EDITORIAL

As We See It

"In my first budget message—that for the fiscal year 1956—the Administration's de-
termination to chart a course toward two impor-
tant fiscal goals—balanced budgets and tax-
reduction. "Reductions in spending evidenced in the 1955 
budget made possible a large tax reduction and 
tax reform program. "The 1956 budget was balanced. "The 1957 budget will be balanced. "A balanced budget is proposed for 1958. "I believe this policy of fiscal integrity has con-
tributed significantly to the soundness of our na-
tional economy and that it will continue to do so during the coming fiscal year.

With these words the President of the United States presented a budget scheduling a record 
volume of peacetime expenditures by the na-
tional government. If he felt any great concern about 
the vast volume of proposed Federal out-
lays, he gave no indication of it.

His Secretary of the Treasury, however, evi-
dently does not share the President's equanimity. On the contrary this highly placed official says 
with extraordinary frankness that he is willing to "predict that you will have a depression that 
will curl your hair" if no way is found to reduce 
the tax burden upon the American people, be-
cause "we are just taking too much money out of 
this economy that we need to make the jobs 
that you have to have as time goes on." The Sec-
retary then explains, puzzlingly enough, that "there is no division or difficulty in the Admin-
istration at all on this subject. This is a thing that 
we all are in accord on. This budget was 
made up with the very greatest care and a great

Business and Finance Speaks After Turn of the Year

ANNUAL REVIEW FORECASTS: PART II

For various reasons, a large number of the 1957 busi-
ness and economic forecasts especially written for the 
"CHRONICLE" could not be accommodated in our 
ANNUAL REVIEW ARTICLE ISSUE of Jan. 17. All of these outlook statements, of course, reflect the 
individual opinions of government officials and of the 
country's leading industrialists, bankers and financiers 
on the probable trend of economic activity for specific 
industries and business in general. The remaining un-
published commentaries received by the "CHRONICLE" are given in today's issue starting hereafter:

MALCOLM ADAM
President, The Penn Mutual Life Insurance Company

The outlook for the life insurance business must be 
viewed in the light of conditions which prevailed dur-
ing 1956 and which exist at the turn of the year.

The life insurance industry has just concluded one of its 
most successful years. As this is being written, there seems no 
doubt that 1956 will have estab-
lished new high records in the 
amount of insurance written, the 
amount of insurance in force, total 
payment in dividends and one of 
the lowest mortality rates if not the 
lowest yet recorded. Greater 
sales were due in part to the pro-
spect that this country is enjoying 
and also to the more effective 
and better trained underwriters who 
have made life insurance their busi-
ness career. The improved mortality 
rates are due both to an improve-
ment in the standard of living which has enabled 
people to obtain better medical care 
and to the many new drugs and techniques which have 
been developed for the treatment of afflictions which 
in the past were often menace to the populace. 

Only in interest earnings did the life insurance compa-

The Price of Stability

BY WINFIELD W. RIEFFLER*
Assistant to the Chairman, 
Board of Governors of the Federal Reserve System

Key Federal Reserve assistant, playing the arguments for 
controlled, mild inflation, states the goals of growth 
and price stability "call not for expedients or palliatives 
to alleviate the impacts of higher interest rates" but for 
increased savings and rescheduling of outlays on the part 
of all major economic elements. Mr. Rieffler points out: (1) Federal Reserve's crucial responsibility in stopping 
price inflation; (2) mounting prices, accelerated by 
food prices, will never go far without increases in money 
supply; (3) Reserve's share of responsibility for price 
advances; (4) easier money would not assure relief to 
those demanding reversal of current restrictive policies, 
and (5) how labor wage policies implicate real value 
of pensions.

The Federal Reserve System is widely held responsible 
for so-called "tight money," i.e., for the rise in interest 
rates, for the lower prices at which long-term bonds 
sell in the securities markets and for the fact that potential borrowers with credit-worthy propositions have 
no shop to shop for lenders. Now, in a sense, this is true. But it is very impor-
tant to understand the special sense in which this affirmation is made. It is true in somewhat the same 
sense that the Courts could be said to be responsible for the increase of 
Injunctions issued. More fundamen-
tally, however, it is the clash of con-
flicting interests that poses a prob-
lem which the Courts must deal with 
in the public interest, a problem which cannot be solved by looking 
the other way. Similarly, in the 
case of tight money and higher rates, the Federal Reserve System could in a technical sense look the other 
way. It could disregard the effects upon the real value of

Continued on page 68

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SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate 
securities are offered a complete picture of issues now registered with the SEC and poten-
tial undertakings in our "Securities in Registration" Section, starting on page 78.

