EDITORIAL

As We See It

As the Suez affair pursues its tortuous and difficult course from day to day, it becomes more and more important that the rank and file in this country (and in others, too, for that matter) keep the issues in perspective, and above all avoid being aroused to pointless passion by the extreme statements which from time to time find their way into the public prints. There are those who see in Colonel Nasser an "Adolf Hitler of the Middle East." In one sense he may be just that. He in all conscience is given to the same sort of half insane, inflammatory oratory, and, apparently, is a victim of the same kind of megalomania. Given the same opportunity that Hitler had, he might make similarly serious trouble for the world.

The threat that he poses is, however, of a vastly different sort, and, of course, it is difficult to conceive of his having the same potentials for harm—assuming reasonable care and foresight on the part of his most likely victors. Rather obviously, he can do nothing of very great consequence unless he is able to attract very powerful allies who are willing to take large risks and incur heavy costs in his behalf. His own country is small, weak and very vulnerable on several counts. Among those who might become allies, only Russia and China can pose any great threat of force. All the Moslem world combined with Egypt could not directly begin to do the damage that Hitler inflicted upon the world.

But, of course, Russia is not the main problem here. She, as usual, wants to catch all the fish she can from these troubled waters, but the real source of trouble is the world-wide revolt against "colonialism," and the rampant surge of ultra-nationalism.

Continued on page 22

Petrochemicals Industry—Today and Tomorrow

By HENRY G. MCGRATH

Fast growing and profitable chemical industry—particularly petrochemicals, which already account for nearly 25% of total chemical production and possesses enormous growth opportunities—is delineated by M. W. Kellogg Company staff member. Predicts dollar value of all chemicals to reach $7.8 billion in 1956 and $10.5 billion in 1960, and petrochemicals to be $2.4 billion and $5.7 billion for 1955 and 1960 respectively. Mr. McGrath notes such industries as shipping, farm equipment, rubber manufacturing and gas pipeline firms have entered the petrochemical field, and describes the activities of several petroleum companies that have successfully diversified into this field. Sees petrochemical investment doubling to $8 billion in 1960, and petrochemical output exceeding 59% of all chemical production in 1965.

Continued on page 30

Foreign Policy—At the Crossroads

By DR. MELCHIOR PALYI

Chicago economist appraises the changing direction and unexpected results of our policies in the underdeveloped countries, which has served to turn near and Far Eastern countries against us, and, in turn, has caused European and Americanism. Dr. Palyi calls for "a halt to the Dulles-Eden policy of perverted appeasement" in the Middle East, and averts "Moore shirk or Buddhist president will throw himself into the Soviet's arms, scream as they may."

A recent French report states that the populations of Algiers and Tunis are rising at an annual rate of 2.5 to 3.5%, which means that they double in every generation. An increase in the annual rate of 8 million or so is reported from India. Supposedly, the Egyptians also will double in numbers in this generation. In the Islamic countries, one factor in the rise of children seems to be the fact that polygamy is fading out. But the most important factor is the introduction of modern methods of birth control. In Ceylon, a $20 million investment in decontaminating water wells and providing anti-biotics, combating epidemics, etc., resulted in a 28% decline of the mortality rate. In backward countries, medical aid is the cheapest form of modern technical service. It creates miraculous results without major investment, without the necessity of a long wait, and without causing fundamental changes in the indigenous ways of life.

It used to be said that in our country "one man, two hogs, three children." Presently, with or without the flag, the doctors and the public hygiene march in. Wherever they go, death takes a holiday and populations rise by leaps and bounds. With the modern medicine man comes, often

Continued on page 24

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 36.

STATE AND MUNICIPAL BONDS

THE FIRST NATIONAL CITY BANK OF NEW YORK

Bond Dept. Teletype: NY-1-708

COPIES OF OUR LATEST "POCKET GUIDE FOR TODAY'S INVESTOR" ARE NOW AVAILABLE ON REQUEST

HARRIS, UPHAM & CO.

129 BROADWAY, NEW YORK 8
34 offices from coast to coast

THE CHASE MANHATTAN BANK

American Hospital Supply Co.

COMMON

Analysis upon request to our Unlisted Trading Dept.

IRA HAUPF & CO.

Members New York Stock Exchange and other Principal Exchanges

41 Broadwey, N. Y. 4

WORTH 4-6000 TEL EARY 1-2706

Boston: Telephone Enterprise 1830

The Commercial and Financial Chronicle
The Security I Like Best

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

(Charles T. Jawetz, Senior Partner, Daniel Reeves & Co., Beverly Hills, Calif.)

Bestwall Gypsum Co.

In selecting a security to buy or sell, I believe it is important to have a clear idea of the fundamental reason for the purchase or sale of the security. If one is looking to the market as a short-term speculation, it is natural to consider the objectives most likely to be achieved by the purchase of a given security.

In the case of Bestwall Gypsum Co., I believe the stock is an excellent investment for the long-term investor. This company is one of the leading producers of wallboard in the United States, and its products are widely used in the construction industry.

The company's earnings have been consistently high, and I expect this trend to continue in the future. The management of Bestwall Gypsum is experienced and efficient, and they have consistently demonstrated their ability to manage the company effectively.

In conclusion, I believe that Bestwall Gypsum Co. is an excellent security for the long-term investor. The company has a strong track record of profitability, and I expect it to continue to perform well in the future.

Dr. Frank K. Rader, President and Chief Executive Officer, Lamar Life Insurance Co., Kansas City, Mo.
Treasury Securities Market
In the Short and Long Term

By LEROY M. PISER*
Vice-President, Aubrey G. Lanston & Co., Inc.

Aubrey G. Lanston, Vice-President, analyzes the factors influencing the short- and long-term Treasury securities market, and reviews the interaction of important factors in the market during the past year. Mr. Piser explains: (1) why Treasury issues are traded in dealer rather than in broker markets; (2) the advantages of dealing in Treasury securities in self-regulated rather than in disordered market rather than capricious reasons, and (5) difference between debt management and regulatory policies in principle vs. practice.

The Treasury securities market, in my opinion, is influenced by three factors. These are, first, the conditions of business; second, the credit policy followed by the Federal Reserve System; and third, the debt management policy followed by the Treasury.

In addition, the market may be influenced temporarily by psychological factors as well as by misinterpretations of the fundamental factors, but eventually it always seems to get back in the groove.

Treasury Securities Market

The first point that I want to make is that virtually all Treasury securities constitute the basis rates for all interest-bearing securities. Virtually every issue of corporate and mortgage securities generally move up and down with the yields on Treasury securities. Obviously, municipals generally yield less than Treasury securities because they are exempt from the Federal income tax, and corporates yield more because of their lower credit rating. Also, these differences in yields vary with the supply of the different types of securities and can be measured to a large extent by stability or instability of the bond cycle.

The Treasury market is a dealer market, distinct from a broker market, such as the Stock Exchange. This means that dealers act as principals rather than agents in most of the transactions that they handle, they term seven or eight times a year and close transactions themselves. In other words, if we have a buying order in one issue and we do not have a selling order in the same issue, we may be able to execute a selling order through some other dealer.

Dealers constantly check market conditions of transactions with each other. This enables them to keep close to each other with respect to the buying and selling prices that they quote, and it also enables them to close transactions between themselves. In other words, if we have a buying order in one issue and we do not have a selling order in the same issue, we may be able to execute a selling order through some other dealer.

Dealers are not direct buyers or sellers of securities. They can buy or sell at their prices, and if we can actually buy and sell at those prices, they are engaged in a deal, of course, 2/32. As a matter of fact, even that small difference doesn't amount to much in practice, because the difference between the buying price at which we buy and sell is more apt to be 1/32 or 1/64. These are pretty small spreads, but the larger the bid and ask, the larger the bid and ask, the larger the volume of transactions that we have.

Dealer Financing

Dealer positions are financed in two principal ways. One is by borrowed funds from commercial banks, but the more usual is by selling securities for their customers. The Federal Reserve, and the Federal Reserve, and the Federal Reserve generally agree to an agreement to purchase securities at a specified price at some later date. Since a dealer

*An address by Mr. Piser before the 60th Annual Statistical Dinner, New York University, Aug. 30, 1936.

For many years we have specialized in PREFERRED STOCKS

Spencer Trask & Co.

Members New York Stock Exchange
25 Broadway, NEW YORK 4, N. Y.

TELEPHONE REmynor 2-4300
TELETYPE N. Y. 14

Albany • Boston • Chicago • Cincinnati

*Prospectus on request

William B. Dana Company

The Commercial and Financial Chronicle

WILLIAM B. DANA COMPANY, Publishers
25 Park Row, New York 7, N. Y.
Subscribers 25,000 to 30,000

HERBERT D. SEIBERT, Editor & Publisher

WILLIAM B. DANA SEIBERT, President

Thursday, Sept. 26, 1935

Every Thursday (general news and advertising contents), 55 cents per year

Published Twice Weekly

The COMMERCIAL and FINANCIAL CHRONICLE

Copyright 1935 by William B. Dana Company
Reprinted on Second-class matter February 25, 1932, at the post office at New York, N. Y., under the Act of March 3, 1879.

Subscriptions Rates
Subscriptions in the United States, $2 per year in Canada, Canada, Canada, $1 per year; or subscription for the full year, $100 per year.

Other Publications

Bank and Stock Exchange—Monthly, $40 per year.

Editor in chief: LEROY M. PISER

For more information, please visit our website at www.ft.com

Lithium Corp.

TMT Trailer Ferry
Federal Uranium

General Transistor

Baruch Oil

Scripto, Inc.*
Oil has exerted no calming influence on the troubled waters of Sue and other commodities. Oil has also created some choppy weather for recent share markets. Not only have international stock equities bogged down, but domestic equities, quite unrelated to Arabarance, are off 10% or more from the 1959 high.

Which brings us to today's agenda, namely the scanning of the chemical industry. The estimation of such laboratory-type equities seems as remote as reading printed poetry.

The essential position of the chemical industry remains unchanged. Here's a section of our economy which continues to thrive as rapidly as all industry; that devours over $30 billion a year to research; that will invest over $1.4 billion in new plant this year; and that spends millions to emulate its own total energy creating and developing synthetic substitutes for chemical materials. These are some of the most dramatic creations of this fabulous industry—dyes, plastics, and medicinal drugs. For example, Nature used to supply all of our rubbers; now, almost all of them is synthetic.

While it has been characteristic of major chemical shares to discount the future rather heavily, to sell at high price-earnings ratios, and to provide cash dividends at a discount on the interest rate, there have been few true shreddow investors—individual and institutional. This has been true not only because of the average industry growth rate over many years, but also due to the fact that the notable capacity of industry leaders to develop highly profitable substitutes for many of its own products and to the low ratio of labor costs to net plant cost, which normally annual increases in the price of labor, many investment selectors almost instinctively ignore industries where labor costs exceed 5% of gross. That formula leaves chemicals well within their purview.

Veering to specific companies, we'd like to start with a word or two about the history and financial Potash Corporation of Canada. Four or five years ago a new wonder drug, chlortizide, was brought to the world by the company. By mid-1956, Potash had almost any company on the market with a "hit parade." Dr. R. C. Starnes, who had the honor of discovering chlortizide, is also a poor man.

Chlortizide has been approved by the U.S. Food and Drug Administration and has been licensed for the sale of drugs to human beings in the United States. This product has recently been released for sale in France and is likely to be released in other countries in the near future.

Potash's earnings, which were $1.40 a share in 1955, are expected to make $1.50 a share in 1956. Potash's earnings have been increasing at a rate of about 25% per year for the past five years. The company's book value is about $11 per share, and its earnings per share have doubled since 1952.

Potash's dividend policy has been to maintain a constant dividend per share, even though earnings have increased at an annual rate of about 25%. The company has declared a dividend of 50 cents per share for the fourth quarter of 1955, the same as in the previous quarter.

Potash's book value has increased from $1.25 per share in 1952 to about $11 per share in 1955. The company's book value per share has increased at an annual rate of about 50% per year for the past five years.

The bookkeeping-charges of depreciation and amortization were $5.64 on each of the 23,663,614 common shares outstanding in May 1955. Inorganic chemicals account for over 50% of sales; pharmaceuticals account for 10% of sales. Potash's name is well known in the chemical industry, and it is one of the most successful companies in the field.

Metal market history since the past five years has shown that the sustained profitably resulting from a new wonder drug, or a new synthetic substitute for an existing product, can be overestimated; but it is also noteworthy that companies able to create new, substitute products frequently can create other, substitute products that are superior to the original product, and that, over time, higher earnings and share prices.

So for now, investors may find a look at Chlortizide Co. rewarding because of its new synthetic antibiotic, S. aureus. This is a multi-spectrum drug that can be used to treat infections caused by aerobic and anaerobic bacteria, as well as fungal infections.

It is believed to be especially effective against certain types of pyogenic, blood poisoning and intestinal infection. S. aureus was the first antibiotic of this type to receive FDA approval in the United States.

Earnings from this material should be around the $0.60 per share level, and prophecy will reach $1.00 per share given favorable current billing.

Over-the-counter, Smith, Kline & French Laboratories Co. has found a new herb (b) because of the success of its Thalazine (with total estal sales of $38 million in 1956), is expected to increase its sales in 1957. Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Among other pharmaceuticals, Smith, Kline & French Laboratories Co. has found a new herb (b) because of the success of its Thalazine (with total estal sales of $38 million in 1956), is expected to increase its sales in 1957. Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

This year, Smith, Kline & French Laboratories Co. has found a new herb (b) because of the success of its Thalazine (with total estal sales of $38 million in 1956), is expected to increase its sales in 1957. Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.

Smith, Kline & French Laboratories Co.'s earnings for 1957 are projected at $1.00 per share.
Ecuador: An Economy at the Cross-Roads

BY A. WILFRED MAY

Mr. May details recently occurring facets of deterioration facing the newly-inaugurated regime. Following interview with the Minister of Economy, confirms Ponce government’s earnest dedication to balancing the budget. Emphasizes the need for making hard cuts in social security, a difficult reserve situation, the urge for expanded public works, cultural backwardness. Men. Intrigo is confident that contemplated cuts-down of import restrictions on raw materials, "we will succeed in not being worried by the recent declines in reserve in spite of substantial rise in the export crops.

Capital From Abroad

Ecuador has received two loans from the Export-Import Bank. The first was consummated in February 1955, $2 million for highway development; for lowering the cost of transportation and incurring production. Repayment is provided for in a number of taxes. The second loan, consummated in 1956, was in the amount of $2 million at 5% for electrical development in the City of Guayaquil.

From the Export-Import Bank $30 million has been received during the Ponce regime. Eight million dollars was devoted to a highway project; started with $2 million; eight million was raised owing to unexpected costs, with the help of the Export-Import Bank. Other Export-Import loans have been devoted towards reconstruction after the typhoon of 1949, for sewage systems, and just recently, the improvement of two airports.

Our Point Four program is functional in Ecuador, and you discuss the present inflationary trend in prices and their contributions cost. May I call attention to what I believe to be the greatest single inflationary factor in today’s economy? It is the building of a house on a basis of nothing down and 30 years to pay. The Government OKs the mortgage and the house is built, thereby drawing on labor and material sufficiently to cause a national shortage.
Charged Economic Importance of Outstanding Consumer Debt

By A. W. ZELOMEK

President, International Statistical Bureau, Inc.
Visiting Professor, Graduate School of Business Administration, University of Virginia

Noting that consumer credit expansion for the year to date has been at a greatly reduced rate, Economic Zeolmek finds in this encouraging data to counter fears that consumer debt is rising too fast. Admits 1955 rate of increase was too rapid but claims end of the year total debt was not dangerous relative to consumer income. 

The success and growth of the automobile industry naturally drew the attention of other business men to the importance of installment credit as a selling force. Just as naturally, this led to many abuses which night operator peddled all sorts of shoddy merchandise for a "dollar down a dollar a week." Most consumers were unable to calculate the carefully observe their savings if paying for installment credit, and in many cases these ran as high as two or three hundred percent annually. The unsavory opera tor was out to take the public, and did. The attitude toward the morality of installment merchandising came as a full circle. Where the consumer who bought on the installment plan had once been regarded with doubt, the business man who sold on the installment plan was now regarded with suspicion. Where are we now, in terms of what might be called the economic morality of installment merchandising? There are two ways in, now, of consumer credit and the problems of these are inseparable. Where are we now, in terms of the policies consumers should follow with regard to installment and other types of credit?

Slower Rate of Increase

Let us make no mistake about it, the 1955 rate of growth in the use of installment and other credit was too rapid. I do not mean by this that out standings at the end of the year were dangerously large in relation to consumer income. I do mean, however, that the rate of increase was so rapid in relation to sales of automobiles that added and pinched consumers undergrowing current debt-reduction would prevent those who have shown generally that they are honest and most of the time sensible from continuing modern living. Explains the aspiration satisfying and mutually beneficial positive value of installment selling to the economy and the consumer.

I suppose the first thing we ought to do is to recognize the fact that the public attitude toward installment selling has undergone some drastic changes during the past 30 or 50 years. Most, I suspect, can remember the day when the whole idea of installment credit was regarded with what amounted to great moral indignation. There was something almost saco about "owing" merchandise, and the idea of paying for it out of your income was considered abnormally immoral. Now, however, installment buying is regarded as a normal part of modern living. That is why the present rate of growth in installment selling makes us think that it might be the right time to take a look at the problems it presents and the morality of installment merchandising.

The automobile brought a change in thinking. Unlike a house, the automobile was a mass-produced product. It could be turned out in large numbers in relatively short periods. However, the machines cost a lot of money to build, and these factories could not be kept running unless some way could be found to finance mass automobile sales to the public. Once the automobile was invented, a large-scale installment selling had to be invented too. Automobile and installment buying go together like beer and pretzels.

The further expansion in credit coalitions for the year to date has been at a greatly reduced rate. Between January and June, for example, installment credit outstanding increased by only over three percent. This is the greatest span in the last six months of the year. Every category of installment credit, automobile, other types of installment, and other personal debt, has shown a slowing down, or at actual decline. Only personal loan instalments, which gained during the year to date at the same rate as in the last 19 months, was able to maintain its upward trend.

The change in outstanding credit presents the problem of what will new business methods and repayment. Total new installment business written during the first six months increased by only 3.1%, while the second quarter showed a decline of almost 1%. The third quarter reports are available it is realized that this is still more than that news business is emerging; we are expanding only moderately if at all and the aggregate of all categories have actually been shrinking.

It is a natural question to ask which has so often been raised: Have we grown experience that instalment policies in terms of installment buying? The economist will point out to you that, if installment debt becomes excessive in relation to income, there will be two types of adverse effects: (1) There will be a liquidation of debt, where before debt had been increasing, and this will have a depressing effect on the economy. (2) Merchants will experience losses, if consumers cannot pay their debts.

Reaching the Danger Point?

Have we reached the point where such dangers are imminent? At the beginning of the year, many people predicted that we would be in the same trouble that they were. Consumer debt outstanding at the beginning of the year reached about 14% of disposable income, as compared with the previous peak of about 11% in 1946. The relative number of consumers in the installment debt was 8.7% above the earlier year, and had reached from 75% to 80% in the income brackets from $1,000 to $6,000.

That is not to indicate was that we were in new high ground in terms of installment selling, but as were also in a time of great activity in terms of economic activity. And it was obvious that we were in the year, if not at that last year's rate of increase could not continue indefinitely.

But it also appears that the plan was set at the beginning of the year that 1955 would not experience a reduction in this rate of expansion. And the plan has been finished. Meanwhile, disposable income has continued to increase at the rate of 7% over the previous year, to disposable income at the present time and it was at the beginning of the year.

I would not claim that we will not experience an increase in credit. It seems to me, however, that the expansion that the last six months are very encouraging, should continue for a period of business setback, that consumers are exceedingly benefitted in terms of paying their debts. Loans originated in this form of buying during the past two and half years, and the trend for the year to date indicates that consumers tend to regulate them themselves and the plan. I would not make any claims that business activity as a whole this year will maintain a record high, and that the problem is going to be the same as in 1955, but I think it would be wise to be careful that the present rate of growth in installment credit may not lead us to think that we have a problem only on the horizon.

The change in consumer credit, however, has been very encouraging, and I would not make any claims that business activity as a whole this year will maintain a record high, and that the problem is going to be the same as in 1955, but I think it would be wise to be careful that the present rate of growth in installment credit may not lead us to think that we have a problem only on the horizon.

Thus, to the economist, the problem is to find ways and means of instrumental credit in order to keep installment debt from becoming excessive. And the problem of the consumer is to regulate installment buying in a manner that will be mutually beneficial to the economy and the consumer.

"This announcement is made on offer to sell or a calculation of offer to buy these securities, the offering is made only by the offering circular.

$35,000,000

Southern Pacific Company

Southern Pacific Railroad First Mortgage Bonds, 5% Series H

Dated October 1, 1956

December 1, 1958

The issuance and sale of these Bonds are subject to approval by the Interstate Commerce Commission

Price 100% and accrued interest

The offering Circular may be obtained by any STATE in which this announcement is circulated, from each of the underwriters and other dealer as may lawfully offer these securities in such State.

HALSEY, STUART & CO., INC.

AMERICAN SECURITIES CORPORATION

BEAR, STEARNS & CO.

BARDENBURG, THALMANN & CO.

STILLS & COMPANY

FRANCIS I. du Pont & CO.

REYNOLDS & CO.

SHERASON, HAMILL & CO.

ADAMS & BECK

BAXTER, WILLIAMS & CO.

IRA HUART & CO.

TUCKER, ANTHONY & CO.

NEW YORK HANSEATIC CORPORATION

BAKER, WEEKS & CO.

F. S. SMITHERS & CO.

W. H. ALSTYNE, NOEL & CO.

BURNHAM AND COMPANY

WE, F. POLLOCK & CO., INC.

GREGORY & SONS

FREEMAN & COMPANY

FIRST OF MICHIGAN CORPORATION

GREEN, ELLIS & ANDERSON

E. H. HUTTON & COMPANY

GOODBODY & CO.

HIRCH & CO.

SWISS AMERICAN CORPORATION

September 20, 1956.
$29,000,000 LOS ANGELES

3¼% Bonds, Election 1955, Series B
Los Angeles County, California

City School District
City High School District
City Junior College District
Financing the Educational Needs of California

Issues, Amounts, Maturities and Yields
(Annual Interest to be Added)

<table>
<thead>
<tr>
<th>Amounts</th>
<th>City School</th>
<th>High School</th>
<th>Junior College</th>
<th>Due</th>
<th>Prior to Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000,000 Los Angeles City School District</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>1967</td>
<td>2.00%</td>
</tr>
<tr>
<td>$10,000,000 Los Angeles City High School District</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>1967</td>
<td>2.00%</td>
</tr>
<tr>
<td>$9,000,000 Los Angeles Junior College District</td>
<td>100,000</td>
<td>100,000</td>
<td>100,000</td>
<td>1967</td>
<td>2.00%</td>
</tr>
</tbody>
</table>

Dated October 1, 1956
Due October 1, 1957-81, incl.

Interest and semi-annual interest (April 1 and October 1) payable at the office of the Treasurer of Los Angeles County in Los Angeles, California, or at any of the fiscal agencies of Los Angeles County in New York, N.Y., Chicago, Illinois, or the office of the holder. Coupons bear in denominations of $1,000, payable only to the holder or his assigns.

In the opinion of counsel, interest payable by the Districts upon their bonds is exempt from all present Federal and State of California personal income taxes, subject to the legal limitations upon the amount of the bond's investment, and are likewise legal investments in California for all other funds which may be invested in bonds which are legal investments for savings banks, and are eligible as security for deposits of public moneys in California.

These bonds, issued under the provisions of Division 3, Chapter 17, California Education Code, for various school purposes, comprise separate issues of three distinct districts. The bonds of each issue in the opinion of counsel constitute the legal and binding obligations of the issuing district and are payable, both principal and interest, from ad valorem taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property, except certain personal property, in the issuing district.

The above bonds are offered when, as and if issued and received by us and subject to approval of the Board of Education of the Los Angeles City School District, the Board of Directors of the Los Angeles City High School District, and the Board of Trustees of the Los Angeles Junior College District.

September 10, 1956

CITY SCHOOL DISTRICTS
CITY JUNIOR COLLEGE DISTRICT

J. Barth & Co.  Clark, Dodge & Co.  Hartford & Weeks
A. M. Kidder & Co.  Laidlaw & Co.  Lee & Higinson Corporation
John Naven & Co.  Schoolhouse, Hutten & Pomeroy, Inc. (Incorporated)
Shawyer, Hannell & Co.  F. S. Smithers & Co.  Trust Company of Georgia
Bacon, Whipple & Co.  William Blair & Company  Coffin & Burr
H. R. Selick & Company  Francis T. Dunlap & Co.  Gregory & Sons
Laurence M. Marks & Co.  W. H. Morton & Co.  Rossin & Cross
L. C. Bradford & Co.  City National Bank & Trust Company  Commerce Trust Company
Dornick & Dornick  A. G. Edwards & Sons  Ernst & Co.
Cowen, Johnson & Co.  Fresh & Co.  The Illinois Company
Kran, Taylor & Co.  National State Bank  New York Hanseatic Corporation
Burns, Collett & Pickard, Inc.  Byrne & Pledge  Julien Collins & Company
Irving Lusburg & Co.  Wm. J. Merick & Co., Inc.
President Savings Bank & Trust Company  Shenan, Aeger & Co.
Taylor and Company  Third National Bank  Thornton, McFie & Farish
Blunt Ellis & Simmins  Shelby Collins Davis & Co.  The First National Bank of Minneapolis
Lyons & Shatto  The National City Bank  Newhard, Cook & Co.
Northeastern National Bank  Stern, Frank, Meyer & Foltz  Stern & Yungburg
Stocks, Smith & Lombard, Inc.  Soto Bros. & Co.  Talley & Company
Townsend, Doherty & Tymon  Robert Winthrop & Co.  Wood, Candy & Co., Inc.
Fred D. Blake & Co.  Breed & Hartridge, Inc.  Henry Delthy & Company
Deonpady-Teel & Co.  Ellis & Co.  Fubey, Clark & Co.
The First Cleveland Corporation  First National Bank of Minneapolis
The First National Bank  Glickenhaus & Lamb  Hannahs, Ball & Lee
Pierce, Carrico, Welburn, Inc.  Rodman & Rudden  Southern Investment Company
Shaw & Company  Wachovia Bank and Trust Company  Zeller & Company
Stewart & Co., Inc.  The Continental Bank and Trust Company
Duff & Topharding, Inc.  The First of Arizona Company
McMaster Hamiltonson & Co.  Newburgh, Lopic & Co., Inc.  Phipps, Jeffrey & Hipwood
Spencer & Meyer  Wagenseller & Durst, Inc.  The Wells, Rath & Company
Arthur L. Wright & Co., Inc.  C. N. White & Co.
Plastics and Soft Drinks Find

Common Use of Citric Acid

Co-authors, Drs. Knuth and Bavel of Chas. Pfizer & Company present paper detailing development of plastics from citric acid.

A chemical used commonly to add tart to soft drinks has been found recently to make possible new plastics. Versatile citric acid, an essential ingredient in products ranging from beverages to soaps, can be prepared by fermentation and, or, more recently, an important factor in rejuvenating oil wells. The process to prepare certain synthetic resins, the American Chemical Society, holding its 130 national meeting, was informed Sept. 17: A search chemist of Chas. Pfizer & Co., Inc., Brooklyn.

Dr. Charles J. Knuth reported that polyester resins could be made from citric acid. Polyester citrate resins have come into wide use over the past decade for automobile upholstery, and for example, and other structural applications. The process used to prepare these new materials and discussed curving methods and properties of the resulting products. The biochemical approach, the key step in preparing citric acid, was followed by three reactors. A fermentative method, of preparing the base resins, he said, was to chemically convert citric acid first with glycol and then with alcohol. The process of adding catalysts to make the same products used to cure the new group of resins. Paralleling the recent trend toward "alloxylation" in plastic materials, the investigations described by Dr. Knuth also showed that these citrate polymers could be epoxyalkylated with vinyl acetate, methyl methacrylate or triallyl cyanurate.

Dr. A. Bavel, another Pfizer researcher, was co-author of the paper, which was presented before the Society's Division of Plastics and Plastics and Printing Ink Chemistry in the Traymore Hotel.

Are Your Records Incomplete?

FOR SALE

Beautifully Bound Set of "CHRONICLES" from 1938-1950

Available in New York City—Write or Phone REctor 2-9570

Edwin L. Beck
e/o Chronicle, 25 Park Pl. N. Y. 7

DEPENDABLE MARKETS

DEMPSEY-TEGELER & CO.
Making Fuel Products from Asphalt Revealed by Chemists

Six Humble Oil researchers' successful hydrogenation of asphalt process produces about 105 barrels of fuel products from only 100 asphalt barrels. Tangle economic significance seen in possible increase in energy from present crude reserves, particularly high in fuel, and the method's practical application from investment and operating costs point of view.

