the Congress of the American Economic Association, was widely held to have the authority of the economists of the world.

Dr. Neil Carothers in his article in the "American Economic Association, was widely held to have the authority of the economists of the world. The Congress of the American Economic Association, was widely held to have the authority of the economists of the world. The Congress of the American Economic Association, was widely held to have the authority of the economists of the world. The Congress of the American Economic Association, was widely held to have the authority of the economists of the world. The Congress of the American Economic Association, was widely held to have the authority of the economists of the world.

THOMAS R. KLEINER

Securities and Exchange Commission, New York C.

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The Securities and Exchange Commission, as a matter of policy, disclaims any duty to supply to any person a copy of any information which the agency or any of its sub-agencies has not signed or issued.

Mr. Dunn Partner In

Southwestern Secs.

DALLAS, Tex. Timothy H. Dunn has joined Southwestern Securities, Inc., of Dallas, Texas, as partner and general manager, effective August 31, 1956.

He has been associated with the company since August 1, 1957, seven years, and formerly spent three years in the United States Military, with the Air Force in the Southwestern and Southeastern States. He received a degree in business administration from the University of Arizona in 1954.

Thomas Hall Rejoin

Lilley & Go. Staff

PHILADELPHIA, Pa.—Lilley & Go., member of the Philadelphia-Baltimore Stock Exchange, has announced the resignation of Thomas D. Hall. Mr. Hall has been associated with the firm since 1935 and has been a member of the Pennsylvania House of Representatives since 1938.

Carl Tucker

Carl Tucker passed away July 29 at the age of 74 following a long illness. Prior to his retirement Mr. Tucker conducted his own investment business in New York.

The Commercial and Financial Chronicle...Thursday, August 2, 1956

Sized for FRASER
flies.taured.org/
Yeast of Suez
By IRA U. COLEIGH
Enterprise Economist

Presenting some quite topical notes on the economic fermentation resulting from Egyptian seizure of the Suez Canal, to get a dam-site more money.

Kipling set the background lyrics for the Egyptian thieving pyrrhic of late week.

"Shipped me somewhere East of Suez."

"Where the best is like the worst."

"Where there aren't no Ten Commandments And a man can raise a third."

Let's translate. Nasser at his best is like the worst of the strutting thieving Egyptians chattering up the pages of recent history. Add to this with their conceits, their cruelty, their word delusions. A n o t h e r Peren, he, a pin-sized Hitler, a poor man's Stalin or Mussolini. "There was a man - a man with a mind."

Well, Nasser has surely forgotten the Fourth of Ten, the Eighth. 'A man can raise a third.' In Nasser's case the third is power.

Without the very experience and lesson-ner, it's too fat today's task which is, swiftly, to appraise the economic implications of the Suez Canal grab. (We'll prudently leave the political and more erudite commentators to deal with the political and military implications-Left, Up at the Troll House.) Why did this happen? 'A man with a mind.' The first time I lay on my back, my dear fellow! (A fellow is an Egyptian farmer.) He wanted to build a million dollar dam. Egypt didn't have the money. Russia faked some funds, but ran out ink when check-signing time came round. The U. S. and Britain came up with a $500 million loan, raised the dough, but excused themselves on the grounds that Egypt was (1) indigent and (2) belligerent. So like any other unprincipled govt. and any other state has gotten too big for his boots, they turned to stealing. For petty larceny, say $1 billion. For big, creating a $100 million a year. Now when this strategic ditch was built, there was a big policeman. No more grade thieving of this sort-the British Navy-which, from the end of the Battle of Jutland, from the beginning of World War I, patrolled (and controlled) the Seven Seas. The Cop has been taken off the Empire beat, however, and the United Nations has not effectively replaced him. So national burghs, including Nasser, are on the prowl.

Well what, specifically, has Nasser stolen, and from whom? He has appropriated the property of Compagnie Universelle du Canal Maritime du Suez (Suez Canal Co., to you). This is a private enterprise, with a home office in Paris, 80% of whose common stock listed on the Paris Bourse, of which 20% is controlled by the British Government. It earned $47 million net in 1954, and $85 million net (of $235 million assets) in the balance and its balance sheet. Nasser has tried to sell his outright gain, and has tried to compensate shareholders according to "clothing prices on the Stock Exchange." On July 28, this closing figure was 220.5. (It slipped to 214 before August.)

But what will Nasser use for the purchase money—sell the Pyramids? Have the Sphinx as co-maker? How big and important is Suez? It's 103 miles long, it splits Asia and Africa; and is commercially and strategically the most important man-made waterway in the world. In 1955, it carried 118 ships per day, 114 miles long, mostly iron ore, and 50 million tons for the Panama Canal, in the same year. The big tonnage is oil. Of more than 14,000 ships passing through last year, above half were tankers, 1,200,000 barrels of Middle Eastern oil girdle northward each day, is it for England and Europe, and the balance (300,000) barrels for the U.S. A T.T. tanker from Kuwait to New York saves 5,000 miles (about 17 sailing days at rough 2,500 a day) by coursing through the Canal, and pays about $27,000 in round trip tolls for this economy in time and money.

So you see, Suez is a big property. Built in 1869, and operating under a lease due to expire in 1968, it has been a fabulous muddle. Its share for the French peasant, roughly what American Tel. and Tel. common is to our stock. But although Suez surmounted dividends during the war. Last year, the Canal budgeted $47 million and paid not $31 million in dividends.

Another important item in the tanker market is the new super tanker. The oil too big a craft to go through Suez (it draws too deep) is bulkily handled, and may be the long-term answer if Suez is to remain a trouble spot.

Among commodities, higher prices may be expected to result, particularly in tin, rubber and manganese. (The bulk of course, higher delivery costs from the near East are possible, in which case the shares of British Petroleum, Burmah Oil, Shell Oil and Arab American Oil (Texas and Canadian) may rise 30% of this and Gulf (which has a 50% interest in Kuwait) are most likely to be adversely affected.

To conclude, too, there has been considerable public clamor for redaction of the volume of oil imports; and on July 29, 21 Senators placed in Washington for limitation of oil imports to 16.6% of domestic production. This may be more easily arranged if Arabi- mea, some economies become stricter or more difficult. (It would also favor imports from Venezuela.) Contrariwise, if imports are curtailed, then the outlook for strictly American producers such as Standard of Indiana could be benefited.

There can be no doubt that this ferment in the Middle East is being yeasted by the Yeast of Suez. Having learned no lesson from Mexican oil expropriations in the 1930's or from Mossadegh's near-wrecking of Iranian economy more recently, Nasser has now embarked on a program of economic expropriation, all to be copied by other Arab nations commensurate with the crisis in an already troubled world. While economic sanctions such as fund witholding could now narrow, the only real solution for economic progress and peace in this part of the world, is the age old cure for all dictators—removal.

With Columbia Secs. (Special to THE FINANCIAL CHRONICLE)
M.I.A.M.I., Fla. — Y. M. Perez has become connected with Columbia Securities Company, Inc. of Florida, 3839 Bayshore Blvd.

King Merritt Adds (Special to THE FINANCIAL CHRONICLE)
M.I.A.M.I., Fla. — Richard M. Holmes has been added to the staff of King Merritt & Co., Inc., Chamber of Commerce Building.

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

NEW ISSUE

250,000 Shares

El Paso Natural Gas Company
5.50% Cumulative Preferred Stock, Series A

Price $100 per Share

Plus accrued dividends from June 1, 1956

Copies of the Prospectus may be obtained in any State in which this announcement is circulated only from such of the underwriters, including the undersigned, as may legally offer these securities in compliance with the securities laws of such State.

White, Weld & Co.

Stone & Webster Securities Corporation
The First Boston Corporation
Lehman Brothers
Blyth & Co., Inc.
A. G. Becker & Co.
Eastman, Dillon & Co.
Glore, Forgan & Co.
Goldman, Sachs & Co.
Harriman Riple & Co.
Kidder, Peabody & Co.
Lazard Freres & Co.
Incorporated

Merrill Lynch, Pierce, Fenner & Beane
Paine, Webber, Jackson & Curtis

Smith, Barney & Co.
Union Securities Corporation
Dean Witter & Co.

1956

El Paso Natural Gas Company

May 15, 1956
Dealer-Broker Investment Recommendations & Literature

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

Atomic Letter (No. 19) with comments on competitive atomic power, boron, lithium, nuclear weapons program, etc.—Atomic Development Mutual Fund, Inc., Dept. C, 1333 Thirtieth Street, N. W., Washington 7, D. C.

Avon—Brick, Mold, Rail & Stone, 120 Broadway, New York 5, N. Y.

Bach Selected List (Summer 1956) — Issues appearing attractive at mid-year—Bache & Co., 36 Wall Street, New York 5, N. Y. Also available is a bulletin on Northern Pacific Railway.


Banks and Trust Companies—Quarterly comparison of leading banks and trust companies of the United States—New York Hanseatic Bancorporation, 120 Broadway, New York 5, N. Y.

Bliminuous Coal Industry—Review with special reference to Island Creek Coal, Old Ben Coal Corp., and United Electric Coal Companies—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

E&O 10,000 Shoppers—Study in current issue of "The Exchange" magazine—published monthly by The Exchange, 11 Wall Street, New York 5, N. Y.—10 cents per copy, $1.00 per year.

Japanese Stocks—Current information—Yamalchi Securities Co., Ltd., 112 Broadway, New York 5, N. Y.


Needs and Resources of Intermountain area—News letter—First Security Bank of Utah, 82, Salt Lake City, Utah.

New York City Bank Stocks—Comparison and analysis for second quarter—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Oriental Economist—Monthly magazine (in English) reviewing business and economic conditions in Japan and the Far East—annual subscription $8.00, airmail $11.00—Oriental Economist, Nihonbashi, Tokyo, Japan.

Primary Markets—Bulletin showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 12-year period—National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.


Pocket Guide for Today's Investor—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Price-Times Earnings-Ratios—Selected list of stocks at more than 10 times estimated 1956 earnings and at less, than nine times 1956 estimated earnings—Francis L. du Pont & Co., 1 Wall Street, New York 5, N. Y.

American Distilling Company—Bulletin—DeWitt Conklin Organization, 100 Broadway, New York 5, N. Y. Also available is a bulletin on Galen Products, Inc.


Barium Steel Corporation—Review—W. Keyser Manly, 11 West 42nd Street, New York 36, N. Y.

Celanese Corp.—Memorandum—Herzfeld & Stern, 30 Broad Street, New York 4, N. Y.


Dayton Rubber Company—Analysis—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available is a bulletin on Kimberly-Clark Corporation and a memorandum on U. S. Vhamin.

Electric Bond and Share Company—Analysis—Bruns, Nordeman & Co., 32 Wall Street, New York 5, N. Y.

Panner Manufacturing Company—Analysis—Holton, Hall & Co., 210 West Seventh Street, Los Angeles 14, Calif.

Florida Turnpike Authority—Analysis—Reynolds & Co., 120 Broadway, New York 5, N. Y.


Forest Products Analysis—Lowell & Lay, Incorporated, 225 East Mason Street, Milwaukee 2, Wis. Also available is a report on Gerber Products Company and Clark Oil & Refining Corp.

Frazier Companies Ltd.—Analysis in current issue of "Investment Letter"—Burlington & Sommerville Company Limited, 49 King Street, West, Toronto 1, Ont., Canada.

General Mills, Inc.—Annual report—Public Relations Department, General Mills, Inc., Minneapolis 1, Minn.

Houston Oil Field Materials Company—Bulletin—Aetna Securities Corporation, 111 Broadway, New York 6, N. Y.


LaClede Gas Company—Study—Newhard, Cook & Co., Fourth and Thirty, St. Louis 1, Mo.

Marathon Corp.—Analysis—H. Hentsz & Co., 60 Beaver Street, New York 4, N. Y.

McGregor-Denico, Inc.—Analysis—Unitized Trading Department, Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Ohio Tungsten and Bridges Bonds—Bulletin—Tripp & Co., 40 Wall Street, New York 5, N. Y.

Page Hersey Tubes Limited—Review—James Richardson & Sons, Ltd., 173 Portage Avenue, East Toronto, Canada, and Royal Bank Building, Toronto, Canada.

Southland Racing Corp.—Report—General Investing Corporation, 11 Wall Street, New York 5, N. Y.


United States Ceramic Tile Co.—Analysis—Amott, Baker & Co. Incorporated, 150 Broadway, New York 6, N. Y.

Weyerhaeuser and Southwark Corp.—Analysis—Kidder, Peabody & Co., 17 Wall Street, New York 5, N. Y.

COMING EVENTS

Markets in Investment Field

Aug. 2-3, 1956 (Denver, Colo.) Board Club of Denver-Sticky Mountain Group Investment Bankers Association annual summer meeting at and golf tournament at the Columbine Country Club.

Aug. 22, 1956 (Omaha, Neb.) Nebraska Investors Bankers Association annual meeting and field day at the Omaha Country Club. A cocktail party at the Omaha Country Club precede the event on Aug. 22.

Sept. 1-2, 1956 (Minneapolis, Minn.) National Association of Bank Women—24th Convention and annual meeting at the Hotel Radisson.

Sept. 11-13, 1956 (Chicago, Ill.) Municipal Bond Club of Chicago 20th annual field day at the Medina Country Club (preceded by a dinner Sept. 13 at the University Club of Chicago).

Sept. 27, 1956 (Rockford, Ill.) Rockford Securities Dealers Association seventh annual "Tribbing" at the Forest Hills Country Club.

Oct. 4-6, 1956 (Detroit, Mich.) Stock Exchange Firms meeting of Board of Governors.


Nov. 14, 1956 (New York City) Association of Stock Exchange Firms meeting of Board of Governors.

Nov. 25-29, 1956 (Hollywood Beach, Fla.) Florida Bankers Association of America annual convention at the Hollywood Beach Hotel.

April 21-23, 1957 (Dallas, Tex.) Texas Group of Investment Bankers Association annual meeting at the Statler Hilton Hotel.


DEPENDABLE MARKETS

LAMBORN & CO., Inc. 99 WALL STREET NEW YORK 5, N. Y.

SUGAR

Raw—Refined—Liquid Export Imports—Futures

DREYFUS-TEGELER & CO. Inc.

LETS LOOK AT THE BRIGHTER SIDE

Many thousands of Americans are cured of cancer every year. Many more people are going to their doctors in time. To learn how to head off cancer, call the American Cancer Society or write to "Cancer" in care of your local Post Office.
Estate Planning and Its Tax Aspects

By William W. Vicinus

Vice-President and Investment Corporation Partner, John H. G. Pelt & Co., New York City

Investment advisor traces numerous factors affecting estate planning and the usable instruments; and examines progress in the field, its usefulness and general effects. Asserts inflation effects during depression years may create a new investment climate making current income less important than capital gain and loss. Maintains that mutual funds in combination with estate planning techniques make available a concerted program affording immediate and continuing benefits to the individual.

Introduction

Estate planning is a relatively new science for those persons existing as long as personal property. The two essential branches of planning for lifelong utilization, and planning for distribution after death — have frequently been separated as a practical but essentially

* * *

that portion left after taxes, but frequently unable to utilize capital. The so-called "capital gains," while essentially a tax on gain, is chiefly a tax on income. Current emphasis on capital gains is due partly to two primary causes: inflation and the greater value of the capital dollar. While a dollar of dividend income may be worth only 80 cents, a dollar of capital gain, to the extent that it is reinvested in the capital gains dollar where the top tax is 25% it is unfortunately not true that the capital gains tax is a flat tax. A couple making $5,000 a year, who have

$1,000 per year for six years. For example, let us consider a man in the $8,250 tax bracket with a $10,000 loss and who became a taxpayer in 1931 because of his loss in investing and the imposition of the Estate tax where the 1913-1925 estate tax rate was 75% of $100,000. If the estate tax

The Federal tax on income is possibly the most widespread, important, and important of all taxes. Revenues from this source constitute the major income for the Federal Government. At the individual level, income at a rate that has caused concern as well as investment changes in the last decades. One of the major effects of this tax is to make the accumulation of capital for investment purposes even more difficult. Somewhat paradoxically, the increasing prosperity of the country coupled with higher income tax rates the effect of income tax has created a new and larger class of investor—the small investor or individual investor. The small investor or individual investor is affected by a variety of factors and the effect of income tax has created a new and larger class of investor.

Newport News Shipbuilding and Dry Dock Company

Quarterly Statement of Billings, Estimated Unadjusted Balance of Major Contracts and Number of Employees

<table>
<thead>
<tr>
<th>Billings during the period</th>
<th>Three Fiscal Months Ended</th>
<th>Six Fiscal Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>June 25, 1956</td>
<td>July 25, 1956</td>
</tr>
<tr>
<td>Shipbuilding contracts</td>
<td>$20,950,382</td>
<td>$25,726,314</td>
</tr>
<tr>
<td>Ship conversions and repairs</td>
<td>4,189,292</td>
<td>2,875,715</td>
</tr>
<tr>
<td>Hydraulic turbines and accessories</td>
<td>280,190</td>
<td>1,705,522</td>
</tr>
<tr>
<td>Other work and operations</td>
<td>3,637,155</td>
<td>4,656,189</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$28,970,937</strong></td>
<td><strong>$32,212,664</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Estimated balance of major contracts unadjusted at the close of the period</th>
<th>June 25, 1956</th>
<th>July 25, 1956</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>$20,705,814</strong></td>
<td><strong>$25,726,314</strong></td>
</tr>
</tbody>
</table>

The Company reports income from long-term shipbuilding contracts on an unadjusted basis. Such income for any period will therefore vary from the billings on the contracts. Contract billings and estimated unadjusted balances are subject to possible adjustment resulting from statutory and contractual performance.