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Malcolm Adam

WINFIELD W. RIEFFLER
Assistant to the Chairman, 
Board of Governors of the Federal Reserve System

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Continued on page 68

*An address by Mr. Rieffler before the Rochester Chamber of Commerce, Jan. 14, 1957.
The Security I Like Best

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

(The articles contained in this forum are not intended to be, nor are they to be regarded, as an offer to sell the securities discussed.)

MERRITT F. BEAL
Analyst, F. G. & F. McElroy & Co., New York City

Members: New York Stock Exchange, American Stock Exchange and Chicago Board of Trade

Atlas Corporation

Investors and speculators appear to be making a conservative appraisal of actual operations at the New York Stock Exchange and Chicago Board of Trade.

Atlas Corporation, a company with extensive interests in mining, has been able to sell its stock at a profit, while many other companies are finding it difficult to do so.

The company's profits have been consistently high, and there is no reason to believe that they will not continue to be so.

The company is well-managed, and its management is financially sound.

This is a good opportunity to invest in this company.
Serious Consequences Ahead For U. S. Funds in Canada

By SIDNEY BROWN
Adjunct Assistant Professor of Economics, Pace College, New York City

In probing a current transborder tax case between U. S. and a Canadian corporation and its three principal stockholders, Economist Brown depicts American unilateral action as a possible threat to American flow of investments abroad. Compared to unintended tax effect with that deliberately produced exchange control practices. American potential that Canada has not sought to exercise consultation provisions of U. S.-Canada tax treaty designed to prevent double taxation and encourage a secure investment climate in so far as taxes are concerned.

The outlook for continued flow of private American investments abroad may well be determined shortly through the outcome of a controversy now taking place by the action of the United States Commissioner of Internal Revenue against the Consolidated Premium Iron Ore Ltd., a Canadian corporation, by which Premium, and Eaton and Mr. and Mrs. W. Miller, of Daley, American investors.

The U. S. Internal Revenue Service has assessed taxes against these three principal stockholders, in consideration of a contract with the Consolidated Premium Iron Mines Ltd., another Canadian corporation, by which Premium undertook to provide $1,000,000 of financing, and sales, transportation, and technical services. The Internal Revenue Service takes the position that since Mines Ltd. Eaton and Miller have received and developed the transaction which made it possible for Sleep Rock to commence operations and to obtain the financing and services of Premium, Eaton and Miller, as stockholders of Premium, are personally taxable on the profits derived by that Canadian company. This claim was first tested in court for Premium, for this same profit item, a year and a half earlier, and now the claim for deficiencies concurrently runs against the Canadian firm and the American investors.

Tax Suit Raises Questions

Though more questions can be adequately handled in a short article arise spontaneously faster than they can be enumerated, let alone examined, because of the significance of this case to our international economic relationships, an attempt will be made to look into the following five questions:

(1) Is our Internal Revenue Service becoming, deliberately, or, as an unseen consequence of our income tax laws, unwitting an administrator exercising quasi-judicial control over U. S. international investments?

(2) In tax relations between the United States and other countries (in this instance, Canada) designed to prevent double taxation, and promote flow of trade and investment, is oversight an established tax action taken by the other country by an unilateral action, with out making use of treaty provisions, or other measures to handle conceivable differences that are bound to arise?

(3) Might this not cause investors to doubt in raising concerning the value, let alone legality, of risk taking abroad, particularly if stockholders will be liable for profits earned but not paid to them?

(4) Where U. S. citizens develop and promote business opportunities arising in foreign countries, if consistent with the interests of the United States to be carried out, by the firms in which they invested, an understandable inher¬ent practice, are they to be personally taxable for the profits of the promotion if they engage in any part of the promotional activities place in or outside the United States?

(5) Can companies at their inception have a reasonable degree of certainty regarding the tax position asserted by their government, and the fate in store for firms with American stockholders and directors regarding heavy U. S. taxes and penalties?

Determining Motives

Basically, the Internal Revenue Commission is attempting to assess these three American stockholders of Premium for profits accruing to their firm but never paid to them individually.