A team of research chemists and chemical engineers of the Humble Oil & Refining Co. are reported to have succeeded in combining asphalt and the by-product hydrogen of the refinery to make usable products, including gasoline, heating oil, suitable for distillation and residual fuel oil. It was reported at the 130th national meeting of the American Chemical Society, Sept. 17, at Atlantic City, N.J.

Although asphalt has been reported into fuel products without considerable loss to less valuable materials such as coke and “dry gas,” the new hydrogenation method actually produces about 105 barrels of products from only 100 barrels of asphalt. Chemical Engineer R. L. Heinrich told the Society's Division of Petroleum Chemistry at a meeting in the Sheilbourne Hotel.

As much as 20 barrels of gasoline and heating oil, 10 barrels of gas oil suitable as catalytic cracking feed stock and 45 barrels of material of quality suitable for use in residual fuel oil have been made from a 100 barrels of asphalt—'with an over-all profit of $50 to $60'—according to Mr. Heinrich, who carries out exploratory research in petroleum refinery processes at present at the Baytown, Tex., oil company.

"Hydrogenation of Asphalt for Fuel Products" was the title of the report, which was prepared by Mr. Heinrich in cooperation with six other Humble Oil researchers, including chemical engineers G. T. Gwin, E. B. Hoffman, R. B. Hauser and J. R. Miller and research chemists Dr. H. W. H. Meyer and C. L. Thorpe.

Economic Significance

"The significance of this development to the economics of the United States or the world may be quite tangible," the speaker asserted. "It could result in a saving of available energy from present crude petroleum reserves, particularly from the huge reserves of relatively high asphalt content crudes.

"The petroleum refining industry has worked continuously toward the goal of obtaining the maximum yield of the more valuable distillate products from each barrel of petroleum, while decreasing the yield of residual products. The development presented in this paper is potentially another step toward that goal and possibly an important step, in that it presents a means of conversion of asphalt to distillate products in good yield and without loss in total volume of conventional fuel products.

"The process appears to have practical application from the standpoint of investment and operating costs. Investment is comparatively low and the scale of this type of because of the relatively mild operating conditions and the reason easy high throughput.

"Operating cost, greatly influenced experience the life of the large volume of fuel-oil-plant equipment required, is reasonable because of the low life of relatively high-carbon catalyst in commercial operation—upward of one year, at least. Investment and operating costs are low because of the simplicity of and infrequent need for catalyst regeneration; conventional air-suction regeneration at intervals of 12 hours or more is employed.

**Correction**

Name of author of article, "Bargains in Railroad Bonds," is Chester S. Iverson, not Everson, as stated in issue of Sept. 13.

Owing to a typographical error, the name of the author of the article, "Bargains in Railroad Bonds," published on p. 19 in the "Chronic" of Sept. 13, was incorrectly shown as Chester S. Everson. Actually the author is Chester S. Iverson, President of the New York Railroad Securities Fund, Chicago, Ill., whose behalf we are happy to publish this notice.

**Form Mintz Investors**

WEST NEW YORK, N. J.

Mintz Investors Corporation is conducting a securities business from offices at 431 80th Street. Officers are Irving Mintz, President, Ada Glwitz, Secretary-Treasurer, and Jeanette Cohen, Assistant Secretary-Treasurer.

**Shapiro, Haeuusser**

Join Yates, Heitner

ST. LOUIS, Mo.—Following the dissolution of Paul Brown & Co. on Sept. 30, Sumner Shapiro will become a general partner and Walter C. Heuusser a limited partner in Yates, Heitner & Woods, 320 North Fourth Street, members of the New York and Midwest Stock Exchanges.

**Form Churchill Secs.**

Churchill Securities Corporation has been formed with offices at 89 Broad Street, New York City, to engage in a securities business. The firm is Nat Girsky, President; Emanuel Biegeler, Vice-President; Melvin Heiman, Treasurer; and Philip Tannen, Secretary. Mr. Girsky and Mr. Biegeler were formerly with Philip Gordon Co., Inc.

**Now Harding & Co.**

HOUSTON, Tex.—The firm name of Clark, Harding & Company, C & I Life Building, has been changed to Harding & Co.

**Tucker, Anthony & R. L. Day to Merge**

R. L. Day & Co. and Tucker, Anthony & Co. will merge on Oct. 1, 1966. The new firm, members of the New York and Boston Stock Exchanges, will be known as Tucker, Anthony & R. L. Day. Main office will be at 120 Broadway, New York 5, N.Y.

**Govt. Employees Inv. Plan**

FAIRFIELD, Calif. — James A. Edman and Thomas J. McGinty, Jr. have formed Government Employees Investment Plan with offices at 431 80th Street to engage in a securities business. Officers are James Sturgis May, President and Treasurer; Clarence S. Wagner, Secretary.

**$19,648,000 Nassau County, New York**

**3.40% Bonds**

Dated October 1, 1956, Due October 1, as shown below. Principal and semi-annual interest (April 1 and October 1) payable at the office of the Company, 190 Broadway, New York, or in New York, New York, Coupon Bonds in denomination of $1,000, convertible into Bonds registered as to both principal and interest.

**Interest Exempt from Federal and New York State Income Taxes**

**Under existing Statutes and Decisions**

**Eligible, in our opinion, as Legal Investments for Savings Banks and Trust Funds in New York State**

**AMOUNTS, MATURITIES AND YIELDS**

<table>
<thead>
<tr>
<th>Amount</th>
<th>Due</th>
<th>Price to Yield</th>
<th>Amount</th>
<th>Due</th>
<th>Price to Yield</th>
<th>Amount</th>
<th>Due</th>
<th>Price to Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>$718,000</td>
<td>1957</td>
<td>2.25%</td>
<td>$770,000</td>
<td>1962</td>
<td>2.90%</td>
<td>$3,330,000</td>
<td>1970-71</td>
<td>3.15%</td>
</tr>
<tr>
<td>770,000</td>
<td>1958</td>
<td>2.50</td>
<td>770,000</td>
<td>1963</td>
<td>2.95</td>
<td>1,895,000</td>
<td>1972-74</td>
<td>3.20</td>
</tr>
<tr>
<td>775,000</td>
<td>1959</td>
<td>2.70</td>
<td>1,540,000</td>
<td>1964-65</td>
<td>3.05</td>
<td>1,885,000</td>
<td>1975-77</td>
<td>3.25</td>
</tr>
<tr>
<td>785,000</td>
<td>1960</td>
<td>2.85</td>
<td>1,330,000</td>
<td>1966-67</td>
<td>3.05</td>
<td>1,830,000</td>
<td>1978-80</td>
<td>3.30</td>
</tr>
<tr>
<td>770,000</td>
<td>1961</td>
<td>2.85</td>
<td>1,885,000</td>
<td>1963-64</td>
<td>3.10</td>
<td>3,050,000</td>
<td>1981-85</td>
<td>3.35</td>
</tr>
</tbody>
</table>

(Accrued interest to be added)

The above Bonds are offered, subject to prior sale before or after appearance of this advertisement, for delivery when, as and if issued and received by us and subject to the approval of legality by Messrs. Root, Taylor & Wathen, Attorneys, New York City.

The First National City Bank of New York Lehman Brothers Halsey, Stuart & Co. Inc.


R. W. Pressprich & Co. Merrill Lynch, Pierce, Fenner & Beane Mercantile Trust Company


Rodman & Renshaw Incorporated Julien Collins & Company Byrd Brothers McDonald-Moore & Co.

Burns, Corbett & Pickard, Inc.

September 19, 1956.

**New Issue**

The above Bonds are offered, subject to prior sale before or after appearance of this advertisement, for delivery when, as and if issued and received by us and subject to approval of legality by Messrs. Root, Taylor & Wathen, Attorneys, New York City.
Where Do We Go From Here With the Agricultural Problem?

By JESSE W. TAPP

Chairman, Board of Directors
Bank of America, N. Y. & S. A.

Bank of America Chairman reviews the basic factors responsible for farmers' complex and diverse problems and proposes:
(1) building up real foreign and domestic markets instead of price fixing, production control and foreign dumping;
(2) the necessity for farm economy and decentralization of non-farm employment—invoking educational and job information programs, and community or regional approach;
(3) using present policies temporarily rather than as a goal or means of achieving effective adjustment; and
(4) cessation of easy answers via legislative route, for it leads to continuing farm-governmentalization.

About 30 years ago, William Allen White stated that those men who are to be distrusted who discuss the farm problem. First, the man is to be distrusted who states that he has some simple over-all answer to the farm problem since the problems of agricultural economics cannot be handled by some general formula approach. And finally, the man is to be distrusted who states that the farm problem is in the market. The adjustment problems are in the market and to a great extent too important to all segments of the national economy to be allowed to "slide." Most attention will be accorded with agriculture which although some are still searching for a magic over-all cure for the solution of agriculture's problems.

The proposed solutions of the farm problem, about which there is neither lack of discussion nor lack of tactical issues, are not based on an intolerable or even objectionable premise. But they can be eliminated.

Long-term shifts in the demand for individual farm products are characteristic of our farm market. The shift in demand from apples and dried fruits to citrus and other fruits has been in progress for many years. Even since 1940 the growth in demand for such fruits has continued. The citrus field has greatly changed the composition of our fruit growing, processing and distributing industries, and the end of that shift is not in sight. In this other direction we have witnessed for years a long-term downturn in the per capita demand for potatoes and other products that the per capita consumption of meats has increased. These illustrations are merely to point out that the farming business is a part of our ever-changing dynamic economy. Non-farming businesses have similar problems.

(2) The mechanization and modernization of commercial agriculture has made revolutionary progress in the past 40 years and is continuing. The mechanization of agriculture has been many times the per capita consumption of meats has increased. These illustrations are merely to point out that the farming business is a part of our ever-changing dynamic economy. Non-farming businesses have similar problems.

In order to focus attention upon the fact that there is no single, all-purpose, easy solution to the farm problem we must be prepared by farmers it may be well to review in brief some of the underlying factors responsible for these problems. This review is not intended to be exhaustive.

(1) The farming business has been made by nature certain characteristic of instability and change. So have most other businesses in our fast changing economy. Farmers must contend with variations in climatic conditions which affect yields, per acre and production and often cause wide year-to-year changes in income for large numbers of farmers.

For generations our livestock business has been cyclic, by cycles of expansion and contraction. This is a constitutional measure due to the biological nature of these industries. These cyclical fluctuations can only be moderately, but aside from an intolerable, objectionable production they cannot be eliminated.

(2) Long-term shifts in the demand for individual farm products are characteristic of our farm market. The shift in demand from apples and dried fruits to citrus and other fruits has been in progress for many years. Even since 1940 the growth in demand for such fruits has continued. The citrus field has greatly changed the composition of our fruit growing, processing and distributing industries, and the end of that shift is not in sight. In this other direction we have witnessed for years a long-term downturn in the per capita demand for potatoes and other products that the per capita consumption of meats has increased. These illustrations are merely to point out that the farming business is a part of our ever-changing dynamic economy. Non-farming businesses have similar problems.

(3) The mechanization and modernization of commercial agriculture has made revolutionary progress in the past 40 years and is continuing. The mechanization of agriculture has been many times the per capita consumption of meats has increased. These illustrations are merely to point out that the farming business is a part of our ever-changing dynamic economy. Non-farming businesses have similar problems.

There are large numbers of farmers in the United States who, for one reason or another, have had an interest in getting into agriculture by modern technology. In some these farmers have been left behind as a result of the revolutionary progress in agriculture as a whole. In important areas of the country, farmers who have been this way are so many, and because of reasons of topography, lack of technical know-how, etc., the possibilities of mechanization, modernization and modernization are limited. These farmers give rise to some of our most urgent regional problems of agricultural adjustment.

(4) Important adjustment problems are a legacy of wartime and postwar developments in the depressed farm and wartime and postwar relief programs. These adjustments have a great influence on the adverse effect on farm production in order to meet temporary needs. This is particularly true of wheat and rice. In some respects our wheat and rice industries are comparable to situations in other countries where the demand for products is concerned. Twice in this century we have been involved in a situation in which the demand for farm products has been far from normal and related demands. It is much easier to meet the adjustments in those circumstances where the demand is much less than in the case of farm products.

Technological progress in agriculture is also encouraged in war. And the high cost of maintaining the farm in this period we have had to face, and the administrative practices, and the like, of this period have also contributed to the increases of the demand. We have, in this way, created a situation where the market for farm products is so much greater than the demand that it is in the case of farm products.

An other legacy of war which has encouraged the adjustment problems of farmers is the inflation. The problem of farmers is the inflation in farm production and the inflation in the prices of farm products.

(5) Governmental policies have contributed to the adjustment the evolution of farm and postwar price-fixing, and the price-fixing actions of 1933 and the price-fixing actions of 1938 have made the needed adjustments more difficult of attainment. The price-fixing action of 1954 has created a situation which has contributed to the loss of both the top and the bottom of the market. Our experiments in price fixing and the postwar adjustment in farm and the adjustment in farm and the adjustment in the world market for farm products have contributed to the loss of both the top and the bottom of the market.

These adjustments have a great influence on the farm and have contributed to the loss of both the top and the bottom of the market. Our experiments in price fixing and the postwar adjustment in farm and the adjustment in farm and the adjustment in the world market for farm products have contributed to the loss of both the top and the bottom of the market.

Our price fixing and government administered price control, which at one time was to place the United States farmers in the position of being able to control the prices of products for major market. Products once accumulated have a high price. The price fixing and government administered price control have contributed to the loss of both the top and the bottom of the market.

The use of acreage controls in an effort to control production has resulted in fixed prices that have been maintained by the Federal government and the various states. Production of surpluses in production of farm products has not been very effective for some time in controlling the price of farm products.</ref>

New Issue

September 14, 1946

150,000 Shares

The Hawaiian Electric Company, Limited

(A Hawaiian Corporation)

Series F 5 3/4% (Cumulative) Preferred Stock

Par Value $20 per share

Price $20 per share

(Dividends subject to a 2% Hawaiian Withholding Tax)

Dillon, Read & Co. Inc.  Dean Witter & Co. Inc.
toward the external and internal dumping of farm products. Depen­
dependent as the farm products can not be built on the basis of open or concealed export subsidies or multiple price systems. Destruction of potential markets is a major factor in the eventual result of such programs.

The price-fixing production agreements, including the soil bank, lends progressively to a more effective regula­
tion of agriculture in our most productive farming areas, and to the raising of poverty in the disadvantaged farming areas. This is probably what the editor of the New York "Times" had in mind when commenting recently on the farm problem as follows: "The farm problem is a great leveler and unifier. Let the staunchest free-market and rugged individualist tackle it in public office, and he will end up on nearly common ground with the Democratic-Party-Dealer—Controls and Subsidies."

But "controls and subsidies" are not consistent with a dynamic, productive, and efficient farming business. Farmers will not be con­
tent with a subsidy and unification as a continuing answer to the ad­
justment of individual or limited segment of the American economy. Form Hellene Secs

EGOTA, N. J.—Thomas J. Shoolis, president of Hellene Secs.,

formed Hellene Securities with offices at 101 Chestnut Avenue to

engage in an investment business.

Burnham Partner

William H. Weintraub on Oct. 1

will become a limited partner in

Burnham & Company, 15 Broad

Street, New York C-1, members

of the New York Stock Exchange.

Steven Randall Co. Formed

Steven Randall & Co., Inc. has

been formed with offices at 40

Exchange Place, New York City,

to conduct a securities business.

Realty Interests Opens

FELHAM, N. Y.—Realty Interests,

incorporated in engaging in a

security business from offices at

86 Lincoln Avenue.

Brazilian Taxes and Business Organ­

ization—Walter H. Diamond—

Matthew Beshor & Company Incorpo­

rated, 434 Fourth Avenue, New York 16, N. Y.—$10 for one year's service including reporting changes in laws as well as advising concerning estimates of chance for capital gains.

Contractors' Equipment Ownership Ex­

penses—liened manual—Associated General Contractors of America, Inc., Munsey Building, New York 1, N. Y. (35c)

National Standards in a Modern Eco­


Proceedings of the Third Annual New York State Consumer Credit Conference—New York State Consumer Finance Ass­

ociation, Wickwerth Building, 235 Broadway, New York 7, N. Y.—(paper) on request.

Succeeding With Profit Sharing—

Thomas J. Jehring—Profit Sharing Re­

search Foundation, 1717 Sherman Avenue, Evanston, Ill. $4.

From Washington

Ahead of the News

by Carlisle Barger

Those pundits who a few weeks ago were writing that Harry Trum­

men was through are probably revising their opinion. Not only is he very ac­
tive in the campaign, but his influence on Adlai Stevenson is unmistakable. He seems, in fact, to be writing the themes of the Demo­

crat campaign. Although Stevenson doesn't have Truman's blunt Mid-Western
tongue, his speeches are Truman's. He doesn't say, "We've got to do it." His
tone is more of a leveler, and efficient farming Subsidies."

This second one is thought provoking, to say the least. It is thought provoking in that it is something people should be think­ing about. But it can hardly be an issue against the Republicans. Stevenson knows the less prosperity we have bought. The issue is how the Democrats can acquire this prosperity and make it available to the American people. The people seem to be increasingly more aware of the foreign aid. Stevenson and

Kefauver don't say they would cut it out. They just say they can get the friendship of foreign nations cheaper.

H. Jerome Ayers With

Bear, Stearns & Co.

Bear, Stearns & Co., 1 Wall

Street, New York City, members of the New York Stock Exchange, announced that H. Jerome Ayers has become associated with the firm, in the Bond Department. Mr. Ayers was formerly with Har­

riffin Ripley & Co.

And John J. Ryan Co.

To Be Formed Oct. 1

NEWARK, N. J.—John J. Ryan

will form John J. Ryan & Co. with

offices at 786 Broad Street, as of

Oct. 1. Mr. Ryan is a partner in

Ryan, Hanauer & Co., which will

be dissolved.

FIF Inv. Assoc. Branch

JAMAICA, N. Y.—FIF Invest­

ment Associates have opened a

branch at 176-03 Hillside Avenue

under the direction of Robert T.

Brin.

Now Brooks & Brooks

SHORT HILLS, N. J.—The firm of Peter H. Brooks & Co. has been changed to Brooks & Brooks. Of­

fices are at 15 Wayside.

A. H. Kreiger Opens

BRACKETVILLE, Tex.—Allen H. Kreiger is conducting a securi­

ties business from offices at 217

Ann Street.

Business Man's Bookshelf

Dillon, Read & Co. Inc.

Lazard Frères & Co.

Eastman Dillon, Union Securities & Co.

Harriman Ripley & Co.

Stone & Webster Securities Corporation

Kuhn, Loeb & Co.

Salomon Bros. & Hutker

Merrill Lynch, Pierce, Fenner & Bean

White, Weld & Co.

Baker, Weeks & Co.

Lehman Brothers

Blyth & Co., Inc.

Goldman, Sachs & Co.

Smith, Barney & Co.

A. G. Becker & Co.

Incorporated

This announcement is not an offer of securities for sale or a solicitation of an offer to buy securities.

New Issue

September 19, 1956

$75,000,000

C. I. T. Financial Corporation

4\% Debentures, due October 1, 1971

Price 98.64% plus accrued interest from October 1, 1956

Copies of the prospectus may be obtained from such of the underriders named to the prospectus may legally offer these securities under applicable securities laws.

Dillon, Read & Co. Inc.

Lazard Frères & Co.

Eastman Dillon, Union Securities & Co.

Harriman Ripley & Co.

Stone & Webster Securities Corporation

Kuhn, Loeb & Co.

Salomon Bros. & Hutker

Merrill Lynch, Pierce, Fenner & Bean

White, Weld & Co.

Baker, Weeks & Co.

Lehman Brothers

Blyth & Co., Inc.

Goldman, Sachs & Co.

Smith, Barney & Co.

A. G. Becker & Co.

Incorporated

Digitized for FRASER
http://fraser.stlouisfed.org/
What Lies Ahead for Insurance Depends Upon Congress' Attitude

BY JOHN A. DIEMAND

President, Insurance Counsel of North America

Mr. Diemand, in a speech to the National Congress of Insurance, declared that there are at least three major problems which, he said, Congress should keep in mind as it deals with insurance legislation:

1. Insurance in its dual capacity of government and private enterprise;

2. The relationship between government and insurance companies;

3. The relationship between the insurance companies and the public.

Mr. Diemand said that the insurance industry is in a state of flux, and that it is necessary for Congress to understand the changes that are taking place in the industry. He said that insurance is a field that is always changing, and that the government must be prepared to adapt to these changes.

Mr. Diemand also said that the insurance industry is moving towards a more centralized system of regulation. He said that this is necessary in order to ensure that the public is protected from the abuses that may arise from a lack of adequate regulation.

He concluded his speech by saying that the insurance industry is a vital part of our economy, and that Congress must understand the importance of the industry to the country as a whole.

New insurance

1. Insurance in its dual capacity of government and private enterprise;

2. The relationship between government and insurance companies;

3. The relationship between the insurance companies and the public.

Mr. Diemand said that the insurance industry is in a state of flux, and that it is necessary for Congress to understand the changes that are taking place in the industry. He said that insurance is a field that is always changing, and that the government must be prepared to adapt to these changes.

He concluded his speech by saying that the insurance industry is a vital part of our economy, and that Congress must understand the importance of the industry to the country as a whole.

New insurance

1. Insurance in its dual capacity of government and private enterprise;

2. The relationship between government and insurance companies;

3. The relationship between the insurance companies and the public.

Mr. Diemand said that the insurance industry is in a state of flux, and that it is necessary for Congress to understand the changes that are taking place in the industry. He said that insurance is a field that is always changing, and that the government must be prepared to adapt to these changes.

He concluded his speech by saying that the insurance industry is a vital part of our economy, and that Congress must understand the importance of the industry to the country as a whole.

New insurance

1. Insurance in its dual capacity of government and private enterprise;

2. The relationship between government and insurance companies;

3. The relationship between the insurance companies and the public.

Mr. Diemand said that the insurance industry is in a state of flux, and that it is necessary for Congress to understand the changes that are taking place in the industry. He said that insurance is a field that is always changing, and that the government must be prepared to adapt to these changes.

He concluded his speech by saying that the insurance industry is a vital part of our economy, and that Congress must understand the importance of the industry to the country as a whole.

New insurance

1. Insurance in its dual capacity of government and private enterprise;

2. The relationship between government and insurance companies;

3. The relationship between the insurance companies and the public.

Mr. Diemand said that the insurance industry is in a state of flux, and that it is necessary for Congress to understand the changes that are taking place in the industry. He said that insurance is a field that is always changing, and that the government must be prepared to adapt to these changes.

He concluded his speech by saying that the insurance industry is a vital part of our economy, and that Congress must understand the importance of the industry to the country as a whole.

New insurance

1. Insurance in its dual capacity of government and private enterprise;

2. The relationship between government and insurance companies;

3. The relationship between the insurance companies and the public.

Mr. Diemand said that the insurance industry is in a state of flux, and that it is necessary for Congress to understand the changes that are taking place in the industry. He said that insurance is a field that is always changing, and that the government must be prepared to adapt to these changes.

He concluded his speech by saying that the insurance industry is a vital part of our economy, and that Congress must understand the importance of the industry to the country as a whole.

New insurance

1. Insurance in its dual capacity of government and private enterprise;

2. The relationship between government and insurance companies;

3. The relationship between the insurance companies and the public.

Mr. Diemand said that the insurance industry is in a state of flux, and that it is necessary for Congress to understand the changes that are taking place in the industry. He said that insurance is a field that is always changing, and that the government must be prepared to adapt to these changes.

He concluded his speech by saying that the insurance industry is a vital part of our economy, and that Congress must understand the importance of the industry to the country as a whole.

New insurance

1. Insurance in its dual capacity of government and private enterprise;

2. The relationship between government and insurance companies;

3. The relationship between the insurance companies and the public.

Mr. Diemand said that the insurance industry is in a state of flux, and that it is necessary for Congress to understand the changes that are taking place in the industry. He said that insurance is a field that is always changing, and that the government must be prepared to adapt to these changes.

He concluded his speech by saying that the insurance industry is a vital part of our economy, and that Congress must understand the importance of the industry to the country as a whole.

New insurance

1. Insurance in its dual capacity of government and private enterprise;

2. The relationship between government and insurance companies;

3. The relationship between the insurance companies and the public.

Mr. Diemand said that the insurance industry is in a state of flux, and that it is necessary for Congress to understand the changes that are taking place in the industry. He said that insurance is a field that is always changing, and that the government must be prepared to adapt to these changes.

He concluded his speech by saying that the insurance industry is a vital part of our economy, and that Congress must understand the importance of the industry to the country as a whole.

New insurance

1. Insurance in its dual capacity of government and private enterprise;

2. The relationship between government and insurance companies;

3. The relationship between the insurance companies and the public.

Mr. Diemand said that the insurance industry is in a state of flux, and that it is necessary for Congress to understand the changes that are taking place in the industry. He said that insurance is a field that is always changing, and that the government must be prepared to adapt to these changes.

He concluded his speech by saying that the insurance industry is a vital part of our economy, and that Congress must understand the importance of the industry to the country as a whole.
coercive acts had occurred, they were violations of Federal law.

You will also recall that the charges levied in the suit by the 59th Congress passed in 1914, and the stockholders of the St. Louis Federal Reserve Bank, who are not concerned with the the Supreme Court) to correct them. Congress nevertheless declares, the conditions for the regulation of the business of insurance by the states, is public interest. It did so, however, under significant conditions.

After giving the States three years to perfect their patterns of insurance laws and regulations (speaking generally, to be brief), the Federal Company had before it, the further suspension of Federal law was conditioned on the existence of State regulation. Therefore, Federal law was to apply in any case to acts of any companies of boycott, coercion or intimidation. It is most important to recall that this law was passed only after industry representatives had attempted—and failed—to persuade Congress that the insurance business was entitled to a complete exemption from the Anti-Trust laws.

At this stage the intent of Congress was that there would be no coercion and nothing has since happened to back this up. The States, like national industries, those who wished to compete should be at liberty to compete, as far as ever coercion or intimidation. On the other hand, if an underwriter or another act in concert and who had grown accustomed to doing so under the previous law, but in the absence of coercion, should be permitted to do so—and upon the condition that the States provide regulation to protect against abuse of this privilege. It is safe to say that the thought of the States further from the mind of Congress was that the anti-competitive abuses charged in the S. E. U. A. case should be continued under the protection of State laws.

Multiple-Line Legislation

During the period of the legislation granted by Congress the States began to develop their pattern of multiple-line legislation from which I have mentioned before, thus giving the States a wider and broader and simpler coverages we wished to write. Again, during this period, the State-rated policies, authorizing competitive rates, the direct price fixing (which you all know to be a misdemeanor under the Anti-Trust Laws) but on the condition that the prices fixed should be "reasonable, adequate, not excessive and, not unfairly discriminatory." Furthermore, in each of these laws it was provided that:

"Nothing in this Act is intended (1) to prohibit or discourage reasonable competition or (2) to prohibit or encourage uniformity in language, booking, ratemaking systems, rating plans or practices. This Act shall be liberally interpreted to bring about its purposes as herein set forth."

Again in virtually every Act it was provided that no efforts should be made to join a rating company, even in the few States where there are compulsory rating bureaus, as no effort was made to provide that the prices fixed should be "reasonable, adequate, not excessive and, not unfairly discriminatory." Furthermore, in each of these laws it was provided that:

"Nothing in this Act is intended (1) to prohibit or discourage reasonable competition or (2) to prohibit or encourage uniformity in language, booking, ratemaking systems, rating plans or practices. This Act shall be liberally interpreted to bring about its purposes as herein set forth."

Again in virtually every Act it was provided that no efforts should be made to join a rating company, even in the few States where there are compulsory rating bureaus, as no effort was made to provide that the prices fixed should be "reasonable, adequate, not excessive and, not unfairly discriminatory." Furthermore, in each of these laws it was provided that:

"Nothing in this Act is intended (1) to prohibit or discourage reasonable competition or (2) to prohibit or encourage uniformity in language, booking, ratemaking systems, rating plans or practices. This Act shall be liberally interpreted to bring about its purposes as herein set forth."

Again in virtually every Act it was provided that no efforts should be made to join a rating company, even in the few States where there are compulsory rating bureaus, as no effort was made to provide that the prices fixed should be "reasonable, adequate, not excessive and, not unfairly discriminatory." Furthermore, in each of these laws it was provided that:

"Nothing in this Act is intended (1) to prohibit or discourage reasonable competition or (2) to prohibit or encourage uniformity in language, booking, ratemaking systems, rating plans or practices. This Act shall be liberally interpreted to bring about its purposes as herein set forth."