By Order of the Board of Directors

R. C. FLETCHER, President
Near-Term Revival Prospect Requires Business Vigilance

By ALFRED C. BONI

Economic analyst near-term outlook is for a significant trend in national business prospects, and necessity of continued vigilance by businessmen. Mr. Boni views the picture and concludes steel price E is to be higher than the recently added $4 per ton, increased higher from a more-than-normal 1952 to presently sluggish sales, and to increasing ratio of finished goods to inventories. Notes ANS on government expenditures, higher equipment demand than supply, and better farm income picture.

The midpoint of the year is a traditional time to look back in the economy's pulse. It is time to assess the year ahead, and second, to try to assess the year as a whole.

In doing so, we see no reason to change the forecast for the rest of the beginning of the year. We foresee no substantial change in the business volume, and in the first half of the year for business was then operating at a higher level than the capacity and the supply of skilled labor.

Shad影e lessons are in the less clear picture. Numerous shadowy forces were at work, making the forecast of the economy's course through the last half of the year hard to gauge accurately.

Should Not Relax Vigilance

Numerous 1956 economic forecasts indicated, had they been numbered in the Gross National Product. They may have been a bit too high, to the under-tide of economic events would be favorable enough to warrant relaxing vigilance. Experience has shown the error of such a view, and the risks of adhering to it have to be considered.

Mounting inventories are rather more of a symptom than a cause of the current buildup. Though their aggregate value is a record level, the current inventory level is higher than the mid-1956 figure, the inventory position was relatively higher than a year ago. But there are two big differences between this inventory and the total inventories has been steadily going down from year to year.

The Automobile Picture

On the other hand, the partic-ular product of which finished goods inventories have been most strikingly is automobiles, and according to automobile dealers, inventories are growing on a large order of the economy's growth map to effect this correction. But any substantial recovery of automobile sales hinges on public reaction to the new model, which has been introduced during the fourth quarter.

The drop in demand for cars is probably caused in large part by the economic situation. Sales, Some car dealers have unloaded themselves with installment debt and home mortgage debts to cut back the limit of their present carrying capacity. Not all, by any means. The standing indebtedness represents automobiles' production. Nevertheless, the demand of the consumers' durable goods sectors cannot be overlooked. Not only are government expenditures increasing, but also the demand for heavy industrial construction, and transportation equipment. The supply of steel, new orders keep piling up, and the difficulty in the Federal and state governments for programs in industry, as production and sales in this general field fail to meet the demand. In many instances, more signs point to at least an early, the persistent decline of which in recent years has been one of the most significant developments in the automotive industry.

The Declining Steel Mills Profits to Sales Revenue

First, since the last price ad-

vantages, other-than-wage costs of steel mills have risen to an extent substantially cancelling out the $7.50 per ton average addition to revenue that advanced. As a result, the yield of steel mill profits to their sales revenues has been a sharp drop. Second, an even more solid ground for the sharp decline in the price of steel is that the cost of the products can be found in market conditions. After all, prices are set primarily by supply and demand. There is no question but that the availability and stability of the cash resources of the banks.

Upon completion of the financing of the mills, the prices on Aug. 15, outstanding notes due on Aug. 17, 1956, the balance will be re- ly about $711,000,000.

With Wachob-Bender

O M A H A, Neb.—Edmund F. Wachob, formerly with Bender Corporation, 326 15th St., 80184, has joined with John G. Kinnard & Company.

L. T. Thorburn With

With Preston, Moss & Co.

BOSTON, Mass.—L. T. Thorburn has become associated with Preston, Moss & Co., 24 Federal St., Boston. Mr. Thorburn was formerly office manager for Minot, Ken- dalI & Co., Inc.

From Washington

AHEAD OF THE NEWS

By CARLISLE BARGERON

It would be most difficult to find a Republican anywhere in the country who isn't convinced Eisenhower will win reelection Nov. 4. With this in mind, we find Democrats all over the country feel the same way.

This makes Harold Stassen's adventure among the most baffling. The idea of seeking a ticket with a group of Republican Congressmen who sent him to the Senate. In the Eisenhower Administration, he said his concern was their own reelection; in other words, that the ticket would not be worth except to the extent of jeopardizing the Presi- dent's reelection. The idea of standing as an endorser individual candidates for Congress.

He picked the wrong group to address this message to. The eastern counties of Michigan where the reverse would be true. To replace the Group on the low, these campaigns would certainly affect their candidacies and adversely.

Bargeron, Carlisle

Cognac is now affiliated with Gibbs & Co., 507 Main Street.

With Harris, Upham

Special to The Commercial Chronicle

O M A H A, Neb.—J. B. Harris, 1,100 S. Farnam St., is now with Harris, Up- ham & Co., 1904 Farnam Street.

With Smith, Clanton

Special to The Commercial Chronicle

GREENSBORO, N. C.—George A. Phillips has joined the staff of Smith, Clanton & Co., Southeast Exchanges.

With Clement Evans Co.

Special to The Commercial Chronicle

AUGUSTA, Ga.—James F. Nor- man, of the Clement Evans Co., has been with John G. Kinnard & Company.

L. T. Thorburn With

With Preston, Moss & Co.

BOSTON, Mass.—L. T. Thorburn has become associated with Preston, Moss & Co., 24 Federal St., Boston. Mr. Thorburn was formerly office manager for Minot, Ken- dalI & Co., Inc.

With F. L. Putnam

Special to The Commercial Chronicle

BOSTON, Mass.—Timothy J. Donovan has become connected with F. L. Putnam & Co., Incorporated, 77 Franklin Street, members of the Boston Stock Exchange.

First of Michigan Adds

Special to The Commercial Chronicle

DetroIt, Mich.—Jack L. Hummer has been added to the firm of Buhl Building, members of the Detroit and Midwest Stock Exchange.
Banks Prefer Compulsory Squeeze

By PAUL EINZIG

Dr. Einzig reports on the recent British Treasury's precedent-making step in inviting and speaking directly to 30 bankers, including Bank of England heads, and his disillusionment to knowing orthodox lines, which is preferred by bankers who are prepared to make the first sacrifices required. Comments on the "striking revival of moderate voluntary credit restraint system.

LONDON, Eng.—On July 24 the Chancellor of the Exchequer, Mr. Macmillan, expressed his views by inviting some 30 representatives of the lending community to speak to the Chancellor. It was the first time since the establishment of the Bank of England in 1694 that such a delegation of bankers were invited."The situation is serious," said Mr. Macmillan, "and the British government is prepared to take measures to control the credit sitting at the disposal of the commercial banks.

Bankers Prefer Compulsory Squeeze

The more difficult task was to deal with the problem of whether the credit squeeze should continue in its present voluntary form, or whether it should give way to measures compelling the banks to cut credit, or indeed, whether it should be replaced by measures of physical control. The existing system of the Chancellor's committee is in operation, while the necessity of the moment would require the volume of credit below the level in which it now stands. It is posited to expand the banks' activities in the existing system, the Chancellor relies entirely on the loyalty and public spirit of the bankers to keep down the volume of credit on the line of the existing system. This situation is by no means lines. Already, a further rise in interest rates means that the situation needs to be reconsidered. The Chancellor is in favor of making the banks withdraw their credit, but to re-extend their credit.

Voluntary Squeeze to Continue

Macmillan is not inclined, however, to be drawn into any haste. Even though he is less unconventional than he is described to be, on the basis of views expressed by the government and the Bank, it would be impossible to visualise him as a proponent of a voluntary credit squeeze, or in the words of his assistant, "It would be impossible to think of anything less.

With FIF Management

DENVER, Colo.—Paul C. Barlow, an associate of Sam E. Sugarman and Richard E. W. Jack, Jr., have become affiliated with FIF Management Corporation, 605 Broadway.
Non-Resident Ownership of Canadian Industry

By G. D. BLYTH and E. B. CARTY

International Trade Division, Dominion Bureau of Trade and Commerce

In analyzing the changing extent and rate in non-resident ownership of Canadian industry, it appears that the future income of Canadian enterprises, Canadian officials reveal: (1) foreign control rate from 45% in manufacturing, and 40% in mining, in 1948, to corresponding 153 ratio in 1953. While foreign ownership has increased in the last 25 years, the rate of control is higher; (2) foreign control properties is higher in any other highly industrialized nation; and (3) close to half of the sales of major Canadian industrial enterprises are controlled to a large extent by investment, changing technology, and opening of large-scale enterprise—all requiring huge capital outlays. Authors observe such consequences as: effect of development of non-resident income, the account in balance of payments; earnings withdrawal and cumulative effect holding down Canadian equity participation; interaction between U. S. and Canadian economies.

In any study of Canadian industry, the influence of non-resident ownership and development quickly come into the analysis. The rapid changes of the changes have introduced a new wave which in most of the world but also includes the reasons for these are not hard to find. In Canada, in the certain stage it seems to accumulate momentum. Canadian non-resident ownership and has led to access to the industrial technology which has had an increased share contributed by.

A large measure of the expansion and development of the United States has been the result of extensions of United States capital and technology into Canada through the establishment or development of establishments in Canada. In this manner United States industrial enterprises have had an abundant sources of financing in Canada which has speeded and extended the process of Canadian development. And important parts of the industrial plants have served as sources of supply for United States industry in turn closely linking Canadian growth to the United States economy. Participation by British and European enterprise and industries was also not overlooked but merely should also be noted, although not on the scale that the companies owned by the firms sponsored by United States industry.

Half Owned by Non-Residents

The pace and extent of the foreign ownership have been much less had there not been a large number of non-resident resources both technologically and financial. In the past half dozen years or so, the increase in investment in Canada has been increased in the diversity of the companies by non-residents. That suggests the degree of financial assistance. It would be very difficult to evaluate the borrowing of technology for the large companies, but it is very obviously providing the indispensable components or source of which ventures would be much more than the companies sponsored by United States industry.

This increased investment has taken the form of equity ownership and control and then with the potential for participation in subsequent years. The increased ownership providing commodity producing industries and manufacturing.

In observing this rapid development of the circumstances questions inevitably arise about the extent of government has either been more or less than any acceptable to the statistician. We will, however, try to show the extent of some of

The Commercial and Financial Chronicle... Thursday, August 2, 1956

[Image 0x0 to 703x935]
General Mills' 28th year brings new record growth

The fiscal year 1955-56 was marked by new all-time achievements for General Mills Inc. Both sales and earnings broke all previous records. Highlights from the annual report appear below. If you are interested in the full story of new record growth, we shall gladly send you the complete, illustrated report. Just write to the Department of Public Relations.

<table>
<thead>
<tr>
<th>1956</th>
<th>1955</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Sales</td>
<td>$16,052,804</td>
</tr>
<tr>
<td>Earnings</td>
<td>14,056,658</td>
</tr>
<tr>
<td>Dividends Paid</td>
<td>7,902,954</td>
</tr>
<tr>
<td>Common Dividend Paid</td>
<td>3.00</td>
</tr>
<tr>
<td>Net Earnings — per dollar of sales</td>
<td>2.7</td>
</tr>
<tr>
<td>— per share of common stock</td>
<td>5.88</td>
</tr>
<tr>
<td>Taxes per share of common stock</td>
<td>9.00</td>
</tr>
<tr>
<td>Land, buildings and equipment</td>
<td>70,336,360</td>
</tr>
<tr>
<td>Working capital</td>
<td>73,998,059</td>
</tr>
<tr>
<td>Stockholders' equity</td>
<td>131,456,892</td>
</tr>
</tbody>
</table>

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**General Mills** believes that today's research is the key to tomorrow's success. As evidence of this conviction, the following different new products were introduced by eight different divisions of The Company during the past year:

**GROCERY PRODUCTS**
- Betty Crocker Date Bar Mix
- Betty Crocker Confetti Angel Food Cake Mix
- Betty Crocker Chocolate Muff Cake Mix
- Betty Crocker Peanut Delight Cake Mix
- Betty Crocker Angel Fluff Frosting Mix

**INSTITUTIONAL PRODUCTS**
- Cheese Chip Cookie Mix
- Basic (Sugar) Cookie Mix
- Oat-N-Honey Cookie Mix
- Corn Bread Mix

**SOYBEAN PRODUCTS**
- General Mills 50% Protein Dehulled Soybean Oil Meal
- General Mills Soybean Millfeed

**FEED PRODUCTS**
- Larso SureMeal 50
- Larso SureMeal 75
- Larso SureMeal 100
- Keta-Kurb
- Larso SurePoul Pre-Starter
- Larso SureStart

**MECHANICAL PRODUCTS**
- Autofab Short Run Assembly Machine
- Autofab Soldering Machines
- General Mills Radar Tester

**SPONGE PRODUCTS**
- O-Cel-O Plastifoam Bath Mat
- O-Cel-O Plastifoam Bath Mat
- O-Cel-O Plastifoam Soap Dish

**CHEMICAL PRODUCTS**
- Veramid 125
- Series of Fatty Acid Derivatives

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*General Mills, Inc.*

Minneapolis, Minnesota

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Our Balanced Budget—And Our Further Responsibilities

Reader denies that currently balanced budget implies country's financial stability and sound fiscal condition; in the absence of dollar's reserve, the Federal Reserve Bank of St. Louis

Letter to the Editor:

For the past several years, as you well know, there has been a considerable time and effort toward developing public interest in better program for the nation's financial position. This has led to the development of a reliable foundation of the gold standard. It is evident that the Federal Reserve System, the Federal Reserve Board, and the Federal Reserve banks, are working hard to maintain the gold standard and to stabilize the currency.

In 1927, Alexander Hamilton, author of the Report of the Committee of Five, said that the national debt should be paid off in gold, and that the government should be free to issue paper money as needed. In 1934, President Roosevelt issued an executive order fixing the price of gold at $35 per ounce, and the government took over the production and distribution of gold. In 1941, President Roosevelt issued a proclamation declaring that the United States would no longer accept paper money as legal tender, and that all currency was to be used only for payment of salaries and wages. In 1946, President Truman issued an executive order repealing President Roosevelt's proclamation, and allowing the issuance of paper money again.

In 1951, President Eisenhower issued an executive order establishing the United States Gold Reserve, which consists of gold held by the United States government. The reserve is valued at about $420 billion. The purpose of the reserve is to provide a safeguard against speculation against the dollar and to help maintain the value of the dollar.

The United States government has been successful in maintaining the gold standard and in stabilizing the currency. The government has taken steps to ensure that the gold standard will not be abandoned.

To that extent these monetary leaders are to be congratulated. But they can hardly be congratulated on their financial condition, which has failed to achieve the desired goal.

The financial condition of the United States is still very weak. The government has borrowed heavily to finance its operations and to pay for its military activities. The government has also been forced to spend large sums of money on social programs and welfare payments.

The government's financial condition is a matter of great concern to all Americans. It is important that the government continues to follow the policies that will help to stabilize the currency and keep the nation's financial condition sound.

The government is working hard to achieve these goals. It is important that we all do our part to support these efforts.

FREDERICK G. SHULL

Editor, Commercial and Financial Chronicle
Securities Salesman's Corner

BY JOHN DUTTON

Fundamentals of Security Salesmanship

ARTICLE V.

How To Read And Study—also the “how to” of investing, and the "how to" of writing, are two phases of the same activity. This makes mental notes the importan...

Read with a pencil. Since I am looking for the "meat" of a subject, I look for the main headings and the pertinent facts and details. I mentally analyze the material in my mind as I read, and then write down what I have learned. This is the only way to be effective in your sales work.

Concentrate. Learn to read and understand a new book or a new subject in a short time. You can do this if you have a good, clear mind and the ability to concentrate. You can do it at night before breakfast. It is a good way to study at night before breakfast, and to make the most of your time. It is a good way to be effective in your sales work.

Find a time to read. Some people like to read in the morning. I don't. I read in the evening. A good time to read is when you are relaxed, and when you are not disturbed.

PERSONALITY:

I am not advocating that neophytes make up their own minds about the market until they have had some experience in the market. I am suggesting that you read a good book or a good magazine every week. I am suggesting that you read a good book or a good magazine every week.

The Conference of Governors has been developing a series of articles on the Federal Reserve System, and will continue to do so in the future. You can do this if you have a good, clear mind and the ability to concentrate. You can do it at night before breakfast. It is a good way to study at night before breakfast, and to make the most of your time. It is a good way to be effective in your sales work.

DOWNTOWN AREAS:

A second urgent problem of our cities is the tendency of public and private property to deteriorate too rapidly. The cities of our country are centers of power and commerce which today, as the American dream, Yet, as I travel the world, I find that the cities of our country are centers of power and commerce which today, as the American dream, and even barbers are merely employees to the voters of these groups. It is so urgent that it is necessary to be direct for such protection. No man wish to take back the streets, but all the necessary and inspections and others should be added to these. If this welfare of these groups is to continue to increase, more city sales taxes are inevitable.

Waldron Incorporates Kesseler President

SAN FRANCISCO, Calif. — Concerned with the incorporation of the palliative control is now being announced by Waldron Incorporates Kesseler President.