It is obvious from time to time that the international flow of capital will include an amount some tax haven tax haven tax haven risk tax havens in order to escape high taxes at home; but is this so in the case of Premium? To sift legitimate risk-seeking capital from that attempt to escape domestic taxes, through some sort of subterfuge, under the guise of an already exceedingly fine knowledge of the international money and capital markets in these, and the market, a Herculean understanding of the motives, thinking process, prompting flow of capital abroad. Are we capable of distinguishing?

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HERBERT D. SEIBERT, Editor & Publisher
WILLIAM DANA SEIBERT, President

Thursday, Jan. 26, 1957

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Observations...

By A. Wilfried

THE AFTERMATH OF THE STOCK SPILT

The second article in a series on the market performance of stock splits.

News accounts of the proceedings at the current annual company meetings reveal the ever-increasing frequency of stock-splits, largely based on joyful expectation of resulting market appreciation.

In our previous article we have analyzed the price changes during the entire year of all stocks split during 1956, to reveal the effect in the period surrounding the actual split (before, during, and after).

We concluded that in this particular interval, encompassing the popular anticipatory as well as the immediate post-declaration stages, the price effect of the un-split premium, or the stock-split, is considerable. Our compilation revealed that split shares in this period outperformed the un-split remainder of the market, as measured by several appropriate yardsticks.

We are now interested in the immediate post-split price effect as indicated in the longer interval following the splitting action. Accordingly, we have taken the issues whose splitting (by at least 2-for-1) was announced during the first 11 months of 1956, and studied the price effect of each of this decisive step during the remainder of 1955, and also during the interval from such 1955 announcement date to the end of 1956. In order to allow for the effect of the general market's movement, we have related the price changes in the split to the corresponding fluctuations in the Dow Jones Average, covering the respective group.

This longer-term post-split study shows a far different result than that covering the "split-surrounding" period. Of the 66 issues covered—for the post-split interval to the end of 1955, only 21 issues out-performed the market, 43 underperformed, and two were even. In the period to the close of 1956, 24 out-performed the market, 40 underperformed, and two were even.

The Dividend Factor

Hence, and as demonstrated in our preceding article, we are impressed by the fact that stock-price movements are affected by many factors in addition to the pure splitting phenomenon. Among the more important of these is the dividend policy. Its impact on the split is indicated in an analysis which is to be found on the following page.

Price Performance of Stocks Whose Splits Were Announced During First 11 Months of 1955 — Showing Price Changes Therefrom to End of 1955, Related to the Overall Market Movement

We take pleasure in announcing that

ROBERT F. SEEBECK

is now associated with our firm.

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January 18, 1957

Louisiana Payride

By IRA U. COLEBRIGHT

Enterprise Economist

A swift look at the Louisiana Land and Exploration Co., which essentially tells not, neither does it spin yet gleams unambiguously with royalty.

The darlings of the institutional investors are, traditionally, share interests in national and all-again large e a nies, frequently with gross names, corporations, perhaps like du Pont, Motors (N. J.), Gen.

eral Electric, etc. Hence it is somewhat a revelation to find, as among the most elite entities in America, the capital stock of a company which produced, in 1955, just a whisper below $25 million in total operating revenues.

Accordingly, since Louisiana Land is one of the least known securities on the investment "bit" parades, and sells no brand name product, famous for consumer acceptance, a swift look at its uniquely attractive features will prove enlightening, and, mayhap, even rewarding.

Louisiana Land common was not always a blue chip in black gold; in fact 25 years ago it could have picked up shares in this by now forty-12% capital equity today is worth $87. So the theme of the story will be to explain how, in a quarter century, Louisiana has established itself in present exalted stature and prestige.

Back in 1926 this enterprise came into existence, and acquired quite a swatch of southern Louisiana marsh and bayou land in hopes of finding oil beneath. Then that renowned petroleum demon, the dog, Amerada Corp., located some rich petroleum-bearing fields by seismographic probing; and liked the prospects sufficiently it became a large stockholder (it still holds over 5% of the common).

Then a year or so before the 1929 unpleasantness, LLX made an important and long-range policy decision. It decided to let somebody else bear the cost of development and drilling, and aimed to stake its corporate future mainly on royalty income. But it had rather shrewd ideas about what a royalty baby would. Whereas one-eighth (or 12.5%) has traditionally been the standard percentage lands to the land owner, LLX arranged with Texas Co. in 1928, for a 25% royalty on the land it owned, and 12.5% on certain lands which it leased from the state; plus 1/3% of the net from each oil dome.

This has worked out rather well for Louisiana Land; so much so that they came back under lease to Texas Co. in 1955, LLX grossed over $12 million.