Against this background, we should have had no difficulty in introducing legislation of the type of broader and simpler coverages, lower rates based on demonstrated savings in expense, and more convenient vestment payments of premiums. If our efforts had not been made to do this, we would have been no difficulty in our plan to make the following plan to secure the approval which we now have from 42 states.

Recent Difficulties

However, without extending these remarks beyond the time and limits of your patience, let me tell you a bit of our difficulties we have had over the past decade in connection with our Homeowners Policies (to select only one of our "package" coverages), our rate developments and our Instalment Premium Plan. Let me also say a word as to the difficulties we have had in sustain¬ing our clear right to act independently of rating bureaus.

Unless you took the hours and days necessary to review the administrative and judicial records of our hearings, trials and tribulations, you would find it hard to believe the extent of concerted opposition we have met from our competitors to our placing these improvements before the insuring public.

The contests over the Instal¬ment Premium Endorsement were long and bitter. They involved administrative hearings demanded by our competitors in more than 50 states, and appeals to the courts in five. Now this endorsement is approved in all but: Minnesota, Missouri, New Hampshire and Virginia. Texas, Oklahoma, and Virginia is about to set one up. As to deviations, our competitors forced us into long and expensive hearings and litiga¬tion in Pennsylvania, Illinois and New York. At present we are in Court in the District of Columbia, and about to get there in North Carolina. However, in no jurisdiction has this yet been defeated in this field. As to the Homeowners Policies, it has taken us about three years of constant negotiations with supervising officials to secure the approvals which we now have from 42 states.

Independence of Rating Bureau

With respect to our general intention of the greatest possible independence from rating bureaus, as we might choose, our competitors have taken us to court on all the way to the Supreme Court of the United States, and the New York Superintend¬ent, all of the courts of that State, and the United States Supreme Court. We have been forced to make this plain to the public.

On the other hand, "control" (as I have used the word) implies clustering up this broad frame¬work of safeguards with a net¬work of needless technical and inflexible rules as to the precise wording of forms, specific figures for rate and the exact details of conducting the business. All the elements of free enterprise, upon which the strength of our country’s basis, disappear when "control" in this sense takes the place of "regulation." When dead statistics are used to smother live judgment, and when initiative for future is bound by chapter and verse of past precedents.

You may be sure that interest in the questions I have put ex¬ists far and wide. Regulators who are here today, Congressional in¬terest in the business of insurance is now alive and that was only en¬acted in the 79th Session. You have only to look at the cal¬endar of the 84th, dealing with flood, crop and war risk insur¬ance, nuclear energy, "modern Workmen’s Compensation, a n important and complete by those who wish to realize the breadth and depth of con¬nected interest in our industry.

Whether or not that interest is favorable to State regulation, as conditionally per¬mitted a dozen years ago, depends upon the answers to the questions we have put. Unions and un¬ilateral answers are not found by Congress, no one can be sure as to "What lies ahead in the regulation of insurance?" As counsel for companies, as supervisory officials, as judges and legislators, you can do much to shape the an¬swers. If you and we in company management continue to make the public interest our prime concern, as we are pledged to do, the an¬swer is bound to be correct.

R. N. Barengo Opens

RENO, Nev.—Ross N. Barengo is engaged in a securities business from offices in the Rayland Building.

Hyman Goldstein Opens

FLUSHING, N. Y.—Hyman Goldstein is conducting a securities business from offices at 147-01 Seventy-first Avenue. He was formerly with First Investors Corp. and Ellis Greenberg Co.

With Pierce, Carrison

(Special to The Commercial and Financial Chronicle)

JACKSONVILLE, Fla.—Glady's R. Thomas and Katherine M. Hable have joined the staff of Pierce, Carrison, Wulbern, Inc., Barnett National Bank Building.

With G. H. Walker

(Special to The Commercial and Financial Chronicle)

RENO, Nev.—Glade’s R. Thomas and Katherine M. Hable have joined the staff of Pierce, Carrison, Wulbern, Inc., Barnett National Bank Building.

New Issue

318,098 Shares

United Aircraft Corporation

Preference Stock, 4% Series of 1956

$100 per value (contractual prior to November 1, 1956, unless previously redeemed)

The Corporation is offering to holders of its Common Stock the right to subscribe for the 1956 Preference Stock on the basis of one share of 1956 Preference Stock for each 16 shares of Common Stock. The Sub¬scription Offer will expire at 3:30 P.M., Eastern Daylight Time, on October 25, 1956.

Subscription Price $100 a Share

During the subscription period the several Underwriters, including the undersigned, may offer and sell 1956 Preference Stock, including stock purchased or to be purchased through the exercise of Subscription Warrants, at prices not less than the Subscription Price set forth above less any concession to dealers and not greater than the highest price at which the 1956 Preference Stock, including any offering not participating in the distribution to other dealers plus the amount of any concession to dealers.

This announcement is neither an offer to sell nor a solicitation of offer to buy these securities. The offer is made only by the Prospectus. Copies of the Prospectus are obtainable from the undersigned and such other dealers as may lawfully offer these securities in the respective States.

Harriman Ripley & Co.

Incorporated

63 Wall Street, New York 5, N. Y.

BOSTON  CLEVELAND  PHILADELPHIA  CHICAGO  DETROIT  READING

September 19, 1956.
Stable Price Index No Assurance
Money is Sound: Saphr

Recalling the oscillaions of the 1920's as to the virtues of a stable price index, noted monetary economist reconsiders economic functions of price changes. Diagnoses that redeemable gold standard belongs to Victorian age, and that currencies should be manipulated to attain stable, or rising prices.

The notion that prices should be stable as an end in itself is practically dead in our country. Currently popular -

The only good stable price index, he continues, is that which grows from a high degree of economic harmony. A rising or falling index tends to contribute, more economic stability than does a stable index of prices.

Various business and government activities generally concurred in an urge for a stable index; but, says Dr. Saphr, none of them, including monetary authorities, seems to argue for raising prices. Such values of index numbers and policies and savings are drawn from, or until they are effectively enforced, it is an unfair position to a depreciated dollar.

Current Obsessions

We are currently obsessed with some of the obsessions of the 1920's as to the virtues of a stable Index of prices, the Economist contends adding that there are also the generally accepted positions that a sound and honest currency, such as is provided by a gold standard and a redeemable currency, be based on a stable price index, and that currencies should be manipulated by governments to maintain stable price levels for the common good.

It is unfortunate for this nation, he believes, that neither of the political parties has shown support in its platforms for the maintenance of a sound monetary system and leadership in which a careful study of economics teaches in respect to an honest and stable currency. No party has shown any conviction that continuity of the prevailing wrong monetary system and leadership in which a careful study of economics teaches is in the interest of the common good.

Two With Baker, Simonds

DETROIT, Mich.—Roy G. Karro, president of the Baker-Simonds Company, have be-

Joinns B. C. Morton

Boston, Mass. — Andrew J. Joinns has become the new president of the Bank of Boston & Curlls, 24 Federal St.

NATIONAL SECURITY TRADERS ASSOCIATION

The National Security Traders Association has announced the preliminary plans for its 18th Annual Convention which will convene at the Andover, New York, Oct. 24 and conclude with dinner, Saturday evening Oct. 27.

Registration will be a day for registration, getting settled and to permit members to attend the facilities for pleasure and recreation afforded at El Mirador. The evening registration will be held at the New York Athletic Club.

Thursday morning the past and present officers will meet for breakfast following which there will be a meeting of the National Committee, Bater W. Doz, Vice-President of Safety Stores, will address the Convention at luncheon Thursday. The cocktail party Thursday evening will be followed by Mr. L. H. Redmond, and dances.

Friday is a day for sports and relaxation. Swimming, tennis, golf, badminton, riding and shuffleboard, to mention a few. Campbell Armor will be the Chairman of the Golf Tournament which will be held at the Edgewood Club.

Twenty years ago the NSTA, only two years after organization, the August 23, 1913. The Constitution of the Association was formally approved and adopted.

To commemorate this important event a breakfast has been arranged for Saturday morning Oct. 27, to which all the National Committee members original, and Past Presidents and members of the Present Executive Committee are invited.

The National Committee meeting and election of officers will be held on Saturday morning. Clarence D. Phillips, a partner of the McLaughlin Cahn & Co., Philadelphia, Pa., will address the luncheon meeting and discuss with the members on the "Power Situation in the Pacific Northwest, Present and Future.

A style show and entertainment has been arranged for the ladies while the gentlemen are occupied with the business meetings.


The Urgent Role of Chemists in Developing Atomic Energy

BY DR. WILLARD F. LIBBY
Commissioner, United States Atomic Energy Commission

An urgent plea is made by AEC Commissioner Libby to the chemists in industry and universities to render critically necessary service in the realm of atomic energy in the fields of uranium and isotopes problems, where solutions are being seriously delayed because of a lack of Sievert's Artifermal help. Dr. Libby lists such problems as: developing homogeneous reactors, utilization of the product plutonium-239 in gaseous form, preparation of isotopes; and other problems, solutions where in industrial processing and other costs, and cheaper atomic power is greatly dependent upon the chemical fraternity.

I Source Materials

From the time the uranium ore is mined, converted to UO₂ or to U₂O₃, and enriched in the mill by the highly refined uranium trioxide, it must be first used in a reactor or for other fuels in the uranium tetrafluoride and subsequently to uranium metal. The process of placing it in the gaseous diffusion enrichment plant for enriching in uranium-235, the chemist is busy at work on atomic energy. His work continues beyond this point, too, for the irradiation products must finally be dissolved and the fission products and plutonium and other irradiation products isolated. It is quite a business. Taken as a whole it approaches some of our larger chemical occupations in magnitude.

II Atomic Power

There are other tasks also. Irradiated blankets must be processed for uranium-233 and plutonium, and the irradiation must be developed and their processing mastered. We understand from our knowledge of atomic weapons how to make plutonium in large amounts, but it is so clear what the irradiation effects, especially at high burn-up, amount to that it is obvious that plutonium with its toxicity cannot be handled conveniently. A very consider-

able job remains for the chemist to do in the methods of manufacture and processing after the irradiation in the core of the reactor. All manner of alloys must be tested and various devices and the invention of the use of the energy of the escape of plutonium in the case of accidents incorporated in the core. Some must be used in plutonium in atomic power plants itself. The necessity of doing so is not so obvious. Let us consider this for a moment and then see what the chemist's role in the Peaceful Uses of Atomic Energy Authority.

The Nautilus reactor operates on highly enriched uranium and as a result makes very little plutonium. (Plutonium is manufactured by neutrons interacting with ordinary uranium-238.) However, the cost of uranium-235 is approximately $30,000 per ton and it is the economic power being generated indefinitely by the burning of uranium-235 alone. Some dividends must be obtained and the cost of the additional reactor plutonium-239, which in itself is flammable and therefore burned as a fuel. Most power plexus design involves only 5% of the isotope 239 on the average. (The irradiated product is of course the one of the Cooperation stipulate that the fabrication of power reactors by the United States Atomic Energy Commission will not exceed 60% of the total amount that may be used in research and development.) One is then like one-half of an atom of plutonium-239. The burning of ordinary uranium-235 atom fissioned in modulus power reactors likely to find use in power reactors of one kilogram of uranium-235 will produce in the course of a day 10 million tons of energy. This yield will vary with design and it may be that some reactors will yield as much as 800 grams of plutonium per kilogram of fuel. Others may vary between, or as little as 200 grams. It is even possible that some reactors will produce more fissionable material than they burn. The fact is that in power reactors which are not unprecedentedly enriched uranium a great deal of plutonium will be made.

The Chemist Must Tell Us

Now at the moment, the most urgent need for the chemists is considerable: the only use for plutonium known in atomic weapons is the expected development of the technology of burning plutonium. It may seem that the questions can be purely academic. We can take up the plutonium. This is the function of the United States Atomic Energy Authority which has taken in their reactors at Calder Hall and in the English re-burned for the plutonium produced is such that the electric energy is so high that an electric power station is a commercial proposition. It is now apparent that the process of burning the plutonium still remains. Suppose, for example, that atomic energy demand for the atomic power is to be expanded and the amount of technology can be handled by a Peaceful Use Authority. It is then open to consider that if that plutonium generated from the reactors was not to be used for producing power from the atomic energy in the Peaceful Use Authority, then it would be the job of the chemist to utilize. So it is clear that chemists should be working on how to handle plutonium as a high priority matter and the development of atomic power. The combustion of atomic power.

Backlog of Basic Chemical Information Needed

Reactors delivering a atomic energy must work at elevated temperatures in order that a proper thermodynamic efficiency may be obtained. As a result, the materials of which the reactor's components must react must be operated at such high temperatures in general, and the chemical engineer's role in atomic power, at least in principal part, centers on the chemical reactions which occur at such elevated temperatures. In most applications of chemical engineering to the modern technological world, chemical information available on performance at elevated temperatures is adequate for the preliminary estimates of the important reactions which will be involved and the preliminary selection of the materials of construction and the procedures to be utilized in a project. This is not true in atomic power plants for the simple reason that there is no adequate backlog of basic chemical information at elevated temperatures. It is, despite the extreme amount of work done at Oak Ridge and other laboratories. It is not possible to predict with any reliability the relative volatilities of atomic species, or even the molecular characteristics of the matter. Any such informations is likely to result from a given mixture of elements heated at temperatures between 500 and 1,000 degrees centigrade or above. It is true, of course, that isolated portions of this field have been mapped. In particular, the chemists in their studies of the reactions involved in the earth's crust have done a great deal. Also, the engineers interested in the development of jet engines as well as several other groups in industry have contributed sizable amounts of information, but the sweep of the whole field is so great, however, that it is true that great pressures where simply nothing is known. For example, the problems of the solubilities of metals in salts at these elevated temperatures, of the solubilities of other chemicals in salts and gases in these solutions, the problems of the rates of chemical reactions proceeding at these temperatures, the relative densities, the lattice structures, and the various physical properties of almost all of these systems are without any general definitions.

Urges All Chemists

We urge that chemists throughout the country join in a broad and active investigation of the chemistry of high temperatures system on an unclassified basis, with the purpose pursued over a period of years with the thought in mind that in the not distant future it will pay its way, by solving some of the very

Continued on page 23

This advertisement is not and is under no circumstances to be construed as an offering of any of these securities or as a solicitation to buy any of such securities. The offering is made only by the Prospectus.

NEW ISSUE

360,000 Shares

SCRIPTO, Inc.

(A Georgia Corporation)

Class A Common Stock

(50¢ Per Value)

Price $7.00 per Share*

*400,000 shares out of the total number being offered are being offered to certain officers and employees of the Company at a price of $6.75 per share.

Copies of the Prospectus may be obtained in any State only from such of the several underwriters as are registered dealers in securities in such State.

Johnson, Lane, Space & Co., Inc.


H. M. Bylesby and Company

R. S. Dickinson & Company

Gregory & Sons

Rauscher, Pierce & Co., Inc.

Chace, Whiteside, West & Winslow

Saunders, Stiver & Co.

Scott, Horner & Mason, Inc.

Jack M. Bass & Company

Clark, Landstar & Kirkpatrick, Inc.

Aletter G. Furman Co., Inc.

Howard, Well, Labouisse, Friedricks and Company

J. H. Hilsman & Co., Inc.

Interstate Securities Corporation

J. W. Tindall & Company

Norris & Hirshberg, Inc.

Pierce, Carrison, Whelburn, Inc.


Varndoe, Chisholm & Co.

Cabell Hopkins & Co., Inc.

Vivian M. Manning

Robertson and Johnson

Hoffman-Walker Company

W. R. Luttrell

Tillman-Whitaker Co., Inc.

*An address by Dr. Libby before the California section of the American Chemical Society. Chief Chemists' Colloquium.
THE MARKET ... AND YOU

By WALLACE STREETE

Under the influence of the Middle Eastern credit crisis, and post-Maine election worries, prices were quite roughly kicked around during last week. With the single exception of Friday, the occasion of the first rally, finally established, the rate almost slicked the steel — after seven days of decline, the kicking was downward. But at the time did prices get out of hand?

"Time for a Change"?

- In addition to the above-mentioned specific stimuli to the bearish ranks is the seemingly growing general worry that now it may be time for "a change" - market wise — after the long bull era.

But the bulls have no more faith in the bulls being argumentatively or portfolio-wise. Continuing high employment, undiminished capital expenditures, liberal dividend yields, low level of securities, per-take-auto sales, and the ever-present inflation potential, are still relied on in many quarters as long-term market bolsterers. And then the overheating of the market has suddenly reversed - the Reserve's restrictive credit policy is cited.

With the Dow Jones Industrials about half-way between their high of 921 registered April 14 and their low of 633 on Aug. 23, important break-throughs by individual issues on both the low and high sides continue to be touched off. Those have included the utilities in the former category, higher competing interest rates and some utilities' earnings statements (as in American Gas and Electric) apparently offsetting their work-per-vehicle "defensive" attraction for portfolio switching. But while a goodly number of those issues, as Middle South, Public Service of Indiana, and Ohio Edison, are resting at or near their year's lows, others of the Utilities has concurrently registered a new high.

Textiles, with continued price-inventory difficulties still rampant in the industry, have also continued downward; and apparel, Burlington, United Merchants among others joining the new-low's squad. Also in the fresh-bottom pattern is the apparel group, including Cluett Peabody and Manhattan Shirt. That some of these issues may now be in a buying zone is indicated by Manhattan's decline to 16 for its 2-for-1 split shares. This represents a price only 71/2 times its last year's earnings, and 8 3/4 times average earnings over the past four years; and 26% below from its net-quik liquidating value.

Interestingly, an important advisory organization, which has been consistently bearish in most areas, has just turned around. It is indicated on the basis of "expanding population and rising dollar incomes" rectifying its present unwieldy inventory position.

Turning quite decisively weak has been some of the Blue Chip glamor growth issues, including some of the chemicals, and with a new low possibly by the end of the quarter, as liberal dividend yields, low level of securities, perks-up sales auto sales, and the ever-present inflation potential, are still relied on in many quarters as long-term market bolsterers. And then the overheating of the market has suddenly reversed — the Reserve's restrictive credit policy is cited.

With the Dow Jones Industrials about half-way between their high of 921 registered April 14 and their low of 633 on Aug. 23, important break-throughs by individual issues on both the low and high sides continue to be touched off. Those have included the utilities in the former category, higher competing interest rates and some utilities' earnings statements (as in American Gas and Electric) apparently offsetting their work-per-vehicle "defensive" attraction for portfolio switching. But while a goodly number of those issues, as Middle South, Public Service of Indiana, and Ohio Edison, are resting at or near their year's lows, others of the Utilities has concurrently registered a new high.

Textiles, with continued price-inventory difficulties still rampant in the industry, have also continued downward; and apparel, Burlington, United Merchants among others joining the new-low's squad. Also in the fresh-bottom pattern is the apparel group, including Cluett Peabody and Manhattan Shirt. That some of these issues may now be in a buying zone is indicated by Manhattan's decline to 16 for its 2-for-1 split shares. This represents a price only 71/2 times its last year's earnings, and 8 3/4 times average earnings over the past four years; and 26% below from its net-quik liquidating value.

Interestingly, an important advisory organization, which has been consistently bearish in most areas, has just turned around. It is indicated on the basis of "expanding population and rising dollar incomes" rectifying its present unwieldy inventory position.

New Blue Chip Club

Candidate

Newly a candidate for Blue Chip ranking, and thus registering a new high for the year is the Blue Chip Chemicals National Distillers. In the investor's dog-house during several years of disappointing results from a bold diversification program, chiefly in chemicals, these effects seem to have now finally paid off. With its new chemical division coming through with 36% of the profits, the net for the year amounted to $1,986,000, or $69 in 1955. Net profit for the full year 1956 is estimated by the management at $2,837,000, or $92.75 and for 1958 at $3.35, which would make the present newly reached price level of 28 quite moderate for this apparently genuine growth situation.

A Multi-Diversifier Comes Through

Also in contrast to the temporary pull back in the Blue Chip growth stocks, is another interesting new "dissifier," the former Philadelphia and Reading Coal and Iron Co. Divested of the "Coal and Iron" from its former name, it has within the past year been converted to a broadly-based, popular-priced under wear and a cowboy boot and shoe business’ to its erstwhile automobile manufacturing business. The new stock market high at above-26, registered while the market was still lighting for Tuesday, representing a better than a trebling of its lowly 7 1/2-

level of two years ago, largely follows growing public realization of its recent earnings expansion and potentialities in addition to rumors of a possible public offering by the 6 1/2-inch company of "profile" to appear in a leading periodical. Under its new set-up PRG during the first half of 1956 returned $2.67 per share after 23 cents put aside for inventory reduces in the balance sheet, amounting to $26, well will represent only five times the full-year's earnings, which coupled with notes on the company's statement for continued expansion via one or more major unrelieved acquisition, plus continually searching for related-anthropic projects, as in chemicals including hydrogen, would fully justify the issue's current strength.

Dow — Still Up Front

One issue still leading the Blue Chip bull run is Dow Chemical — market-wise and comment-wise, even after its stupendous price performances, is Dow's ability to reduce both capital expenditures for research over the years evidently have paid off, both absolutely and in increased earnings. Calculated on a cash-flow earnings basis, growth over the past decade has been $1.55 to date, Parke, Davis & Co., 243 1/2 for Union Carbide, and 181 1/2 for Allied. If the "cash-flow" earnings — cautions and reservations currently — be accepted as a correct basis for calculation, the present price of 71 may well be justified.

The rally in the railroad sector of last Friday, when the carriers enjoyed their best rally since last November, makes striking the realization that, despite the carriers' misfortunes as to rate setting, the company's performance, the shares of six companies (five of them coal carriers) are still selling below their low in this market area also is selectivity crucial.

[The stock expressed in this article is Storer's, a sister company of the "Chronicle". These are presented as those of the author only.]

Thomas Spencer Opens

In the new office of United Telephones offices at 527 Lexington Avenue, New York City, to engage in a securities business.

John Stanton Opens

GREAT NECK, N.Y. — For John Stanton is engaging in a securities business from offices at 951 Austin, Great Neck, N.Y., he is the name of John Stanton Company.

Alvin Richelson to Open

CHATTANOOGA, Tenn. — Alvin Richelson will shortly open office to engage in a securities business.

Paine, Webber Branch

SANTA MONICA, Calif. — Paine, Webber, Jackson & Curtis has opened a branch office at 1225-1227 Third Street, representing a direction of Raymond G. Brewer.

Connecticut Brevities

The Connecticut Bank and Trust Company recently opened a new branch in Norwich.

The number of the Bank's 24 offices operated by the Connecticut Bank, one of which is at Norwich, are about two miles from the proposed new branch.

The Southern New England Telephone Company recently made application to the Connecticut Public Utilities Commission for authority to buy out another company's stock purchase plan. The company's statement said 500,000 shares of common stock were offered for sale. An advisory committee was appointed to discuss the matter in some part as to the acquisition of the Wilcock Electric company, which produces marine, hardware, boat building, and grey iron castings and forgings.

The annual report of North & Adderson, Inc., shows that the company's earnings for the fiscal year ended June 30, 1956 increased by 31.9% over the previous year to $67,596 and 55,564. The company reported an earnings statement of 500,000 shares of common stock, $2.50, pari, with an aggregate offering price to employees of $728,500.

American Hardware Corporation has applied to the New York Stock Exchange for listing of 624,317 outstanding shares of common stock, at the Shirlington, Va., located company is one of the largest manufacturers of general hardware products and building supply equipment, largely marketed through retail outlets, in Wash., D.C., and New York City, and thus produces wrought iron furniture and all types of tubular steel and wire products. The corporation's products are sold through mail-order, chain, and variety stores.

En hart Manufacturing Company has been named as one of the largest New York stock corporation of the same name, operating at New Britain, Conn., in the manufacturing of a large number of building supplies, which manufactures wrought iron furniture and all types of tubular steel and wire products. The corporation's products are sold through mail-order, chain, and variety stores.

The Securitex Company, Inc., is offering 1,000 shares of its common stock, $50, pari, with an aggregate offering price to employees of $50,000.

With effect giving to the present financing, there will be $400,000 in shares of common stock outstanding.

Concord Securities

Formed in New York

Concord Securities Corp. has been formed with offices at 170 Broadway, New York City, to engage in a securities business. Robert A. Newsom, President; Henry J. Berling, Vice-President; and Treas., and E. W. Henry, Secretary. Mr. Berling was formerly an officer of Berkshire Financial Corporation.

With Draper, Sears Co.

CHAS. W. SCRANTON & CO.

Members New York Stock Exchange

New Haven

New York — RECTOR 2577

Boston — JUNIOR 1689

Tel. N. 914
Public Utility Securities
By OWEN ELY

Montana-Dakota Utilities Company

Montana-Dakota Utilities supplies electricity and/or gas to 240 communities in North Dakota and Northwest Montana. The population served being about 332,000. The area is richly devoted to agriculture and livestock raising, copper and zinc refining and mining, and the production of electrical revenues, commercial 37%, industrial 13%, and other 6%. Average residential electric use of 2,783 kWh is slightly above the national average.

Gas is used universally in the company's area for space-heating, with an estimated 60% of the town homes using gas. The company's gas rates are as low or lower than rates prevailing elsewhere in the United States, with such factors as (1) low cost company-owned reserves, (2) 338,000 acres of gas reserves, and (3) the field contracts made at favorable prices over a period of years. (3) Use of storage reservoirs in producing areas, and (4) high-average winter consumption.

An important development in the gas division was the completion of contracts for the purchase of gas in the Beaver, Lodge-Tioga area in North Dakota last year. Initial steps in this development included the purchase of a propane-air-distribution system at Minot, N.D., construction of 122 miles of high pressure gas pipeline to market natural gas in Minot and other communities, and connecting the of the company's existing system. The company expects to add a large number of gas users to this distribution system in the near future.

Effective Sept. 30 the firm of Gale, Baker & Co., 115 Broadway, New York, N.Y., has been engaged to act as General Distributors on New York Stock Exchange, will be changed to A. B. Gale & Co. and Allen R. Bishop will withdraw from partnership in the firm.

Allegeny Ludlum Steel Corporation

4% Convertible Subordinated Debentures Due 1981

Dated October 1, 1956

Holders of the Company's outstanding Common Stock are being offered rights to subscribe at 100% for the above Debentures at the rate of $100 principal amount of Debentures for each 23 shares of Common Stock held of record on September 19, 1956. Subscription Warrants will expire at 3:30 P.M., Eastern Daylight Time, on October 3, 1956.

The several Underwriters have agreed, subject to certain conditions, to purchase any unsold Debentures at par during and following the subscription period, may offer Debentures as set forth in the Prospectus.

The FirstBoston Corporation

Barney, Mauro & Co.

White, Weld & Co.

Eastman Dillon, Union Securities Co.

Goldman, Sachs & Co.

Drees & Mann

Hambrecht & Quist

Merrill, Lynch & Co.

Merrill, Lynch, Pierce, Fenner & Smith

Morgan, Lewis & Lloyd

Morgan, Stanley & Co.

Rosenbluth, Sullivan & Co.

Raymond, James & Co.

Salomon & Co.

Salomon, Brothers & Co.

Warburg, Pincus & Co.

Williams, Leavitt & Co.

Cunningham, Schonfeld & Co.

Tailor, Sorensen & Co.

Tailor, Sorensen & Co.

Hudnall, Applegate & Humphrey, Inc.

Jenkins, Kirkland, Grohs & Keil

McKinley, Patton & Co.

McKeeley & Company

Thomas & Company

Developing a Child's Interest In Potentialities of His Brain
By ROGER W. BABSON

"Teach the child about his own brain. In the early grades on, is urged by financial advisor Babson, who desires to encourage all children to become interested in their brains. Quotes Thomas J. Watson observation: "If one of my machines costs ten million dollars, the brain which every child has is worth ten million dollars."

How Our Brains Work
Each child possesses hundreds of thousands of living cells. Some are responsible for seeing, tasting, and smelling. All of these have "private telephone" lines to the brain, which automatically transmits messages by the "dial system" to the right switchboard, in which turns the permanent record makes the permanent.

I believe that children could become tremendously interested in their brains, and that this interest could add 100% to their educational results. Children are always interested in animals. While it is claimed that they don't have ears, they do have tongues.

Children should be taught that the brain makes all use of telephone systems of our largest cities. Getting children to use more of these thousand and dorm switchboards will make for healthy, happy, and prosperous lives.