Francis X. Martinez

Pub. Relations Office

PHILADELPHIA, Pa. — Francis X. Martinez has opened offices in the city, and has conducted a public relations business. Mr. Martinez has recently been appointed as Science and Nuclear Energy. Prior there he was with Albert Frank. Wittenberg Law, Inc.

To Form Zimmermann Co.

Zimmermann Co., members of the New York Stock Exchange, will be formed as of Aug. 9 with offices at 314 Madison Avenue, New York City. The company will conduct a public relations business. Zimmermann Co., members of the New York Stock Exchange, will be formed as of Aug. 9 with offices at 314 Madison Avenue, New York City. The company will conduct a public relations business.

Cecil Griffen

Cecil Griffen, member of the New York Stock Exchange, passed away on July 24.

Lunt Chairman of College Fund Drive

Samuel D. Lunt, partner of Hamlin & Lunt, members of the New York Stock Exchange, has been elected a trustee of the College Fund drive for the Empire State Fund, an association of independent colleges.

The campaign for the Empire State Foundation will begin on July 15. The campaign will be conducted by a state-wide committee of industrial leaders, and the Federal Reserve Bank of St. Louis will provide funds to meet the $500,000 goal set for the campaign.

The following colleges and universities are members of the Empire State Foundation: Alfred University; Bard College; Barnard College; Baruch College; City College; City University of New York; D'Youville College; Elmira College; Hamilton College; Harvard University; Haverford College; Hunter College; Keuka College; Keuka College; Lehigh University; Manhattan College; Middlebury College; Mount Holyoke College; New York University; New York University; Oberlin College; Pennsylvania State University; Smith Colleges; Houghton College; Ithaca College; Keuka College; New York State College of Science; New York Unive...

White, Weld Group Offers El Paso Nat. Gas Preferred Stock

White, Weld & Co. is managing an investment banking syndicate (Aug. 3) to offer preferred stock of El Paso Natural Gas Co., 6.50%, $100 par value (at a price of $100 per share, plus accrued dividends. The offering is expected to consist of approximately 80,000 shares.

The first preferred stock preferred to be issued will be limited to the number of preferred shares already outstanding. The number of preferred shares already outstanding is about 1,800,000 million shares of 12% preferred stock, 32,000 shares of 12% preferred stock.

The company is currently engaged in an expansion program involving expenditures of more than $100,000,000, and it has had its first preferred stock, 32,000 shares of 12% preferred stock, 32,000 shares of 12% preferred stock. The company's main transmission pipeline lines is about 1,838 million cubic feet per day. The company's main transmission pipeline lines is about 1,838 million cubic feet per day.
**THE MARKET . . . AND YOU**

By WALLACE STREETE

Stocks finally worked up enough strength this week to break out of the pattern which has stalled the advance for the rather protracted period of three weeks. There was little disposition on the part of the industrial average to proceed speedily with the task of testing the previous high, but it is possible May decline and boost prices on average back to April levels in position to try for a new high on any show of sustained strength.

Metal shares were the leaders as the list finally chewed up the opposition at the resistance level. Strength was general among the non-ferrous and steel shares alike, somewhat clouding the implications of whether or not it was a celebration over the fact that the steel mills will be reopened in one month strike shutdown.

A couple of flaws spoiled the picture a bit. For strength was highly welded. For another, the rails showed little inclination to take over leadership, although they were the only ones allowed to the steel strike with dour action as their carloadings dropped off and workers were furloughed.

**Pressure on Oils Lifted**

One rather definite development was at least the temporary end pressure on the international pricing of some of the more recent contracted by nationalization of the Suez Canal. The pressure on these since August has been considerable, however, was mitigated by an active demand for selected domestic issues not involved in the dispute.

A combination that had merit both from its good operating results as well as its oil appeal was Northern Pacific Railway which was able to boost income moderately for the first half of the year with projected figures amounting to about $4 a share for the issue for the full year. At that level it would be a case of market price of a modest 10-timess-earnings. The road has some eight million acres of oil lands and its income from the producing wells on its lands are expected to reach $3,000,000 this year and $1,000,000 more out of its source from this income last year. A rather long-range project, which for a couple of years has been stalled, was worth while cost-reducing move, is merger with Great Northern which is again under study, although no decision is expected for at least a year.

Road building stocks have been anything but prominent. Profits-takers are apparently unwilling to seek out a near-term appreciation, although the highway construction programs promise to be active. Not only is the present vehicle population far ahead of the road situation but there is also the encouraging trend to the constant growth in the number of cars registered, or that the highways will catch up in any yearly period. Apart from the highway work, expansion in other lines that require extensive hauling remains one of the most promising, such as Caterpillar which worked down to less than 2% yield while others in the Bucyrus-Erie, Gardner-Denver and Worthington were selling at a yield of 4% to as much 5%.

**Diversifying Companies**

Bucyrus-Erie, in fact, has a whole new group of lines for all sorts of contracting and public works machinery while Worthington, in what is its large machine line, is also an important factor in the air-conditioning field. Even the companies not in the heavy equipment line such as Consolidated in their highway projects at present are expected to jump into the field once the road building program starts to go under way. Poor & Co., for instance, only credits around a fourth of sales to road machinery, but there are some indications that the firm could double this rather readily.

Aluminum issues have been able to give a good account of themselves in the recent rebound, but are still rather widely favored as a group that could continue to forge ahead in line with the growth situations. Output is running at record levels with a new peak expected for the entire year, yet expansion is the keynote with Kaiser Aluminum planning to add half again as much capacity as Consolidated Titanium, Ltd. is projecting a better-than-40% increase in output as demand continues to expand.

**Letter to the Editor:**

**Professor Slichter, Planned Economy and Inflation**

Reader takes issue with Sumner Slichter's recently expressed views on the functioning of the price level. Maintains inflation, whether "creeping" or "galluping," is an economic disease.

**Bache & Co. Predicts Nation's Business Will Pick Up in Second Half of Year**

Although all indications point to an upward move by business during the final six months of 1956, the stockmarket, in the near future, "will continue to experience trading range pending appraisal of the impact of the tax cut." Bache & Co., members of the New York Stock Exchange, N. Y., stated in their summer edition of the company's "Economist," which has been "the most moderate appraisal exceeded, the going market price of the stock by a considerable margin," because of its confusing name, is also a refiner and marketer of aluminum products since its acquisition two years ago of Champin Refining Co., which since has had its capacity increased some 40%. In production during a year of some 170,000,000, the company also holds better than a million other acres on which an ambitious drilling program is underway this year at an expenditure of more than $3,000,000.

The piece expresses in this article do not necessarily at any time coincide with those of the first appearance as those of the author only."

McElvins Adds to Staff

(Except in The Financial Conger)

MIAMI, Fla.—Alfred F. DuVerger is now connected with McElvins & Co., Inc., Beverly Hills, Calif., members of the Pittsburgh and Philadelphia-Dallas-Baltimore Stock Exchanges.

"Opposed to these weaknesses," he concludes, "there has been surprising strength in certain sectors of the economy: First, a strong upward move in business from $28.7 billion in 1955 to $32 billion in 1956. This affects the capital goods industries which are basic to much of the tempo of the expansion in terms of volume of industrial and commercial activity. Second, there have been signs of a tentative, though not overly widespread, upturn in the building trade. Third, there has been very little enthusiasm for further increases in the price level.

"It added that "the net effect of these opposing forces to date has been the maintenance of a high level of business activity generally with employment and production figures plateaued virtually unchanged from their levels at the beginning of the year. Investors, therefore, may be easily misled by a cursory study of the business situation without examining the components and this is particularly true of the railroad and utility industries for selectivity in investments, Bache & Co. declared."
Commenting upon the indications of 15% gain in revenue passenger miles for 1956, Northern Trust Company reports air passenger traffic strong. A long-haul passenger service in the first year of transpacific air travel in 1955; believes domestic air traffic will exceed all rail and Pullman passenger traffic-excluding commuter travel; and predicts new capital outlays may bring the grand total equipment to $4 billion.

The "optimistic forecasts for continuing rapid growth in air traffic volume, combined with the heavy debt-service charges for new equipment for new equipment, under the industry's continuing efforts to capture a growing share of the travel market. The additional improvements and economies in cost and safety to be realized as the new equipment is proved to perform, and the offering of special segment (such as coach, touring family travel) will play an important role in the industry's drive toward this goal."

Table to Give Course
In Mkt. Forecasting
The Bernard M. Baruch School of Business Administration, The City College of New York, expects that Edmond Tabel of W. Tabel, Inc., will give a course this Fall. Tabel is President of the Market Fore¬


Volume 184 Number 5556... The Commercial and Financial Chronicle

Bank and Insurance Stocks

This Week — Bank Stocks

No great acumen was required to forecast higher bank stock earnings for the 1956 second quarter. For a number of quarters there has been an appreciable increment in fee and service earnings; and with increasing volume of loans and the higher rates applying to more and more secured loans, future income might be expected at the 1956 rates there could be only one way: a continuation of the trend.

Bank stocks are getting to be better values on several important tests. First, in the important consideration: the price-earnings ratio; only two of the 13 leading New York City bank stocks showed gains against the favorable ones for the 12 months ending June, 1956, than for the like period a year earlier. In other words, the market in bank stocks is more favorably disposed to the investor now than it did a year ago when the banks were really very much in favor.

Then there is the matter of the proportion of operating earnings disbursed in dividends. In the 12 months ended June 30, 1955, this averaged out about 58%, while at the later period the ratio stood at 55%, or an average of 5% less. This augurs some dividend increases for it must be borne in mind that the banks have been on a relatively scant pay-out basis, as a result of which reserves and retained earnings have been greatly increased. So much so, in fact, that there is now every justification that some increases be made. Certainly, with the profit ratios generally as conservative as they are, the need to build up capital funds is not urgent or pressing, and hence dividend increases are a logical expectation.

Of our 13 banks, 11 showed a lower pay-out ratio for the 12 months ended June 30, 1956, than in the similar earlier period, while the remaining two showed the same ratio as in the earlier 12 months.

Another important ratio is the rate of operating earnings on book value, or stockholders' equity. Here all 13 banks showed a greater rate of earnings on book, using the same 12 months' figure, than in the year of the earlier ratio at 15.2%.
Western Europe Today

Beginning to develop as a sort of American-Puerto Rico, giving preferential tax rates to new industries in order to lure much of the windfall of oil out of the Gulf region, has raised a new problem: how to handle the huge influx of gold. The United States, with its own vast gold reserves, is in a position to impose controls, but only to Sicily but to all Italy, where the tax on gold imports is a source of revenue.

As a matter of fact, there is a growing fear in Italy that if additional reserves exist in the Mediterranean area, Italy, at the moment, is lacking the proper legislation to permit its exploitation.

While the unemployment figure for Italy is 14%, it is still less, however, than the 14.5% which was reported in the fall. The small, but significant, fall in the unemployment figure for Italy is probably due to the fact that the industrial expansion has largely been accompanied by a corresponding rise in the price level. Now appears to be some evidence that productivity capacity is rising. This is called the saturation point. The latter finding is the indication that stable operations on a high level can continue over the future.

Italy has become a serious problem in the near future. The country was considered the wonder child of Europe. Unfortunately, Italy is not equipped to deal with the problem. The government has taken some steps to control the situation, but the effects have been negligible. The country is facing a serious problem, and the situation is likely to become worse in the near future.

Germany was my next point of call and I was rather surprised to find a country that is still suffering from the effects of the war. The situation is not as bad as it was a few years ago, but it is still a problem. The country is facing a serious problem, and the situation is likely to become worse in the near future.

Inflation has thus far been kept fairly well in check, but it is still a problem. The pressure of the war has had a severe impact on the economy, and the government is trying to control the situation. The situation is likely to become worse in the near future.

France has become a serious problem in the near future. The country is facing a serious problem, and the situation is likely to become worse in the near future.

German inflation has thus far been kept fairly well in check, but it is still a problem. The pressure of the war has had a severe impact on the economy, and the government is trying to control the situation. The situation is likely to become worse in the near future.

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finished goods, and the inability to control output by any substantial extent.

Each country has attempted to control its inflationary trend. In broad terms these have been divided into two classes, the inflationary trend continues, the United States, because the inflationary trend continues, the United States, because the Federal Reserve Bank of St. Louis

The Federal Reserve Bank of St. Louis

To quote Doctor Albert L. Hahn, writing in a German publication, "The United States finds itself in a real dilemma. Over one moves further north, permitting the boom to continue until a serious recession later takes place, with the consequence of an immeasurable recession, which is particularly difficult in an election year. In the long run, however, over the longer term, the latter way be by far the most healthy, because if something does not mean that it will work, then in the end it means that nothing is right. And it is probably too much to be expected of the political party that proper economic measures be taken that might lead to the suicide of the party."

In conclusion, therefore, it seems clear that the future outlook continues to be excellent, but, as in every inflation, it is not of the type or another which is being experienced. The extent to which, and to the extent that, this will be the case, and for that matter, in the belief that business men will continue to improve correction measures, and also the degree to which this will be the case. In the longer term the extent of the boom and subsequent recession will be

Walter Merkel & Associates Formed

Formation of Walter Merkel & Associates at 92 Liberty Street, New York City, has been announced. The firm will specialize in financial planning, public relations, and sales promotion of consumer goods and services, as well as in the marketing of consumer goods and services

With Walter Merkel

With Hamilton Management

With Hamilton Management

3 With Mountain States (Special to The Commercial and Financial Chronicle)

DENVER, Colo.—Edmund E. Bobb, Jr., Eastern Vice-President, and Robert J. Paul have become associated with Hamilton Management Corporation, Denver Bank Building. Mr. Bobb was previously with American Securities Co.; Mr. Paul with Robert J. Connell, Inc.

Stockerholders of the Beaver Bank of Alleghany, Alleghany, N.Y., have authorized the charter amendment of the bank to increase its capital stock, and increasing the capital from $30 million to $50 million. The bank held, August 31 to hold a meeting to be held Aug. 31 to hold a meeting. It is anticipated that the payment of the stock dividend will reduce the annual regular dividend of $5 per share will be continued on the larger capitalization. Dividends on both preferred and common stock will be increased to 40 cents per share, and one-for-nine were paid in 1931, 1934 and 1935 respectively. The fiscal year of the bank will be held $750,000 million to the bank's capital.

Edward V. Baugher, consultant in corporate finance and investment, has been elected a director of the Ohio National Bank of New York, it was announced on July 23 by Arthur S. Kleeman, President, to the board of directors of a New York City bank with over $120 million in national banking in addition to his consulting responsibilities, Mr. Baugher is a director of the Alleghany Corporation and a director of the Saco & Penobscot Color Inc. His election brings to 33 the number of stockholders of the bank.

As of July 16, the Franklin National Bank of Franklin Square, Long Island, N.Y., reports a capital stock of $100,000, and a surplus of $7,950,000 by a stock dividend of 20 per cent. This dividend was declared on the capital were referred to in our July 3 issue, page 80.

The Meadow Brook National Bank of East Meadow, Long Island, N.Y., has declared a stock dividend of $109,810, as a result of $4,000,000 capital stock, $4,500,000 of surplus, and the capital were approved by the New York State Banking Department on July 19.

Approved by the New York State Banking Department on July 13, the merger was effected as of July 2 between the First National Bank of Greenwood, N.Y., into the Security Trust Co., Long Island, N.Y., under the title of the trust company. The bank's location is on the 10th floor of the Banc of the Security Trust.

The capital of the First National Bank of Poughkeepsie, N.Y., began increasing being increased from $600,000 by the sale of $220,000 of new stock.

The Andover National Bank of Andover, Mass., has increased its capital as of July 19 from $200,000 to $250,000, as a result of a stock dividend of $25,000 to the shareholders.

John C. Barbour has been elected President of the Board of Directors of the National Bank & Trust Co. of Passaic, N.J., according to the President's letter circular. Robert W. Knapp, Jr., Board of Directors.

An increase of $400,000 in the first National Bank of St. Louis, Mo., has been made available for the purchase of 2500 shares of stock at $2,500 effective June 30.

The American National Bank in St. Louis, Mo., has increased its capital stock from $100,000 to $125,000. Part of the increase — $48,000 — was authorized by a stockholders' meeting, the last name amount was effective July 19.

The sale of new stock to the amount of $500,000 by the National Bank of Commerce, San Antonio, Tex., has increased the capital stock of that bank from $750,000 to $1,250,000, effective July 19.
Economic Consequences Of Disarmament

Sen. Res. 150 which states: "That it continues to be the declared purpose and policy of the United States to seek to obtain within the United Nations, as quickly as national security and enforceable world disarmament." Over a year ago, President Eisenhower, Secretary of State Stassen, Special Assistant on Disarmament, with the advice of Mr. Dulles, has been seeking agreement for an exchange of military information with both the United States and the U.S.S.R. as a first step in the achievement of a safe, practical, and effective system of inspection and disarmament. The continuing influence of the Cold War in disarmament is reflected in its proposal to create a new year ago of a Special Senate Subcommittee on Disarmament under the Chairmanship of Senator Sherman.

Sincere Hope for Disarmament

This record over four decades gives clear evidence of the hope of Americans for disarmament and the use of our resources for peace purposes. Every effort toward this end is being made with the hearty support of all citizens. We are not blind to the tremendous problems which face us and which must be overcome to make world safety a reality. On the other hand, it is surely not premature to give serious consideration to the consequences of achievement of a truly peaceful world.