Next in revenue importance to the Texas contract, is the lease of 68,000 acre-feet to Humble Oil, 100,000 acre-feet to other operators, and 82,700 acres are under lease.

Altogether, including land both owned and leased, Louisiana has about 119,000 acres (81% owned) along the Louisiana coast. This has worked out rather well for the Mississippi and south of New Orleans in blocks mainly in three Parishes (Louisiana name for county) to wit, Plaquemines, Terrebonne and Lafourche. That's not all; LLX also has mineral and royalty interests on 155,000 acres scattered through eight other states; and it has been purchasing additional oil leases.

As to products, oil is the main item on the increase. Ten billion CF were sold in 1955. For 1956 sales should advance to eleven billion. For 1953 revenue fell off from oil accounted for 87% of operating income, gas 5%. Now, in addition, we have lace bonuses and rentals, with 1% coming from sunflower lease.

When considering all royalty companies, there is usually some agreement that in these instances assets of the company run dry, Nobody seems to worry very much about this in the case of Louisiana Land.111 not only has the company been adding to its land holdings, but, for several years the company has shown greater reserves at the year-end, than at the beginning. Deeper drilling on existing producing land, and new wells on Latour 10,000 acres of unassigned land, can keep the ball rolling for some time to come. A rough estimate of reserves would probably be 125 million barrels of oil and 1/4 trillion cubic feet of gas.

While LLX has been doing some drilling of its own, jointly with other companies, royalties are the backbone of income, a fact that enables the company virtually to eliminate the labor problem. There are only 81 employees, who operate for the benefit of 7,530 stockholders. In an economy where labor consti-

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111 See page 85 for details.

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Purcell & Co. Will
Admit Joffe as Partner

Purcell & Co., 50 Broadway, New York 5, N.Y., is the trading department of G. A. Saxton & Co., Inc., 70 Pine Street, New York 5, which is now the head office of Purcell & Co. and will continue in charge of the Customers' Brokerage and New Business department.

Joseph M. Kelly With
G. A. Saxton & Co.

Joseph M. Kelly has joined the trading department of G. A. Saxton & Co., Inc., 70 Pine Street, New York, which is now known as Purcell & Co., and will continue in charge of the Customers' Brokerage and New Business department.

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January 24, 1957

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Proposed SEC Rule Changes

By JAMES C. SARGENT

Commissioner, Securities and Exchange Commission
Washington, D.C.

Abuses of “no sale theory” as applied to merger-originating stock issued without benefit of fair disclosure is decry by SEC Commissioner in proposing Rule 133 revision designed to prevent illegal ones to deter the formation of fictitious mergers. Mr. Sargent illustrates what extent unscrupulous American investors have lost heavily in this. Claims loss of investor confidence, a diminution in equity and debt dollars needed for 1957 industry expansion needs.

The Commissioner explains where and how Rule 460 permitted acceleration and the conditions governing the use of summary prospectuses, and the SEC wants to pass on the merits of particulars of securities.

This last year has been a very active one for the Securities and Exchange Commission in its quasi-legislative functions. Our program of rule revision each year has been necessary in order to keep abreast of the constantly changing techniques and conditions in today’s dynamic securities markets.

The Commission has propounded changes in its Form S-1, our most commonly used registration form under the Securities Act of 1933; Form 10-B1 and B-C, which are the principal forms for registration of securities on national securities exchanges; and in the Proxy Regulation X-14. These amendments complete a program undertaken in 1953 to coordinate and make uniform, so far as possible, the information required in the basic registration form under the Securities Act of 1933 and for securities registered and traded on national security exchanges and proxy statements under the Securities and Exchange Act of 1934. The program’s objective has been the simplification of the forms and the elimination of duplicate filings previously required under existing provisions of the Federal securities laws.

The practical significance of this amendment program has been to facilitate the SEC’s enforcement of securities laws and to extend to the average investor the protection of securities laws.