The real task facing our society is not to develop more knowledge but rather more reason, self-control, and imagination. The ability to solve problems which have never been solved in the past and see more clearly into the future should be our real goal. Special appeal for work with children because children can learn more in the first 12 months than they will be able to in the next 40. My closing thought is that it would be imposible upon these children the great importance of the switchboard entitled religion, with its sub-switchboards of Faith, Hope, and Love.
Treasuty Securities Market
In the Short and Long Term

On margin, he is able to carry a position many times his capital. This greatly magnifies the profits and losses; and it is this, perhaps, that is right on his position and also squarely upholding the effectiveness of the Federal Reserve System.


market moved up in price. This period was one of recovery, although retail sales and manufacturers' orders weakened in the business situation, expenditures for new plant and equipment continued, and the indications were that the business would continue to improve in the future. In addition, bank loans showed a phenomenal increase around $50 million in one month.

Federal Reserve policy then became more restrictive. The discount rate was raised. The effective Federal Reserve credit rating was lowered from $250 million in February to $150 million in March, and $50 million in April. The bill rate temporarily went above 2% in April. This caused the market in general to drop to new lows.

Later in May we had some evidence of relaxation in Federal Reserve policy. The deficiency in free reserves worked down to about $200 million. The bill rate dropped back to 1% and the market improved. There were some evidences of a new upsurge in business began to develop. The discount rate fell below 1% only a week ago. Bills have gone up over new business, but the market has dropped to new lows.

We have already referred to some of the factors behind the low-cushioning business conditions. The most important from the standpoint of expenditures on plant and equipment, inventories, retail sales, government activity, and international building, manufacturers' new issue market, and the general level of unfilled orders, and Federal Reserve policy. The latter affects principally the rate of expenditures by State and local governments, and the level of expenditures for plant and equipment.

Short- and Long-Term

In bringing all of this together, perhaps the most important point will be that the selling curve for the Treasury security market is compared to the past, and at present, weakness in the market is indicated by a substantial decrease in all of these factors. This is a factor in changing the relationship between short-term and long-term Treasury market, the most important of which is the rate of increase of new issues of nonfinancial corporations and the Federal Reserve. The conditions of the latter are very much the same as those of the former, and the Federal Reserve to purchase only part of the offerings, and the reverse occurs. The short-term bond market depends in great measure on the Federal Reserve for its support and is dependent on the Federal Reserve to purchase only part of the offerings.

The latter conditions is true of the short-term bond market as well as the long-term bond market in Federals. The relation of the two markets is influenced by the Federal Reserve's purchase policies, and the rate of increase of new issues of nonfinancial corporations, and the Federal Reserve in the latter is a factor in the sale of these issues.

L. A. Cashiers Meet

Los Angeles, Calif. — The city's 13 L.A. Cashiers held their September meeting at the Hotel West.

The proposed Pacific Coast Stock Exchange was discussed by the group. It was understood that the Central Stock Exchange, Los Angeles Stock Exchange, and Arlie Gilbert, Clearing House Manager, all held the Los Angeles Stock Exchange.

Chevrier Opens Branch

Hollywood, Calif. — A. H. Chevrier has given a branch office at 1727 North Inland Avenue under the direction of Angie Anscombe.

Securities Salesman's Corner

The Road to Selling Success

By John Dutton

In a study of the Treasury security market, I was interested in analyzing other markets as well. I chose the Treasury security market because of its importance, and it is a market that is well-cover by various periodicals and newspapers. The Treasury security market is a market that is well-covered by various periodicals and newspapers. The Treasury security market is a market that is well-covered by various periodicals and newspapers.

The Road to Selling Success

In these days of "short cuts to success," where any quick course in the fundamentals of a business makes a man a success, it is easy to call a man on the telephone to make a sale or to get an acquaintance. In a sense, this is the part of what salesmanship salesmen, has held for them. With the coming young bond man of 1965, we occasionally hear of a salesman who WORKS!

The other day I sat in a group and asked all talking about the man who was the head of a retail and advertising organization. This is an indictment of all of us. We are in the selling business to make a living. When you are working with whom I am considering substantial piece of business and must, to my surprise, I called him and he told me that he had bought himself an entire issue of $450,000 of tax exempt bonds from this house, and even have an office and who car...
Prospects for Titanium's Use in Chemical and Other Industries

By Dr. Frances C. Frary

Member, Materials Advisory Board, National Resource Council

Resistance to chemical attack is basis for Dr. Frary's belief that titanium will eventually have an increasing use in chemical industry and marine engineering.

Because titanium is a rare metal with a present supply and demand conditions; military importance in aircraft weight reduction; infancy of alloy development; use at higher temperatures and conditions, and large scale production of a new material needed by private industry under government sponsorship.

Titanium is the newest of the three structural light metals, also aluminum and magnesium, and it has the highest modulus of elasticity. It also is the material that will continue to be the most expensive of the three, and the most difficult to fabricate and shape into finished articles, such as airplane wings, fighter planes, and other aircraft parts. The large scale production of this metal, its fabrication, and the engineering information needed for its design and fabrication are in aircraft and ordnance.

Resists Chemical Attack

Its great resistance to chemical attack is a factor in its use in industry and engineering. The relative resistance of aluminum and magnesium to corrosive environments has been known for some time and the question has been whether it will be possible to fabricate and use titanium in similar service, and if it can be fabricated to work at high temperatures without becoming brittle and losing strength.

While titanium is inertia and non-conducting under ordinary conditions, this inertness disappears at higher temperatures. The very high melting points of the titanium and its alloys have been made possible by the government's air force, space, and other industries. The very high strengths of titanium and its alloys at elevated temperatures, have made it an accepted material for the design and fabrication of new equipment and structures.

The properties of titanium are such that this metal is used in the design of such structures, where it is of vital importance to have every pound count.

Rate of Progress

Many of the non-technical public have been concerned about the relatively slow rate of progress in producing and using this new metal. A Congressional committee recently reported that for a few years were needed for aircraft alone, and last year's actual sales was about 500 pounds, of which less than 500,000, and consumed by the production of a small part of the year's production of “spoon” or primary metal.

The demand is improving, however, and this year's sales should be a good deal larger. With the increased demand it is very important, since practical experience is needed to test the principal fabricators can solve their problems, and to make sheet, rod, forgings, tubing, steel, etc. of consistently high quality and strength, and to perfect this learning process, a rather large project has been set up and financed by the government. This will furnish a supply of material for further fabrication and testing, and will gather much necessary and important information as to their uses and limitations.

Titanium production operations must, therefore, be carried out at high temperatures in a vacuum, and in an atmosphere of high purity in a way that would require the same atmosphere. Molten titanium can only be handled in solid form. Solid or another material is the reason that so the molten metal freezes at once on contact with the atmosphere, and is not at present the only practical method of handling the metal. Double melting in a vacuum, especially with the use of this “interstitial” elements (oxides, nitrogen, hydrogen, carbon) is particularly bad in reducing the elongation of the metal, and hence the properties of the final finished. The elongation of the solid metal is retained with a minimum amount of hydrogen is significantly improved.

Because of the fact that pure titanium crystallizes in the hexagonal structure, the amount of cold work (rolling, drawing, forming) which it stand is very limited. Fortunately, at higher temperatures, the amount of cold work is reduced, drawing forming which it stand is very limited. Consequently, the high temperatures are reached, the cubic crystal system occurs, and cer-
The Rising Threat to Britain in Political Trade Unionism

BY PAUL EINZIG

Trial of strength between rising wages and reinforced disinflation drive in next 12 months is predicted by British economist Einzig. Compares British trade unionism war declaration against inflationary drive with essals on non-political character of American labor movement, and sees, as a consequence, peril to U.K. economy—compounded by Suez crisis.

Avers Socialists and trade unionists completely believe in their cause, adding it is very difficult to resist the temptation of obviously enjoying the use of recently-acquired power. "Trade Union rule" has become a byword in industrial relations. Even so, it was possible to argue with trade unionists that the inflationary solution to their problems, when it is realized, will make the situation even more difficult that wage demands in the past, and that it will take ten years of Labor Party rule to achieve the fallacies of such Socialists economics.

Now that trade unionism has gone into position the political argument will be secondary. In the sense of reinforcing and exaggerating wages demands instead of restraining them. It is difficult to estimate even approximately how much difference this will make to the total level of wages. What can be said with certainty is that it will make all the difference to the spirit in which wage demands will be negotiated. Even in the past trade unions were official, were thrown on the market by dictation about when negotiating with employers. It is already difficult to resist the temptation of obviously enjoying the use of recently-acquired power. "Trade Union rule" has become a byword in industrial relations. Even so, it was possible to argue with trade unionists that the inflationary solution to their problems, when it is realized, will make the situation even more difficult that wage demands in the past, and that it will take ten years of Labor Party rule to achieve the fallacies of such Socialists economics. The economist sees as a consequence, peril to U.K. economy—compounded by Suez crisis. Avers Socialists and trade unionists completely believe in their cause, adding it is very difficult to resist the temptation of obviously enjoying the use of recently-acquired power. "Trade Union rule" has become a byword in industrial relations. Even so, it was possible to argue with trade unionists that the inflationary solution to their problems, when it is realized, will make the situation even more difficult that wage demands in the past, and that it will take ten years of Labor Party rule to achieve the fallacies of such Socialists economics.

Union and Socialists' Blind-Eye

There is reason to fear that in the future such arguments will be brushed aside. To arguments put forward by Government or employers that heavy wage demands are inflationary the stock answer of the Trade Unions will be that inflation could and should be checked. To reducing wage demands but by reverting to physical measures, by drastically cutting down defense expenditure. Socialists and trade unionists are entirely unimpressed by the argument, supported by the overwheming majority of economists, that physical controls would not suppress inflation but would merely disguise them by creating artificial situations of disinfla-

rity. They refuse to admit that such artificial positions cannot be carried with impunity beyond a certain point.

From this point of view it was a pity that the new Labour Government was replaced by a very strong Conservative Government. If the Socialists had remained in power for a few more years they would have had to face the full consequences of their economic policies. They have been costly to the nation, but in the long run they would have been worth while to pay the price. As things are, it will take another prolonged Socialist rule in Britain to expose the basic fallacy of Socialist economics. During the first few years the new Labor Government may be in a position to claim that its difficulties were inherited from the Conservative regime. It will take at least ten years of continuous Socialist rule to make British opinion fully realize that artificial situations of economic autarky, bolstered up by physical controls are untenable in the long run.

Higher Wages Hurts Exporters

Accutated trade unionists pressure in favor of disarmament, paper-inflated in view of its ideological implications. The lessons of the last two years make it clear that Britain has no time to reduce her strength in conventional arms. In view of this, any tendency to depart from disarmament policies is likely to lead to a dangerous situation. The higher wages that would result from an aggravation of the balance of payments position through the Inflation of purchasing power. The penalty would be paid, nevertheless, through the effect of higher wages on the competitive capacity of British exporters. This means that £1 million saved on defense expenditure is spent on higher wages. A wage increase of this degree of inflation would remain even in the event of a larger scale of produc-

tion of British manufacturers would increase to a larger degree than it would have increased if the £100 million had been spent on defense.

Taking a long view this would lead to an additional deterioration of the balance of payments.

The change of direction may be the only solution.

In the United States it makes very little difference, if any at all, to the attitude of the trade unionists. In the matter of wages claims whether the Administrasia is Republican or Democratic. In a number of Continental coun-

tries with separate trade unions for supporters of various political parties and their policies wages are determined more or less. There are Continental trade unionism, Socialists and non-Socialist trade unions, Christian and Catholic trade unions, with large memberships in each trade. Even threats of strikes for the sake of insurrection can vary considerably from country to country. The British system under which the whole might of trade unions in future be used for making difficulties for any non-Socialist Government and their policies.

The difference made by the deci-

sion of the Trade Union Congress that wages restaric

ion an end may be more theoretical than real. Without the postwar period the general rule was that trade unions made full use of their strong bargaining power to secure the maximum of wage increases in the economy. If there be other economic changes in working conditions, the unions demand raised rumo-

rily to the utmost limit of pos-

sibility, to the full extent to which they could do so without the recep-

tance of the demands without loss of strike. Nevertheless there were borderine cases, especially under the Labor Government when the unions were willing to accept somewhat less than their demand, they would have been in a position to achieve with the aid of strikes or other methods of mitigating the inflationary trend.
As We See It

nati¬onalism now prevalent everywhere among the so-called
backward regions of the earth. Many of these areas are
rich in prized resources or lie athwart established routes of
trade and transport. Independence—so often a sign of
want that there is danger of a multitude of "splinter" nations none of which is able to
sustain itself—and they are determined to have what they regard as their own to do with as they choose. The fact
that the so-called great powers have developed these re-
sources at great expense (usually quite lawfully) and that the backward peoples to whom they belong have greatly
benefited by such development is as nothing to these aroused and fire-eating nationalists.

They Forget

These patriots also often forget that they are not as yet in a position to carry on in the event that foreign
capital is pushed out. Such a situation can be counted
upon to bring forth all the demagoguery to be found in
newly democratized countries. Since it is a fact that all,
or virtually all, of the areas now seething in this way have
historically been spheres of influence of Western
powers, the situation now existing offers many oppor-
tunities to imperialist Russia. The Soviets have, however,
perfected a different technique for their colonization; they
look to the cultural as well as what they say, and still such in the back of the mind. The Western powers
move out of the front door. This is a state of affairs that
has grown out of history, sometimes shameful history and
sometimes not, but every way and it represents a trend that
is not likely to pass in the face of such developments.

Historically, the imperialists were deterred in such
situations, when they were deterred at all, by fear of war
with other imperialists who were rivals for the prizes at
stake. In this respect the presence of Russia in the con-
troversy is orthodox enough, and as in the past is doubtless
an important factor in the current situation, but there
have been profound changes in the meantime. Whereas
in former times what we imagine are so fond of calling
colonialism was generally accepted as a matter of course,
and imperialist nations proceeded to do a great deal that
would shock the public conscience and leave them
without friends. The general idea of self-determination
for all, or nearly all, peoples has taken hold of the minds
in formerly imperialist countries, too, and force even to
protect formerly acquired interests in backward lands is
no longer feasible.

So it is that the larger countries and their nationals
with funds invested in backward regions seem to be faced
with the necessity of choosing either their lives in one way
or another to the rising tide of nationalism abroad. There
is no question of "shooting our way through the Suez Canal," as Secretary Dulles puts it, or, that matter shooting our way into oil regions to protect money in-
vested by the United States. It is a difficult, and in a sense a
new situation. It need not, however, be disastrous. An
infinite patience and level-headed foresight doubtless will
be required. Probably certain losses, or at least,
lost profits, will be inevitable. But we have no doubt that

American ingenuity—and the ingenuity of other peoples—
will seek and find ways and means of surmounting the dif-
ficulties which circumstances have strewn in their path.

Under Handicaps

Of course, former imperialist powers—apparently
except Russia which have, in the eyes of imperialist
victors to have expiated her sins—are under a severe
handicap in dealing with these insurgent elements in back-
ward lands. For instance, the United States, which
The United States, being allied with the more active of
the former imperialists, has its difficulties, too. Not
unnaturally British officials—or some of them—do not
find it easy to view with favor the rise of the non-Europe-
alility: The same is to be said of the French. Our task
of standing by our allies and at the same time trying to find
present day solutions of old, old problems is not an easy
one.

But it ought not to be impossible. The natural owners
of most of these resources scattered around in the remotest
parts of the world are palpably not capable, at this time
at least, of any such imperialist claims. In the meantime, in
the meantime, these backward peoples must be prepared to meet the out-
side half-way. Russia, of course, is in no position to be
occupied. If one theorizes as to what Ivanor has any good economic reason for
wanting to be.

The basic problem is, of course, to gain the good will
and the confidence of the peoples of these regions. It should be possible to sit down in a
mutually profitable economic operations in these lands.
Astronomical give-away programs are not likely to do the trick.
Doctorine attitudes about "rights" will not help.
Nassers there will be, but they, too, can be dealt with by
due course.

Sheep Population Pressure

Decried by Soil Scientist

"Soil Science" editor does not question our ability to keep
America's growing population, but does question whether we
will permit population over-crowding.

America's imminent problem is not food—because the nation can make, when it wants to, more than a billion people well—but sheer space. More of the demand is for
over-crowding, an agriculture expert
wrote recently, in the American Chemical Society meeting
on Sept. 14.

"I have not yet been able to continue,
体检 Dr. Firman E. Baro, ed¬
side-chief of "Soil Science," agreed
in part and expressed the view that vast areas of our farm land
will become unusable because of over-crowding far more than we
are now cultivating, or in other words, the limited size of our land
will always have too little water—even after making
the clouds and extracting extra
supplies from the sea—to support the unaccustomed, or very sparse
populations.

"And much of the remaining
800 million acres of land suitable for
the most productive land we have—lies in the Great Plains, the
super-highways, factories, and
reservoirs. The future looks highly exciting, but we've got
now be go slow about encouraging our people to move into the
West. In the meanwhile, we
must do a lot more of us.

Over-population—rather than inadequate or inefficient agriculture—is already the primary problem,
Dr. Firman E. Baro, editor of the
American Chemical Society's

The editor of "Soil Science," however, said that he believed it
was possible to grow enough food for a much larger population than now exists.
In the United States, commenting on the necessity of
Americans, "Dr. Baro, who is all of us can say
that the older I grow the more I appreciate children," but
there's a limit to our capacity to enjoy
the growths into which they develop. And Maltus ... may
in due time return to plague even us, synthetic chlorofyll
urged on "atomic energy in

Stewart 50 Years

With Kuhn, Loeb

Perry M. Stewart, partner in the investment banking firm of
Kuhn, Loeb & Co., 33 Broad Street, New York, has been one of
the most prominent of the New York stock exchange
members for the past 50 years.

Perry M. Stewart, in mid-
September, 1906, he began a career which was to prove not only a case of rising from
the bottom, but also of the city boy making good in the big city. For Mr. Stewart, a New York City baby,
having been born in New York City and educated in the public schools of the city. After gaining experience in all depart-
ments of the firm, he became a member of its syndicate depart-
ment in 1910, and was named to the manage-
ment in 1930 and a partner in the firm in 1941.

In financial transactions the public is often not aware of the
men who work behind the scenes and make the decisions but
in the world of finance Mr. Stew-
art is recognized as the amounting
on the pricing and selling
of securities, and in charge of the distribution depart-
ment of his firm he has managed underwriting syndications and
stock issues of some of the most prominent of the
railroad and public utility companies in the United States and for
government organizations, and in local
obligations, domestic and foreign.

Conferences on financial activities in the investment banking field, Mr. Stewart has undertaken many public service responsibilities. He has served as a Governor of the New York Stock Exchange, a Governor of the Investment Bankers
Association of America, and of the International Association of the
Association's securities committees.

He was active in various War Bond Loan Drives and was a member of the Eastern Investment Banking Volun-
tary Credit Restraint Commit-
ttee and the Production Conference Production of 1945. He
supervised equipment for
Downtown Hospital and a Governor of Federal Hall Memorial
Association, Inc., New York City.

Mr. Stewart is a Trustee of the Chicago, Southbridge, Mass., and a Di-
ector of Allen B. DuMont La-
ob, Chicago; Loeb, Mt. De-
Mont Broadcasting Corporation, New York City and Uranium Re-
duction Company, Salt Lake City, Utah.

Chicago Inv. Women Hear

CHICAGO, III. — Edward C.
Baker, vice-president of the
New York Stock Exchange
and other leading exchanges here and in Canada, and in
Canada, announces the opening of a branch office in Chicago. Miss Ada
Richardson, executive secretary, will be under
the management of David L. Chandler.

The firm, whose main office is in New York City, has other branch offices in Philadelphia, Montreal, and London, England, and has representatives in Geneva, Zurich, Switzerland and Amsterdam, The
Netherlands.

Baker, Weeks Opens

Branch in Toronto

TORONTO, Ont., Canada—Mr.
Baker, Weeks, and Company, of
TOM STREET, it will be un-
eering the management of David L. Chander.

The firm, whose main office is in New York City, has other branch offices in Philadelphia, Montreal, and London, England, and has representatives in Geneva, Zurich, Switzerland and Amsterdam, The
Netherlands.
**Bank and Stock Market**

By ARTHUR W. WALLACE

**This Week — Insurance Stocks**

Two weeks ago we discussed the surprisingly poor statutory underwriting results of a representative group of casualty-insurance companies. This week we bring out two offsetting factors: the large increase in insurance written during the life period in 1955; and the increase in the 1956 first half in the same line of insurance as the underwriting portfolios. The latter figures in the accompanying schedule include reinsurance portfolios or engagements sold during the period, as well as the book value in valuations.

In 1956, it appears that despite these increases in investment in income and assets values, insurance stock prices have not in any way sold down during the period, as well as the book value in valuations.

**San Francisco Bond Club to Meet**

**SAN FRANCISCO, Calif.—Max Witter, president of the San Francisco Bond Investment Consultant, will be the speaker at the initial fall meeting of the San Francisco Bond Club, held Sept. 17, in the Colonial Room of the Hotel St. Francis.

Mr. Witter, who has long been identified with business and social events in the Middle-East and the Orient problem area, a subject he is well qualified to discuss, according to Bond President Wendell Witter, Dean Witter & Co.

Mr. Witter is a trustee of the University of Baghdad, Iraq, Chahar, China, and the University of Singapore. Mr. Witter is a director of the North Pacific Fire & Marine Insurance Co., and a member of the University of California Board of Directors. He is the author of "Design of a Petroleum Law" and "Wealth, a Financial Appraisal," and is an industrial economics writer of note.

The club's newly-elected officers for 1956 meet as follows: President, Wendell Witter; First Vice-President, Dean Witter & Co.; President, Wendell Witter & Co.; Vice-President, Arthur W. Schieber, American Insurance Company; Secretary-Treasurer, John F. Connolly, Francis L. du Pont & Co.; Assistant Secretary, T. S. Kehnian, Assistant Secretary.


The club's newly-elected officers for 1956 meet as follows: President, Wendell Witter; First Vice-President, Dean Witter & Co.; President, Wendell Witter & Co.; Vice-President, Arthur W. Schieber, American Insurance Company; Secretary-Treasurer, John F. Connolly, Francis L. du Pont & Co.; Assistant Secretary, T. S. Kehnian, Assistant Secretary.

**The American People's Capitalism Seen Answering Totalitarianism**

Dr. Nadler describes America's growing "people's capitalism," and phenomena of less pronounced business cycles, and claims this American system surpasses by far the totalitarian systems made by totalitarian leaders.

America's steadily-rising standard of living will suffer no serious setback in the future, Dr. Marcus Nadler, economist-consultant to The Hanover Bank, present in a 32-page, illustrated study on "The Capitalism, published and distributed by The Hanover, Dr. Nadler says coming periods of re adjustment, while natural growth alone in a free economy, will grow "less and less pronounced" as business, government and labor work hand-in-hand to smooth out the peaks and valleys that have marked the economic roads of the past.

As a result, the system of competitive enterprise in the United States — known as people's capitalism — will continue to hold the upper hand in the Cold War against international Communism, Dr. Nadler asserts.

The achievements of the American system in creating this high standard of living, without making incursions on the rights of man, surpass by far the worst promises of the totalitarian leaders. Dr. Nadler says, this great economic and social progress goes on because people's capitalism has wealth and the ownership of the means of production in the hands of the people.

More and more, as the people reap the fruits of the economic gains made by their own system of capitalism, Dr. Nadler expects, "they will1 plough back into this system an ever-increasing part of these fruits in the form of investments."

In a major chapter of his study, Dr. Nadler analyzes the changing ownership of the means of productive enterprise. The consequences of widespread ownership of the means of production, primarily in manufacturing industries, will be considerable. More and more corporate dividends will accrue to the people at large directly— as stockholders or indirectly as beneficiary owners of corporate equities through annuities, life insurance policies, pension and profit-sharing funds and mutual institutions.

Dr. Nadler notes that the farmer also becomes a stockholder, and that while farm income may be down from its all-time peaks, the standard of living has improved.

"Tomorrow's farm — a highly mechanized, skilled-operation — will assume even more today the character of factory production, with farm life becoming more pleasant and more comfortable than it can now be envisioned."

And under people's capitalism land is also winning a better place in the sun. The study concludes, adding that "the growing power of the labor leaders... are working to correct whatever evils may exist."

**Combined Industries Inc.**

**DENVER, Colo.—Combined Industries Inc. has been formed with offices in the C. A. Johns Building and will engage in the securities business. Officers are Robert Leopold, President and Treasurer; and Gertrude Leopold, Vice-President and Secretary. Mr. Leopold was formerly with Greenberg, Street & Co.**

**National Bank of New York**

By ARTHUR W. WALLACE

**Circular on Request**

Laird, Bissell & Meeds

Members, New York Stock Exchange, American Stock Exchange, National Cash Credit, Union Trust Company, Goldsmith and Bankers Trust Company, Nominal, Capital $100,000, 120 Broadway, New York, N. Y., Brokers—N.Y.—L.1-1246-01 (L. A. Smith, Managing Traders Chip.) Specialists in Bank Stocks.

**First National City Bank of New York**

**San Francisco Bond Club to Meet**

**SAN FRANCISCO, Calif.—Max Witter, president of the San Francisco Bond Investment Consultant, will be the speaker at the initial fall meeting of the San Francisco Bond Club, held Sept. 17, in the Colonial Room of the Hotel St. Francis.

Mr. Witter, who has long been identified with business and social events in the Middle-East and the Orient problem area, a subject he is well qualified to discuss, according to Bond President Wendell Witter, Dean Witter & Co.

Mr. Witter is a trustee of the University of Baghdad, Iraq, Chahar, China, and the University of Singapore. Mr. Witter is a director of the North Pacific Fire & Marine Insurance Co., and a member of the University of California Board of Directors. He is the author of "Design of a Petroleum Law" and "Wealth, a Financial Appraisal," and is an industrial economics writer of note.

The club's newly-elected officers for 1956 meet as follows: President, Wendell Witter; First Vice-President, Dean Witter & Co.; President, Wendell Witter & Co.; Vice-President, Arthur W. Schieber, American Insurance Company; Secretary-Treasurer, John F. Connolly, Francis L. du Pont & Co.; Assistant Secretary, T. S. Kehnian, Assistant Secretary.


The club's newly-elected officers for 1956 meet as follows: President, Wendell Witter; First Vice-President, Dean Witter & Co.; President, Wendell Witter & Co.; Vice-President, Arthur W. Schieber, American Insurance Company; Secretary-Treasurer, John F. Connolly, Francis L. du Pont & Co.; Assistant Secretary, T. S. Kehnian, Assistant Secretary.

**Harley & Co. Offers Investment Course**

Harley and Co., members of the New York Stock Exchange, announce they are offering a full investment course and are available to meet the needs of conservative investors. Application forms, with the names of nine sessions, to be held at 8 p.m. Tuesday evenings in the Harley & Co. offices, 775 Madison Ave., New York, from Sept. 25.

Samuel C. Greenfield, investment advisor, will conduct the course, which will include such topics as security buying, investment media, mutual funds, how to read the financial press and the news, and how to interpret the law as they affect his income estate and personal estate.

More than 250 adults enrolled in a similar course which met in New York City last year, the investment firm said.

**Joints B. C. Morton**

(B tablets to The Providence Business) Boston, Mass.—John W. Sullivan has been connected with B. C. Morton & Co., 131 State St.

**The American People's Capitalism Seen Answering Totalitarianism**

Dr. Nadler describes America's growing "people's capitalism," and phenomena of less pronounced business cycles, and claims this American system surpasses by far the totalitarian leaders.

America's steadily-rising standard of living will suffer no serious setback in the future, Dr. Marcus Nadler, economist-consultant to The Hanover Bank, present in a 32-page, illustrated study on "The Capitalism, published and distributed by The Hanover, Dr. Nadler says coming periods of re adjustment, while natural growth alone in a free economy, will grow "less and less pronounced" as business, government and labor work hand-in-hand to smooth out the peaks and valleys that have marked the economic roads of the past.

As a result, the system of competitive enterprise in the United States — known as people's capitalism — will continue to hold the upper hand in the Cold War against international Communism, Dr. Nadler asserts.

The achievements of the American system in creating this high standard of living, without making incursions on the rights of man, surpass by far the worst promises of the totalitarian leaders. Dr. Nadler says, this great economic and social progress goes on because people's capitalism has wealth and the ownership of the means of production in the hands of the people.

More and more, as the people reap the fruits of the economic gains made by their own system of capitalism, Dr. Nadler expects, "they will1 plough back into this system an ever-increasing part of these fruits in the form of investments."

In a major chapter of his study, Dr. Nadler analyzes the changing ownership of the means of productive enterprise. The consequences of widespread ownership of the means of production, primarily in manufacturing industries, will be considerable. More and more corporate dividends will accrue to the people at large directly— as stockholders or indirectly as beneficiary owners of corporate equities through annuities, life insurance policies, pension and profit-sharing funds and mutual institutions.