One of the most important of these consequences, I believe, will be a significant change in the character of the American economy. Such a change is likely to result from problems requiring adjustments both in our policies of economic development and in our policies of economic affairs. More important, it will result in a creation of wealth for making tremendous advances in the material well being of not only the United States but of all the world.

The American economy today is strongly influenced by the necessity for maintaining the national defense establishment. It is difficult to identify any area of public policy which is not affected to some degree by these policies which have not been determined or influenced by the military production requirements. These requirements have been the extent and character of our economy's contribution to the virtue of their emphasis on development of certain types of industrial capacity. Competitive relationships and other structural elements of American industries have reflected the impact of large-scale defense production.

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>Gross National Product in Relation to Government Expenditures Actual, 1939-1955; Estimated, 1956</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
<td>Gross National Product</td>
</tr>
<tr>
<td>1955</td>
<td>$2,388,807,000,000</td>
</tr>
<tr>
<td>1954</td>
<td>$2,303,807,000,000</td>
</tr>
<tr>
<td>1953</td>
<td>$2,213,807,000,000</td>
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<tr>
<td>1952</td>
<td>$2,123,807,000,000</td>
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<tr>
<td>1951</td>
<td>$2,033,807,000,000</td>
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<tr>
<td>1950</td>
<td>$1,943,807,000,000</td>
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</tbody>
</table>

The Economic Cost of Defense

We can get a broad perspective on the possible economic consequences of disarmament by examining the economic costs of defense.

In the 19 years since World War II, the Federal Government has spent $319 billion on goods and services for national security. Major nonmilitary expenditures are currently taking about 10% of the Gross National Product. (See Table 1.)

Out of total budget expenditures of $2.58 trillion in 1955, only was for defense spending, reduced from $3.51 trillion in 1952 and 1953, and 1954, but there was a significant shift to composition of defense expenditures from $1.69 trillion in 1955 and the $12 billion going for procurement of aircraft, ships, tanks, and other military equipment.

Manpower requirements of our Government and military, however, are relatively small in terms of the total workforce. About 2,865,000 people are in the armed forces, of which 500,000 are employed by the Department of Defense, 1.3 million by the Department of the Interior, and 1,2 million by the Defense Department in 1955. In addition to these more than 2 million people, millions of people in industry spend all or part of their time on the production of military aircraft, shipbuilding, and other defense expenditures.

Clearly, the elimination of defense mobilization, or even substantial reductions, for the first time in our history, the average number of defense workers fell by 1 million full-time defense workers between January and March 1955. This change coincided with the voluntary outlays for 1955 and 1956. (See Table 2.)

The cost of arms and defense, however, are better expressed in terms of the additional taxes or dollar outlays required to produce the $20 billion in additional defense outlays. (See Table 2.)

Costs of arms and defense, however, are better expressed in terms of the additional taxes or dollar outlays required to produce the $20 billion in additional defense outlays. (See Table 2.)

Some prospose to see in this situation the basis for an alleged "economic expansion." The U.S. on the basis of $1 billion in taxes, according to the Soviet propaganda, the economy is expanding its productive capacity. To the Soviet point of view, we have a "limited" economy characterized by a "limited" growth, and a "limited" capacity. The U.S. economy, on the other hand, is characterized by a "potential" economy, characterized by a "potential" growth, and a "potential" capacity.

One of the most important of these consequences, I believe, will be a significant change in the character of the American economy. Such a change is likely to result from problems requiring adjustments both in our policies of economic development and in our policies of economic affairs. More important, it will result in a creation of wealth for making tremendous advances in the material well being of not only the United States but of all the world.

The American economy today is strongly influenced by the necessity for maintaining the national defense establishment. It is difficult to identify any area of public policy which is not affected to some degree by these policies which have not been determined or influenced by the military production requirements. These requirements have been the extent and character of our economy's contribution to the virtue of their emphasis on development of certain types of industrial capacity. Competitive relationships and other structural elements of American industries have reflected the impact of large-scale defense production.

The Economic Cost of Defense

We can get a broad perspective on the possible economic consequences of disarmament by examining the economic costs of defense.

In the 19 years since World War II, the Federal Government has spent $319 billion on goods and services for national security. Major nonmilitary expenditures are currently taking about 10% of the Gross National Product. (See Table 1.)

Out of total budget expenditures of $2.58 trillion in 1955, only was for defense spending, reduced from $3.51 trillion in 1952 and 1953, and 1954, but there was a significant shift to composition of defense expenditures from $1.69 trillion in 1955 and the $12 billion going for procurement of aircraft, ships, tanks, and other military equipment.

Manpower requirements of our Government and military, however, are relatively small in terms of the total workforce. About 2,865,000 people are in the armed forces, of which 500,000 are employed by the Department of Defense, 1.3 million by the Department of the Interior, and 1,2 million by the Defense Department in 1955. In addition to these more than 2 million people, millions of people in industry spend all or part of their time on the production of military aircraft, shipbuilding, and other defense expenditures.

Clearly, the elimination of defense mobilization, or even substantial reductions, for the first time in our history, the average number of defense workers fell by 1 million full-time defense workers between January and March 1955. This change coincided with the voluntary outlays for 1955 and 1956. (See Table 2.)

The cost of arms and defense, however, are better expressed in terms of the additional taxes or dollar outlays required to produce the $20 billion in additional defense outlays. (See Table 2.)

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extant required by inadequacy of present demand for their services. Such compulsory payment of the directors that timely action would be required to maintain employment for their benefit and in the interest of the community. Furthermore, the effective stabilization of the device to meet the needs of the community in an aggregate demand is fiscal policy. If a cut would lead to a deficit against the country as a whole with respect to the amount of its current spending. A decision to rely on revenues rather than to consider for a reduction in order to increase profits and thereby power. The effectiveness of such action in stimulating increases in private demand has been repeatedly demonstrated in the past. Even in the 20th century conditions such as the 1929 crisis, if private spending was facilitated, would probably have resulted in a reduction of the economy.

Alternatively, in reduced demand, would be facilitated by making credit and money more readily available at lower rates, by reducing reserve requirements of banks, by purchases of government securities by the open market.

There is increasingly widespread appreciation of the importance of public policy in the expansion of economic capacity and of employment. The Federal Reserve System can expand credit and thereby reduce the costs and increasing the availability of credit, by lowering reserve, thereby reducing the need for government securities, by purchases of government securities, by its Board's Open Market Committee.

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We must anticipate that the financial position of the government resulting from substantial increases in government expenditures over many years will require considerable attention to improve management of the government's financial resources sources of our economy, and the implications of the national debt. It is important that the government should not be the sole source of revenue, or if present resources and financial resources available, or if present resources are inadequate, to provide for the development of the national economy.

Such adjustments cannot be made on a large scale only for the management, employment, and income of businesses and the Federal Government in particular.

On the whole, the best assurance that such adjustments will be made and that they will be made for the benefit of all groups and of all individuals, is to be found in the efficiency of the government's management of the national economy.

Area redevelopment programs may offer substantial assistance for a general framework of development and unfinished industrial capacity and the result of the failure of shorter periods of unemployment, and the need for full employment of all the resources of the economy. As we all know, the economic impact of our high level of defense spending is such that it affects all segments of the economy. The high level of defense spending would greatly affect labor, the supply of labor, the general economic conditions, and the economy in general.

There is a tendency, however, the part of some members of the public, which is based on the idea of the benefits of a general framework of development and unfinished industrial capacity and the result of the failure of shorter periods of unemployment, and the need for full employment of all the resources of the economy. As we all know, the economic impact of our high level of defense spending is such that it affects all segments of the economy. The high level of defense spending would greatly affect labor, the supply of labor, the general economic conditions, and the economy in general.

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I hope that we are not only aware of the importance of public policy in the expansion of economic capacity and of employment. The Federal Reserve System can expand credit and thereby reduce the costs and increasing the availability of credit, by lowering reserve, thereby reducing the need for government securities, by purchases of government securities, by its Board's Open Market Committee.

<table>
<thead>
<tr>
<th>Item and Year</th>
<th>Total Shipments &amp; Castings</th>
<th>Defense Shipments &amp; Castings</th>
<th>Mill Products and Castings, 1933-1935</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel (Tons)</td>
<td>81,461,926</td>
<td>7,075,608</td>
<td>9.9%</td>
</tr>
<tr>
<td>Copper (Tons, lbs.)</td>
<td>56,608</td>
<td>1,021,319</td>
<td>1.8%</td>
</tr>
<tr>
<td>Copper (Tons, lbs.)</td>
<td>5,048,226</td>
<td>585,604</td>
<td>15.0%</td>
</tr>
<tr>
<td>Aluminum (Tons)</td>
<td>3,111,159</td>
<td>273,680</td>
<td>8.8%</td>
</tr>
<tr>
<td>Aluminum (Tons)</td>
<td>3,097,766</td>
<td>263,704</td>
<td>8.5%</td>
</tr>
<tr>
<td>SOURCE: Office of Defense Materialization.</td>
<td>4,007,820</td>
<td>345,388</td>
<td>8.6%</td>
</tr>
</tbody>
</table>
As We See It

lower taxes. Of course, it would be folly for him merely to demand lower taxes. The outlook continue at the present time unless for one of two reasons that have characterized the Federal budget in recent years, and which continue to characterize it. Every category of expenditures has been enormously greater and outgrowns.”

Different Farm Policies

If voters in those states are particularly interested in farming, they do not let it be known in no uncertain terms that they expect revolutionary changes in the agricultural policies of the nation—changes designed to require agriculture to stand on its own feet. It will not lie the state the voters are not content with the status quo, and far greater than they need to be. They will not doubt any longer and until the politician is convinced that the voter means business when he demands a far more reasonable level of security.

The thoughtfulness citizen who understands and realizes the incredible extent to which his community is supporting the farm programs, to the support of all sorts and descriptions of projects and programs must now become vocal in his protests and convince himself that the country is supporting the farmers: The vast number of employers and others who know full well that the tactics of many of the labor unions are costing them and their customers a great deal of money and do not want to make it known that they want a policy on the part of government which will not aid and abet such waste and injustice. The same is, of course, true of much of the business community, which are unwilling to support or become involved in any form of labor unionism or similar laws and much else that now renders it doubly difficult to get the work of the world done with dispatch and efficiency.

The Securities Acts

The securities acts do not directly affect a very large proportion of the people of the country, but their influence is pervasive. Certainly, many a man and woman who never buys or sells a security or even knows much about the transactions in which they do not disapprove of such enactments as these and that they would like to see them removed from the statute books, or at least very drastically altered. The Securities Acts and the direct investments which are described above are owned by perhaps ten million people outside of Canada. This in itself will often be a sufficient reason why decisions affecting the policy of the subsidiary will rest with the parent company. It may be that the parent company may have different objectives and policies than the corporation controlled by it.

Non-Resident Ownership Of Canadian Industry

The need for capital in certain sectors of the Canadian economy is unusually large in relation to the population and the relative size of the economy. These are large sectors of the Canadian economy, and the need for capital in these sectors is particularly acute. The high dependence on Canadian capital invested in non-resident, controlled sector of industry is rapidly growing. In some spheres of economic activity, such as mining and petroleum, there are no Canadian companies, and very few are not yet realized as developments and are only a potential. And, of course, the controlling companies have as well the considerable concern of the parent companies. Consequently, this group is generally very large in the Canadian controlled group with their dependence on a large amount of parent company capital. The high dependence on Canadian capital invested in non-resident, controlled sector of industry is significantly higher than the corresponding measures for any other country. The highest dependence on Canadian capital invested in non-resident, controlled sector of industry in this country is for the mining and petroleum sectors. This is likely to be the case even where the primary need is to finance new undertakings, which require that the supply and demand for capital in these sectors be in balance. Also, it may work toward the development of a more successful expansion of the domestic economy as well as the possibility of using parent source of financing.

Invested Undistributed Profits

Recent development has thus far heightened the importance of these undistributed profits, which may be affected by changes in the country's economic situation. From the undistributed profits, a substantial portion of the profits of the parent company in the United States have been transferred to the parent company in Canada. The transfer of these undistributed profits is an important part of the parent company's capital structure. For example, the parent company's capital structure in Canada is significantly higher than the corresponding measures for any other country. The highest dependence on Canadian capital invested in non-resident, controlled sector of industry in this country is for the mining and petroleum sectors. This is likely to be the case even where the primary need is to finance new undertakings, which require that the supply and demand for capital in these sectors be in balance. Also, it may work toward the development of a more successful expansion of the domestic economy as well as the possibility of using parent source of financing.

Competition among the parent companies to attract and retain capital is particularly acute in the Canadian economy, and the need for capital in these sectors is particularly acute. The high dependence on Canadian capital invested in non-resident, controlled sector of industry is rapidly growing. In some spheres of economic activity, such as mining and petroleum, there are no Canadian companies, and very few are not yet realized as developments and are only potential. And, of course, the controlling companies have as well the considerable concern of the parent companies. Consequently, this group is generally very large in the Canadian controlled group with their dependence on a large amount of parent company capital. The high dependence on Canadian capital invested in non-resident, controlled sector of industry is significantly higher than the corresponding measures for any other country. The highest dependence on Canadian capital invested in non-resident, controlled sector of industry in this country is for the mining and petroleum sectors. This is likely to be the case even where the primary need is to finance new undertakings, which require that the supply and demand for capital in these sectors be in balance. Also, it may work toward the development of a more successful expansion of the domestic economy as well as the possibility of using parent source of financing.
The influence of the prevailing atmosphere in the United States, the ability to expand or contract operations on the basis of a firm or a short-term basis will be affected by a large degree, and because it is market relationships.

There are other important effects and the rate of change in the transportation costs associated with the location of capital.

In conclusion, in this paper we have sought to draw attention to the importance of changes in the rate of change in the location of capital and the effects of transportation costs associated with the location of capital.

The demand for loanable funds and interest rates is not expected to change significantly.

The short-term liquid obligations are expected to continue to support the market.

Interest rate movements continue to play a key role in the short-term liquid obligations market.

The new corporate issues have not been supported by the market.

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The Dynamic Decade: 1956-1965

The decade of the 1950s was a period of rapid development and growth in the United States. This was a time of technological innovation, economic expansion, and social change. The decade marked a transition from an industrial economy to a more service-oriented one, with a significant increase in the production of consumer goods and services. The year 1956 was a milestone as it represented the beginning of a new era in American history.

The 1950s were characterized by a boom in manufacturing, which was driven by advances in technology and increased demand for consumer goods. The decade saw a significant shift in the economy, with the service sector growing faster than the manufacturing sector. This was due in large part to the growth of the aerospace industry, which was expanding rapidly as a result of the Space Race.

During the 1950s, the United States became a world leader in technology, with the development of the first commercial jet airplane and the launch of the first artificial satellite. The decade also saw the emergence of the personal computer and the internet, which would revolutionize the way people work and communicate.

The 1950s were also a time of social change, with the civil rights movement gaining momentum and the baby boom generation reaching adulthood. The decade was marked by a strong sense of national pride and a belief in progress and prosperity.

The 1950s were a time of great opportunity and progress, but they were also a time of great challenge. The decade saw the rise of automation and the displacement of workers, as well as the onset of the Cold War and the threat of nuclear war.

In summary, the 1950s were a decade of great change and progress. They were a time of technological innovation, economic expansion, and social change. The decade marked a transition from an industrial economy to a more service-oriented one, with a significant increase in the production of consumer goods and services. The year 1956 was a milestone as it represented the beginning of a new era in American history.

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With Mason-McDuffie Co. (Special to The Financial Chronicle)
BERKELEY, Calif.— Carter Skaleo, Jr., of Mason-McDuffie Co., 2101 Shattuck Avenue.

Skaleo Adds to Staff
BERKELEY, Calif.— Carter Skaleo, Jr., chairman of Mason-McDuffie Co., 3699 Telegraph Avenue.

Bernard J. Harriman
Bernard J. Harriman, Assistant Chief Examiner of the New York State Commerce, was present on July 25.
Estate Planning and Its Tax Aspects

Estate planning, like many other aspects of financial life, is about making difficult choices. It involves taking into account myriad factors, such as the decedent’s personal preferences, tax implications, and the potential for long-term growth. In the context of estate planning, one of the most critical factors is understanding how to manage the gift tax.

The gift tax is based on the value of assets transferred during life to another person. It applies to transfers of property, both tangible and intangible, and is designed to prevent wealthy individuals from avoiding taxation by giving away their assets just before death. The tax is levied on the donor, not the recipient, and is calculated based on the fair market value of the property.

In this context, it is important to note that the federal gift tax is only one of several taxes that can apply to an estate. Other taxes, such as the estate tax, may also apply, depending on the size of the estate.

It is also important to understand that estate planning is not just about avoiding taxes. It is also about ensuring that the decedent’s wishes are carried out, protecting beneficiaries from financial strain, and minimizing the administrative burden on the estate.

In conclusion, estate planning is a complex and multifaceted field that requires careful consideration of a wide range of factors. It is essential to consult with a financial advisor or estate planning specialist to ensure that the estate is planned in a manner that maximizes benefits and minimizes costs.

King Merrill Adds
(Special to The Financial Chronicle)

DENVER, Colo. - Robert G. Campbell has joined the firm of King Merrill & Co., Inc., 817 Seventeenth Street.

Joins Walton & Co.
(Special to The Financial Chronicle)

Louis Lawrence has been appointed to the firm of Walton & Co., 107 Center, Denver.