We are pleased to announce the admission of

MRS. JOHN DAVISON

and

MRS. STANLEY E. SYMONS

as general partners in our firm

Continued on page 72

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Our Responsibility as World's Dominant Economic Power

By JOHN J. McCLOY
Chairman of the Board, Chase Manhattan Bank

In reflecting upon our position of world leadership, the crucial importance of Europe to the United States, and the International Financial Cooperation, I think it is important to consider three points:

1. In particular, I wish to emphasize the importance of European economic health to U. S. A.;

2. To do so will make it possible to see the Marshall Plan for Europe, but that, instead, a serious effort should be made to recover economic aid to undeveloped areas; and

3. A real Suez solution should include not disregard economic aid to underdeveloped areas.

It does seem an interminably long time since the Marshall Plan was adopted by the President of the United States in 1948. In the true spirit of democracy, this plan was designed to aid our European neighbors in their period of recovery. The plan was adopted by the United States Congress in February, 1948, and the plan was accepted by the governments of Europe and the United States. It was not until May 1948 that the United States Congress appropriated the funds for the plan, and not until May 1949 that the European nations accepted the plan.

However, it is now time to recognize that the Marshall Plan has been a success. The plan has been a success because it has been a success in achieving its primary objective, which was to aid the European economies in their period of recovery. The plan has been a success because it has been a success in achieving its secondary objective, which was to aid the economic development of the European nations.

The plan has been a success because it has been a success in achieving its tertiary objective, which was to aid the economic development of the United States. The plan has been a success because it has been a success in achieving its quaternary objective, which was to aid the economic development of the world.

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Learning to Multiply
And to Divide Out

By ROGER M. BLough*
Chairman, United States Steel Corporation

In asseverating the causal relationship between a nation's strength and its capital formation success, U. S. Steel Chairman expounds on the crucial way to better the productivity of our economic capabilities and to divide resulting production among output-consumers. Mr. Blough states the success we have had in balancing production and distribution is begging for a greater knowledge and overemphasis of the latter and, thus, points out we must increase capital outlays. 40-50% in next ten years by about $65 billion annually. Warms of inflation dangers and of savings' efforts, both Mr. Blough's and his company's, affects. Author credits growth to: willingness to risk savings more readily and productively than people in other countries; upward income redistribution; mass ownership of big business, and economic freedom.

Meeting as we do as an Economic Club, we are caught in a web of mutual interest—the broad examination of that unmanageable, mysterious, by-handheaded national adventure in economics.

For whether we attempt to whole, toleration of it, or merely to recognize it, each of us lives by economic precepts. We are co-adventurers on the road which can lead, we hope, to plenty and to the good life for all. And it is in that spirit—that inquiring spirit which 1 want all of us to have—that 1 should like to show the course of our own economic development, and to discuss some of our present-day prospects and problems as we see them.

As a businessman, I sometimes think in terms of Charles Kettering's whimsical definition of science in general: He said it is "anything you can't understand." So realizing what monumental obscurantism can surround every self-appointed economist, I shall be going to try to keep it simple.

Long years ago, in our valley, there was a little while one-room schoolhouse... not a little red schoolhouse; not behind a propped-up geography book. With all eight grades in one room, there was, of course, a certain amount of confusion and distraction; and yet—in this unaccustomed situation—knowledge somehow slowly filtered through the gauzy curtains of an education.

And as a part of that education, we learned what many people don't learn before; to multiply and to divide.

The Heart of Economics

Today, in this land, we are—in a very realistic sense—continuing that early lesson in elementary arithmetic. It seems to me that the heart of our economic life today is learning how better to multiply our economic capabilities, and to divide the values created by our multiplication among those who contribute to the growth; and to understand that operation is, I think, a true measure of our total economic progress and of our rising worth as a productive people.

Now I am not about to dwell upon the miracle of economic progress, and— at today's prices—is valued at close to 110-120 millions, or about one-third represents investment in basic facilities for the production of goods and services.

A small, but vital portion of this capital, moreover, has gone into research facilities to create not only new and better products, but new and better machines, tools and techniques. And this portion has been multiplied too. Last year, American industry alone spent $514 billion on research at an annual rate of 10.5% as much as in the 1930's.

So we must conclude, I believe, that the incentive to save and to invest has been the key factor in our multiplication; but this still does not explain why Americans—above all other peoples in the world—has been blessed so richly with this all-important incentive. Certainly it is not because we are stronger, smarter, more industrious and more virtuous than our European ancestry.

Our European ancestry give us any monopoly in the field of natural resources.

Credits All-Around Freedom

Search as you will, therefore, and I think you will find that there has been one major magnifying factor in this process of multiplication that is outstandingly American. And that factor is Freedom.

In saying that, I am not referring exclusively to our cherished constitutional freedoms, for these exist to a marked degree in a number of countries. I am referring primarily to our freedom in enterprise—our freedom to venture our economic freedom, if you will. Freedom of opportunity, freedom of choice, and freedom to enjoy the fruits of our labors as we please— to spend them, to save them, to invest them, to run the risk of losing them, or to give them away.