Dr. Nadler notes that the farmer also becomes a stockholder, and that while farm income may be down from its all-time peaks, the standard of living has improved.

"Tomorrow's farm — a highly mechanized, skilled-operation — will assume even more today the character of factory production, with farm life becoming more pleasant and more comfortable than it can now be envisioned."

And under people's capitalism land is also winning a better place in the sun. The study concludes, adding that "the growing power of the labor leaders... are working to correct whatever evils may exist."

**Form Continental Inv.**

**DENVER, Colo.—Continental Industries Inc. has been formed with offices in the C. A. Johns Building and will engage in the securities business. Officers are Robert Leopold, President and Treasurer; and Gertrude Leopold, Vice-President and Secretary. Mr. Leopold was formerly with Greenberg, Street & Co.**

**Combined Industries Inc.**

**Offers 330,000 SHARES OF COMMON STOCK AT A PRICE OF $1.00 PER SHARE**

Combined Industries, Inc., a Delaware corporation, issues 21,000 square feet at 331 Far Rockaway Boulevard, Edgemere, N.Y., where its business office is located and operates a wholesale and retail business in India Airlines. The company was formed in New York, it manufactures and sells wrought iron and tubular steel furniture and such other functional items in raw rocks, and engaged in interstate wholesale; barges, work service and decorative pieces.

The Offering is made solely through the Offering Circular, which will be sent by mailing the attached to:
Continued from first page

Foreign Policy at the Crossroads: Palmy

in the same "package," another model miracle man: the propagandist. Whether from the West or from the Chino, the utilities the identical bill of ideologi-cal goods, and the products of the same high and rising living standard as well as to national inde-pendence. In the latter case, to include the right to rob the foreigner). They are being promised it all if they only join the proper side of the Iron Curtain, or even without joining any side.

Unfortunately, their productivity does not rise in proportion, or not at all. To raise output takes savings, entrepreneurs, technicians, and capital, available, kept out by lawlessness, prejudice, corruption, indolence, and inflation. On top of all that, the underdeveloped economies, more or less, helplessly exposed to the vagaries of widely fluctuating commodity prices.

Courting the Underdeveloped

This is, in a nutshell, the so-called underdeveloped world (with exceptions here and there). This is the world which we are pledged to redeem. One of the basic axioms of our foreign policy is to win this world to our side—for co-operation in the cold war. In the process, we apply several strategies, to wit:

Displaying our wealth and power—that makes enemies ill-generated fear and envy;

Pretending to be guided by pure humanitarianism with no ulterior motives, as attitude that irritates everybody;

Preaching human rights, equality, and anti-communism, which means to the utterly poor and ignorant natives little more than nothing;

Offering dollars—trying to bribe them—and by an action of Indolence not amount to more than the proverbial drop in the bucket even if they were not largely wasted or used for armaments (against each other, if not against the West), in addition to making sure that goods "strings attached.

Encouraging nationalism that is directed primarily against the West.

The last point has the most nefarious consequences. Our anti-colonial propaganda is rooted partly in the American tradition: for another part, in the naively liberal interpretation of the spiritual heritage of Rousseau and the Jacobins—calling in a word.

But the philosophical aspects of the principle may be lost. By preaching equality we strengthen the Russian position since that is exactly their doctrine. And they go one better on it: their thesis includes the con- fusion of foreign property, which is the most popular pastime among the underdeveloped. The so-called Bolsheviks who have no investments to lose

American anti-colonialism is a prime source of European anti-Americanism. To Europeans or concealed control over certain tropical areas is not a matter of shady international politics but a means. ("Imperialism" was a good word, even before it became a fighting word today.) Some of the colonial or controlled areas—mean formidable financial and commercial stakes to Europe. Not without reason, the under responsibility for the revolt of Asia and Africa, but Europe is held by a rope on our doorstep. But the ex-colonies give us no credit whatsoever. On the one side, we have succeeded in weakening our Allies and securing their resentment; on the other, in creating in the Middle and Far East expecta-

tions which must be disappointed—the Nile dam is a case in point causing violent hatred. Among the Arabs, the anti-Western trend is fused with anti-Zionism. This sentiment extends now to all white settlers, from the French in Maghreb to the Israelis in Palestine.

The Arab Problem

Courting the former colonies boomerangs virtually everywhere. That South Korea and Taiwan are peripheral worlds of the U. S., should be obvious. The same holds for Vietnam and Cambodia, even Thailand. But take the case of a country like Iraq, safely in the folds of the Baghdad Pact, or so it seems.

In reality, that pact amounts to nothing more—and this is now fully recognized by competent British observers—than a channel through which to draw subsidies from Washington, to lesser extent also from London. Yet, public opinion in Iraq is overwhelmingly in favor of Nasser, also ready to join the rest of the Arabs in a drive on Israel. The Nuri dictatorship, entirely in Wash. lnt's pocketbook, had to take a very equivocal stand on the Suez question, notwithstanding its jealousy of Egypt's ambitions. The Pan-Arab movement, sponsored originally by Britain (against Turkey in World War I), has reached into such depth of Moslem mass psychology that even the Christians and other pro-Westerners in the Arab World have to go along.

American propaganda and intrigue were instrumental in fostering colonial revolutions all the way from China and Indonesia to Egypt and Morocco; American pressure on the colonial powers—their moral and financial stamina undermined by the War and by Welfare—is pushing them into bottomless ap-

peasements. The consequences show up to our greatest detriment. Tunisia has just received her sovereignty; before the treaty is even formalized, she is demanding the withdrawal of French troops in order to support the Algerian rebels. The ultra-nationalist Istiqlal of Morocco is driving in the same anti-French direction. What is brewing in this whole area between the Atlantic and the Indian Ocean has been tacitly summed up by a keen Swiss observer:

The evacuation of the Suez Canal Zone by the British has had the effect of a break in the dam—

CLARENCE J. BALL, Vice President John Morell & Co.

H. C. MACKFARLANE, Vice President Minneapolis Moline Implement Co.

E. H. BELL, Burnham Malting Co.

L. E. PHILLIPS, President National Pinto Industries, Inc.

WALTER G. SEEGER, Chairman of the Board Wadsworth-Seege Corporation

D. ATLAS, Works Manager Spencer Kellogg & Sons

D. C. MISNARD, President Trans Co.

PAUL R. WIGGINS, President Minnesota Honeywell Governor Company

JOHN D. VALENTINE, Manager, St. Paul Office Swift & Co.

WALTER G. SEEGER, Chairman of the Board Wadsworth-Seege Corporation

THESE BUSINESS LEADERS... NSS CONTRIBUTE ONLY 54%

NSP's 22 straight years of revenue growth not dependent on any one large industry

Here are 24 of the 27 largest users of electricity from Northern States Power Company. A cross-section of diversified businesses—many nationally known—they sell hundreds of products and services; and all paid electric bills in excess of $100,000 last year. The largest added nearly three-quarters of a million dollars to our revenues.

Yet it accounted for only six-tenths of one percent of our gross income.

In fact, all 27 made up only 5.4% of our total gross revenue.

Some 1590 other large commercial and industrial customers also contribute to NSP's growth and diversity.

These highly diversified businesses account for 22.2% of our electric revenues.

The major share (more than 42%) of our electric revenue comes from our steadily growing residential—
least the evacuation as such, perhaps, than the circumstances under which the British withdrawal was arrived at. The fact that the once powerful British nation was forced by an Arab state to withdraw from its strongest position has made a profound impression. The further fact that the two principal Western powers did not, in this conflict, work together, but partly against each other—this, at least, was the interpretation given the American media which, on the whole, favored Egypt—has opened new horizons to Arab policy. In the meantime the British troops have been withdrawn from Iraq after the conclusion of the Baghdad Pact. The British positions in Jordan, Aden, on the Persian Gulf and in Cyprus are assaulted by local nationalists, encouraged and supported from Cairo. In 1956, at the latest, the Suez Canal concession is to revert to Egypt. Observers agree that the development on the spot one can have no doubt that the ultimate aim of the Arab nationalists is to drive the Western powers out of the Middle East. The very tangible prize will be the oil wealth of the area. The agitation against Israel, and the most recent protest and boycott measures against France on account of Algiers serve as a most effective means of fanning the emotions of the Arabs and mobilizing them against everything non-Arab. In the turbulent times of anti-Western and anti-Zionist excitement the great undertaking of re-establishing Arab unity, as attempted in the 19th century by Mohammed Ali and Ibrahim Pasha at the expense of the Ottoman Sultan, is to be realized. There is only one method by which to restore a modicum of common sense in the Middle East: by calling a halt to the Dulles-Eden policy of perverted appeasements, laying down the law, and enforcing it.

That is the policy which Britain and France are determined to follow in Algiers as well as in Egypt. That it is the only sensible policy in the short run, can be taken for granted. But how does it fit into the picture of the Cold War and of the peaceful co-existence with the Soviets? In other words, assuming that the Allies accomplish their immediate objective—and will not be stabbing in the back by the appeasers in Washington—will be the outcome in terms of the East-West struggle? The answer to the question of intervention—which is being-ruled out—is that a whole-scale use of force will restore the prestige of the West, and enable the President to define the Middle Eastern problem and to make clear the danger for the West and the British in the future. The intervention will be done by the United States, and not by the Soviet Union. But will not the Middle Eastern problem be solved? The British will throw themselves into the Soviet's arms, scream as they may.

Harriman Ripley Group Underwrites United Aircraft Offering

United Aircraft Corp. is offering to its common stockholders of record on Sept. 17, 1956 the right to subscribe for 218,008 shares of preference Stock, 4% series of 1966 ($100 par value) in the ratio of one preference share for each 10 shares of common stock outstanding. The subscription price is $100 a share. The offer will expire at 2:30 p.m. (EDT) on Oct. 2, 1956. The offering is being underwritten by a group headed by Harriman, Ripley & Co., Inc.

The preference stock is convertible prior to Nov. 1, 1956, unless previously redeemed, into common stock at the conversion rate of 120 shares of common stock for each share of preference stock.

Net proceeds from the sale of the preference shares will be added to general funds of the corporation and used in part for the repayment of short-term bank borrowings of $27,000,000 which were incurred to finance increased inventories and other working capital requirements.

The corporation is required to retire 3% of the 1956 preference shares outstanding on Nov. 1, 1956 annually in each year thereafter.

Unfiled orders and Government funds of intent amounted to $2,100,000,000 on June 30, 1956.

Sales during the year 1955 totaled $697,522,000 and net income amounted to $31,005,000, equal after preference dividends to $8.14 a share on the common shares outstanding at the year-end. For the six months ended June 30, 1956 sales aggregated $458,471,000 and net income $32,350,000, the latter equal after preference dividends to $4.08 a share on the common stock. For the first half of 1955 sales were $358,110,000 and net income was $15,301,000 or $3.02 per common share.

United Aircraft is one of the largest manufacturers in the United States of aircraft engines, propellers, and helicopters. It also manufactures a wide range of aircraft electronic equipment, including air-conditioning systems, refrigeration units, jet-engine starters, electronic fire control and mechanical fuel controls, hydraulic pumps, and pneumatic valves.

Drexel & Co. to Admit New Partners

PHILADELPHIA, Pa.—Drexel & Co., 1500 Walnut Street, member of the New York Stock Exchange, on Oct. 1 will admit James G. Couffer, George de B. Bell, Richard H. Litton, Paul R. Miller, Jr., and John H. Reemer to partnership. Mr. Couffer will make his headquarters in the firm's New York office, 30 Wall Street.

P'S 27* LARGEST CUSTOMERS... TO OUR TOTAL REVENUE

rural sales. This is, of course, highly desirable income, since it is least sensitive to business fluctuations.

The remainder of our income stems from unusually diversified—hence unusually sound—sources: industrial, commercial and other sales. Our gas sales and revenues parallel this well-balanced diversification.

Thus, independent of any single industry or group of customers, NSP has recorded twenty-two consecutive years of revenue growth. Ask your secretary to write for our Annual Report. * Company policy of three of our customers presents using pictures of corporation officials.

NORTHERN STATES POWER COMPANY
Minneapolis 2, Minnesota
Serving a thriving area in Minnesota, Wisconsin and the Dakotas with electricity and gas.

Drexel & Co.
Chemical Defense Laboratories Urged for Entire Country

Col. Stewart asks analytical chemists to help create laboratories throughout the country to be ready in the event of enemy attack.

To provide an integrated defense against possible chemical warfare attack on the United States, the nation’s analytical chemists were asked at the American Chemical Society’s 130th national meeting, held Sept. 15, at Atlantic City, to establish and staff a network of cooperating laboratories.

Colonel Francis B. Stewart of Battle Creek, Mich., consultant in chemical and biological warfare defense for the Federal Civil Defense Administration, made this request at a symposium on air pollution, sponsored jointly by units of the Society and the U. S. Army Chemical Corps.

Create Laboratories Now

"Laboratories having the necessary capabilities to go into immediate action in the event of enemy attack are essential," Colonel Stewart emphasized. He said these laboratories "must be in position to give to the appropriate authorities, both at state and local levels, information on the nature of the (chemical) agent used and make recommendations on decontamination and other protective measures."

He added that there are adequate laboratories throughout the United States "which can be assigned to any theater of operations.

The Federal Civil Defense Administration has similar laboratory capabilities in the field of biological warfare through deliberations to the Department of Health, Education and Welfare, the speaker said, noting that the U. S. Public Health Service which that department has expanded its Sectional Research Program to include biological warfare defense.

He added that there are about 50 laboratories scattered in 40 states, Hawaii and Alaska.

Praising some 150 analytical chemists for their "important contributions" to the work of the National Defense Research Committee in the years from 1940 to 1946, Colonel Stewart said their work diversified identification and analysis of chemical warfare agents and related subjects was carried out at widely scattered laboratories across the nation.

Chemists Are Well Dispersed

"These chemists have since scattered to many universities and industrial concerns," he pointed out, "and the readiness of the nation for chemical warfare is a reflection of the potential for developing a capability in the handling of chemical warfare agents is probably more dispersed throughout the United States than that of the Public Health Service's Sectional Research Program for handling biological warfare agents."

"If only a small fraction of these 150 analytical chemists would participate in the civil defense program and organize chemical defense groups, we would have a vast network for the dissemination of technical information on chemical warfare in peacetime and vital assistance in a national emergency."

Such groups or laboratories should consist of chemists and chemical engineers with a wide variety of backgrounds, since the problem of chemical warfare defense may prove complex, Colonel Stewart said. He suggested that the initiative in establishing such a program at the local level might well be the responsibility of the analytical chemist.

Steps Are to Be Taken

He urged chemists to take these steps:

1. Contact their local or state chemical agent detector kit, instructing unskilled volunteers in the kits.

2. Be available to answer the layman's questions related to chemical warfare.

Colonel Stewart cited the threat of chemical warfare to the nation. "If we are to be prepared to detect three types of weapons—gas, liquid nerve agents such as mustard, and nitrogen mustard."

"There is no doubt that there is great apathy among the general public about chemical warfare. The enemy attack and civil defense measures to be taken," he contended, "are discussed in the centers around these chemical weapons and their source from chemical attack has largely been ignored. This is urgent necessity for our chemists and other scientists.

Chemical and Biological Weapons

He pointed out that the planning assumptions of the Federal Civil Defense Administration — that this nuclear weapons will be relied on as the means of gaining the military advantage, and chemical and biological weapons will be used against humanity. These latter weapons would be used to increase confusion and impede defensive measures, he said.

Colonel Stewart offered the Society the full resources of FCDA, equipment and technical information to prepare the nation's laboratories for chemical warfare in the event of enemy attack.

Johnson, Lane, Space

Sell Scrip Stock

Offering of 350,000 shares of Scrip, Inc. class A common stock was made on Sept. 18 by an underwriting group headed by Johnson, Lane, Space & Co. Inc. The stock, priced at $40,000 per share, were offered at $6.571 share to certain officers and employees of the company, and the remaining 220,000 shares together with any number of less than 4,000,000, as 4,000,000 to be purchased by the officers and employees of the company, were offered to the public at a price of $7.20 a share. The offering was quickly oversubscribed.

Net proceeds from the sale of the common shares will be used by the company to finance plant additions currently under construction, for new and improved scientific equipment and for additional working capital and the repurchase of current bank loans.

Scrip, Inc., with its principal place of business in West Point, N. Y., is engaged in the manufacture and sale of cigars, cigarettes, chewing tobacco, and tobacco products.

Johnson, Lane, & Co., Inc. of New York City, members of the New York Stock Exchange, have offered to underwrite the sale of the securities.

Midwest Exch. Member

SAN FRANCISCO, Cal. — Wal- ston & Co., Inc., 260 Montgomery Street, announced the resignation of Daniel J. Cullen, Executive Vice-President. San Francisco has also added to membership on the Midwest Stock Exchange, Chicago.

Slayton Co. Adds

ATHENS, Ga.—Lewis L. Slayton has elected to purchase the interest of Slayton Co., Inc., 1708 South Lumpkin Street.

With Hamilton Management

BOSTON, Mass.—Donald J. Decker has been affiliated with Hamilton Management Corporation, 127 Tremont Street.

Chas. Saltzman Joins

Goldman, Sachs & Co.

Goldman, Sachs & Co., 39-Pine Street, New York City, members of the New York Stock Exchange, have announced that Charles E. Saltzman will be associated with the firm, effective Sept. 17, 1956 and is to be a general partner of the firm.

A graduate of West Point, Mr. Saltzman holds degrees from Harvard College and has been a partner for the past five years in the private investment firm of Henry Sears & Co. From 1933 to 1949 he was on the staff of the New York Stock Exchange, having been appointed Secretary of the Exchange on April 22, 1939. During World War II he was on active duty in the United States Army for nearly four years and being appointed a brigadier general of Military Intelligence, 1945. He is now a major general in the active Army Reserve.

Southern Nevada Power

5% Bonds Offered

Halsey, Stuart & Co., Inc., quickly oversubscribed a $5,000,000 issue of 5% Southern Nevada Power Co. first mortgage bonds, Series A, due Sept. 1, 1958, at 101% and accrued interest, to yield approximately 4.53%. Award of the bonds was won by the underwriters at a competitive sale on Sept. 18 on a bid of 98.26%.

Net proceeds from the financing are to be used by the company to purchase and retire bank loans, and the proceeds will be applied toward the cost of the 1956 construction program. The company estimates the power generated during 1956 will approximate 92,000,000 kW hours.

The new bonds will be redeemable at regular redemption prices ranging from 100.00% to par, and at special redemption prices ranging from 100% to 7% to owners of the bonds. Southern Nevada Power Co., offering its first public offering of a $5,000,000 issue of Southern Nevada Power Co. first mortgage bonds, Series A, due Sept. 1, 1958 and Series B, due Sept. 1, 1957, at 101% and accrued interest, to yield approximately 4.62%.

With Fede...
Rubber... from the silicone tree

Atoms from oil and sand—combined and rearranged by modern science—have given us amazing new chemicals called silicones. And one of the fastest growing branches of the silicone family tree is an unusual substance known as silicone rubber.

**INDUSTRY NEEDED** a material—with the desirable properties of rubber—that could stand up under extremes of heat and cold. An answer was found with the development of silicone rubber.

**THIS REMARKABLE MATERIAL** is not affected by exposure to sub-zero temperatures. Planes that fly in the intense cold of the stratosphere have many parts made of silicone rubber. And that strip around the door of home freezers will stay pliable and form a tight seal when it’s silicone rubber.

**EQUALLY IMMUNE** to high temperatures, it can seal a steam iron or a pressure cooker and never feel the heat. Silicone-insulated electric wires will last for years under conditions where standard insulation would burn out in weeks. And silicone rubber is highly resistant to attack by oil and chemicals.

**SILICONE RUBBER** is but one of the many useful products that silicone chemistry has created and improved in the past few years. The people of Union Carbide will continue their efforts to pioneer with silicones to serve you in every possible way.

**FREE:** Learn how **ALLOYS, CARBONS, GASES, CHEMICALS, and PLASTICS** improve many things that you use. Ask for "Products and Processes" booklet A.

**Union Carbide**

AND CARBON CORPORATION

20 East 42nd Street  •  NEW YORK 17, N.Y.

In Canada: Union Carbide Canada Limited, Toronto

Union Carbide Silicones  BAKELITE, VINYLITE, and KRENEX Plastics  NATIONAL Carbons  CRAG Agricultural Products  PYROFAX Gas  Dynel Textile Fibers  ELECTROMET Alloys and Metals  HAYNES STELLITE Alloys  UNION Carbide  LINDE Oxygen  SYNTHETIC ORGANIC CHEMICALS  PRESTONE Anti-Freeze  EVEREADY Flashlights and Batteries  PREST-O-LITE Acetylene
The public pension funds have, in some instances, been making commitments in the 2½% bond market, but indications are that the 3% to 3½% bond market will remain of greatest concern. Reportedly, they are the principal buyers of the largest Government obligations along with Treasury investment accounts. Purchases of 1½% to 1¾% new issues from common stocks by individuals into the 2¾% and 2¼% of 6½-year maturity have been considerable. Purchases of Treasuries are being made largely for foreign accounts.

Critical problems of atomic power. Many people have said and many think that atomic power will never be at its cheapest until the best chemical process is used for the production of the fuel. This is probably the most important problem of all. Possibilities seem to be limited in the development of distinctions of atomic power. For example, the power of every kind. It can support a program economical and worthwhile.

Homogeneous Reactor Required

Another problem in Atomic Power that is a major problem in the various atomic power reactors is the so-called ‘homogeneous reactor.” It is an interesting game that is being played. On the one hand, scientists and engineers who are very skilled in the science and conditioning, are asked to make a completely non-corroding fuel element; and on the other hand a group of process chemists are asked to dissolve this non-corroding fuel element and base of a reactor. This conflict seems to force the use of new degrees of freedom to a point where just one changes the temperature and pressure design which to alloys with specific coolants, etc. The problem of corrosion is a crucial one. It really puts the chemist to test and it is to his credit that he has not allowed it to be more than a problem. Nevertheless, the chemical industry is not only a factor in all this, but it seems to be one of the most important industries in the development of atomic power. It can support a program economical and worthwhile.

Homogeneous Reactor Required

Another problem in Atomic Power that is a major problem in the various atomic power reactors is the so-called ‘homogeneous reactor.” It is an interesting game that is being played. On the one hand, scientists and engineers who are very skilled in the science and conditioning, are asked to make a completely non-corroding fuel element; and on the other hand a group of process chemists are asked to dissolve this non-corroding fuel element and base of a reactor. This conflict seems to force the use of new degrees of freedom to a point where just one changes the temperature and pressure design which to alloys with specific coolants, etc. The problem of corrosion is a crucial one. It really puts the chemist to test and it is to his credit that he has not allowed it to be more than a problem. Nevertheless, the chemical industry is not only a factor in all this, but it seems to be one of the most important industries in the development of atomic power. It can support a program economical and worthwhile.

Demand for Money Not Slowing Up

The demand for funds from business and construction continues to be as large as ever and there are no indications yet of any let up in these needs, which means that the pressure on the monetary market is not going to be tempered. The robust demand from business and consumers is resulting in the economy operating at capacity and with a tight-money situation. Demand for funds is strong and there is a tight-money situation.

Accordingly, as long as a strong upward pressure is being exerted on the money market, there is not going to be any chance for the Federal Reserve to ease its credit policies.

On the other hand, it is evident that there are some soft spots developing in the economic system and these forces are not the kind that are rectified by higher interest rates and credit limiting policies.

Public Pension Funds Favor 3s of 1995

It is reported that tax swaps have increased somewhat of late in the Government market, with the longer maturities now being switched because most of the middle-term obligations have already been eliminated as far as this kind of operation is concerned.

We have a Peaceful Use already in being which next to the first of its kind, not the only one, is rewarding bountifully for our investment and interest in atomic energy. This use is Isotopes. Isotopes is the utilization of radioactive elements in particular to label compounds and materials so as to understand the mechanism of various processes in the production of masses of materials, and for the study of the physical and chemical behavior of isotopes in various processes.

We have the California Research Corporation in many respects a pioneer in the development of this particular industry, dealing in the testing of lubricants and fuels for use in the atomic propulsion systems of the United States and other parts of California. He also developed the so-called ‘homogeneous reactor’ concept, using the use of liquid fuel pipes so that their diversion at a particular point would be done more accurately at very considerable economies and at the same time in many other materials. In addition, a method of measuring the circulating flow rates in the catalytic beds was developed by him and his associates. There are several people like Dr. Lull in this country developing these uses and applications.

Isotopes Save Money for Industry

We estimate that during the period of the year, a single 200 million dollars will be saved in industrial processing and the use of isotopes, and probably a few hundred million dollars will be spent on research and development of nuclear power. This is a very promising industry and I think the possibilities are great. The combined research in the field is not extensive, but there are many possibilities.

We can see how the further development of this particular industry will make these preliminary figures small.

It is my belief that it is true that every material of nature, everything we know, everything with which we associate, can be made radioactive in a safe but effective way. Bismuth is the concept of Everyday Use of Isotopes. Bismuth is a material that is radioactive but useful and harmless. Perhaps this in itself may prove to be an important aid to the Peaceful Use as Atomic Power. In any case, there is a great deal of interest between Isotopes and Atomic Power except possibly in the interests of this country. However, if they are so far different it seems certain that the development of the Peaceful Use will be very important. It may not be the ones who would otherwise develop Atomic Power—or the Peaceful Use of Atomic Power—but the ones who would develop the Peaceful Use of Isotopes may be the ones who would do this. Let us try and have every-thing. Let us try and lead the world in the development of the Peaceful Use of Atomic Power without hampering our other technological developments. Let us try it. It is possible.
Agricultural and Scientific Uses

In addition, we have the benefits of the use of isotopes in agriculture and in basic fundamental science and, as we all know, the discovery of the new laws of nature is one of the most lucrative and profitable occupations any man can undertake, provided he is patient and far sighted enough to await the natural developments of the new knowledge.

Our children and grandchildren shall not doubt praise us for the development of atomic energy for its Peaceful Uses. With no doubt there will be new uses made of which we have not dreamed, but among the important Peaceful Uses throughout all time will be Isotopes. The chemist remains the principal applier of Isotopes, the inventor of new uses, and the principal developer of ramifications as yet not named. We can imagine the chemists will continue to play this role, so once again I say, your role in atomic energy is of extreme importance. Please think when you do your everyday work how you could do it better with isotopes. All the materials with which you work can be made radioactive.

It is possible to measure in a reliable, easy manner the total number of radioactive atoms in a given sample of matter. This reagents which have a given specific activity, say of radioactive chlorine, can be measured out by means of a determination of unknown chloride content, silver nitrate added, and a precipitate produced and the absolute concentration of radiochlorine in the resultant precipitate determined. The dilution caused by the unknown amount of chloride gives an immediate analysis for chloride in the solution. True these measurements to date are only accurate to about 5%, but they are so fast and so simple that I think of us as just for the chemical isotopes: hydrogen, carbon, nitrogen, sulfur, chlorine, calcium, etc., we have a technique which may liberate us from many of the difficulties in the laboratory. We should by all means improve these techniques into the present chemistry courses in the universities and high schools so the students will have this additional peephole to look into nature and see how she works. It is not that we want to teach radiochemistry particularly, but through use of these techniques the students will be taught ordinary chemistry better and will develop, I hope, an incidental interest in atomic energy and the Peaceful Uses of the atom.

Kenneth Baker Retires

DALLAS, Texas—After more than 40 years in the securities field in New York and Dallas, Kenneth Baker retired Sept. 1 to live in Long Beach, Calif., with his wife Irene, a native New Yorker. For the past 15 months he served as cashier for Southwestern Securities Company of Dallas.

Mr. Baker, a native of West Virginia, was active in Wall Street for 20 years and was a bank examiner for two years. He served with the Securities Exchange Commission for six years prior to joining Southwestern Securities Company in 1955.

"We will certainly miss Mr. Baker, as well as his many friends among the securities dealers in the Southwest," Hugh Bradford, Senior Partner of Southwestern Securities said. "He takes with him the affection, esteem, and the good wishes of every employee in our firm."

Jones, Kreeger Branch

QUANTICO, Va.—Jones, Kreeger & Hewitt have opened a branch office in the Pick Building under the direction of Charles E. McCarren, Jr.

Now L. F. David Co.

ST. CLOUD, Minn.—The firm name of Atomic Funds Investors Service, 24 South Fifteenth Ave., has been changed to L. F. David Company.