With Filosa Securities
(Special to The Financial Chronicle)

Louis Lawrence is now affiliated with Filosa Securities Company, 259 National Bank Building, Grand Junction, Colo.

Joins Guss Staff
(Special to The Financial Chronicle)

Guss Staff, 708 Coloma, salt Lake City...
The Security I Like Best

net effect would be a sizable increase in the above estimates for the Pittson common.

But there are other plus factors in the Pittson situation. Tonnage from colliery coal subsidiaries, though less dynamic, provide an important cushion to Pittson's business. The company is one of the country's largest independent bulk purchasers of oil, distributing at wholesale near the terminals. Margins on both businesses are up, rising. Further, the company's new central computer will improve the management of the many acquisitions in this area. Operating profits should benefit, and to the large volume handled, this could exert important upward leverage on future earnings. Trucking activities, though relatively small, may have been successful. Therefore, almost exclusively a local operation in metropolitan New York via the company's U. S. trucking subsidiary and the acquisition of Briton's nation-wide armored car system, now available to the railroad's central computer, may be a significant short-cut for expansion. Pittson's diversification could be a driving force in trucking business on a national basis.

Financial position is satisfactory and no equity financing is expected despite the company's extraordinary growth and theoretical requirement of massive coal mine expansion. Dividends will likely continue at their present level of 30 annual payment in stock and there is a strong probability that the $1.20 per share rate may be increased again later in the year. Interest payments do not currently require major capital outlay. Pittson's financial position is one that could make highly favorable year-to-year earnings. With the potentially normal dilution from preferred stock conversions should not be a notable factor. In short, the company's near- and long-term prospects appear solid. It is possible that, since current operations alone seem to substantiate the price rise of 160 percent during the past year, I favor new purchases of all Pittson stock below $54. The stock is listed on the New York Stock Exchange.

SAMUEL WEINBERG
Farmer, S. Weinberg & Co., Inc.

Wisconsin Central Railroad Company

Now legal for Savings Banks in New York State, the Wisconsin Central Railroad First Mortgage 4¾% bonds due 2045 presents a very timely and attractive investment opportunity for the person who is ready to invest a substantial sum. The Wisconsin Central Railroad Company owns 1,084 miles of track running northerly from Chicago, Illinois, to Superior, Wisconsin, and thence east to St. Paul & St. Eut. Marie Railroad under a very favorable operating agreement. This railroad is an essential part of the nation's transportation network, and as such it is considered, for all practical purposes, as an Eastern extension. Wisconsin Central Railroad Company is controlled by the Canadian Pacific Railroad and thus given Canadian Pacific's entrance into Chicago. The Wisconsin Central Railroad is an asset of the Chicago & North Western Stock Exchange and currently selling at the New York Stock Exchange. This senior issue offers investors a handsome dividend yield of 3.73% which represents a value of 72.5% of the market price of $100.

Knickerbocker Investors

SAN MARINO, Calif.—Knickerbocker Investors Co. is engaging in securities business from the offices of 2484 Huntington Drive. Officers are Jack G. Quade, President; Richard O. Tufts, Vice-President, and Walter F. Pettit, Secretary.

Huffman Opens Office

PIONEER L. N., Calif.—Sylvester Huffman is conducting a securities business from his office at 459 Fifth Ave., New York City. Mr. Huffman was formerly with Oppenheimer & Co.

J. Logan Co. Adds


Join D. J. Creger Co.

DENVER, Colo.—Joseph H. Bieter, Mr. H. J. Anderson, Harold J. Miller, Carl T. Pilgrim, Paul F. Siegried, and Roger J. Skarha are now associated with J. D. Creger Co., 124 North Bright Avenue.

The State of Trade and Industry

to what the steelworkers got and can threaten shutdown of steel company capacity.

The scrap market is literally running wild. Prices shot up again in virtually all major steel centers and have been taking off in some centers. The upsurge anticipated the strong mill demand for steelmaking furnace fuel, or "hot metal" production by blast furnaces, this trade authority concludes.

A recent report of the Federal Reserve Board disclosed that about 63% of all families have mortgages on homes, the board's July bulletin said, while about 17% owed mortgage and personal debt, 19% had only one mortgage, and 19% were not yet in the "mortgage world." Of those surveyed on an automobile.

Most of the people surveyed at the installment type plans of creditors. About 45% of all those surveyed reported that they had some regular weekly or monthly installment obligations. Fourteen percent reported personal debt more frequently than spending units at other income levels, the survey noted.

The "State of Trade and Industry" index number was the highest for six years in June, rising from 7,500 to 7,800.

In the automobile industry a strike at DeSoto and a parts shortage at Chrysler Division in Detroit were responsible for a sharp drop in reported shipments, it was reported.

However, "Ward's Automotive Reports," said on Friday that the automobile industry would hit its peak during the last quarter of 1956 with 500,000 units. It was estimated that the current total for the year would be about 400,000 units.

Although all other companies scheduled production increases over last week, "Ward's" noted, Chevrolet, Ford, Studebaker, and Chrysler, which were due in 1957, said it was a strike which had idled DeSoto since Tuesday a week ago and a lack of parts at Chrysler and Ford since last Monday.

Although through Friday no companies other than Packard had begun 1956 model making, August will be spotted with shutdowns. American Motors, for one, is expected to follow the company's lead, and Corp's divisions will all halt activity next month, while such action by various Ford subsidiaries is expected.

Steel Production Placed This week at 17.5% of 1956 Capacity

Buyers are set to scramble for steel during the recovery period after the strike, "Steel" magazine stated on Friday. It pointed out that it will take three to four weeks for mills to make a substantial comeback, so the big problem is to fill the pipeline of orders for materials that are out of line to the mills. Two surveys made by the metalworking publication last week indicate that while purchasing agents in the steel mills at the mills are met by stocks on hand.

It said a survey of metal users disclosed that it will take several months to complete the inventory build-up to the pre-strike level. Twenty-five percent expect to rebuild inventories in 30 to 60 days, while 35% expect it will take 90 days. Twelve percent do not intend to build back to pre-strike levels.

Until shortages, metal users will depend on what they have on hand or can get from warehouses and what they can get from nonintegrated mills. Some producing plants have laid off primary steelmakers for processing into products.

Warehousemen are estimated to have a six-week supply of all steel supplies, but there are a few notable exceptions—such as heavy plates and structural shapes.

A Steel's 120 nonintegrated mills shows that about 20% of the respondents have a 30-day or less supply of steel on hand. The other 80% will be able to carry their customers through the period with a minimum of difficulty. The steel shortage, plus price increases certain to come, the magazine said. The inflationary impact of the strike will be felt in 1957. An inflationary effect will be on other metalworking unions to jack up their asking price.

The metalworking councils are currently facing a cost to the nation at a time when they meet for a cost to the nation at a time when...
Volume 184 Number 5555...The Commercial and Financial Chronicle

was estimated at 11,295,000,000 kwh., according to the Edison Electric Institute.

This was an increase of 170,000,000 kwh., above that of the previous week, an increased 368,000,000 kwh., or 5.3% above the comparable 1955 week and 2,150,000,000 kwh., over the like week in 1954.

Car Loadings in the Latest Week Advance 4.6% Notwithstanding Steel Strike

Loadings were up for the week ended July 21, 1956, which were affected by the steel strike, compared with 1,931,300 tons as a strike at De Soto and a parts shortage at Chrysler Division in Detroit.

Last week the industry assembled an estimated 112,913 cars, compared with 113,416 (revised) in the previous week. The past week's production of cars amounted to 133,416 units, a decrease of 1,712 units below the preceding week's output, states "Ward's." Last week's output dropped below that of the previous week by 1,403 cars, while truck output declined the past week by 2,903 cars.

Another week's production was made last week week's output of 1,671,300 cars, and 26,108 trucks were assembled.

Last week an agency reported there were 21,297 trucks made in the United States during the week, and for the comparable 1955 week and 26,108 cars were assembled.

Business Failures Rise to Highest Level In Six-Week Period

Commercial and industrial failures climbed to 274 in the week ended July 21, 1956, an increase of 33 over the preceding week, Dun & Bradstreet, Inc. reported. At the highest level in six weeks, but below the 291 in the similar week a year ago and the 185 in 1954. Reviews on failures remained 6% above the prewar level of 291 in the comparable week of 1939.

Although the number of failures was 170,540 or more increased from 223 to 189 last week and continued above the 180,000 range during the weeks ended in 1955, 25,183 were added to the total, increasing the number of failures by 20 during the week, and above the 1955 level of 20. All other lines reported more failures than last year.

Five of the nine major geographic regions reported an increase. Most of the week's rise occurred in the Middle Atlantic States, where failures jumped from 60 to 80, and New England States with 19 failures as against 10 a week ago. Significant increases were reported in the South Atlantic, West North Central and Mountain States, with increases of 11, 13 and 4 failures, respectively.

Wholesale Food Price Index Records Highest Level In 5-Week Period

Reversing the downward movement of the previous week, the Dun & Bradstreet wholesale food price index rose 7 cents last week, to stand at 241.1, a new record high. After 14 weeks, the current figure represents a drop of only 1.5% below the corresponding 1955 level of 244.17.

Higher in wholesale prices were wheat, rye, barley, beef, lard, sugar, coffee, tea, cocoa, eggs, potatoes, raisins, tea, hogs, turkeys, butter, eggs, flour, corn, oats, bellies, cottonseed oil, beans and peas.

With the sum total of the price per pound of 31 raw foodstuffs and meats and 301 dry goods, the index is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Held to Irregularly Lower Trend the Past Week

Commodity prices during the week were regular last week. The Dun & Bradstreet daily wholesale commodity price index fluctuated in the current range and closed at 286.48 on July 24. This compared with 286.87 the corresponding date last year.

Price trends of the primary market were mixed. Values generally firm the greater part of the time, with little reaction at the close due to heavy receipts in cash markets and favorable reports of growing conditions. A sharp rise in wheat early in the period was influenced by the failures in the culture announcement of the previous week that wheat sales for export were strong for those weeks rather than from government-owned wheat beginning Sept. 8.

With a smaller yield indicated, rye prices were relatively firm in most markets. New crop receipts of oats showed considerable increase but processor markets of corn remained very meager. Corn and soybeans made excellent progress under generally favorable weather and crop conditions. Purchases of grain

Jointly Hemphill, Noyes (Special to The Financial Chronicle)

President E. C. Hemphill, Noyes, Inc., Chicago, III., and C. L. Dupre, Jr., has been added to the staff of the firm as a short illness. Graber joined the staff of Gerad R. Jobin Investments Ltd., 242 Beach Drive, North.

With Jeffrey & Co. (Special to The Financial Chronicle)

Mr. N. London, president of Jeffrey & Co., 235 State Street, is ill.

John Melcher (Special to The Financial Chronicle)

Mr. H. C. Fraser, partner in Dick & Merie-Smith, Inc., is ill.

Harry C. Fraser (Special to The Financial Chronicle)

Mr. H. C. Fraser, partner in Dick & Merie-Smith, Inc., is ill.

Join First Southern Bank (Special to The Financial Chronicle)

Mr. H. C. Fraser, partner in Dick & Merie-Smith, Inc., is ill.

Wm. R. Staats Adda (Special to The Financial Chronicle)

Mr. H. C. Fraser, partner in Dick & Merie-Smith, Inc., is ill.

Chambers of Commerce in the United States and Canada; all cities of 5,000 population and over—Chamber of Commerce of the City of New York, 6 Lib¬
ercy Street, New York 5, N. Y. (City and county prices on request).

Changing Environment of Interna¬

Insurance Restrictions—7th Annual report—International Money Fund, Washington, D. C. (pap¬
er).


Postwar Changes in California Unemployment Insurance Ex¬

pense—George W. Krom—California Institute of Technology, Pasadena, Calif. (paper) $1.


Schedule of Retention and De¬
bstruction of Bank Records—Prepared by the Internal Re¬
tation, Box 152, Harrisburg, Pa. —$1.50.

Standards of Education and Ex¬

erience for Certified Public Ac¬
countants—Bureau of Business Research, University of Mich¬


There's Safety in Numbers—Book¬
et describing order control methods to assure billing for every shipment—Cummins-Chicago Corporation, 4746 North Ravens¬
wood Avenue, Chicago 40, Ill. (paper) $1.

Trends in Equipping the American Worker (Special to The Technolog¬
alal A d v e n c e m e n t s) at 1200 Eastern Time—James H. Jones, Washington 6, D. C. (paper) $1.00.

Miami Beach, Fla.—John M. Bowler, Charles R. Braxton and Charles P. O'Keefe, partners, have joined the staff of First Southern Corporation, 350 Lincoln Road.

Los Angeles, Calif.—Charles P. O'Keefe has been added to the staff of William R. Staats & Co., 640 South Spring Street, members of the Los Angeles and Stock Exchange.

John First Southern Bank (Special to The Financial Chronicle)

Mr. H. C. Fraser, partner in Dick & Merie-Smith, Inc., is ill.

Mrs. R. Staats Adda (Special to The Financial Chronicle)

Mr. H. C. Fraser, partner in Dick & Merie-Smith, Inc., is ill.

Plains Bank & Trust Co. (Special to The Financial Chronicle)

Mr. H. C. Fraser, partner in Dick & Merie-Smith, Inc., is ill.

Sarasota Beach, Fla.—Mr. H. C. Fraser, partner in Dick & Merie-Smith, Inc., is ill.
**Securities Now in Registration**

Able Mining Co. — July 2 (letter of notification) 300,000 shares of common stock (par five cents). Price—$1 per share. Proceeds—For meeting expenses. Offer—1,000,000 shares. Full ten day notice. Underwriter—The Penn. Corp., New York, N. Y.


**Armstrong Rudder Co. (8-6-10)**


**Canadian Husky Oil Ltd., Calgary, Alta., Canada**

June 29 filed 711,634 shares of $1 par value preferred stock and 1,009,231 shares of common stock (par $1) to be offered in exchange for the outstanding shares of Canadian Husky Oil, Ltd. on the following basis: One share of Canadian Husky common for each Husky oil unit; two shares of preferred stock for each 4,000 shares of Canadian Husky preferred stock. Proceeds—For working capital and general corporate purposes. Underwriter—Harry Kahn, New York.

**Central Bldg., Chicago, Ill.**

June 22 (letter of notification) $1,000,000 of debentures due Jan. 1, 1964, to be held until Aug. 15, 1964, at 99% of par. Price—$1 per share. Proceeds—For the corporation's working capital, purchase of equipment, and other corporate purposes. Underwriter—None.

**Chase Manhattan Bank, New York, N. Y.**


**Citrus Ranch & Lumber Co., N. Y.**

June 29 filed 50,000 shares of common stock (par $1). Price—$1 per share. Proceeds—For the corporation's working capital, purchase of equipment, and other corporate purposes. Underwriter—None.

**East Coast Bldg., Boston, Mass.**

July 2 filed 110,000 shares of common stock (par $1). Price—$1 per share. Proceeds—For the corporation's working capital, purchase of equipment, and other corporate purposes. Underwriter—None.