And so it was through economic freedom and primarily through that alone that we learned as we never knew before, how to multiply, and our learning in this respect has only begun.

Allocating Production's Fruits

Now curiously enough, the in-separable component of our system of multiplying its ability—no, even more than that—its remarkable property—to divide the benefits of its own multiplying among those who contribute to it. The division is a natural part of the multiplying and without the one we cannot have the other. This was a lesson that industry early learned. As producers of what people freely

Continued on page 74

*An address by Mr. Blough before the Economic Club of New York, New York City, Jan. 15, 1955.
Britain's Stock Exchange Boom

By Paul Einzig

Despite rising unemployment and possibility of further curtailment of industrial wage increases, the Stock Exchange continues to thrive, with industrial equities, and market for Government loans, are stronger, according to recognized British Economic writer, as a result of Mr. Macmillan's assumption of Premiership and prospect of Bank Rate reduction. Dec. 31, 1956. Socialists' attempts to make capital gain out of stock market rise and note they do not mention sharp drop losses in 1955.

LONDON, Eng. — Mr. Macmillan's assumption of Premiership and prospect of Bank Rate reduction, which was greeted by a minor boom on the London Stock Exchange, actually followed a downward movement in prices which began immediately after the turn of the year. After a rally, a decline and a subsequent rise, the rise was renewed and grew as it became known that Mr. Macmillan would succeed Mr. Attlee as Prime Minister.

Sterling, too, was very firm, touching its parity of $2.80. While the Stock Exchange was coming, business conditions were changing perceptibly for the worse, with rising unemployment, especially in the automobile industry. As it has been, the number of registered unemployed increased in the course, the number of registered unemployed was increased. The effects of petrol rationing are beginning to make themselves felt. As a result of the sharp fall in the demand for motor oil, many industries are cutting their output. Moreover, the possibility of having to cut production as a result of oil shortage is widely envisaged, even though hopes of being able to avoid this are increasing.

The ordinary way, amidst rising unemployment and in face of the possibility of further industrial difficulties, the industrial section of the Stock Exchange tends to be depressed. Instead, small towns of registered firms are reporting from strength to strength, and so is the market for Government loans. The only sections which have been dull are the markets for American and Canadian dollar securities and for gold mining shares. The reason for such a phenomenon is that a hedge against a devaluation of sterling, the improvement of sterling's prospects naturally re¬turned in a fall in demand for them.

Tax and Bank Rate Reduction

The main reason for the firmness of industrial equities in the face of the worsening of the industrial situation is to be found in the fact that the Bank of England cut the rate in the night of April 30. The rate is not needed any longer, for the Bank of England has ceased to defend sterling or for resistance to inflation. Sterling is firm, and, in the absence of new political complications in the Middle East or elsewhere, it is very likely to remain firm until the late autumn. And the clearing of the way of the employment situation has mitigated fears of further inflation, at any rate for a while.

The new Chancellor of the Exchequer, Mr. Theft, is not likely to maintain the Bank Rate at the high figure of 5½ per cent for a moment longer than is absolutely necessary. He realizes that, from the point of view of the Budget alone, it essential to reduce it.

The cost of the floating debt, and of the re-financing of maturing loans, would affect the Budget materially unless the Bank rate can be reduced in the near future.

Before Government acting as Chancellor of the Exchequer, he forecasted the possibility of an increase in taxation in the next Budget, in order to resist infla¬tion. In the changed situation this may no longer be necessary, especially if the rate of savings can be effected in the cost of the public debt through a timely reduction of the Bank Rate. Indeed, the Chancellor himself has been able to make some slight reductions in his first Budget in the burden of taxation.

It would be idle to pretend that the British horizon is not clouded. The possibility of new complications in the Middle East cannot be ruled out. And even though the change of government has improved the outlook in the domestic political sphere, it may take some time before the Conservative Government will be able to live down the conse¬quences of the Suez intervention. It depends on the extent of the hardships caused by the short¬age of petroleum and oil. For the time being the Government is not very popular, and even though the change of Prime Minister may take a different direction, it seems prob¬able that the Conservative Party will lose ground at the impending by-elections. Moreover, there is no need for a general election until 1962. By that time Suez will have been forgotten. So there are no prospects of any possi¬bility of a Socialist Government.