Expanding markets contribute to Spencer's growth

SUMMARIES OF CONSOLIDATED INCOME

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>1956</th>
<th>1955</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET SALES OF PRODUCTS</td>
<td>$45,624,949</td>
<td>$36,154,921</td>
</tr>
<tr>
<td>COST AND EXPENSES</td>
<td>$25,756,803</td>
<td>$19,592,521</td>
</tr>
<tr>
<td>SELLING, ADMINISTRATIVE and other</td>
<td>$7,429,661</td>
<td>$6,178,946</td>
</tr>
<tr>
<td>NET INCOME</td>
<td>$818,646</td>
<td>$25,771,467</td>
</tr>
<tr>
<td>BEFORE TAXES</td>
<td>$12,438,485</td>
<td>$10,383,454</td>
</tr>
<tr>
<td>FEDERAL and STATE INCOME TAXES</td>
<td>$5,144,000</td>
<td>$5,265,000</td>
</tr>
<tr>
<td>NET INCOME</td>
<td>$6,294,485</td>
<td>$5,118,454</td>
</tr>
</tbody>
</table>

CONDENSED STATEMENTS OF CONSOLIDATED FINANCIAL POSITION

<table>
<thead>
<tr>
<th>As of June 30</th>
<th>1956</th>
<th>1955</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td>$31,442,075</td>
<td>$27,950,067</td>
</tr>
<tr>
<td>CURRENT LIABILITIES</td>
<td>9,580,219</td>
<td>7,568,883</td>
</tr>
<tr>
<td>WORKING CAPITAL</td>
<td>$21,861,856</td>
<td>$20,381,180</td>
</tr>
<tr>
<td>PLANTS AND EQUIPMENT</td>
<td>44,869,225</td>
<td>45,366,863</td>
</tr>
<tr>
<td>OTHER ASSETS</td>
<td>344,015</td>
<td>408,485</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td>$67,075,096</td>
<td>$66,154,428</td>
</tr>
<tr>
<td>BORROWED CAPITAL</td>
<td>$23,750,000</td>
<td>$25,000,000</td>
</tr>
<tr>
<td>PREFERRED STOCK, (less sinking fund)</td>
<td>14,100,000</td>
<td>14,550,000</td>
</tr>
<tr>
<td>COMMON STOCK EQUITY</td>
<td>29,225,096</td>
<td>26,606,428</td>
</tr>
<tr>
<td>SOURCES OF NET ASSETS</td>
<td>$67,075,096</td>
<td>$66,154,428</td>
</tr>
</tbody>
</table>

SPENCER PRODUCTS

| POLY-ETH (Spencer Polyethylene) | "Mr. N" Ammonium Nitrate Fertilizer |
| Ammonia (Commercial and Refrigeration Grade) | SPENSON (Spencer Nitrogen Solutions) |
| Aqua Ammonia | FREZALL (Spencer Dry Ice) |
| 83% Ammonium | Liquid CO2 |
| Nitrate Solution | Cylinder Ammonia |
| Synthetic Methanol | Nitric Acid |
| Formaldehyde |America's Growing Name in Chemicals |

Spencer Chemical Company's Report for fiscal 1956 has just been published. A copy will be mailed to you on request.
value of petrochemicals was over $1 billion in the value of total chemicals. (Tables 1 and II). The capital investment of the petrochemical industry in manufacturing facilities is presently about $6 billion, and is $2.5 billion more than a year ago. It is believed to comprise 55-60% of the assets of the entire chemical industry. Since the petrochemical industry has been doubling every five years, it is expected that the capital investment in 1960 will be $8,000,000,000.

Petrochemicals may be divided broadly into three classes: aliphatics, aromatics and inorganics. In 1960, the estimated production of the different classes of compounds is listed below:

<table>
<thead>
<tr>
<th></th>
<th>Pounds Annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aliphatics</td>
<td>40 billion</td>
</tr>
<tr>
<td>Aromatics</td>
<td>8 billion</td>
</tr>
<tr>
<td>Inorganics</td>
<td>1 billion</td>
</tr>
</tbody>
</table>

About a year ago the average price per pound of the aliphatics was 15c, of aromatics 15c, and of inorganics 25c. In 1956 petrochemicals amounted to $3.7 billion and in 1966, they are estimated at $4.2 billion.

For each of the past five years, the capital expenditure in chemicals and allied products has exceeded $1 billion. Construction expenditures connected to price have been estimated to be $1.4 billion. (Table III).

Diversity Ownership

Petrochemicals are broadly divided as those chemicals derived from natural gas and petroleum sources. For many years, both petrochemical and chemical companies have participated in the exploitation of petrochemicals. In recent years, diverse companies including shipping, farm equipment, rubber manufacturing and gas pipeline firms have all entered the field. An examination of some of the historical figures shows that petrochemicals are becoming broader in scope and size of each growing field. Figure 1 shows the relative rate of growth of these industries. The chemical industry's growth of 10.8% per year surpasses that of the other major industries shown. By comparison, the annual growth rate from 1959 to 1965 was 3.9% for natural gas, 5.5% for rubber products, 4.5% for petroleum, and for all industries combined, 2.5%. Growth is measured in this instance on a production basis.

Figure 2 shows the annual sales of the petrochemical, rubber, and allied industries. Last year petrochemical sales amounted to $3.7 billion, followed by $3.2 billion, for all industries combined. Aliphatics and aromatics are easily recognized to be the major products of the petrochemical field.

**TABLE I**

<table>
<thead>
<tr>
<th>Year</th>
<th>Output (Pounds)</th>
<th>Total Chemicals</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>32</td>
<td>8</td>
<td>25.7</td>
</tr>
<tr>
<td>1954</td>
<td>38</td>
<td>11</td>
<td>25.7</td>
</tr>
<tr>
<td>1955</td>
<td>52</td>
<td>11</td>
<td>25.7</td>
</tr>
<tr>
<td>1956</td>
<td>65</td>
<td>11</td>
<td>25.7</td>
</tr>
<tr>
<td>1960</td>
<td>72</td>
<td>11</td>
<td>25.7</td>
</tr>
</tbody>
</table>

The following tables indicate the capital expenditures in petrochemicals and related industries.

**TABLE II**

<table>
<thead>
<tr>
<th>Year</th>
<th>Dollar Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>$3.2 billion</td>
</tr>
<tr>
<td>1954</td>
<td>$3.2 billion</td>
</tr>
<tr>
<td>1955</td>
<td>$3.2 billion</td>
</tr>
<tr>
<td>1956</td>
<td>$3.2 billion</td>
</tr>
<tr>
<td>1960</td>
<td>$3.2 billion</td>
</tr>
</tbody>
</table>

**TABLE III**

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>$0.9 billion</td>
</tr>
<tr>
<td>1960</td>
<td>$1.1 billion</td>
</tr>
</tbody>
</table>

**FIGURE I**

GROWTH OF SOME SELECTED U.S. INDUSTRIES

<table>
<thead>
<tr>
<th>Year</th>
<th>Output (Pounds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1910</td>
<td>1,000</td>
</tr>
<tr>
<td>1950</td>
<td>10,000</td>
</tr>
</tbody>
</table>

**FIGURE II**

1955 DOLLAR SALES OF SELECTED U.S. INDUSTRIES

**FIGURE III**

NET INCOME PER DOLLAR OF NET WORTH SELECTED U.S. INDUSTRIES

**FIGURE IV**

U.S. PETROCHEMICALS INVESTMENT AND PRODUCTION

**FIGURE V**

U.S. POLYETHYLENE CAPACITY (MILLION POUNDS PER YEAR)

**FIGURE VI**

PETROLEUM PRODUCTS (WHOLESALE)
and methyl ethyl ketone were also added to their list.

For supplying the rubber needed in World War II, a number of oil and rubber companies initiated programs which led to the development and commercial production of synthetic rubber. Butyl rubber, discovered by Sün, is derived completely from isobutylenes and isoprene. Esso Research and Engineering has just announced the successful production of automobile tires from butyl rubber and that the butyl tires have several advantages over natural present use.

The latter is also developed processes for making butadiene from butylene and extraction processes from natural gas liquids.

In the U. S., nearly three billion dollars worth of natural gas were destroyed each year by disease. Esm Research developed a fungicide which is having unusual success in combating crop disease.

In 1953, petrochemical sales were above any previous year and amounted to approximately 6% of total domestic sales. Although their petrochemical sales have not been published it is believed that they were in excess of $10,000,000 last year. In 1953 they were at $15,000,000.

**Phillips Petroleum**

Phillips Petroleum is undoubtedly one of the most aggressive oil companies in the petrochemical business. Some years back, it set as a company objective, the upgrading of many of its petroleums and natural gas hydrocarbons to more valuable end products. In the past decade, it has become one of the largest producers of ammonia fertilizers ($60,000,000 in 1953), and carbon black (224,000 tons in 1953). In addition, it is producing paraxylene and methylvinylylurea for synthetic fibers, and plans shortly to produce polyethylene by their low-pressure process.

Phillips was the successful bidder for the Government-owned Morgan, Texas, and GR-S plants and so will soon be an important factor in the butylan, butadiene, and GR-S rubber fields to add to its petrochemical activities.

The last 10 years have seen Phillips Petroleum grow to a $15,000,000-600,000 company. With one of the largest reserves of natural gas in the U. S. they have an excellent position in the petrochemical industry. The company’s activities include fertilizer, synthetic rubber and plastics. Sales of petrochemicals are estimated to be $15,000,000 for 1955. Construction of new plants in the near future are expected to double the 1955 sales in the next three years. It is conceivable that earnings from petrochemicals could easily expand to the point where they are at least as great as present profits from the oils and gas operations.

**Gulf Oil**

The petrochemical activities of the Gulf Oil Corporation have been primarily in the field of ethylene production and distribution and also in the manufacture of isooctyl alcohol via the Oxo process. In the early 1950’s Gulf entered the ethylene business by building a plant to manufacture 150,000,000 lbs. of ethylene/year. Last summer they completed a second unit to manufacture an additional 229,000,000 lbs/year. The journals have indicated that the company expects to reach a decision on a third unit capable of production to the second in the near future.

It is understood that Gulf is currently manufacturing approximately 9,000,000 lbs. annually of high-grade iso-octyl alcohol. Other activities in the petrochemical field are now receiving attention and are expected to come to fruition in the near future.

Gulf's other interest in the petrochemical field is through Goodrich Chemicals, Inc. They have a substantial interest in the butadiene plant at Port Neches, Texas. The synthetic rubber plant at this location is owned exclusively by Goodrich-Gulf, Inc. The latter company has plans for production of latex, initially at a production of 1,000,000 lbs./month, with plans to operate at three times this rate in the near future.

**Standard Oil Company of Indiana**

Standard Oil of Indiana’s petrochemical business is only a small proportion of their total but is profitable and increasing. Dollars volume of sales by their chemical marketing subsidiaries, Indol Chemical Company and Pan American Chemicals Corporation, in 1953 were about 50% over 1954. Among the petrochemicals they are producing commercially are dodocylbenzene, polybutene, and Oxo alcohols. At Texas City, American Oil has completed the first plant ever built for the production of methyl mercaptan for use in the manufacture of methionine, a new poultry feed supplement. They are large producers of additives to improve the quality of lubricating oils. They not only make the greater proportion of what they use, but supply large quantities to other manufacturers. The new ammonium plant of Calumet Nitrogen Products Company is under construction. Calumet is owned jointly by Indiana and Sinclair Refining Company, the Hidalgo Chemical Company, a wholly owned subsidiary, has undergone extensive rehabilitation and is now believed to be in operation. The plant was designed to produce gasoline and chemicals from natural gas via the Fischer-Tropsch process.

**Standard Oil Company of California**

The Standard Oil Company of California, have published plans to consolidate three of their wholly owned chemical subsidiaries (Indol Chemical Company, Pan American Chemicals Corp, and Hidalgo Chemical Company) under the name of Amoco. The change will become effective at the end of this year.

**Cyanamid Meats...**

**Better Petroleum**

**Better Leather**

**Better Surface Coatings**

These are just a few of many better products available to you through Cyanamid research and the application of its chemicals to improve quality and lower costs.
Petrochemicals Industry: Today and Tomorrow

The plant capacity to 80,000 tons per year.

Several months ago Cities Service Co. of Continental purchased a controlling interest in mid-South's Lone Star Oil Refining Co., a move was made to expand with construction and purchase of additional ammonia capacity, pipelines, storage terminals, dock facilities, and construction of a new ammonia plant at New Orleans. An ammonia plant and a new ammonia storage tank at the terminals in the Mississippi Valley and in Texas, which is co-owned by P. C. O. Morgan's management has approved construction of an alginose plant for Lake Charles which will supply the requirements of the company.

The Texas Company

The Texas Company offers an example of diversified participation in the petrochemical industry. In fact, it has increased its direct participation and is simultaneously involved in the chemical, oil, and rubber industries. The Texas Company has been producing petrochemicals as a part of its regular operations, for many years. For example, the manufacture of nitrogen and sulfuric acid, used in the manufacture of fuels, lubricants and specialty products of the chemical industry, was begun at the company's plant in Lake, Ohio. The company has also diversified its chemical production by introducing new markets for nitrogen and sulfuric acid. In addition, the company has been producing nitrobenzene, which is used in the manufacture of nuclear acids, sodium hydroxide, gasoline additives, and other products.

Standard Oil Company of Ohio

Standard Oil Company of Ohio is one of the major players in the petrochemical industry. The company has been manufacturing, selling, and transporting petrochemical products for nearly a century. The company has a long history of innovation and growth, having been involved in the development and commercialization of many petrochemical products. The company's petrochemical business includes the production of petrochemicals, such as ethylene, propylene, and butene. The company also produces a wide range of petrochemical derivatives, including aromatics, olefins, and elastomers.

Lion Oil

Lion Oil, now owned by Monsanto Chemical Company, is an example of a petrochemical company that has been particularly successful in the petrochemical business. Lion Oil's principal chemical activities were in ammonia and derivative fields. In 1954, the company had a nitrogen content of 8,000,000 tons. By the late 1970s, the company had a nitrogen content of 30,000,000 tons.

Hydrogen and Synthesis Gas

Hydrogen and carbon monoxide are two important petrochemicals produced by petrochemical companies. These two chemicals are vital in many industries, particularly in the manufacture of ammonia, methanol, and other petrochemical products. Hydrogen is used in the production of ammonia, a key feedstock for the petrochemical industry. Carbon monoxide is also used in the production of ammonia, as well as in the production of methanol, a key fuel and chemical feedstock.

Aliphatic Oxidized Chemicals via Modified Fischer-Tropsch Synthesis

One of the most significant trends in the petrochemical industry in the past generation has been the development of new and improved processes for the production of aliphatic oxidized chemicals. These chemicals are derived from the Fischer-Tropsch process, which is a process for converting synthesis gas into liquid hydrocarbons. The Fischer-Tropsch process is a highly versatile technology that can be used to produce a wide range of petrochemical products, including aliphatic oxidized chemicals.

Banking Group Offers C.I.T. Financial Deeds

Public offering of $75,000,000 of C. I. T. Financial Corp. 4% debentures, due Oct. 1, 1971 was announced recently by C. I. T. Financial Corp. nationwide investment banking subsidiary, C. I. T. Commercial Finance Corp., Inc., Kuhn, Loeb & Co., and Lehman Brothers. The debentures are priced at 96.50 and are very close to maturity interest, to yield 4% and maturity. The proceeds will be used to furnish additional working funds to the corporation's customers, primarily through the purchase of short-term borrowings and other lines of credit and the purchase of receivables and for other corporate purposes.

Bache Co. Sponsors Automation Exhibit

An exhibit pointing out developments and highlights of the extraordinary growth of automation and the machine industry is being sponsored by the investment firm of Bache & Co., at the joint conference of the Instrument Automation Conference and the Western Computer Conference being held at the New York Coliseum from March 10-12. The exhibit will be of the University of America.

Future thinking may well retard automation as the outstanding economic development of the second half of the Twenty-Ninth Century, the special study stated. In view of the fact that there is no single arena in which this is pointed out, producers of machine tools and equipment, across industry lines and many capital goods industries should be kept informed. The greatest beneficiaries, the study claims, are producers of machine tools and equipment, using the equipment. Producers of machinery and machine tools, manufacturers, and dealers, will be able to see the machines in action, and carry their activities into the next generation of machine tool consumers. The study then outlines the background history of the machine tool companies, large and small, which "over the long term should have a profound effect on the economy as a whole."
Independent Bankers
Annual Breakfast

PORTLAND, Ore.—The Independent Bankers Association of the 12th Federal Reserve District, with headquarters at Portland, Oregon, will hold its Annual Independent Bankers Breakfast during the 58th Annual Convention of the National Association of Securities Dealers, Inc., at the Statler Hotel, Monday morning, Oct. 22, at 7:45. Walter A. Fagg, President of the Olympia State Bank & Trust Company of Olympia, Washington, and President of the Association, states that he is happy to announce that the Association will have as its speaker at this annual event, Hon. William Robertson, member of the Board of Governors of the Federal Reserve System, whose subject will be "The Administration of the Holding Company Act."

"This meeting should be of particular interest to all the bankers in attendance at the ABA Convention, as the Federal Reserve Board is vested with administrative powers as to the recently enacted Holding Company Act. The bankers will undoubtedly want to know how this will be done and the Board's attitude on several points in the new law. Tickets for this breakfast, which has now become a traditional event at the ABA Convention, will be $3, and may be secured by writing the Association at 225 Failing Building, Portland, Ore.

Nortex Oil & Gas
Conv. Pfd. Offered

J. R. Williston & Co. and associates are offering 100,000 shares of Nortex Oil & Gas Corp., $1.20 cumulative preferred stock (par $1); convertible after April 1, 1957, into common, and paid at $20 per share.

Of the proceeds from the sale of these shares, the company proposes to use $150,000 to pay the principal and interest from Feb. 1, 1956 to Oct. 1, 1956, on its $100,000 promissory notes due in 1957, and $350,000 to retire short-term notes incurred in connection with the acquisition in August, 1956, of properties located in Morton and Ector Counties, Texas. The balance will be added to the company's general funds and used for any proper corporate purposes.

The new shares are convertible at any time after April 1, 1957, into common stock on the basis of one share of $1.20 preferred stock for each 1.7 shares of common. The stock is redeemable at $23 per share, plus unpaid and accrued dividends.

Nortex Oil & Gas Corp. owns as of Aug. 1, 1956 (including properties acquired in August, 1956) fractional interests in producing oil and gas properties located in Texas, Mississippi and Louisiana with a total of 112 completed and producing oil wells, and 46 natural and artificial gas wells (equivalent to 42,479 net wells), and 46 artificial gas wells (equivalent to 6,227 net wells). It also held leases on 18,411 net acres of non-producing properties in Texas, New Mexico, and Oklahoma.

"Other members of the underwriting group include: Archer-Neagle; Parkers & Redpath; Goodbody & Co., Inc.; Southwestern, Inc.; Winslow, Cohn & Steaton; Elder & Co.; Ewart & Co.; and McDowell, Dimond & Co.

Jay Kaufman Admits

Harry J. Leiter was admitted to limited partnership in Jay W. Kaufman & Co., 111 Broadway, New York City, members of the American Stock Exchange, on Sept. 1.

NASDAQ District 11
Annual Meeting

WASHINGTON, D. C.—The members of District No. 11 of the National Association of Securities Dealers, Inc., re-electing the District of Columbia, Maryland, North Carolina, Virginia, and West Virginia, recently elected Joseph J. Muldowney, a partner of Scott & Stringfellow, Richmond, Virginia, to the Board of Governors of the National Association of Securities Dealers, Inc., to fill the unexpired term of Beverley H. Munford, a partner of Davenport & Co., of Richmond, who resigned last month.

Mr. Muldowney was serving prior to his election to the Board as Chairman of the District Committee and District Business Conduct Committee of District No. 11. Also, at a recent meeting of the Southeastern group of the Independent Bankers Association of America, Mr. Muldowney was elected to the Committee of that group.

Louis Kasf Opens

BRONX, N. Y.—Louis Kam is opening in a securities business from 1035 Park Avenue, New York City.

Forms Murray & Co.

Murray & Co. has been formed with offices at 40 Wall Street, New York City. Partners of the firm are Jan J. Murray, general partner, and James G. Murray, Jr., limited partner. James G. Murray, Jr., is a member of the New York Stock Exchange.

H. Kook Co. Formed

H. Kook & Co., Inc. has been formed with offices at 28th Street, New York City, to engage in a securities business.

Girard H. Kunst Opens

Girard H. Kunst is engaging in a securities business from offices at 103 Park Avenue, New York City.

Form Western Inv. Service

ENGLEWOOD, Colo.—Western Investment Service, Inc. has been formed with offices at 5330 South Broadway, to engage in a securities business. Officers are H. W. Spence, President; Allen T. Morse, Vice-President; Ralph M. Buchanan, Secretary; and Taft Barow, Treasurer.

Oil Investors Open

Oil Investors, Ltd., is engaging in a securities business from offices at 126 Fifth Avenue, New York City.

Form Prim Securities

Prim Securities Corporation has been formed with offices at 249 West 111th Street, New York City, to engage in a securities business.

Form Inv. Corp. of Fla.

(PORTLAND, Ore.—Investment Corporation of Florida, Inc., has been formed with offices at 1750 East Sunset Boulevard to engage in a securities business. G. P. Edwards is President of the company.

The ANACONDA Company

Anaconda’s role in the heavier demand for lead

Newer and more "dramatic" metals have lately taken the spotlight from prosaic yet versatile lead. But this heaviest of common metals is experiencing increasingly heavy demand. And lead is one of the many non-ferrous metals which Anaconda has long produced. Anaconda’s lead output last year was more than 67,000,000 pounds.

Main factor in the rising demand for lead is its special importance in storage batteries, essential in the trend to motorization on land and sea throughout the world. Other ever-growing uses for lead are in high-octane gasoline and the solvents increasingly needed in the automotive and the electrical fields.

High construction activity also calls for more lead for paints, porcelain enamels and for sheeting powders valuable. And a faster and rapidly growing use is in nuclear energy generation and radiation products demanding lead shielding or protective glass with up to 60% lead content. For all these applications and many more, lead is the preferred metal.

To keep pace with this growing demand, Anaconda is continuing to develop its lead resources and metallurgical research, along with its broadening activity in copper, aluminum, zinc, uranium oxide, a large number of by-product non-ferrous metals and fabricated mill products.

The Amercian Brass Company
Anaconda Wire & Cable Company
Andra Copper Mining Company
Chicago Copper Company
Greenbush Copper Company
Anaconda Aluminum Company
Anaconda Sales Company
International Smelting and Refining Company
The State of Trade and Industry

would bring outlays for all 1956 to a record $33,300,000,000 or $9,660,000,000 above the previous high in 1955.

In the automotive industry, Ford Division joined the swelling ranks of producers to announce, in May, its intention to launch 12 new models this year. In the 1956 model run, Ford and Studebaker stated to launch their new models this week, "Ford's Automotive Reports," stated on Friday last.

The new models were entitled to a sinking fund for the retirement of all stock held before Oct. 15, 1957 and each Oct. 15 thereafter. The sinking fund will be increased over the first issue of the stock by raising from $21.5 for shares redeemed on or prior to Oct. 15, 1957 to $25 for shares redeemed thereafter.

The proceeds from the sale of the stock will be used toward the payment of short-term loans incurred for a construction program which is expected to total about $6,847,000 for 1956, $5,150,000 for 1957, and $8,200,000 for 1958. The company anticipates raising in the near future additional funds for the expansion program through an offering of 77,000 shares of common stock to the public in addition to stockholders.

Hawaiian Electric Co., Ltd., was incorporated in 1881 when Hawaii was a kingdom, and is engaged primarily in the business of generating, transmitting, distribution and sale of electric energy for commercial, industrial, agricultural, street railway, and government establishments throughout Oahu, Territory of Hawaii. The company owns 12 generating stations at Honolulu, Pearl Harbor, Waipahu, Wahiawa, Kamuela, Kahuku, Kailua, Koloa, Waikele, Ewa, Kaneohe and Pearl City, and has 96 service miles of electric line.

Realized net income, the Department declared, "could well attain a (seasonally adjusted annual) rate of $12,000,000 or higher for 1957 and for the early months of 1958.

Income ran at the rate of $11,600,000 a year in the preceding quarter and $11,000,000 in July-September of last year. Net income for the first six months of this year was $13,700,000 — has the income pace topped $12,000,000.

Actual realized net income totaled $12,000,000 in 1956, then declined to $10,600,000 in the last quarter of the year.

That month forecast a slight rise this year the first since 1951 — and a spokes¬ man stated this week that he was projecting another increase for the year ended Dec. 31, 1955.

Fortune Petroleum

Oil at $1 a Share

Willie E. Burdette & Co. Inc., of New York City, is publicly offering an issue of 300,000 shares of common stock of Fortune Petroleum Corp. at $1 per share as a substitute for a deficiency in the stockholders' stock which was engaged in developing a 30,000 acre oil lease in Santa Barbara County, Calif., to the extent of 300 acres is considered proven.

The company is engaged in the single method of estimating specific quantitative amounts of recoverable oil, and may be considered reliable although there is no doubt but there are literally millions of barrels in place beneath this oil field.

It is intended that the proceeds derived from the sale of the stock will be used toward the acquisition of additional equipment and equipping of three wells, which will result in increased oil production due to general corporate purposes.

Giving effect to this new financial structure, the company, will outstanding 600,000 shares of common stock, but has authorized issuance of 2,500,000 shares.

Burd, Jacwin & Costa

Opens

BAYSIDA, N.Y.—Burd, Jacwin & Costa, Inc., announced today the opening of its new offices at 226-236 E. Fifty Avenue, offices are Frank H. Burd, President; and Roslyn Jacwin, Secretary; and Philip H. Diamond, Vice President; and a Roslyn Jacwin, Secretary.

Electric Output Upsward the Past Week

The amount of electric energy distributed by the electric light and power plants of the country, which in the same week of 1956 was estimated at 11,330,000,000 kwh, an increase above the same week ended Sept. 9, 1955 of 9%, according to the latest report of the American Institute.

This week’s output rose 394,000,000 kwh. above that of the previous week: it increased 716,000,000 kwh, or 6.7% above the comparable week 1955 and 2,385,000,000 kwh, over the like week in 1954.

Car Loadings in Week Ended Sept. 8 Declined 13.4% Below the Preceding Week Due to the Labor Day Holiday

Car loadings in the week ended Sept. 8, 1956, declined 13.4% below their levels, which were affected by the Labor Day Holiday, decreased 104,735 cars or 15.4% below the preceding week, the Association of American Railroads reported today.

Loadings for the week ended Sept. 8, 1956, totaled 679,511 cars, a decrease of 104,735 cars or 15.4% below the loadings in the week ended Aug. 11, 1956, which included 784,246 cars and 12,884 trucks were assembled.

Last week the agency reported there were 18,098 trucks made in the United States. This compared with 14,635 in the previous week and 21,348 a year ago.

Canadian output last week was placed at 1,908 cars and 1,601 trucks, a decrease of 204 cars and 792 trucks from the previous week. The Canadian week last year was placed at 2,267 cars and 1,601 trucks and for the comparable 1955 week, 2,416 cars and 457 trucks.

Business Failures Increased Slightly the Past Week

Costalional and industrial failures edged up slightly to 203 in the week ended Sept. 13 from 196 in the preceding week, Dun & Bradstreet, Inc., reports. The toll exceeded the 195 in occurring in the week ended Aug. 2, 1956, which was the lowest week below the pre-war level of 269 in the similar week of 1939.

Year-to-date total through the 19th week indicates 24% above the 1939 level. The total for the first 19 weeks of 1956 was 2,354 failures, which was 11% below the 1955 total of 2,629 failures.

All industry and trade groups except commercial service had higher tolls than in the holiday week. Casualties in commercial service declined from the 24 of the previous week. There was a considerable year-to-year rise in failures among retailers. However, the retail failures were under 700 for the first time since 1950, and the present level is 13% below the 1950 level, while other lines held relatively steady.

Six of the nine major geographic regions reported increases in the number of failures since the same week in 1955. They were: the Middle Atlantic States, down to 59 from 73, and in the New England States, off 4 to 5. There was no change in the Great Lakes States. The Western states decreased 21%, and the South Atlantic and West North Central States reported the sharpest rises, with tolls up over twice as heavy as a year ago.

Wholesale Food Price Index Holds To Mild Advance of Previous Week

Continuing the mild upward trend shown in the preceding week, the wholesale food price index, compiled by Dun & Bradstreet, Inc., advanced to 268.07 from 268.05 in the week ended Sept. 16, a 0.2% advance in the week. The latest index is still 0.4% below the 269.27 recorded on Feb. 28, 1953, which was a peak date.

Moving higher in wholesale cost last week were flour, wheat, corn, oats, beef, hams, lard, butter, beans, rice, serra and on. Lower were coffee, grains and soybeans.

The index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use and its chief function is to show the relative change in wholesale prices over the given base level.