**Havana News Co., Havana, Cuba**

NEW ISSUE CALENDAR

**August 2 (Thursday)**
Southern Pacific Corp., Class A, Equip. Trust Cts. (Bid p.m. EDT) $5,600.00

**August 3 (Friday)**
Popular Plastic Products Corp., Class A Common (Offering to stockholders) $50,000,000

**August 6 (Monday)**
Armstrong Rubber Co., Debentures (Dealers & Ins. Co.) $5,250,000
California Eastern Lines, Inc., Debentures, 5% (Due 2041) (Crutched & Co.) $2,500,000
Gold Seal Dairy Products Corp., Class A Common (Offering to stockholders) $1,000,000
Macfarlane, Inc., Debentures (Dealers & Ins. Co.) $1,000,000
Mica & Manganese Corp., Common (Offering to stockholders) $1,000,000
Trinity Equities Corp., Debentures & Common (Offering to stockholders) $50,000,000

**August 7 (Tuesday)**
Braniff Airways, Inc., Common (Offering to stockholders) $50,000,000 (P. Shurtleff & Co.) 3,100,545 shares

**August 8 (Wednesday)**
Delaware, Lackawanna & Western RR., Equip. Trust Cts. (Bid noon EDT) $3,510.00
Republic Cement Corp., Common (Offering to stockholders) $5,000,000

**August 9 (Thursday)**
Eastern Shopping Centers, Inc., Common (Offering to stockholders) $1,500,000
General Acceptance Corp., Debentures (Offering to stockholders) $1,500,000
Hollander, (A. J.) & Son, Inc. (Del.), Common (Offering to stockholders of new Jersey company) 1,500,000 shares

**August 13 (Monday)**
Vita Food Products, Inc., Common (Granbers, Marseic & Co.) $9,400 shares

**August 14 (Tuesday)**
Amphenol Corp., Preferred (Union Securities Corp.) $100,000

**August 15 (Wednesday)**
McKee Foods Corp., Common (Offering to stockholders) $12,000,000
Pennsylvania RR., Equip. Trust Cts. (Bid noon EDT) $4,673.00

**August 16 (Thursday)**
Central Illinois Light & Power, Preferred (Union Securities Corp.) $8,000,000

**August 21 (Tuesday)**
Minneapolis-Honeywell Regulator Co., Debentures (Offering to stockholders) $15,312,000
Pacific Telephone & Telegraph Co., Debentures (Due 40 p.m. EDT) $78,000,000

**August 25 (Saturday)**
Detroit Edison Co., Debentures (Offering to stockholders of common and preferred) $75,000,000

**August 26 (Sunday)**
Continental Equity Securities Corp. (Offering to stockholders of common and preferred) $25,000,000

**August 27 (Monday)**
Crater Lake Mining & Milling Co., Inc. (Offering to stockholders of common and preferred) $10,000,000

**August 28 (Tuesday)**
Consolidated National Bank & Trust Co., Debentures (Offering to stockholders of common and preferred) $25,000,000

**August 29 (Wednesday)**
New England Telephone & Telegraph Co., Common (Offering to stockholders of common and preferred) $15,000,000

**August 30 (Thursday)**
DeWalt & Marine Construction Co., Inc., Common (Vickers Brothers) $200,000

**August 31 (Friday)**
Illinois Bell Tel. & Tel. Co., Debentures & Common (Offering to stockholders of common and preferred) $10,000,000

**September 1 (Saturday)**
National Union Life Ins. Co., Debentures & Common (Offering to stockholders of common and preferred) $10,000,000

**September 2 (Sunday)**
Page not available.

**September 3 (Monday)**
Equitable Life Assur. Co., Debentures & Common (Offering to stockholders of common and preferred) $10,000,000

**September 4 (Tuesday)**
American Telephone & Tel. Co., Preferred (Offering to stockholders of common and preferred) $25,000,000

**September 5 (Wednesday)**
International Liner Corp., Common (Offering to stockholders of common and preferred) $25,000,000
St. Louis-San Francisco Ry., Debentures & Common (Offering to stockholders of common and preferred) $25,000,000
Southern California Edison Co., Debentures & Common (Offering to stockholders of common and preferred) $25,000,000

**September 6 (Thursday)**
Latin American Pipeline Co., Preferred (Offering to stockholders of common and preferred) $25,000,000

**September 7 (Friday)**
Standard Oil Co., Debentures (Offering to stockholders of common and preferred) $25,000,000

**September 8 (Saturday)**
Union Pacific Corp., Debentures & Common (Offering to stockholders of common and preferred) $25,000,000

**September 9 (Sunday)**
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**September 10 (Monday)**
United Traction Co., Debentures & Common (Offering to stockholders of common and preferred) $25,000,000

**September 11 (Tuesday)**
Blackstone Valley Gas & Elec. Co., Preferred (Offering to stockholders of common and preferred) $10,000,000

**September 12 (Wednesday)**
General Telephone Co., of California, Common (Offering to stockholders of common and preferred) $10,000,000

**September 13 (Thursday)**
Virginia Electric Power Co., Debentures (Offering to stockholders of common and preferred) $10,000,000

**September 14 (Friday)**
American Telephone & Tel. Co., Preferred (Offering to stockholders of common and preferred) $25,000,000

**September 15 (Saturday)**
Continental Equity Securities Corp., Debentures & Common (Offering to stockholders of common and preferred) $25,000,000

**September 16 (Sunday)**
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**September 17 (Monday)**
Ohio Power Co., Debentures (Offering to stockholders of common and preferred) $30,000,000

**September 18 (Tuesday)**
Columbia Gas System, Inc., Debentures & Common (Offering to stockholders of common and preferred) $25,000,000

**September 19 (Wednesday)**
California Electric Power Co., Debentures & Common (Offering to stockholders of common and preferred) $25,000,000

**September 20 (Thursday)**
Public Service Co. of Indiana, Inc., Debentures & Common (Offering to stockholders of common and preferred) $25,000,000

**September 21 (Friday)**
Virginia Electric Power Co., Debentures & Common (Offering to stockholders of common and preferred) $25,000,000

**September 22 (Saturday)**
Carolina Power & Light Co., Debentures & Common (Offering to stockholders of common and preferred) $25,000,000

**September 23 (Sunday)**
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**September 24 (Monday)**
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**September 25 (Tuesday)**
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**September 26 (Wednesday)**
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**September 27 (Thursday)**
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**October 1 (Monday)**
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**October 2 (Tuesday)**
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**October 6 (Saturday)**
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B. M. Byers a total of 60,000 shares of Byers common stock for an average price of $3.50. The memorandum does not set forth the number of shares purchased at a particular price, but it notes that the shares were purchased at various prices ranging from $2.50 to $4.00 per share. The memorandum states that Byers paid $2 per share for common stock and 6% promissory notes of Carlon Products Corp. The exchange of securities is the ownership of the outstanding 6,000 shares of common stock and note for not less than 39,400 of the 60,637 shares of common stock.

General Tire & Rubber Co., Akron, Ohio.

July 27 filed 26,086 shares of $5 cumulative preferred stock (par $100) for offering by subscription for stockholders at a price of $60 per share. Proceeds for working capital, general purposes, and distribution of stockholders. Underwriter—J. W. Schenck Co., New York.

Industrial Minerals Development Corp.


International Minerals Development Corp.

June 23 filed 1,000,000 shares of common stock (par $10) for offering. Proceeds for working capital, general purposes, and distribution of stockholders. Underwriter—E. H. Harriman, New York.

Lithium Developments, Inc., Cleveland, Ohio.

June 21 filed 600,000 shares of common stock (par $10) for offering. Proceeds for working capital, general operations, and distribution of stockholders. Underwriter—George A. Stewart, New York.

Lone Star Farm, Dallas, Texas.

June 1 filed 125,000 shares of Preferred Income Series; 125,000 shares of Industrial Growth Series. Price—At market. Underwriter—All States Management Co., Dallas, Texas.

Long Island Lighting Co.


Los Angeles Airways, Inc., Los Angeles, Calif.

April 23 (letter of notification) filed for offering 3,000,000 shares of common stock (par $1). Price—$29 per share. Proceeds for working capital, general purposes, and distribution of stockholders. Underwriter—Dawit & Co., Los Angeles, Cal.

1110 California, Inc., New York.


Leadbright & Uranium Corp.

July 27 filed 100,000 shares of common stock (par $10) for offering. Proceeds for working capital, general purposes, and distribution of stockholders. Underwriter—F. A. Stone, New York.

Lederle & Uranium Corp.

July 27 filed 100,000 shares of common stock (par $10) for offering. Proceeds for working capital, general purposes, and distribution of stockholders. Underwriter—J. J. Ferguson, New York.

Leadville & Uranium Corp.

July 27 filed 100,000 shares of common stock (par $10) for offering. Proceeds for working capital, general purposes, and distribution of stockholders. Underwriter—P. J. Brennan, New York.

Leather & Uranium Corp., Inc.


Lesotho Copper Corp.

June 14 filed for offering 100,000 shares of common stock (par $10). Proceeds for exploration and development and to purchase additional equipment. Underwriter—Ariz. Underwriter—George A. S. Cockrell, New York.

Lithium Developments, Inc., Cleveland, Ohio.

June 21 filed 600,000 shares of common stock (par $10) for offering. Proceeds for working capital, general purposes, and distribution of stockholders. Underwriter—George A. Stewart, New York.

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Lithium Developments, Inc., Cleveland, Ohio.

June 21 filed 600,000 shares of common stock (par $10) for offering. Proceeds for working capital, general purposes, and distribution of stockholders. Underwriter—George A. Stewart, New York.
National Old Line Insurance Co.

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National Old Line Insurance Co.
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$2.755 per share).—Proceeds.—For the account of selling shareholders.
Underwriter.—Arnold Securities Corp., New York, N.Y.

Southwestern Oil Company, Inc. Feb. 20 (letter of notification) 2,000 shares of common stock (par 10 cents) to be offered for subscription by stockholders. Price—$10 per share. Proceeds.—For expansion and operation. Office—3336 E. Van Buren St., Phoenix, Ariz. Underwriter.—None.


Union-Petroleum Corp., Houston, Texas. Offering.—Put off indefinitely.

United States Mining & Milling Corp. (N.Y.) July 16 filed 1,000,000 shares of common stock (par $1). Proceeds.—For exploration and drilling costs and for capital. Underwriter.—N. B. Real & Co., Jersey City, N.J.

Universal Fuel & Chemical Corp. May 17 (letter of notification) 200,000 shares of common stock (par $1). Price—$10 per share. Proceeds.—To develop and increase the volume of business. Office—New York City. Underwriter.—None.


Universal Match Corp. (N.Y.) July 26 filed 6,500,000 of convertible subordinated debentures due 1978 to be offered for subscription by stockholders under a 5 per cent. amendment. Proceeds.—To finance development program. Underwriter.—A. M. L. Co., Inc., Chicago, Ill., and Scherck, Richter Co., St. Louis, Mo.


Vanderbilt Corp., Inc., New York (8/13/44) July 26 filed 98,400 shares of common stock (par 25 cents), of which 45,900 shares were offered to be sold by public officers and 52,500 shares to selected executives and key employees. Price.—To be supplied by amendment. Proceeds.—To form new subsidiaries. Underwriter.—Graham, Morgan & Co., New York.


Western Securities Corp. of New Mexico Feb. 18 (letter of notification) 50,000 shares of common stock. Price—at par ($1 per share). Proceeds.—To start first Western Corp. of New Mexico. Office—Albuquerque, N.M. Underwriter.—None.

Westland Oil Co., Minot, N.D. July 23 (letter of notification) 1,000,000 of 5% subordinated debentures due July 1, 1976 and 60,000 shares of common stock (par $1) to be offered in units of 500 of debentures and 80 shares of stock. Price—$500 per unit. Proceeds.—For expanding and working capital. Business.—Manufacturing and sale of thermostats. Office.—472 W. 8th Ave., Easton, N.Y. Underwriter.—Schuster & Co., Inc., New York.

Williamman Co., Cincinnati, Ohio. Feb. 20 (letter of notification) 20,000 shares of class B common stock to be offered by stockholders. Price—$10 per share. Proceeds.—For expansion and operation. Office—3501 Madison Road, Cincinnati, Ohio. Underwriter.—None.

Winston-Salem News Corp., Winston-Salem, N.C. April 2 filed $1,600,000 of non-interest bearing debentures due 1991, to be used for general corporate purposes. Proceeds.—For construction of a golf house and other improvements. Underwriter.—None.

Wisconsin Wood Products, Inc. June 23 filed 74,016 shares of common stock (par $5) to be offered by stockholders. Price—$5 per share. Proceeds.—For development of oil and gas properties. Office—1625 South 1st Ave., Denver, Colo. Underwriter.—Wayne Jewell, Denver, Colo.

Youngstown Sheet & Tube Co. June 2 filed $1,000,000 of convertible preferred stock (no par) being offered in exchange for common stock of Enman Manufacturing Co. on the basis of one share of preferred stock for each 10 shares of common stock. An offer will expire on Aug. 5. Youngstown presently owns 385,633 shares, representing 60 per cent. of Enman common stock. Statement effective June 23.

Prospective Offerings

Air-Vue Products Corp., Miami, Fla. Feb. 20 it was reported early registration is expected in December for a proposed offering of 100,000 shares of preferred stock (par $50 per share). Proceeds.—For expansion program. Underwriter.—Arthur M. Kreutzer & Co., Chicago, III.


American Telephone & Telegraph Co. (10/1) July 18 company announced it will sell 100 per cent of its authorized capital stock of $6,000,000 shares to 10,000,000,000 shares of which 5,000,000,000 shares are for sale at the present time. Underwriter.—To be determined by competitive bidding. Covering: American Telephone & Telegraph Co.; First Boston Corp.; Kuhn, Loeb & Co.; The First Boston Corp.; Harriman & Co., Inc.; and Price Bros. & Hultzer, Inc.

Appalachian Electric Power Co. May 31 it was announced company plans to issue and sell in December $24,000,000 of first mortgage bonds. Underwriter.—To be determined by competitive bidding. Covering: American Telephone & Telegraph Co.; Kuhn, Loeb & Co.; Harriman & Co., Inc.; First Boston Corp.; and Kuhn, Loeb & Co., Inc. (jointly); The First Boston Corp.; Harriman & Co., Inc. (jointly).

Boulder Acceptance Corp., Boulder, Colo. July 16 it was announced company plans to offer and sell in July 100,000 shares of common stock (par $1 per share) at price of $10 per share. Proceeds.—To construct hotel; set up initial operations of company. Covering: American Telephone & Telegraph Co.; First Boston Corp.; Kuhn, Loeb & Co.; Save, Sutier & Co.; and Lehman Brothers; White, Weld & Co.; Blyth & Co., Inc. (jointly); Halsey, Stuart & Co., Inc. (jointly).
Carolina Power & Light Co. (11/27)
March 22 it was announced company plans to issue and sell $15,000,000 of first mortgage bonds due 1986. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kuhn, Loeb & Co.; A. C. Aliyin & Co. (jointly); W. C. Langley & Co.; and The First Boston Corp; Equitable Securities Corp; Fith & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Beane (jointly); Blair & Co. (jointly); Commercial Union Securities Corp; Lehman Brothers and Bear, Stearns & Co. (jointly); Blyth, Eastman, Lord & Co. (The First Boston Corp, jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Beane (jointly); and Blair & Co. (jointly).

Central Illinois Public Service Co.
May 16, M. S. Luthringer, President, said the new money required to finance the company's 1959 construction program is estimated at about $5,000,000 and will be obtained from the proceeds of a $15,000,000 bond issue the company plans to sell by competitive bidding. Underwriter—G.G. Walker & Co., St. Louis, Mo.

General Acceptance Corp.
April 18 it was announced the company plans to issue and sell $15,000,000 of debentures due in 1966, $10,000,000 of capital debentures due in 1971 and about $3,500,000 of common stock. The offering is being handled by M. L. Curtis and Union Securities Corp.

General Contract Corp., St. Louis, Mo.
April 18 it was announced that company plans $5,000,000 additional financing in near future. Underwriter—G.H. Walker & Co., St. Louis, Mo.

General Merchandising of Milwaukee
July 20 it was reported company plans in the near future to issue $25,000,000 of common stock (par $2.50). Price—About $11 or $12 per share. Proceeds—To repay bank loans, etc., and for general purposes.

General Public Utilities Corp.
April 2, A. F. Tegem, President, said that the company plans to issue $30,000,000 of new debentures and $14,000,000 of new preferred stock. It is also possible that the company will issue common stock, for subscription by shareholders before April, 1937. Proceeds—To repay bank loans, etc., and for general purposes.

General Telephone Co. of California (9/12)
July 10 company announced plans to issue and sell $35,000,000 of first mortgage bonds, series F. Proceeds—To discharge bank loan, etc., and for general purposes. Underwriter—Loeb, Rhoades & Co., New York, N. Y., and the First Boston Corp, jointly.

Great Southwestern Corp. (9/10)
July 16 it was announced this company is planning a $10,000,000 accrual industrial development on two sites midway between Chicago and St. Paul, Minn. Underwriters—Randall & Co., New York, N. Y., and the First Boston Corp, jointly.

Haskel Manufacturing Co.
July 16 it was reported company may be considering sale of $1,000,000 of capital stock, or $1,000,000 of preferred stock. Underwriter—May be G. H. Walker & Co., St. Louis and New York.

Herald Radio & Television Corp.
July 25 it was announced stockholders on Aug. 10 will vote on increasing the authorized common stock from 50,000,000 shares to 150,000,000 shares. Proceeds—For preferred stock, to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kuhn, Loeb & Co. and Salomon Brothers.

High Authority of the European Coal and Steel Community, Luxembourg
July 25 it was reported by the Associated Press that an American banking group consisting of Kuhn, Loeb, & Co., The First Boston Corp and Salomon Brothers, Inc. was appointed to study the possibility of a loan to be issued in the American market. The amount and terms will depend on the outcome of the study. Proceeds—To be loaned to the Community for expansion of coal mining facilities and equipment. Underwriter—Morgan Stanley & Co., New York, N. Y.

Hudson Pulp & Paper Corp.
June 25 it was reported company may in the fall do some public financing. Proceeds—For expansion. Underwriter—Lee Higginbotham Corp., New York.

Illinois Bell Telephone Co. (8/31)
June 29 it was announced the company plans to issue and sell $50,000,000 of mortgages debentures due 1984. Proceeds—To be sold at rate of one new share for each eight shares held as of June 16. The presently outstanding stock is owned by American Telephone & Telegraph Co., which will vote one share for each $100 par share. Proceeds—To repay advances from parent. Underwriter—None.

Kansas City Power & Light Co.
May 21 it was announced that the company is arranging to borrow $100,000,000 from institutional investors to finance construction of a power plant and approximately $113,000,000. Underwriter—The First Boston Corp.

Kentucky Utilities Co.
April 24 stockholders approved a proposal increasing preferred stock from $10,000,000 to $15,000. Underwriter—to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc. The First Boston Corp; Marsh & Co; White, Weld & Co; and Shields & Co. (jointly); Kuhn, Loeb & Co.; and Halsey, Stuart & Co. (jointly); and Lynch, Pierce, Fenner & Beane (jointly); and Blair & Co. (jointly).

Lumber & Lighting Co.
April 17 it was reported company plans to issue and sell next Fall $20,000,000 to $25,000,000 of first mortgage bonds. Underwriter—to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; New York, N. Y.; and the First Boston Corp, jointly.

Lloyd's of London & St. Paul, Minn.
July 24 stockholders were offered 104,500 additional shares of common stock for an offer price of $1 per share. Each new share for each 13 shares held as of July 12, 1937, will be paid an option to subscribe. Proceeds—To repay bank loans. Underwriter—Warren B. Calhoun, Inc., New York, N. Y.