Socialists' Argument

One advantage of the deterioration of employment condition was that many trade unions no longer insist on grossly excessive wage increases. On several recent occasions, wages disputes were settled by complying with a bare fraction of what was originally demanded. The pro¬cess is important wages disputes are still under progress, and their outcome will affect the trend of consumer demand and that of cost pro¬duction in the light of the situation.

From this point of view a continued boom on the Stock Exchange would be just as desirable. Already the Socialist newspapers are drawing attention to the for¬tures that are supposed to have been made through the rise since the beginning of January. The ingenious calculations simply multiply the amount of the total ex¬isting capital sum by the price increases. They ignore the fact that the share falls in 1956, and the Suez crisis caused heavy capital losses. Moreover the large majority of stocks is held by individuals, and a rise in their Stock Exchange quotation does not mean that they spend their capital profitably. But these facts are ignored by those who want to use the rise of the Stock Exchange as an argument in favor of excessive wages dem¬ands.

Wage Outlook

Excessively high wage increases would increase consumer demand just at a time when the industrial output is stagnant or declining. If present many industrial firms are inclined to cut their prices in face of the slacker demand, the pump¬ing of additional purchasing power into circulation by higher wages would stifle their price attitude. Unfortunately, in spite of the change in the employment sit¬uation, some trade unions remain¬ing for the struggle against excessive wages claims. The ex¬tra, with their order books full for years ahead, could ill afford to cut back wages. And coal sellers in a position to hold the country to ransom, are not afraid of a shortage of liquid fuel. The only consideration which might restrain their demands is the relative steadiness of the cost of living.

NY Sec. Dealers

Change Dinner Date

The New York Security Dealers Association announces that the date of its annual dinner, which was set for January 10, will be held at the Hotel Biltmore.

With Inv. Planning

(Briefed in THE FINANCIAL CHRONICLE)

BOston, Mass.—Anna B. Seal has become connected with Investors Planning Corporation of America, 145 Broadway, Boston. Miss Seel was formerly with Paul, Pallochi & Co., and prior thereto was office manager for Lovett Company.

Robert Seebeck With Hemphill, Noyes & Co.

Robert F. Seebeck became associated with Hemphill, Noyes & Co., at 25, 47th Street, New York City, members of the New York Stock Exchange, on Jan. 16, 1957. Mr. Seebeck was formerly associated with Smith, Noyes & Co., in their Institutional Securities Department. He is past President of the Investment Association of New York, and a member of the Bond Club of New York.

Hemphill, Noyes & Co., acts as investment banker for a broad cross-section of the nation's corporate, municipal and other security offerings, underwrites and manages trading in debt and equity securities in markets in and central over-the-counter securities markets, and is a general listed and unlisted brokerage business.

The partners of Hemphill, Noyes & Co. serve on the Board of Directors of many large corporation including American Chain and Cable Corporation, Paper and Forest Products, North American Cement.

Symonds Joins Staff of Harris, Upham & Co.

(Given in THE FINANCIAL CHRONICLE)

BOSTON, Mass.—B. Shapleigh Smith, Jr., has become associated with Harris, Upham & Co., 23 Federal Street, as head of the institutional department specializing in municipal bonds and revenue bonds. He was formerly Vice President of Blair & Co. Incorporated, resident in Boston.

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REPORT OF CONDITION

THE MASSENA

BANKING AND TRUST COMPANY

Massena, New York

AT THE CLOSE OF BUSINESS, DECEMBER 31, 1957

CONDENSED STATEMENT

ASSETS

Cash on hand and in Bank...$11,109,911.28
U. S. Government Bonds and Other Securities...2,838,144.85
Fed. Reserve Bank Stock Owned...15,756.00
Collateral Loans...1,413,463.00
FHA Mortgages Fully Insured U. S. Government...935,114.92
Real Estate Mortgages...1,723,756.00
Securities and Discounts...378,856.70
Real Estate Mortgages, Trusts & Fixtures...157,949.78
Other Real Estate Owned...69,750.09
782,165

LIABILITIES

Capital...$2,000,000.00
Surplus...3,000,000.00
Unpaid Profits...2,249,694.62 $7,249,694.62
Reserves for Premium, Discount, Taxes
Endorsement...1,696,139.83
Reserves Payable and Due to Banks and Customers...2,583,411.83
Acceptances Rediscounted and Sold with
Endorsement...50,286,125.95
Security Contracts...2,474,878.68
Sundry Credits...$118,355,365.85