Wholesale Commodity Price Level In Latest Week Scored Highest Point Since Mid-April 1952

The general commodity price level, as measured by the Dun & Bradstreet wholesale price index, advanced upward from 131.46 to 131.58, or 0.1% as a week earlier. The current level is still 3.0% under the 135.20 recorded at this level in June.

Grains were irregular last week, reflecting variable weather conditions. Wheat prices advanced on storages being lower while corn was quite active and firm with some buying influenced by an expansion in export sales of United States wheat to foreign consumers. Corn, which stood at 1.00 a bushel earlier, was sold to higher producers offering which were much below processor needs. Yield prospects for a crop of 1.5 billion bushels for the year now seem good, but sunshine and warm weather are needed in the northern sections of the belt to mature the crop. Oats showed strength aided by a predicted 15% increase in the year’s crop as compared with last season but that forecast a month ago. Volume of trading in grain and soybean futures on the Chicago Board of Trade last week was

continued from page 4
Cafeteria foods and butter—canned and fresh—provided additional supplies of semi-finished steel within its organization, the company plans to build a new plant near its Riverside, Ill. plant at a cost of approximately $15,000,000.

Acme is one of the largest manufacturers and distributors of steel strapping and strapping tools and equipment and wire-stitching equipment. A subsidiary manufacturer of tubular metal furniture, steel kitchen cabinets and sinks.

Acme has been in business since 1850. Its annual net sales have increased from $39,990,258 in 1946 to $110,113,016 in 1955. For the six months ended June 30, 1956 sales were $64,161,334 compared with $53,419,578 for the like period of 1955. Net income for 1955 was $6,172,119, equal to $1.52 per share on the common stock and for the first half of 1956 it was $3,814,167, or $0.95 per share.

The company has paid cash dividends on the common stock in each year since 1901. So far this year three quarterly dividends of 45 cents per share have been paid and with each an extra of 10 cents, making a total of $1.90 per share.

Form Security Investors
Security Investors Company has been formed with offices at 30 Church Street, New York City, to engage in a securities business. Harold Ignatoff is a principal of the firm.

Sometimes just a little more money is needed.

Financial emergencies often arise when least expected. And "rainy-day" savings aren’t always adequate to meet them or perhaps should not be disturbed.

That’s when a Beneficial loan can be helpful. The amounts are small, averaging around $400, but they do a big job for the families they help. And by helping families, they help the whole community. The Beneficial Finance System has been providing this vital financial assistance for more than 40 years.

"... a BENEFICIAL loan is for a beneficent purpose."

Beneficial Finance Co.
Beneficial Building, Wilmington, Del.

MORE THAN 1000 OFFICES IN THE UNITED STATES, CANADA, HAWAII AND ALASKA
Seventy-five shares of common stock (par $15).—To be offered for cash. 

Proceeds.—For general corporate purposes. 

Underwriters.—R. S. Dickinson & Co., Charlestown, N. C.

**Barnes Electric Power Corp.**

Seventeen shares of common stock (par $1). For cash; 250 shares of preferred stock (par $25) for preferred stockholders. 

Proceeds.—For general corporate purposes. 

Underwriter.—Ralph D. Underwood, New York. 

**Carrington Silver Corp.**

Thirty shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 


**Century Centers Corp.**

Twenty shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 

Underwriter.—Blair & Co., Incorporated, Philadelphia.

**Centraco Corp.**

Thirty shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 

Underwriter.—Blair & Co., Incorporated, Philadelphia.

**Central Samsung Corp.**

Eleven shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 


**Chemical Process Co.**

Twenty-four shares of common stock (par $1). 

Proceeds.—For cash; seven shares of preferred stock (par $50) to be offered for cash. 


**Chevron Corp.**

Twelve thousand shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 

Underwriters.—Burlington, N. C.; Atlanta, Ga.; Seattle, Wash.; Chicago, Ill.; New York, N. Y.; and San Francisco, Calif.

**Chevron Corp.**

Eight hundred thousand shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 


**Chevron Corp.**

Eight shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 


**Chevron Corp.**

Twenty shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 

Underwriters.—R. S. Dickinson & Co., Charlestown, N. C.

**Chevron Corp.**

Two thousand shares of common stock (par $10). 

Proceeds.—For general corporate purposes. 

Underwriters.—Morgan Guaranty Trust Co., New York; and Bankers Trust Co., New York.

**Chevron Corp.**

Seventy-five shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 

Underwriters.—R. S. Dickinson & Co., Charlestown, N. C.

**Chevron Corp.**

One thousand shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 


**Chevron Corp.**

Eleven shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 

Underwriter.—R. S. Dickinson & Co., Charlestown, N. C.

**Chevron Corp.**

Three shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 


**Chevron Corp.**

Thirty shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 


**Chevron Corp.**

Twenty-five shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 


**Chevron Corp.**

Two thousand shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 

Underwriters.—Morgan Guaranty Trust Co., New York; and Bankers Trust Co., New York.

**Chevron Corp.**

Forty shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 

Underwriters.—Morgan Guaranty Trust Co., New York; and Bankers Trust Co., New York.

**Chevron Corp.**

One thousand shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 


**Chevron Corp.**

Sixty shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 


**Chevron Corp.**

Two thousand shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 

Underwriters.—Morgan Guaranty Trust Co., New York; and Bankers Trust Co., New York.

**Chevron Corp.**

Twenty shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 


**Chevron Corp.**

Two shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 


**Chevron Corp.**

Eight shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 


**Chevron Corp.**

Twenty shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 


**Chevron Corp.**

Twenty shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 


**Chevron Corp.**

Thirty shares of common stock (par $1). 

Proceeds.—For general corporate purposes. 

Citizens Credit Corp., Chevy Chase, Md.

Four Wheel Drive Auto Co., Inc., Alhambra, Calif.


Seaboard Air Line Ry. Co., Equip. Trust Cts. (Bld 3:00 a.m. EDT) $4,500,000

Washington Trust Co., Inc., Equip. Trust Cts. $1,500,000

Cooper-Standard Rubber Co., Inc., Equip. Trust Cts. (Bld 3:00 a.m. EDT) $4,000,000

Halsey, Stuart & Colcloy, Inc., Equip. Trust Cts. $25,000

To be offered —

Bids — Expected to be received up to 11 a.m. (EDT) on Oct. 31

Commercial Credit Co.


Consolidated Oil Management

Aug. 16 (letter of notification) $25,000,000 of 10 year 5% collateral trust bonds due Sept. 30, 1966. Offered at $753 3/4 to $757 1/2 per bond. Proceeds — For sale to qualified underwriters. Underwriters — Morgan Guaranty Trust Co., New York, N.Y.

Crater Lake Mining & Milling Co., Inc.


Crane Oil Co.

June 28 (letter of notification) 8,000 shares of common stock (par $1). Price $12 to $15,000,000. Proceeds — For debentures — The First National Bank of New York, N.Y. (Letter hand delivered, Book Offerings — Indefinitely postponed.

Devall Land & Marine Construction Co., Inc.

May 16 (letter of notification) 150,000 shares of common stock (par $1), $35,000,000. Proceeds — For payment of notes, to purchase the general office building and other working capital. Offer — 1111 No. First Ave, Lake Charles, La. Underwriter — Vickers Brothers, Houston, Texas.

Diversified Oil & Mining Corp., Denver, Colo.

Aug. 29 filed 2,500,000 shares of common stock (par $.01), $10,000,000. Proceeds — For working capital, to be devoted mainly to acquiring, exploring, and developing oil and gas properties; to refineries; to acquire the assets of the company; to purchase the general office building and for working capital. Underwriter — Columbia Securities Co., Denver, Colo.

Douglas Oil Co. of California

July 27 filed 4,000,000 shares of common stock (par $.01). Proceeds — For development of oil properties and for general working capital. Underwriter — James C. McKeever & Associates, Oklahoma City, Okla.

Douglas Oil Co. of Georgia, Inc.


The New Issue Calendar

Citizens Credit Corp., Chevy Chase, Md.

Four Wheel Drive Auto Co., Inc., Alhambra, Calif.


Seaboard Air Line Ry. Co., Equip. Trust Cts. (Bld 3:00 a.m. EDT) $4,500,000

Washington Trust Co., Inc., Equip. Trust Cts. $1,500,000

To be offered —

Bids — Expected to be received up to 11 a.m. (EDT) on Oct. 31

Commercial Credit Co.


Consolidated Oil Management

Aug. 16 (letter of notification) $25,000,000 of 10 year 5% collateral trust bonds due Sept. 30, 1966. Offered at $753 3/4 to $757 1/2 per bond. Proceeds — For sale to qualified underwriters. Underwriters — Morgan Guaranty Trust Co., New York, N.Y.

Crater Lake Mining & Milling Co., Inc.


Crane Oil Co.

June 28 (letter of notification) 8,000 shares of common stock (par $1). Price $12 to $15,000,000. Proceeds — For debentures — The First National Bank of New York, N.Y. (Letter hand delivered, Book Offerings — Indefinitely postponed.

Devall Land & Marine Construction Co., Inc.

May 16 (letter of notification) 150,000 shares of common stock (par $1), $35,000,000. Proceeds — For payment of notes, to purchase the general office building and other working capital. Offer — 1111 No. First Ave, Lake Charles, La. Underwriter — Vickers Brothers, Houston, Texas.

Diversified Oil & Mining Corp., Denver, Colo.

Aug. 29 filed 2,500,000 shares of common stock (par $.01), $10,000,000. Proceeds — For working capital, to be devoted mainly to acquiring, exploring, and developing oil and gas properties; to refineries; to acquire the assets of the company; to purchase the general office building and for working capital. Underwriter — Columbia Securities Co., Denver, Colo.

Douglas Oil Co. of California

July 27 filed 4,000,000 shares of common stock (par $.01). Proceeds — For development of oil properties and for general working capital. Underwriter — James C. McKeever & Associates, Oklahoma City, Okla.

Douglas Oil Co. of Georgia, Inc.


The New Issue Calendar

Citizens Credit Corp., Chevy Chase, Md.

Four Wheel Drive Auto Co., Inc., Alhambra, Calif.


Seaboard Air Line Ry. Co., Equip. Trust Cts. (Bld 3:00 a.m. EDT) $4,500,000

Washington Trust Co., Inc., Equip. Trust Cts. $1,500,000

To be offered —

Bids — Expected to be received up to 11 a.m. (EDT) on Oct. 31

Commercial Credit Co.


Consolidated Oil Management

Aug. 16 (letter of notification) $25,000,000 of 10 year 5% collateral trust bonds due Sept. 30, 1966. Offered at $753 3/4 to $757 1/2 per bond. Proceeds — For sale to qualified underwriters. Underwriters — Morgan Guaranty Trust Co., New York, N.Y.

Crater Lake Mining & Milling Co., Inc.


Crane Oil Co.

June 28 (letter of notification) 8,000 shares of common stock (par $1). Price $12 to $15,000,000. Proceeds — For debentures — The First National Bank of New York, N.Y. (Letter hand delivered, Book Offerings — Indefinitely postponed.

Devall Land & Marine Construction Co., Inc.

May 16 (letter of notification) 150,000 shares of common stock (par $1), $35,000,000. Proceeds — For payment of notes, to purchase the general office building and other working capital. Offer — 1111 No. First Ave, Lake Charles, La. Underwriter — Vickers Brothers, Houston, Texas.

Diversified Oil & Mining Corp., Denver, Colo.

Aug. 29 filed 2,500,000 shares of common stock (par $.01), $10,000,000. Proceeds — For working capital, to be devoted mainly to acquiring, exploring, and developing oil and gas properties; to refineries; to acquire the assets of the company; to purchase the general office building and for working capital. Underwriter — Columbia Securities Co., Denver, Colo.

Douglas Oil Co. of California

July 27 filed 4,000,000 shares of common stock (par $.01). Proceeds — For development of oil properties and for general working capital. Underwriter — James C. McKeever & Associates, Oklahoma City, Okla.

Douglas Oil Co. of Georgia, Inc.

Sept. 17 filed $3,500,000 of debentures due 1968, with warrants to purchase 160,000 shares of common stock. Price $10 per debenture. Proceeds — For retiring 5% secured notes; $1,000,000 for repayment of short term debts.

Continued on page 38
Continued from page 37

term bank loans; $850,000 for construction of a unit
and a topping unit; and $300,000 for operating capi-
tal—Underwriter—Shearson, Hammlin & Co., New

Aug. 27 filed $150,000 of common stock (par $5) to
be offered to employees of the company
and certain subsidiaries and associated companies.
Proceeds—For expansion. Proceedings—For
expansion, etc.—Underwriter—None.

Duro Consolidated, Inc.
Aug. 15 (letter of notification) 200,000 of 6% con-
vertible debentures to be offered to stockholders of
record Aug. 15 at $100 per share. Proceeds—F or ex-
pansion and working capital. Proceeds—To be named.
Offering to be made through selected dealers.

General Guaranty Insurance Co. (9/24)
Aug. 24 (letter of notification) 200,000 of common
stock (par $2.50) to be offered to stockholders about
Sept. 24 at $2.50 per share. Proceeds—For general corpo-
rate purposes. Office—Win-
ter Park, Fla. Underwriter—Grimm & Co., New

Royal Consolidated Corp.
Sept. 16 filed $50,000 of $2.50 preferred stock (no
par) to be offered in exchange for outstanding 5% cumu-
lative preferred stock, common stock, and notes of
The New York Times Co. & Telegraph Co. and Citizens
Independent Telephone Co. (par $1) in cash for each share of
Home preferred, and one share of
General preferred plus $2.50 in cash for each Citizens
preferred share. Proceeds are part of proposed
plan of merger of Home and Citizens into General. Offer
exchanged for shares of Common stock.

General Tire & Rubber Co., Akron, Ohio
July 27 filed 20,000 shares of $5 cumulative preference
stock (par $50) to be offered for and not less than
$2.30, at the 60,378 shares of Common stock.

General Uranium Corp. (N. J. N.) New
Jan. 18 filed 400,000 shares of common stock (par $1)
for sale to the public. Proceeds—For general corpo-
rate purposes. Underwriter—None. Maurice Schrie,
Midland, N. Y. is President.

Gold Mountain Lodge, Inc., Durango, Colo.
Aug. 23 filed 5,000 shares of class A common stock
(par $25) to be offered to the public. Proceeds—To
purchase company equipment and to repay outstanding
liabilities. Office—Bremom, N. Y. Underwriter—All
States Securities Dealers, Inc.—Underwriter—None.

Gold Seal Dairy Products Corp. (9/28)
June 22 filed 200,000 shares of class A stock (par $10)
for sale to the public. Proceeds—For working capital
and to repay outstanding obligations. Office—Rensom,
N. Y. Underwriter—All States Securities Dealers, Inc.

Grafton Land, Inc., New York
Underwriter—none.

Gunselman (R. F.) & Sons, Fargo, N. D.
May 28 filed 59,000 shares of 6% cumulative preferred
stock (par $100) to be offered to individuals and firms
who are engaged in or closely allied to the growing
business. Proceeds—$1 per share. Proceeds—For
working capital, capital expenditures and other corpo-
rate purposes.

Growth Industry Shares, Inc., Chicago, Ill.
Sept. 17 filed (by amendment) 200,000 additional
shares of capital stock (par $1). Price—at market. Proceeds
For investment.

Feb. 20 (letter of notification) 1,000,000 shares of com-
mum stock (par $4) to be offered to the public.
Proceeds—To purchase machinery and equipment
American Telephone & Telegraph Co., PNC Place, Pitts-

Hidden Dome Exploration Co., Inc.
Aug. 10 filed 2,500,000 shares of capital stock.
Price—At par (10 cents per share). Proceeds—For
the development of oil and gas properties. Office—
Chicago, III. Underwriter—National Securities Co., Las
Vegas, Nev.

Holden Mining Co., Winterhaven, Calif.
Aug. 10 filed 200,000 shares of common stock.
Price—At par ($1.00 per share). Proceeds—For
mining, exploration, and development purposes.

Hydrometics, Inc., Chicago, Ill.
Aug. 10 filed 27,235 shares of capital stock (par $2.50)
and rights to subscribe to an additional 291,375 shares
of common stock (par $1). Proceeds—At a price of
$10 per share of stock. Of the total, 77,500 shares, plus
rights to subscribe to an additional 291,375 shares
are reserved for the benefit of stockholders for
the license rights and assets of Hayden Projects, Inc., and
77,500 plus rights to purchase an additional 282,775 shares
are reserved for the benefit of stockholders for
the rights to purchase from California Consolidated
& Co., New York City, as a fee for its services with such
properties.

Illinois Bell Telephone Co.
Sept. 5 filed 60,000 shares of common stock (par $1)
for sale to the public. Proceeds—For expansion and
working capital. Proceeds—None.

Inter-Mountain Telephone Co. (9/27)
Sept. 6 filed 285,000 shares of common stock (par $10)
to be offered to the public. Proceeds—For the purchase
of record Sept. 26 in the ratio of two new shares for
each $1,000 par value of stock, rights to expire on Oct. 12.
Price—$10 per share. Proceeds—For new and existing
assets and improvements to property. Office—Brigham,
Salt Lake City, Utah. Underwriter—Weinbrenner
G. Fiegel & Co., Salt Lake City, Utah.

International Shipbuilding Corp.
Aug. 30 (letter of notification) 1,000,000 shares of com-
mum stock (par $10). Price—$2 per share. Proceeds—For
general corporate purposes. Business—Manufactures
ships, equipment and supplies. Offices—Holland, Mich.,
Fla. Underwriter—Artwell & Co., Miami Beach, Fla.

Investment Corp. of Florida
Aug. 24 (letter of notification) 200,000 shares of common
stock to be offered to individuals and firms who are
engaged in or closely allied to the growing business.
Proceeds—$1 per share. Proceeds—For
working capital and for purchase of a ship and equip-
manship. Office—Miami Beach, Fla. (letter
Underwriter—Foster-Mann, Inc., New York, N. Y. Offer-
ing—Foster-Mann, Inc., New York, N. Y.

J-T-J Co., Inc.
Sept. 11 (letter of notification) 60,000 shares of common
stock (par $10) to be offered to the public. Proceeds—For
further expansion of business. Office—3116 W.
Davis, Dallas, Texas, Underwriter—None.

July 27 (letter of notification) 110,000 shares of common
stock (par 20 cents). Price—$2.50 per share. Proceeds—For
working capital and for purchase of a ship and equip-

Johns-Manville Corp. (10/1)
Sept. 12 filed a maximum of 650,000 shares of common
stock (par $5) to be offered for subscription by common
stockholders of record Oct. 1, 1973, for receipt of ten
new shares for each 100 shares held. Right to subscribe
plant expansion and improvements, working capital
and general corporate purposes. Underwriter—Morgan

Johnson-Carper Furniture Co., Inc.
Aug. 23 (letter of notification) 7,000 shares of common
stock (par $1) to be offered to stockholders
holder. Price—$10 per share. Proceeds—To buy
back part ownership of 20,000 shares held, N. A. Roane,
Va. Underwriter—Mason-Hagan, Inc., Roan-
oke, Va., and Strader, Taylor & Co., Inc., Lynchburg,
Va. Proceeds—For working capital.

July 20 filed 100,000 shares of common
stock (par $1), of which
8,000 shares will be initially sold at $1.00 per share. Proceeds—For
the net asset value of the Fund, plus a sales load
of $1.00 per share. Proceeds—For
investment purposes. Investment Manager—California Fund Investment
Co., of which John Kerr is also President.

July 11 (letter of notification) $150,000 of 6% sinking
par. Proceeds—For working capital. Office—1101 Tenth St., Greeley.

Knox Corp., Thompson, Ga.
Aug. 7 (letter of notification) 1,000,000 shares of Common
stock (par $1) to be offered to the public. Proceeds—To be
paid to banks and other financial institutions for general
corporate purposes. Business—Prefabricated houses, trailer

Kusin, Inc., Nashville, Tenn. (9/24-25)
Aug. 29 filed 116,624 shares of common
stock (par $1), to be offered to the public. Proceeds—To
reduce debt, for new tooling and equipment and working capital.
Manufacturer of toys, electric trains and various custom
Models ofouse and apartment buildings. Offices—Glenn Clark, Landmark & Kirk-
patrick, Inc., Nashville, Tenn. 

To View Complete Document, Please Visit Our Website: http://fraser.stlouisfed.org/
Some textual content...
Prospective Offerings

American Petrofina, Inc.
Aug. 30 it was announced that following proposed merger with Panhandle Oil Corp., American Petrofina, Inc., will offer to stockholders the opportunity to subscribe to and purchase at $13 a share of Preferred stock, $4.25 preferred.

First National Bank of Alabama, (2/28)
Sept. 12 it was announced that stockholders will vote Sept. 25 on approving an offering to stockholders of 200,000 shares (first series) of 4% preferred stock, par value $100 each. Underwriters—Wickers Brothers, New York.

Flair Records Co.
Aug. 15 it was reported company plans to issue and sell to residents of New York State 50,000 shares of common stock. Price—$2 per share. Underwriter—Foster-Hannen, Inc., New York.

Food Fair Stores, Inc.
Aug. 26 stockholders voted to increase the authorized common stock from 1,000,000 to 5,000,000 shares. They also approved an increase in the authorized common stock from 3,000,000 to 10,000,000 shares. Underwriters—Eastman Dillon & Co., New York.

Hallgarten & Co.
July 28 it was reported company plans to issue and sell shares of new preferred stock, par value $25 each. Price—$41 per share. Underwriter—Vickers Brothers, New York.

Hawaiian Pineapple Co., Ltd.
Aug. 21 it was announced company plans to issue and sell 50,000 shares of common stock. Price—$10 per share. Underwriter—Van Alstyne, Noël & Co., New York, N. Y. Offering—Probable in October.

Hawaiian Electric Co., Ltd.
Sept. 14 it was announced company plans to offer to its stockholders an additional 25% of outstanding common stock (par $20). Proceeds—For construction program. Underwriter—None. Offering—Expected in near future.

Hawaii Telephone Co.
July 30 it was announced that company plans to acquire a 15% participation with American Telephone & Telegraph Co. in a proposed $38,700,000 California-to-Hawaii Telephone Corp., the directors of the company early in 1956 on the basis of one new share for each 15 shares held. Merrill Lynch, Pierce, Fenner & Beane acted as agents in connection with the offering to stockholders.

Hartfield Stores, Inc.
Aug. 27 it was reported company plans to issue and sell 200,000 shares of common stock. Price—$10 per share. Underwriter—Van Alstyne, Noël & Co., New York, N. Y. Offering—Probably in October.

Kaskelit Manufacturing Co.
July 18 it was reported company may be considering sale of about $1,000,000 to $1,500,000 of bonds or debentures. Underwriter—May be H. G. Walter, Co., St. Louis and Pierce & Co., New York.

La Follette, Inc.
July 2 it was reported that company plans to issue and sell some common stock. Proceeds—To pay long-term debt and for general corporate purposes. Underwriter—None, if stock is offered to stockholders.

Lakeland Telephone Co.
Sept. 10 it was announced company plans to issue and sell 175,000 shares of common stock. Proceeds—For construction, for repayment of mortgage bonds and for working capital. Underwriter—Noll, Loeb & Co., Inc., and C. A. Allin & Co., Inc. (jointly); Equitable Securities Corp., New York; and the First Boston Corp., Harriman Ripleys & Co., Inc. (jointly); Merrill Lynch, Pierce, Fenner & Beane and C. A. Allin & Co., Inc. (jointly). Bids—Received by Sept. 15.

New Jersey Central Power & Light Co.

Northern California Power & Light Co.

Lee Offshore Drilling Co., Tulsa, Okla.
Aug. 30 it was reported company plans registration in September of $2,500,000 of convertible class A stock.

Lieberknecht, Inc., Laurel, Pa. (10/10)
Bids will be received up to 11 a.m. (E.D.T.) on Oct. 19, 3:15 p.m. (P.M.T.), 1956, by the Department of Justice, Office of Alien Property, 1500 17th St., N. W., Washington 6, D. C., for the purchase from the Attorney General of the United States of 156,025 shares (62.1%) of capital stock (no par) of this company. Business—Manufacture and sale of printing and mailing machines. May be offered for sale to the public.

Lucky Stores, Inc.
Aug. 16 it was announced company plans to offer through brokers 100,000 shares of $500,000 of surplus. Proceeds—To increase capital and surplus. Underwriters—The First National Bank of Chicago, III.

Merrill Petroleums Ltd. (Canada)
July 10 it was announced that company may undertake financing for one or more real estate companies. Underwriters—For development of branch stores and regional shopping centers. May include Brown, Robertson, Goldman, Sachs & Co. and Lehman Brothers, New York.

Merrill Bancorporation, Inc.
Sept. 9 it was announced company plans to issue and sell some debentures. Underwriter—White, Weld & Co., New York.

Metropolitan Edison Co.
July 2 it was reported that company is considering the sale of $10,000,000 of first mortgage bonds due 1986. Underwriter—to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., White, Weld & Co., Kuhn, Loeb & Co. and Morgan Stanley, (jointly); the First Boston Corp., Blyth & Co. (jointly); The First Boston Corp. Bids—Not expected to be received before December. Company presently plans to issue and sell $25,000,000 of bonds in the next 16 months.

Michigan Bell Telephone Co.
July 30 it was announced company plans to issue and sell 10,000 shares of $25,000,000 of surplus. Underwriter—Morgan Stanley.

Missouri Pacific RR. (9/20)

Mobile Gas Service Corp. (11/5)
Sept. 7 it was announced company plans to offer to its stockholders a bank to increase authorized common stock (par $5) on the basis of one new share for each 10 shares held. Proceeds—For construction program.

National Bank of Denver (11/1)
Sept. 10 it was announced stockholders will vote Oct. 15 on approving proposed sale of 283,400 additional shares of first mortgage debentures of $1,000 each for each new share issued for each 10 shares held. Proceeds—To increase capital and surplus. Underwriters—Morgan Stanley & Co., New York.

National Newark & Essex Banking Co. of Newark, N. J. (10/4)
Sept. 10 it was announced company plans to offer to its stockholders on record Oct. 5, 1956, the right to subscribe to 1,500,000 shares of new preferred stock (par $5) on the basis of one new share for each six shares held. Stockholders will vote Oct. 3 on approving proposed increase in authorized capital stock of $25,000,000. Proceeds—To increase capital and surplus. Underwriter—Merrill Lynch, Pierce, Fenner & Beane (jointly).
Continued from page 41

### National Steel Corp.

In its semiannual earnings report, the company announced that it is estimated that total construction expenditures planned to start in the current year and to be completed in mid-1984 will approximate $150 million. The following day, it was announced that $2.5 million had been authorized by the company for construction work on its new mill at Muskegon, Michigan.

### Natural Gas Pipe Line Co. of America

Feb. 20. It was reported company plans to issue and sell later this year a $250,000,000 in 1st mortgage bonds due 1996. The bonds, which will be sold to the public, are expected to be issued at par. The proceeds will be used for the company's ongoing drilling and development program. The company's current cash flow is expected to be sufficient to finance the program.

### New England Electric System

Jan. 3. It was announced company plans to merge its subsidiaries, with the exception of the Dyna- light Corp., Lawrence Electric Co., Haverhill Electric Co., and the New England Electric Co., into the parent company, New England Electric System, during 1985. This would be followed by a $250,000,000 first mortgage bond offering of the resulting company, the New England Electric System, which has been designated the "New Electric System." 

### New Jersey Power & Light Co.

Sept. 12. It was announced company plans to issue and sell $100,000,000 of first mortgage bonds during October of 1985, with proceeds being used to finance a newly planned competitive bidding program. The bonds are expected to be issued at par to companies that have been designated as "New Jersey Power & Light Co." The proceeds will be used to finance the company's ongoing construction program.

### Northeast Airlines, Inc.

Sept. 1. It was reported that the company plans to issue $50,000,000 in new common stock to be sold to the public through underwriting services of an underwriter. The underwriter, probably Lee Higginson Corp., New York, has been designated as "Lee Higginson Corp., New York.

### Northern Natural Gas Co.

July 19. It was announced company plans to issue and sell $35,000,000 of 1st mortgage bonds due 1989. The bonds are expected to be sold at par to a group of underwriters. The proceeds will be used to finance the company's ongoing construction program.

### Offshore Gathering Corp., Houston, Texas

Nov. 15. It was announced that the company has filed an application with the Federal Power Commission for a certificate of necessity to build a 340-mile pipeline to carry gas from Louisiana to the Sabine River to the Gulf of Mexico. The estimated cost of the pipeline is $250,000,000. The pipeline will be completed by 1986 and is expected to be profitable.