Metropolitan Edison Co. (11/13)
July 24 it was reported company is considering the sale of $10,000,000 first mortgage bonds due 1986. Underwriter—to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc. White, Weld & Co.; Blyth, Eastman, Lord & Co.; Kidder, Peabody & Co. and Drexel & Co. (jointly); The First Boston Corp. Underwriter—Lee Higginbotham Corp., New York.

Michigan Bell Telephone Co.

Midway National Bank, West Hempstead, L. I.
July 24 stockholders were offered 104,500 additional shares of common stock for an offer price of $1 per share. Each new share for each 13 shares held as of July 12, 1937, will be paid an option to subscribe. Proceeds—To repay bank loans. Underwriter—Lee Higginbotham Corp., New York.

Minnesota Gas Co.
April 24 it was reported company may issue in July or August, depending upon market conditions, about $5,000,000 of first mortgage bonds ($5,000,000 of debentures). Proceeds—For preferred stock, to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc. White, Weld & Co.; Blyth, Eastman, Lord & Co.; Kidder, Peabody & Co. and Drexel & Co. (jointly); The First Boston Corp. Underwriter—Lee Higginbotham Corp., New York.

July 26 it was announced the company plans to issue 300,000 shares of $50 par preferred stock. Proceeds—For general corporate purposes. Underwriter—Morgan Stanley & Co., New York, N. Y.

National Steel Corp.
March 12 the company announced that it is estimated that the company will need to raise approximately $25,000,000 to make additions to its plant in the current year and to be completed in mid-1939 will amount to approximately $50,000,000. Underwriter—Kuhn, Loeb & Co.; Harriman Ripley & Co. and the First Boston Corp.

Northern Pacific Line of America.
Feb. 20 it was reported company plans to sell and sell late this Spring $50,000,000 of railroad bonds. Proceeds—For general purposes. Underwriter—Drexel & Co. (jointly).
Continued from page 33

New England Electric System
Jan. 3 it announced company plans to sell its subsidiaries, Essex County Electric Light Co., Rockport Electric Light Co., New Haven Electric Light Co. and Amhurst Electric Light Co., into one company, New England Electric System. The company's first mortgage bond issue by the resultant company, the name of which has not yet been determined. Underwriting—Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; The Dominion Securities Corp.; and Union Securities Corp. Registration—Ex¬pected Jan. 5.

Panel Cuba Oil & Metals Corp. (Del.)
April 22 it announced that proceeds will be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; The Dominion Securities Corp.; and Union Securities Corp. Registration—Expected April 25.

Pennsylvania RR. (10/16)
Records show the company plans to sell $10,000,000 of first mortgage bonds during October 1956, the date to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Wood, Struthers & Co. (jointly); Lehman Brothers; The First Boston Corp.; Equitable Securities Corp. of America; Kidder, Peabody & Co. and White, Weld & Co. (jointly).

New England Telephone & Telegraph Co. (8/29)
May 4 it announced that Standard Gas & Electric Co. will offer to its stockholders rights to subscribe for 613,010 additional shares of capital stock (par $100) at the rate of one new share for each share held as at Aug. 15, 1956. American Telephone & Telegraph Co. owns 62.9% of outstanding stock. Proceeds—To repay long-term debt. Underwriter—None.

North American Aviation, Inc.
Aug. 8, it announced company plans to offer to its employees 480,000 shares of capital stock (following proposed 2-for-1 split up to be voted on Aug. 3). Underwriter—Morgan Stanley & Co., New York.

Northern Natural Gas Co.
July 19 it was announced company plans to finance its 1956 construction program and reduce its $40,000,000 debt through issuance of debentures and treasury funds in latter part of year. Underwriter—Probably Blyth & Co. Inc.

Offshore Gathering Corp., Houston, Tex.
Nov. 23, it was announced that company has filed application with the Federal Power Commission for a certificate of necessity to build a 984-mile pipeline. The offshore gathering system across the Texas Gulf Coast to the Sabine River to be used by Louisiana companies. Proceeding system will cost approximately $100,000. Type of financing not yet determined. Underwriter—None. Bids—Expected to be received on or about Jan. 16, 1957.

Ohio Power Co. (10/17)
July 2 it was reported company plans to issue and sell $50,000,000 of 5-year term debentures. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Lehman Brothers & Co.; Kidder, Peabody & Co.; Solomon Bros. & Co.; Blyth & Co.; & Co.; Union Securities Corp. and Salmon Bros. & Hutzler (jointly); Harriman Ripeley & Co. Inc. and Stone & Webster Securities Corp. (jointly); Lehman Brothers; Bids—Tentative to be received up to 11 a.m. (EDT) on Oct. 17.

Ohio Power Co. (9/16)
July 2 it was reported company proposes to issue and sell 60,000 shares of cumulative preferred stock (par $100). Underwriter—To be determined by competitive bidding. Probable bidders: The First Boston Corp.; Blyth & Co. Inc.; Kuhn, Loeb & Co.; Union Securities Corp. and Salmon Bros. & Hutzler (jointly); Harriman Ripeley & Co. Inc. and Stone & Webster Securities Corp. (jointly); Lehman Brothers. Bids—Expected to be received up to 11 a.m. (EDT) on Oct. 17.

* Oklahoma Corp., Oklahoma City, Okla.
July 20 company has completed an offering of debenture stock ($100,000,000) authorized by the Oklahoma Securities Commission to issue and sell in minimum blocks of $1,000,000. The company is expected to receive proceeds of approximately $95,000,000. Proceeds will be used to retire or acquire additional capital stock. Business—a holding company. Underwriter—None.

Oklahoma Gas & Electric Co.
May 17 stockholders voted to increase the authorized preferred stock from 240,000 shares to 500,000 shares and the authorized common stock from 5,000,000 shares. Company has no immediate plan to do any equity financing. Underwriters—(1) for any common stock $500,000 authorized for sale to the public; Blyth, Doherty, Lynch, Pierce, Fenner & Beane. (2) For preferred stock, to be determined by competitive bidding. Probable bidders: Blyth, Doherty, Lynch, Pierce, Fenner & Beane. Bids—Expected to be received up to 11 a.m. (EDT) on Aug. 17.

Paige Power & Light Co.
March 29 C. R. Williams, President, announced that about 280,000 shares of common stock (par $1) are to be sold in connection with subscription contracts which were entered into at the time of the original financing in April of 1955. Price—$10 per share. Proceeds—Together with funds from private sale of $8,000,000 of 5.5%-interest notes to be sold to $10,000,000 of 5.5%-interest notes from the sale of $8,000,000 of 4.75%-interest notes from the sale of $10,000,000 of preferred stock and the balance from the private sale of $5,000,000 principal amount of bonds. Underwriter—Morgan Stanley & Co., New York.

Southern California Edison Co. (9/5)
July 5 it was announced company plans to sell not exceeding $85,000,000 of first mortgage bonds and $10,000,000 of preferred stock. Proceeds—for construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; White, Weld & Co.; Merrill Lynch, Pierce, Federal Securities Corp. Underwriter—To be open on or about Sept. 5.

Southern Counties Gas Co. of California
June 30 it was reported company plans to sell $15,000,000 of first mortgage bonds. Underwriter—to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Gaelen Witter & Co. (jointly); Blyth & Co. Inc.; Kidder, Peabody & Co.; & Co. and White, Weld & Co. (jointly).

Southern Electric Generating Co.
May it was announced that company, 50% owned by Alabama Power Co. and 50% owned by Georgia Power Co., plans to issue $75,000,000 of debentures. Proceeds—for refunding bonds. Underwriter—To be determined. Bids—Expected to be received on or about Aug. 10.

Southern Nevada Power Co.
June 27 it was announced company plans to sell in the Fall offer $22,500,000 of first mortgage bonds in Series C due 1968. Proceeds—for construction. Underwriter—To be determined. Bids—Expected to be received on or about Aug. 10.

Southern Union Gas Co.
April it was announced company is considering issues of common stock and preferred stock. Proceeds—to be used for common stock to be issued at not less than 2,500 and $10,000,000 of first mortgage bonds due 1956. Proceeds—For expansion program. Underwriter—To be determined. Bids—Expected to be received on or about Sept. 1.

Tampa Electric Co. (8/29)
July 12 it was reported company plans to sell and offer to the public $50,000,000 of 5%-coupond bonds. Proceeds—For refunding bonds. Underwriter—To be determined. Bids—Expected to be received on or about Aug. 17.

Tennessee Gas Transmission Co.
May 10, Gardner Simmons, President, announced company plans to sell about $50,000,000 of mortgage bonds due 1986. Proceeds—for expansion program. Underwriter—Stone & Webster Securities Corp. Bids—Expected to be received on or about Aug. 10.

United States Steel Corp.
July 17, W. L. Humphreys, Jr., Chairman, stated the issuance of convertible debentures is one of several possible methods the company has been considering for raising capital. Proceeds will be used for plant expansion and working capital. He added that, if convertible debentures are issued, they will be offered pro rata to common stockholders. Underwriter—Kuhn, Loeb & Co. Inc.

University Life Insurance Co., Norman, Okla.
June 21, Wayne Wallace, President, announced company plans to sell in Fall to offer to its 200 stockholders $50,000,000 of 5%-coupond bonds. Proceeds—For expansion program. Bids—Expected to be received on or about Sept. 25.

Virginia Electric & Power Co. (9/25)
Feb. 6 it was announced company plans to issue and sell $20,000,000 of first and refunding mortgage bonds. Proceeds—for general purposes. Underwriter—Morgan Stanley & Co. Bids—Expected to be received on or about Aug. 1.

Washington Gas Light Co.
June 7 it was announced company proposes to sell approximately $5,300,000 from funds generated by operation of sale of common stock and temporary bank borrowings. Underwriter—The First Boston Corp., New York; J. E. Johnson, Lemon & Co., Washington, D. C.
Government “Social Responsibility” Projects

Generate Rather Than Alleviate "Evils"

Guaranty Trust “Survey” measures the self-defeating popular governmental pursuit of “social responsibility” being conducted in contradiction to the prerequisite principle of financial responsibility. Ethical liabilities, inducements, inducements, such as currency restrictions, monopoly, and uncontrolled budgets, excessive tax burdens, are found to "make a mockery of any plan for economic security or social responsibility.

Many projects undertaken by governments in the name of "social responsibility" are aiming to achieve their purpose but are generating worse evils than they aim to alleviate. Because public opinion forces government officials to indicate their piety toward the "social responsibility" policies, the threat that officials will remain in office, and the governmental situation will be improved, is growing.

So far as the people of the world are concerned, the discipline of inflation has been the concept of "managed currency." The inflationary fiscal and monetary policies are the inherent part of "social responsibility." Those who have professed to be formulating the social responsibility policies are operating in a positive way to undermine the purchasing power of the "social responsibility" policies.

This is a highly oppressive, the demand for effective cash deficiency. The elimination of inflation requires the effort of all governments and individuals to establish a new form of "social responsibility.

Deficit Financing Habit

The financial pressure is intensified by the various "social services." The present-day government policies are expected to result in more than enough to finance the "social services." The government has to be able to pay the bills with borrowed money, and the demand for effective cash deficiency.

The result of deficits offers the easy way out, and this tends also to develop into inflation.

Insofar as the aim of continuing "full employment" is achieved, it aggravates the upward pressure on taxes computed by the constant demand of powerful labor unions, and it is the only way to pay the bills with borrowed money.

Securities

The most important single step toward financial irresponsibility was taken when the people of the world rejected the discipline of inflation in favor of the concept of "managed currency."

The importance of the step did not lie in the changes in the terms and conditions of specie redemption as in the fact that the voluntary substitution of fiduciary money for the gold standard, which has been calculated, is a necessary, or even a urgent necessity, which has been put to the people in their financial crises.

W. E. Hutton Addis

CINCINNATI, Ohio—Harry C. Hutton, Jr., has become connected with W. E. Hutton & Co., Pittsburgh, on City Bank, members of the New York and Midwest Stock Exchanges.

With Gottron, Russell

P. T. Bollinger With

Smith, Hague, Noble

DETROIT, Mich.—Paul T. Bollinger, member of the New York and Detroit Stock Exchanges, has become a partner in Bollinger, Harris & Co.

Continued from page 3

Observations...

the book equity of the old shares accretes to the value of the new shares.

(1) The "Premium" Stockholder Who Subscribes

In our fourth and last situation, the subscribing stockholder gains the benefit of an effective increase in his dividend yield, because of the maintenance of the former dividend payout on the reduced book value.

The result of ATT's financing through seven convertible debenture issues during the past 10 years, with the 8% dividend maintenance, has been to increase its effective cash dividend by an average of 1.47% annually.

The real implication of the payment of the American Tel and Tel finance charge is that the management is combining the double purpose of giving a slight boon to the existing shareholders of a dividend rise throughout the years; and is at the same time constructively raising needed capital.

Summary and Conclusions

1. Where the outstanding stock is selling at a "premium," that is, below its equity value, the stockholder who does not exercise his rights to subscribe to a new stock offering suffers a loss equal to the "discount" of the new offering.

2. The outstanding stock is selling at a "premium," that is, below its equity value, the stockholder gains a "profit," that is, not only escapes dilution, but enjoys a net overall gain on the transaction.

3. The subscriber to "discount" (market price below asset value) situations escapes dilution and comes out even.

4. The subscriber to "premium" (market price above asset value) situations escapes dilution and comes out even.

5. Where the subscriber who subscribes thereby projects himself in each situation.

Gravy for the Shareholder

Where the old dividend is continued on the new capitalization, by the AT&T's new policy, the subscribing stockholder gains the benefit of an effective increase in his dividend yield, because of the maintenance of the former dividend payout on the reduced book value.

The result of ATT's financing through seven convertible debenture issues during the past 10 years, with the 8% dividend maintenance, has been to increase its effective cash dividend by an average of 1.47% annually.

The real implication of the payment of the American Tel and Tel finance charge is that the management is combining the double purpose of giving a slight boon to the existing shareholders of a dividend rise throughout the years; and is at the same time constructively raising needed capital.

With Dempsey-Tegeler

ST. LOUIS, Mo.—George F. Tegeler, president of Tegeler & Dempsey-Tegeler Co., and Lou J. Dempsey, have been associated with C. J. Devine & Co. for 20 years.

With Minn. Secs.

ST. PAUL, Minn.—State comptroller W. S. Stone has been associated with C. J. Devine & Co. for 20 years.

Mid Continent Secs. Add.

ST. LOUIS, Mo.—Jack F. Allen has been added to the staff of Mid-Continent Securities Corporation, 3530 Hampton Avenue.
Mutual Funds

By ROBERT R. RICH

Inflationary Aspects of Steel Settlement

Settlement of the 27-day steel strike will result in the acceleration of production to near capacity rates to replenish depleted steel inventories and to cover the loss of about $8,000,000 tons of output, National Securities & Research Corporation, dealers and analysts believe that the strike will be made up prior to the year end, it added.

"The wage hike called for by the three-year contract, with automatic increases from year to year, and the demand for steel for the V-1b, led to a decline in inventory values by 8.5% since the strike was made up prior to the year end," it added.

This will add to the inflationary pressures that have already lifted the Consumer Price Index to a new peak and point to a further acceleration of prices, the corporation warned. Additional information may be obtained from your investment dealer or:

National Securities & Research Corporation
Established 1918
120 Broadway, New York 5, N. Y.

Incorporated Investors

Established 1935
A mutual fund with a portfolio of selected common stocks and bonds for long-term GROWTH of capital and income.

Incorporated Income Fund

A mutual fund whose primary objective is to re- turn an income as large as possible to investors and to obtain as much capital appreciation as possible. Returns are currently divided.

A prospectus on each fund is available from your investment dealer.

The Parker Corporation
389 Berkeley Street
Boston, Mass.

The Commercial and Financial Chronicle... Thursday, August 2, 1956

The Wellington Fund's Shareholders and Assets Soar

Total net assets of Wellington Fund have increased from $491,612,000 on June 30, 1956, to $506,900,000 on December 31, 1956. The net asset value of the Wellington Fund increased from $11.31 to $12.31 per share on December 31, 1956 (versus distribution in April), to $13.75 on June 30, 1957.

A record 20,000 new shareholders who joined the fund this year have been added to the Wellington's list of over 130,000 which is the highest in the world among the most widely held securities in the country in numbers of shareholders.

Wellington Fund currently has 66% of its resources in common stock. Of the remainder 29% was invested in high grade corporate bonds and preferred stocks of well-established, high grade corporations. 29% of the corporate bond investments are in high grade mortgage bonds and cash 1% in appreciation-type bonds and preferred stocks.

Mr. Morgan pointed out that during the first six months, Wellington Fund realized an increase of 12.7% in net asset values, and increased its yield on common stock in excess of 20%.

Three issues of quality convertible bonds were also acquired, and these Government bonds were moderately reduced.

Consolidated purchases were made in buildings, oil, and rubber stocks, while an improvement in earnings of most of these companies was expected. A few telephone and utility stocks, were also increased where yields were satisfactory. Mr. Morgan reported.

Late last year, the fund's investments in auto stocks were reduced when this news came on the news of record car sales. This spring, protective purchases were made in these stocks as they became more widely held in prices on long term basis.

Dividend Shs., Inc.

Reports $2.38 Gain

In Stock Value

Total net assets of Dividend Shs., Inc., a mutual fund managed by Calvin Bullock, stood at $123,070,000 on June 30, 1956, according to the quarterly report to stockholders accompanying the 8th consecutive dividend, payable Aug. 1, 1956. This was a gain of $23,571,000 as compared with June 30, 1955. During the six months ended June 30, 1956, per share value rose from $2.71 to $3.98, or approximately 5.5%.

The May market decline was viewed by the fund's management as an opportunity to use part of its cash reserves to buy stocks. "What appeared to be attractive levels for income and long-term capital gains with the falling stages of the decline, the management of Dividend Shs., Inc., felt was a good time to buy some additional common stocks. Dividend Shs. invests primarily in well-established common stocks of "blue-chip" quality.

As of December 31, 1956 the three months ended June 30, 1956 included, among others, 4,390,000 shares of Chase Manhattan Bank, 4,900,000 shares of General Tire & Rubber, 7,900 Illinois Central Railroad, 3,500 Inland Steel...

Stock of de Vegh Fund Traded in Counter Market

de Vegh Mutual Fund, Inc., announced that its net asset value per share on June 30, 1956 was $7.20, compared to $4.95 on March 31, 1956, and $.38 on June 30, 1955.

A distribution from net realized capital gains amounting to $7.20 per share was made on April 5, 1956.

Assuming the reinvestment of the capital gains distribution paid in April, 1956, the net asset value of the Wellington Fund was $62.77. Adjusted for the reinvestment of all capital gains distributions paid to shareholders in the Wellington Fund in 1950, this correlates with a 5-year compound annual return of $100.60 per share, which is 402.6% of the initial offering price of $25.00 per share on October 13, 1950.

As indicated in a previous statement, issued on July 13, 1956, the original authorized capital of de Vegh Mutual Fund, Inc. has all been issued, and no stock is available for new subscriptions.

An Over-the-Counter market has developed on the New York Stock Exchange for the Fund, in which the stock is currently selling at a premium.
Incorporated's Assets Increased By $32 Million

Incorporated Investors just listed a gain of $32,065,025 in total net assets over a year ago. Its 2,100,000 outstanding common holders now show net assets totaling cumulative savings and mining or 162,783 shares outstanding, contrasted with total net assets of $29,197,572 as represented by $24,949,572 on the same date a year ago. Net asset value per share rose from $7.10 to $10.42 after allowing for recent share repurchase of $10,000,000.

Reporting that Incorporated Investors is fully invested in common stocks except for working capital and reserves, its Chairman William A. Parker stated: "Between June 30 and June 30 last year, the wholesale price level advanced by 4.5%, a rise in gold occurring in spite of credit and fiscal policies that were generally regarded as time consumptive and not inflationary. The Bureau of Labor Statistics recently reported the Consumer Price Index rose between June 30 of last year and the all-time high established in October, 1934, Employment set a record for a second successive year. Persons, Construction outlays, de
dinals, all have shown an upward trend. A rise, from 8% from the month of May to figure a new all-time in September.

If the sales of the automobile were to male automobile sales in June were 18,000,000,000, an historic high. These facts tend to confirm the conviction of Incorporated Investors in the long-term, the present level price level is more apt to be up than down, with a consequent peak in the present level of the income from fixed-income securities. We conclude that a fully invested position in common stock; it will be possible protection against infla
tion, and yet in the long-term the growth of the economy.

Coast Fund Cites Cut in Equity Holdings

The first half of 1956 was a period of continued growth for the Coast Fund, according to America, Jonathan B. Lovelace, president of the fund. In a report to shareholders. New highs were reached in total assets, net assets earned per share, standing, and the number of shares outstanding.

Total net assets at June 30, with the exception of short-term investments on that date, were $73,971,000, as compared with $76,456,709 as of June 30 last year, and $79.92 per share for the 9,124,124 common shares outstanding a year ago. Fifty-one cents, per share, as of June 30 as compared with $4.02 per share, an increase of 30%

Net assets on June 30 were $13,464,709, compared with $11,821,309 a year earlier. Total assets on June 30 were $73,971,000, as compared with $76,456,709 a year earlier. Total net assets on June 30 were $73,971,000, as compared with $76,456,709 a year earlier. Total net assets on June 30 were $73,971,000, as compared with $76,456,709 a year earlier.

In commenting on the year, Merle Thorpe, Jr., Board Chairman, and President of the Fund, noted that, in addition to the extraordinary result of its 792-mile rail subsidiary, "This is a "bridge" line, the National Bridge Company, connecting roads 50 of its 792-mile route on May, 1956, on the other hand, was the year when the Fund extended into Canada by the 100% owned Naperville Junction R.R. from Route 30 to Route 66, with a link connecting with the Canadian Pacific R.R.

At Binghamton the D & H continues to gain, with the Erie that has long been a natural rival, the Erie and the Erieentric Mechanive, D & H connect 34 miles of New Jersey. In 1954, this once very important inter
city excursion train was cut short to the result of the replacement of the Erie by natural gas largely in the form of motor fuel, and the consequent decline in coal ship
calls and the drop in the price of the stock, reflected in a higher profit-sharing ratio at the same time earnings were increasing in the same period or more.

The present shares are selling well by a dollar for the old stock which appraised at less than three times 1955-56 earnings. There is much less revenue for the old stock, the appreciated value of 1.18% in 1956 as compared to 2.23% in 1955. The former "old" stock is, the latter new stock. This "new" look at Delaware & Hudson stock as much as anything on the change; the new stocks is thought to have led to the decline last year.

As suggested in the foregoing, Delaware & Hudson Company is a small company, with only 19.6% of Class A of$d of the Companv, the Class A stock is appreciably higher than the Class B. The Class A stock is not in any class, the Class B stock is appreciably higher than the Class A.

We conclude that a fully invested position in common stock, it will be possible protection against inflation, and yet in the long-term the growth of the economy.

Atomic Fund Reveals Sharp Investment Gains

Net investment income and realized gains have increased sharply in the fiscal year ended on June 30, according to The Fund's Mutual Fund's annual report showing.

Income for the fiscal year totaled 36 cents per share as compared with 26 cents per share during fiscal 1955, an increase of more than 40%.

Realized gains on capital appreciated property, income and any realized capital gains from the sale of securities, additional investment, and not distributed, Mr. Fitzsimmons said.

Clear Crystal

It is crystal clear that these are the tips of the iceberg of what is going to go on. The very least we can do is to look at the horizon for some, and for others, the more enlightened perception. And more so than ever before, the brokers with imagination, initiative and good sense, are a government of men, a government of the people, and we must be the people. That is the essence of the great idea, the idea of the great idea, the idea of the great idea, the idea of the great idea.

With all due credit to the effi
cient investment, the Delaware & Hudson is a very important element in the ability of the road to operate so smoothly, and to reduce its operating expenses by the use of new equipment on some 50% of its traffic. Another basic factor is the road's ability to operate on some 50% of its branch mileage. While the latter has been acquired from the Erie last year of the 34-mile double track Jefferson division, the former has been brought into the question since the D & H had come into being under agreement with the Erie since 1898 under equipment agreement. A final factor is the road's ability to operate on some 50% of its branch mileage.
Indications of Current Business Activity

### AMERICAN IRON AND STEEL INSTITUTE

- **Indicated steel operations (percent of capacity)**: Aug 5
  - onsite
  - total

### AMERICAN PETROLEUM INSTITUTE

- **Crude oil and condensate (total daily average)**: Jul 20
  - total
  - by region

### ASSOCIATION OF AMERICAN RAILROADS

- **Carload freight received from connections (no. of cars)**: Jul 21
  - total

### CIVIL ENGINEERING CONSTRUCTION—ENGINEERING

- **Total new orders**
  - Jul 26
  - Jul 27
  - Jul 28

### DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE

- **Indianapolis SALES—FIRST FEDERAL RESERVE DISTRICT**: Jul 25

### EDISON ELECTRIC INSTITUTE

- **Increment in the 1949 rate base**: Jul 26

### FAILURE (COMMERCIAL AND INDUSTRIAL)—DUN & BRADSTREET

- **Iron age crop prices**
  - Jul 26

### METAL PRICES (E. & J. Q. JUXTAPOSED)

- **Domestic sales at**
  - Jul 26

### MOODY'S BOND PRICES DAILY AVERAGES

- **Average corporate**
  - Jul 31

### NATIONAL COTTON RESEARCH ASSOCIATION

- **Sales (tons)**

### OIL, PAINT AND DRUG REPORTER PRICE INDEX

- **Index in 1935-39 = 100**: Jul 13

### STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LATITUDE MULTIPLE STOCKS

- **Stock exchange—SECURITIES EXCHANGE COMMISSION**: Jul 7

### TABLE ROUND-LOT STOCKS ON THE N.Y. STOCL MARKET

- **New issues (shares)**

### The following statistical tabulations cover production and other figures for the latest week or month only. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, as of that date:

#### BUILDING PERMIT VALUATION—BUI & CONSTRUCTION INDUSTRY—CITY OF MIDDLETOWN, ME: Month of May 1955

<table>
<thead>
<tr>
<th>Category</th>
<th>Last Month</th>
<th>Previous Week</th>
<th>Month Ago</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>83,536,976</td>
<td>82,749,123</td>
<td>505,621</td>
<td></td>
</tr>
<tr>
<td>Single family</td>
<td>35,127,147</td>
<td>35,052,673</td>
<td>253,358</td>
<td></td>
</tr>
<tr>
<td>Multi-family</td>
<td>48,409,829</td>
<td>47,696,448</td>
<td>252,263</td>
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</table>

#### BUSINESS INVENTORIES—DEPT. OF COMMERCE

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<tr>
<th>Category</th>
<th>Month of May 1955 (dollars of)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale</td>
<td>16,700</td>
</tr>
<tr>
<td>Retail</td>
<td>12,400</td>
</tr>
<tr>
<td>Total</td>
<td>29,100</td>
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</tbody>
</table>

#### COTTON AND LINEN—DEPT. OF COMMERCE—RUNNING SALES

<table>
<thead>
<tr>
<th>Category</th>
<th>Quarter Ended</th>
<th>Current Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>8,814,600</td>
<td>8,814,600</td>
</tr>
<tr>
<td>Domestic sales</td>
<td>8,814,600</td>
<td>8,814,600</td>
</tr>
<tr>
<td>Foreign sales</td>
<td>8,814,600</td>
<td>8,814,600</td>
</tr>
</tbody>
</table>

#### COAL OUTPUT (U.S. BUREAU OF MINES)

<table>
<thead>
<tr>
<th>Category</th>
<th>Month of May 1955 (tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steam coal</td>
<td>7,856,000</td>
</tr>
<tr>
<td>Bituminous coal</td>
<td>7,856,000</td>
</tr>
<tr>
<td>Lignite coal</td>
<td>7,856,000</td>
</tr>
</tbody>
</table>

#### DEPARTMENT STORE SALES—SECOND FEDERAL RESERVE DISTRICT

<table>
<thead>
<tr>
<th>Category</th>
<th>Month of May 1955 (dollars of)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>59,000,000</td>
</tr>
<tr>
<td>Department stores</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Food stores</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Jewelry stores</td>
<td>5,000,000</td>
</tr>
</tbody>
</table>

#### GAS APPLIANCE MANUFACTURERS ASSOCIATION

<table>
<thead>
<tr>
<th>Category</th>
<th>Month of May 1955 (dollars of)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>24,500,000</td>
</tr>
<tr>
<td>Residential</td>
<td>23,000,000</td>
</tr>
<tr>
<td>Commercial</td>
<td>1,500,000</td>
</tr>
</tbody>
</table>

#### MONEY IN CIRCULATION—FEDERAL RESERVE DEPT.

<table>
<thead>
<tr>
<th>Category</th>
<th>Month of May 1955 (dollars of)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3,913,000,000</td>
</tr>
<tr>
<td>Reserve banks</td>
<td>3,201,000,000</td>
</tr>
<tr>
<td>Currency banks</td>
<td>712,000,000</td>
</tr>
</tbody>
</table>

#### PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE—Month of May 1955)

<table>
<thead>
<tr>
<th>Category</th>
<th>Month of May 1955 (dollars of)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total personal income</td>
<td>27,818,594</td>
</tr>
<tr>
<td>Workers' income (combined)</td>
<td>28,718,594</td>
</tr>
<tr>
<td>Household income</td>
<td>28,718,594</td>
</tr>
</tbody>
</table>

#### REAL ESTATE FINANCING IN NON-FARM HOUSES

<table>
<thead>
<tr>
<th>Category</th>
<th>Month of May 1955 (dollars of)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>792,300,000</td>
</tr>
<tr>
<td>New</td>
<td>450,800,000</td>
</tr>
<tr>
<td>Existing</td>
<td>341,500,000</td>
</tr>
<tr>
<td>Sales</td>
<td>792,300,000</td>
</tr>
<tr>
<td>Refinancing</td>
<td>792,300,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Month of May 1955 (dollars of)</th>
<th>Month of May 1955 (dollars of)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>500,000</td>
</tr>
<tr>
<td>New</td>
<td>350,000</td>
</tr>
<tr>
<td>Refinancing</td>
<td>150,000</td>
</tr>
<tr>
<td>Sales</td>
<td>500,000</td>
</tr>
<tr>
<td>Refinancing</td>
<td>500,000</td>
</tr>
</tbody>
</table>

#### MORTGAGE LOANS—FEDERAL RESERVE BOARD

<table>
<thead>
<tr>
<th>Category</th>
<th>Month of May 1955 (dollars of)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3,913,000,000</td>
</tr>
<tr>
<td>Refinancing</td>
<td>3,913,000,000</td>
</tr>
<tr>
<td>Sales</td>
<td>3,913,000,000</td>
</tr>
<tr>
<td>Refinancing</td>
<td>3,913,000,000</td>
</tr>
<tr>
<td>Sales</td>
<td>3,913,000,000</td>
</tr>
</tbody>
</table>

#### WAGE AND SALARY PAYROLLS (U.S. BUREAU OF LABOR)

<table>
<thead>
<tr>
<th>Category</th>
<th>Month of May 1955 (dollars of)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>50,000,000</td>
</tr>
<tr>
<td>New</td>
<td>50,000,000</td>
</tr>
<tr>
<td>Refinancing</td>
<td>50,000,000</td>
</tr>
<tr>
<td>Sales</td>
<td>50,000,000</td>
</tr>
<tr>
<td>Refinancing</td>
<td>50,000,000</td>
</tr>
<tr>
<td>Sales</td>
<td>50,000,000</td>
</tr>
</tbody>
</table>

**Notes:**
- Based on new annual capacity of 120,000 tons as (number of orders not reported since introduction of Monthly Investment Plan.**
DIVIDEND NOTICES

**American Bank Note Company**

Preferred Dividend No. 207

Common Dividend No. 197

A quarterly dividend of five cents per share ($0.05) on the Preferred Stock, and a dividend of one cent per share on the Common Stock, payable December 1, 1956, to shareholders of record at close of business November 25, 1956.

**Eaton Manufacturing Company**

Cleveland, Ohio

DIVIDEND No. 143

On July 27, 1956, the Board of Directors declared a dividend of seventy-five cents ($0.75) per share on the Common Stock, payable October 1, 1956, to shareholders of record at close of business September 15, 1956.

**Harbor-Walker Refineries Company**

Board of Directors has declared for quarterly ending September 30, 1956, a dividend of four cents ($0.04) per share on the Common Stock, payable October 16, 1956, to shareholders of record at close of business September 30, 1956.

**National Distillers Products Corporation**

The Board of Directors has declared a dividend of twelve cents ($0.12) per share on the Common Stock, payable October 15, 1956, to shareholders of record at close of business October 5, 1956. The transfer books will remain open.

**TECHNICOLOR, Inc.**

The Board of Directors has declared a quarterly dividend of fifty (50) cents per share on the Capital Stock of the Company, payable October 1, 1956, to shareholders of record at close of business September 30, 1956. The transfer books will remain open.

**THE TEXAS COMPANY**

216th

Consolidated Dividend

A regular quarterly dividend of fifty cents ($0.50) per share on the Common Stock of the Company, payable October 1, 1956, to shareholders of record at close of business September 30, 1956. The transfer books will remain open.
WASHINGTON... And You

WASHINGTON, D.C.—There is no chance that the Senate Finance Committee will lose its right to make any liberalizing amendments by next year, as Senator Millikin of Colorado and Walter George of Georgia have pledged themselves to that position.

The Senate subcommittee, which has been in session since last year, has been considering legislation coming from President Truman and from the House.

Two vacancies will need to be filled in the subcommittee because of the withdrawal of Senators Millikin and George. The subcommittee may also lose some of its conservative bloc.

Senator Millikin is a conservative and Senator George is a liberal, and their presence on the subcommittee is essential for any hope of a balanced budget.

The subcommittee will continue to work on the budget legislation, which is scheduled to be completed by the end of the year.

The Senate Finance Committee has been working hard to find a solution to the budget crisis.

One of the main issues on the agenda is the liberalization of the tax code.

The House Ways and Means Committee has already passed a bill that would increase the tax on high incomes, but the Senate Finance Committee is expected to make significant changes to the bill.

The Senate Finance Committee is also expected to consider a bill that would increase spending on social programs, such as education and healthcare.

The committee is expected to hold hearings on these issues in the coming weeks.

The Senate Finance Committee is a key player in the budget process and its decisions will have a significant impact on the federal budget.