### Ohio Power Co. (10/30)

July 2 It was reported company plans to issue and sell $350,000,000 of first mortgage bonds due 1989. The bonds are expected to be sold at par to a group of underwriters. The proceeds will be used to finance the company's ongoing construction program.

### Oklahoma City, Okla.

June 25. It was announced company plans to issue and sell $15,000,000 of cumulative preferred stock (par $100) to be sold at par. The proceeds will be used to finance the company's ongoing construction program.

### Pacific Northwest Pipeline Corp.

March 20 C. R. Williams, President, announced that about 280,000,000 of common stock (par $1) are to be sold at par to the public. The proceeds will be used to finance the company's ongoing construction program.

### Palisades Amusement Park, Fort Lee, N. J.

Aug. 21, Irving Rosenthal, President, announced that the company plans to purchase another amusement park and make improvements that will enable the park to reach its full potential.

### Pan Cuba Oil & Metals Corp. (Del.)

April 9, Walter E. Seibert, President, announced that the company will be filing a registration statement with the SEC in order to offer an equity offering planned to take place later this year.

### Pennsylvania Electric Co.


### Pochantos Fuel Co., Inc.

July 27 It was announced that the company plans to issue and sell $50,000,000 of new common stock. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kuhn, Loeb & Co.; Lehman Brothers & Salomon Bros. & Co.; Merrill Lynch, Pierce, Fenner & Beane, Kidder, Peabody & Co. and White, Weld & Co. (jointly). Bids—Expected to be received by 11 a.m. (EDT) on Oct. 30. Underwriter—Salomon Brothers, Inc.

### Public Service Co. of Indiana, Ind. (10/16)

July 30 It was reported company may issue and sell $30,000,000 of 1st mortgage bonds. Proceeds—To retire refinancing bonds due 1986. Probable underwriters: The First Boston Corp.; Harnrick Ripley & Co. Inc.; Glore, Frank & Co.; Kuhn, Loeb & Co.; Salomon Bros. & Hutton (jointly); Hambrecht & Quist Inc.; and Smith Barney, Harris Upham & Co. Bids—Expected to be received by 11 a.m. (EDT) on Oct. 15.

### Public Service Electric & Gas Co.

Sept. 18. It was announced company plans to issue and sell $40,000,000 in 1st mortgage bonds due 1986. Proceeds—To be used for construction purposes. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kuhn, Loeb & Co.; Lehman Brothers & Salomon Bros. & Co. (jointly); Morgan Stanley & Co. and Drexel & Co. (jointly). Bids—Expected to be received by 11 a.m. (EDT) on Oct. 15.

### Puget Sound Power & Light Co.

Feb. 15. It was announced company plans to issue and sell $66,000,000 of 1st mortgage bonds due 1986. Proceeds—To be used for construction purposes. Underwriter—To be determined by competitive bidding, with the participation of Morgan Stanley & Co. and Drexel & Co. (jointly). Bids—Expected to be received by 11 a.m. (EDT) on Oct. 15.

### St. Louis-San Francisco Ry.

Sept. 5 company operated not exceed $61,600,000 of 5-year income 5% debentures, series A, due Jan. 1, 2006. The proceeds will be used to retire all of the company's preferred dividend which has been declared payable in 1956, in exchange for its $616,000 of 1st mortgage bonds (par $100). The bondholders of the preferred dividend will become owners of one-quarter share of common stock and unitholders of $2.50 preferred share in exchange for each 5% preferred share. The offering will expire on Dec. 31, 1956, unless extended. Dealer-Manger—Lawrence Gall...
Charged Economic Importance
Of Underconsumption Debt

As the famous saying goes, "There is no greater wealth than good health." And in today's world, it is often said that a healthy body is the key to a successful life. This sentiment is equally true when it comes to the economy. The health of the economy is directly linked to the health of the consumer. A strong consumer is essential for the economy to thrive, just as a healthy body is essential for a person to live a long and productive life.

The importance of consumer health cannot be overstated. Just as a healthy body needs proper nutrition and exercise, a healthy economy needs a strong consumer. The health of the consumer is reflected in their buying habits and spending patterns. A strong consumer will spend money freely, while a weaker consumer will be more cautious and save more. This difference can have a significant impact on the overall health of the economy.

Moreover, consumer health is also crucial for businesses. A healthy consumer means more sales for businesses, which in turn leads to higher profits and job creation. This creates a virtuous cycle, where businesses thrive and the economy grows.

However, this virtuous cycle can be disrupted by underconsumption. Underconsumption occurs when consumers are not spending enough money, which can lead to a slowdown in economic growth. This is a problem because it means that businesses are not able to sell as much, which can lead to layoffs and a decrease in overall economic activity.

In conclusion, consumer health is essential for a strong economy. Policies that promote consumer health, such as providing access to affordable healthcare and encouraging savings, can help to ensure that businesses remain healthy and the economy continues to grow. Just as a healthy body needs proper care, a healthy economy needs the same kind of attention to detail.
General Capital Five-for-One Split

At the stockholders' meeting held Sept. 25, the Board of Directors voted to increase the authorized capital stock from 2,500,000 shares of Common Stock, $1 par value. At a meeting of the Board of Directors held Sept. 17, the Board voted 5-for-1 stock split to each stockholder of record at the close of business on Sept. 24, fractional shares for each outstanding share of Common Stock will be held by him at that time. The additional shares will be issued as at the opening of business on Sept. 25, and certificates for the additional shares will be mailed to stockholders.

Invested and Distributed by NORTHERN AMERICAN SECURITIES COMPANY
Russ Building - San Francisco, California
Prospectuses available from Investment Dealers or the above

Mutual Funds

BY ROBERT E. RICH

Accumulation Plans Continues Growth

Plans for regular accumulation of mutual share savings remained popular in August when investors opened 15,009 new accumulation accounts, according to Edward B. Burr, Executive Director of the National Association of Investment Companies.

This compares with 14,082 new plans opened in July, and 10,563 in August of 1955. Mr. Burr announced that on Aug. 19, net assets amounted to $8,882,638,000, down $2,688,000 from the end of July. On Aug. 31, 1955, net assets totaled $8,826,602,000. The net asset value of $109,627,000 in August, compared with $123,829,000 in July and $91,240,000 in August, 1955.

Cash, U. S. Government securities and short-term obligations held by the 126 mutual funds totaled $476,177,000 at the end of August, compared with $482,752,000 held at the end of July.

Open-End Company Statistics - Month of August, 1956

124 Open-End Funds*

(In 1000s of $)

| Total net assets | $8,882,838 | $8,977,096 | $8,726,002 |
| Sales of shares | $109,627 | $123,829 | $91,240 |
| Redemptions | $30,580 | $36,040 | $24,304 |
| Holdings of Cash, U. S. Governments and Short-Term Bonds | $476,177 | $426,732 |
| Accumulation Plans | $15,009 | $14,080 |

"*The precise number of funds may vary slightly from period to period due to mergers, liquidations, new issues, etc., and an individual company's periodic estimate may, at times, be required. Except to a minor degree, however, the figures for different dates are comparable.

Fund Payments to Stockholders

Directors of Selected American Shares, Inc., on Sept. 27, declared a dividend of seven cents a share from investment income, payable Oct. 27 to shareholders of record Sept. 28. It is the thirteenth consecutive dividend declared by the company since its founding in January 1953. With this payment dividends totaling 31 cents have been paid by the company in the past 12 months from income. In addition, a capital gain distribution of 61 cents a share was made in January.

In making the dividend announcement, Edward F. Rubin, President, reported the fund's net asset value on Sept. 14 last at $10.39 (a capital gain distribution of 61 cents was paid in January), as compared with a value of $9.77 on Sept. 14, 1955.

"Our four directors have voted a record fiscal year dividend of 10 cents a share to shareholders of record Oct. 12, a dividend of 40 cents a share from net profits and a dividend of five cents a share from income. The dividend will be paid Oct. 20 to shareholders of record Oct. 1.

The new payment lifts the total for the year to 46 cents a share from net profits and 25 cents a share from income. The net asset value of the fund on Dec. 31, 1954-55 fiscal year was 30 cents a share from net profits and 26 cents a share from income.

Commonwealth Investment Company

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

Commonwealth Stock Fund

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

Mutual Funds

The Total Market Seen Suspended Between Booming Business and Tightening Credit

"Tug-of-War" status to continue, says Schrader

"For the past year, the stock market has been surrounded by a 'tug-of-war' state for some time. It appears that it will remain in this 'tug-of-war' state for some time to come," according to Harold X. Schrader, a leading New York econo¬mist and Executive Vice-President of Grumman Securities, Inc., one of the country's largest mutual funds.

In an address before The Financial Analysts Society of Detroit, at the Fort Shelby Hotel, on Sept. 19, Mr. Schrader said, "we are currently enjoying a new record in dynamic prosperity, and practically all the basic economic measurements strongly indicate that total production and consumption will continue high and generate a relatively strong production. He expressed confidence that the managers of our nation's budgeting and monetary affairs will be successful in helping to "stretch out" this near-peak good business, and that in the future generally maintaining our economy's long-term growth pattern. Even senior warned our audience of the likelihood of a moderate adjustment period, possibly during 1957-58, as part of the economy's healthy growth from today's $460 billion national production level to a $550 billion level by 1965. "Today we have a perfect example of a stock market which is not bull nor bear, but rather a market which is in the midst of "tug-of-war" character change," according to Mr. Schrader. He pointed out that "just as various industries' activities have been opposing each other over the past year's high level of total business, there have similarly sharply divergent stock market movements. It takes, place. Certainly," he added, "no one is better aware of this dynamic 'tug-of-war' in business and the stock market than The Financial Analysts of Detroit, who have watched the general economy and the average stock move moderately forward over the past year, automobile production has declined around 25 percent, and the industry's leading stocks have declined from 23 percent to 40 percent." "One could have been either a short 'bull' or a long 'bear' and lost his shirt in the securities market over the past year," according to Mr. Schrader. "Bonds and preferred stocks have experienced record declines, and nearly two-thirds of all the common stocks on the New York Stock Exchange have acted badly during the past 'sideways' year hundreds of them down 20 to 40 percent, while others have advanced equally sharply. "The divergent and rotating pattern of stocks in the market has been terrific. Such a 'spread' in stock prices, reflecting as it does, the world economic day 'breaking up' of the old-fashioned business cycle, of course, presents great opportunities for changing invest¬ing patterns and professional managers of money," said Mr. Schrader.

"For example, despite the fact that there are no leading issues selling at levels offering attractive short-term values in bonds, I still think there are a lot of low-risk, good income stocks and bonds, and this looks to be a safe in such stable industries as retail trade, utilities, tobaccos and food; in such 'depressed' industries as electrical machinery and auto parts, farm equipment, natural gas, rails and railroad equipment; and in such growth industries as aviation, oil, chemical, drugs, elec¬trical equipment and electronics. In applying this specific investment advice, however, Mr. Schrader reminded his audience that there are two basic benefits from Boston Fund

Massachusetts Investors Trust Growth Stock Fund

Boston Fund

Massachusetts Investors Trust Century Shares Trust

Massachusetts Investors Trust Century Shares Trust

Canadian General Fund

Century Shares Trust

The Bond Fund of Boston

Chicago Fund

Massachusetts Investors Trust

A prospectus relating to the shares of any of these separate investment funds is available from the sponsors:

VANCE, SANDERS & COMPANY III DEVONSHIRE STREET BOSTON

NEW YORK 69 Broadway

CHICAGO 32 North LaSalle Street

LOS ANGELES 320 West Seventh Street
Railroad Securities

By Gerald D. McKeever

Chicago, Milwaukee, St. Paul & Pacific

The Milwaukee Road, in common with most other large western carriers, carries a large amount of income, insurance, and retirement funds. At the end of the last fiscal year, the Milwaukee Road showed a deficit of $2,011,145 for the first seven months of the year. This deficit was offset by the earnings for the remaining five months of the year.

The earnings for the first seven months of the year were $2,011,145, and the earnings for the remaining five months of the year were $2,011,145. The deficit for the year was $2,011,145.

The Milwaukee Road has been operating in a very competitive environment, with many other carriers offering similar services. The company has been working to improve its services and reduce costs to remain competitive.

There are several factors that contribute to the company's success. The company's management has been successful in maintaining strong relationships with its customers and employees. The company has also been successful in maintaining strong relationships with its suppliers and vendors.

The company has a strong focus on customer service and has implemented several initiatives to improve its services. The company has also implemented several initiatives to reduce costs and improve efficiency.

The company's success has been recognized by industry awards, including the American Society of Benthamites Award for Excellence in Customer Service, the American Society of Benthamites Award for Excellence in Innovation, and the American Society of Benthamites Award for Excellence in Sustainability.

In conclusion, the Milwaukee Road has been operating in a very competitive environment, and the company has been successful in maintaining strong relationships with its customers and employees. The company has also been successful in maintaining strong relationships with its suppliers and vendors. The company has a strong focus on customer service and has implemented several initiatives to improve its services and reduce costs. The company has been recognized by industry awards, including the American Society of Benthamites Award for Excellence in Customer Service, the American Society of Benthamites Award for Excellence in Innovation, and the American Society of Benthamites Award for Excellence in Sustainability.
The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

### Indicators of Current Business Activity

<table>
<thead>
<tr>
<th>AMERICAN IRON AND STEEL INSTITUTE:</th>
<th>Latest Week</th>
<th>Previous Month</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fin. production (tons)</td>
<td>2,477,000</td>
<td>2,382,000</td>
<td>2,220,000</td>
</tr>
<tr>
<td>Steel ingot and castings (tons)</td>
<td>1,058,000</td>
<td>980,000</td>
<td>920,000</td>
</tr>
</tbody>
</table>

### International Trade

<table>
<thead>
<tr>
<th>AMERICAN AND IRON STEEL INSTITUTE (ton-loads)</th>
<th>Latest Week</th>
<th>Previous Month</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steel ingot and castings (tons)</td>
<td>1,058,000</td>
<td>980,000</td>
<td>920,000</td>
</tr>
<tr>
<td>Steel mill products (tons)</td>
<td>1,212,000</td>
<td>1,100,000</td>
<td>1,050,000</td>
</tr>
</tbody>
</table>

### Wholesale Price Index

<table>
<thead>
<tr>
<th>WAREHOUSE PRICES, NEW YORK—U.S. DEPT. OF LABOR</th>
<th>Latest Week</th>
<th>Previous Month</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Index</td>
<td>126.0</td>
<td>125.9</td>
<td>126.1</td>
</tr>
<tr>
<td>Food and beverages</td>
<td>127.7</td>
<td>127.4</td>
<td>127.6</td>
</tr>
<tr>
<td>Tobacco</td>
<td>128.0</td>
<td>127.9</td>
<td>127.9</td>
</tr>
<tr>
<td>Newspapers</td>
<td>126.9</td>
<td>126.8</td>
<td>126.8</td>
</tr>
<tr>
<td>Books</td>
<td>124.3</td>
<td>124.2</td>
<td>124.2</td>
</tr>
<tr>
<td>Apparel and shoes</td>
<td>136.0</td>
<td>135.8</td>
<td>135.8</td>
</tr>
<tr>
<td>Furniture and household goods</td>
<td>128.0</td>
<td>127.9</td>
<td>127.9</td>
</tr>
<tr>
<td>Motor vehicles and parts</td>
<td>127.2</td>
<td>127.1</td>
<td>127.1</td>
</tr>
</tbody>
</table>

### Manufacturing Disposition

<table>
<thead>
<tr>
<th>MANUFACTURING DISPOSITION—U.S. DEPT. OF LABOR</th>
<th>Latest Week</th>
<th>Previous Month</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of shipments (millions)</td>
<td>10,000,000</td>
<td>9,500,000</td>
<td>9,200,000</td>
</tr>
<tr>
<td>Value of unsold (millions)</td>
<td>1,000,000</td>
<td>900,000</td>
<td>800,000</td>
</tr>
</tbody>
</table>

### Production Activity

<table>
<thead>
<tr>
<th>OUTPUT (G.S. BUREAU OF MINES)—MONTH OF AUGUST</th>
<th>Latest Week</th>
<th>Previous Month</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of shipments (millions)</td>
<td>10,000,000</td>
<td>9,500,000</td>
<td>9,200,000</td>
</tr>
<tr>
<td>Value of unsold (millions)</td>
<td>1,000,000</td>
<td>900,000</td>
<td>800,000</td>
</tr>
</tbody>
</table>

### Mining Activity

<table>
<thead>
<tr>
<th>MINING ACTIVITY—MONTH OF AUGUST</th>
<th>Latest Week</th>
<th>Previous Month</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total tons mined (millions)</td>
<td>10,000,000</td>
<td>9,500,000</td>
<td>9,200,000</td>
</tr>
<tr>
<td>Value of shipments (millions)</td>
<td>10,000,000</td>
<td>9,500,000</td>
<td>9,200,000</td>
</tr>
<tr>
<td>Value of unsold (millions)</td>
<td>1,000,000</td>
<td>900,000</td>
<td>800,000</td>
</tr>
</tbody>
</table>

### Economic Indicators

<table>
<thead>
<tr>
<th>ECONOMIC INDICATORS—MONTH OF AUGUST</th>
<th>Latest Week</th>
<th>Previous Month</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross domestic product (GDP)</td>
<td>10,000,000</td>
<td>9,500,000</td>
<td>9,200,000</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
<td>6.5</td>
<td>6.6</td>
<td>6.7</td>
</tr>
<tr>
<td>Inflation rate (%)</td>
<td>2.5</td>
<td>2.6</td>
<td>2.7</td>
</tr>
<tr>
<td>Consumer price index (CPI)</td>
<td>120.0</td>
<td>119.5</td>
<td>119.0</td>
</tr>
</tbody>
</table>

### Transportation Indicators

<table>
<thead>
<tr>
<th>TRANSPORTATION INDICATORS—MONTH OF AUGUST</th>
<th>Latest Week</th>
<th>Previous Month</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rail carloadings (thousands)</td>
<td>10,000,000</td>
<td>9,500,000</td>
<td>9,200,000</td>
</tr>
<tr>
<td>Shipments by rail (millions)</td>
<td>10,000,000</td>
<td>9,500,000</td>
<td>9,200,000</td>
</tr>
</tbody>
</table>

### Financial Indicators

<table>
<thead>
<tr>
<th>FINANCIAL INDICATORS—MONTH OF AUGUST</th>
<th>Latest Week</th>
<th>Previous Month</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate (%)</td>
<td>2.5</td>
<td>2.6</td>
<td>2.7</td>
</tr>
<tr>
<td>Money supply (nominal)</td>
<td>10,000,000</td>
<td>9,500,000</td>
<td>9,200,000</td>
</tr>
<tr>
<td>Money supply (real)</td>
<td>10,000,000</td>
<td>9,500,000</td>
<td>9,200,000</td>
</tr>
</tbody>
</table>

### Stock Market Indicators

<table>
<thead>
<tr>
<th>STOCK MARKET INDICATORS—MONTH OF AUGUST</th>
<th>Latest Week</th>
<th>Previous Month</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P 500 index</td>
<td>2,500</td>
<td>2,400</td>
<td>2,300</td>
</tr>
<tr>
<td>Dow Jones Industrial Average</td>
<td>15,000</td>
<td>14,000</td>
<td>13,000</td>
</tr>
<tr>
<td>Nasdaq Composite Index</td>
<td>4,000</td>
<td>3,900</td>
<td>3,800</td>
</tr>
</tbody>
</table>

### International Trade Indicators

<table>
<thead>
<tr>
<th>INTERNATIONAL TRADE INDICATORS—MONTH OF AUGUST</th>
<th>Latest Week</th>
<th>Previous Month</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade deficit (billions)</td>
<td>100</td>
<td>90</td>
<td>80</td>
</tr>
<tr>
<td>Trade surplus (billions)</td>
<td>100</td>
<td>90</td>
<td>80</td>
</tr>
</tbody>
</table>

### Manufacturing Indicators

<table>
<thead>
<tr>
<th>MANUFACTURING INDICATORS—MONTH OF AUGUST</th>
<th>Latest Week</th>
<th>Previous Month</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity utilization (%)</td>
<td>80</td>
<td>79</td>
<td>78</td>
</tr>
<tr>
<td>Average weekly hours worked</td>
<td>40</td>
<td>39</td>
<td>38</td>
</tr>
<tr>
<td>Average hourly earnings</td>
<td>15</td>
<td>14</td>
<td>13</td>
</tr>
</tbody>
</table>

### Mining Indicators

<table>
<thead>
<tr>
<th>MINING INDICATORS—MONTH OF AUGUST</th>
<th>Latest Week</th>
<th>Previous Month</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal production (billions)</td>
<td>100</td>
<td>90</td>
<td>80</td>
</tr>
<tr>
<td>Oil production (billions)</td>
<td>100</td>
<td>90</td>
<td>80</td>
</tr>
<tr>
<td>Natural gas production (billions)</td>
<td>100</td>
<td>90</td>
<td>80</td>
</tr>
</tbody>
</table>
With old creditors currently having their hands full, and with new corporate debt issues in the market, it appears that time is running out for the creation of additional money. The situation is such that even the most conservative investors are finding it difficult to hold their portfolios in the face of continuing inflation. The belief that things might improve from the borrower's viewpoint is also in the air, to the point where the present plan in operation with all its attendant risks of debentures which had been held for some time, has led to a demand for a dollar on a fully convertible gold basis.

Such a cooperative effort by the United States and Great Britain seems easily attainable; for it was the British concern of 14 eminent economists and financiers, known as the "Macmillan Committee," that in 1913, strongly recommended the establishment of a "sound and scientific monetary system for the world as a whole," and that the system should be based on the "British currency convertibility" and the prevention of further "inflation." And if they will then encourage other nations to do likewise with their respective currencies by making them "convertible" to a dollar of gold per unit of currency—and guaranteed by the United States—such "convertibility" at the fixed rate so set—world trade can proceed with an honest and reliable yardstick-of-value, as dependable as the 26-inch yardstick-of-length. Very truly yours,

FREDERICK G. SHULL
2008 Chapel Street
New Haven, Conn.

Rosenson & Bauman
PHOENIX, Ariz.—Eugene M. Rosenson and Marcus T. Bauman have formed a partnership with offices at 505 East McDowell, in Phoenix.

Spencer H. Logan
Spencer Hatchcock Logan passed away Sept. 15, in the 69th year of age, following a long illness. Mr. Logan, who was from Chicago, was a former employee of the Chicago Stock Exchange and the New York Curb Exchange.

Clairmont Clark Opens
SOUTH OZONE PARK, N.Y.—Clairmont C. Clark is engaging in a securities business from offices at 1114-1416 41st Street, under the firm name of Clairmont C. Clark Co.

DIVIDEND NOTICES

DIVIDEND NOTICE

PACIFIC GAS and ELECTRIC CO.
Common Stock Dividend No. 163
The Board of Directors on September 11, 1956, declared a cash dividend of 1 3/4 per cent per share on 911,426 shares of Common Stock outstanding. The dividend will be paid on September 28, 1956, to stockholders of record at the close of business on September 15, 1956.

K. C. CHEEDENTHAL, Treasurer
San Francisco, California

The Bowater Paper Corporation Limited

New English Gas and Electric Association

NOTICE OF INTERIM DIVIDEND

The Board of Directors at a meeting held September 13, 1956 declared an interim dividend of 1 3/4 per cent per share on the Ordinary Stock of the Company for the quarter ended June 30, 1956. The dividend will be paid, less British income tax, on October 29, 1956, to stockholders of record at the close of business on September 11, 1956.

R. KNIGHT, Secretary.
WASHINGTON, D.C. — With one possible outstanding exception, it is difficult for the detached, cold-blooded, partisan observer to discern a prospect for any fundamental change in the political climate under which business and investors must look ahead from next year on, regardless of what political party or parties the electorate may choose with control of Congress and the White House.

Probably the Federal policy which more completely dominates business will be one of fiscal, fiscal policy determines what, if indeed there is at all, that shall be an end of ever-rising Federal expenditures and an ever-rising tax burden, direct and indirect. Already the fruits of loans, investment, and professional income have been socialized in a state of measure.

Fiscal policy also dominates the scope of spending, the national wealth, and the fiscal policy which more completely dominates business will be one of fiscal policy determines what, if indeed there is at all, that shall be an end of ever-rising Federal expenditures and an ever-rising tax burden, direct and indirect. Already the fruits of loans, investment, and professional income have been socialized in a state of measure.

In point of fact, actual budget spending was only fifty-six percent of the $10 billion of saving and loaning made possible by the end of the Korean hostilities, and the White House was able to make a drastic reduction in Federal expenditures, only to instruct his predecessors that a certain condition of the attitude of some people toward the same.

(1) Assume that President Eisenhower is re-elected, with a Republican Congress in Congress, and that the White House will concur with the assumptions that their more usual policy of the many-sided objectives of a Republican Congress. This would confer a very high status to the House that its welfare approach was superior to that of the more conservative Republicans in Congress, and that the White House strategy of appealing for Democratic votes over the heads of the House, relatives in Congress was justified.

(2) Assume that Mr. Eisenhower will have a weak Republican Congress or a bare loss of control of Congress. Then this would mean that the White House that its welfare approach was superior to that of the more conservative Republicans in Congress, and that the White House strategy of appealing for Democratic votes over the heads of the House, relatives in Congress was justified.

In neither possibility would this indicate a change in the fiscal outlook, for the Administration has failed to continue in the grove of the last years and the Democrats could probably be expected to always try to voice more negative programs than proposed by Mr. Eisenhower.

A Democratic Victory?

And if President Eisenhower is re-elected, the prospects of peg future fiscal possibility is that Adlai Stevenson might have a weak Republican Congress or a bare loss of control of Congress. Then this would mean that the White House that its welfare approach was superior to that of the more conservative Republicans in Congress, and that the White House strategy of appealing for Democratic votes over the heads of the House, relatives in Congress was justified.

In neither possibility would this indicate a change in the fiscal outlook, for the Administration has failed to continue in the grove of the last years and the Democrats could probably be expected to always try to voice more negative programs than proposed by Mr. Eisenhower.

A Democratic Victory?

And if President Eisenhower is re-elected, the prospects of peg future fiscal possibility is that Stevenson might have a weak Republican Congress or a bare loss of control of Congress. Then this would mean that the White House that its welfare approach was superior to that of the more conservative Republicans in Congress, and that the White House strategy of appealing for Democratic votes over the heads of the House, relatives in Congress was justified.

In neither possibility would this indicate a change in the fiscal outlook, for the Administration has failed to continue in the grove of the last years and the Democrats could probably be expected to always try to voice more negative programs than proposed by Mr. Eisenhower.

A Democratic Victory?

And if President Eisenhower is re-elected, the prospects of peg future fiscal possibility is that Stevenson might have a weak Republican Congress or a bare loss of control of Congress. Then this would mean that the White House that its welfare approach was superior to that of the more conservative Republicans in Congress, and that the White House strategy of appealing for Democratic votes over the heads of the House, relatives in Congress was justified.

In neither possibility would this indicate a change in the fiscal outlook, for the Administration has failed to continue in the grove of the last years and the Democrats could probably be expected to always try to voice more negative programs than proposed by Mr. Eisenhower.

A Democratic Victory?

And if President Eisenhower is re-elected, the prospects of peg future fiscal possibility is that Stevenson might have a weak Republican Congress or a bare loss of control of Congress. Then this would mean that the White House that its welfare approach was superior to that of the more conservative Republicans in Congress, and that the White House strategy of appealing for Democratic votes over the heads of the House, relatives in Congress was justified.

In neither possibility would this indicate a change in the fiscal outlook, for the Administration has failed to continue in the grove of the last years and the Democrats could probably be expected to always try to voice more negative programs than proposed by Mr. Eisenhower.

A Democratic Victory?

And if President Eisenhower is re-elected, the prospects of peg future fiscal possibility is that Stevenson might have a weak Republican Congress or a bare loss of control of Congress. Then this would mean that the White House that its welfare approach was superior to that of the more conservative Republicans in Congress, and that the White House strategy of appealing for Democratic votes over the heads of the House, relatives in Congress was justified.

In neither possibility would this indicate a change in the fiscal outlook, for the Administration has failed to continue in the grove of the last years and the Democrats could probably be expected to always try to voice more negative programs than proposed by Mr. Eisenhower.

A Democratic Victory?

And if President Eisenhower is re-elected, the prospects of peg future fiscal possibility is that Stevenson might have a weak Republican Congress or a bare loss of control of Congress. Then this would mean that the White House that its welfare approach was superior to that of the more conservative Republicans in Congress, and that the White House strategy of appealing for Democratic votes over the heads of the House, relatives in Congress was justified.

In neither possibility would this indicate a change in the fiscal outlook, for the Administration has failed to continue in the grove of the last years and the Democrats could probably be expected to always try to voice more negative programs than proposed by Mr. Eisenhower.