LIABILITIES

Capital...$240,000.00
Surplus...550,000.00
Unpaid Profits & Reserves...104,811.78
Deposits...817,192.13
Interest Earned on Other Liabilities...130,972.23

Valuation Reserve Not Included $885,574.41

P. H. FALTER, President

DESIGNATED DEPOSITORY

U. S. Government, State of New York—Massena—City of Massena—New York Count of St. Lawrence, TOWN of Massena, Village of Massena

Member Federal Home Loan Bank Board

Member Federal Reserve System

The Commercial and Financial Chronicle . . . Thursday, January 24, 1957
Prudence in Financing
Is Still the Watchword

By ERLE COcke*

President, American Bankers Association
Vice Chairman of the Board and Chairman of the Executive Committee of
the Mercantile National Bank of St. Louis, and President of the
Chairman of the Credit Economy Commission in 1948-49; and his vision was to a
significant extent responsible for the inauguration of this annual event. In opening the first
Conference, he \"in reality, we may be at an
economic crossroads. A turn one way may mean spent Eustace's
(1) redrew a picture of a stabilatory spiral; and, then again, a
turn another way may lead to another catastrophic occasion. A prudent course is \followed it may help to bring about a better management of the public
plateau and, with minor corrective adjustments, may restore or foster better relations between

certain economic imbalances.\"

In retrospect, we can state that—by and large—ours has been a prudent course over the intervening
years. We have had some mild setbacks, particularly in in


dividual industries; and we have noted a discernible improvement in the general economic
picture. The various members of the economic community have generally tried to avoid
putting new pressures on the economy. We have been careful not to

putting current policies in per

spective.

We have heard a great deal over recent months about credit

strictures; and, it is our belief that if we are right, we can expect to hear
good deal more about it over the next months, and maybe years ahead. At times the demand
for credit will be sorely felt, and at other times the
moderating influence of restraint will be needed to help keep the


delicate economic scales in balance.

Two Reasons for Prudence

First, the loans of commercial banks are already at a record

high level. Measures have been taken since the beginning of the year to check this level, and now they are over

$12 billion. Total loans increased by $1 billion since the beginning of the year, and this is

a cause for concern. Indeed, there are many who are

worrying about following a pru

dent course. We have had the opportunity to

do the job in an environment of relatively

neutral interest rates. Are the times, then,

like those in this Conference. As lending

officers, you are on the firing line. It is your function to grant or
deny loans. You help to formulate policies of your institution, and you carry them forward. It is your responsibility to face the

applicant for credit and to explain

what your institution is doing.

A few of us have been very much in favour of

the exchange of ideas on relative

interest rates and their effects, but we have been very

cautious in our approach. We have tried to

avoid statements that might lead to

misunderstandings.

Second, there is a widespread feeling that the pressures for credit are

abating for a long time to come. This is an

attitude we have heard for many years now, and again, just as we were in the

last two years.

But there is a

that the credit market is moving
toward a deflationary trend, and that this could have serious
effects on the economy.

The American Bankers' Association's NATO


*Adapted by Mr. Cocke before the

Federal Reserve Bank of St. Louis

Digitized for FRASER
New Paths for New Pioneers

In Achieving Greater Growth

By HENRY B. du Pont

Vice-President, E. I. du Pont de Nemours & Company

In holding out a picture of unlimited prospects for industrial development, and cautioning those believing progress is automatic, du Pont executive assails proposals to tax corporations. He says it is "absolutely wrong" for the American people to believe reports economists predict 40% more new business firms by 1971, including 1,500,000 more small business units, which will employ 20 million more people than engaged in business today. Declared opportunities as great as ever, he says, new industries need for new rather than replacement industries, believes it is now easier to start a new business than before the era of big business, and explains what attracts industrial location.

The most direct and most obvious method of development of the nation is the continuing development of new business enterprise, for it is the most essential element of our national prosperity. I am sure one must understand the nature of the problem in order to realize what Mr. Humphrey was simply led by the pendulum of post-war spending to head off a depression. Early in his term of office he startled a group of his industrial associates by telling them that he was unquestionably a conservative and orthodox money man but make no mistake about it, if a depression appeared, he would favor Government spending to arrest it. It was this view that he held. Not only this, but he supported increased Government spending in 1944, before a crisis of a downtown character in the economy appeared. The Eisenhower Administration took the view at that time that it had moving too fast to balance the budget. It had to unlatch and liberalize Government spending. At least, it was now ready. The criticism of Humphrey's latest sentiments, however, needs some explanation, I think. The continuation that Government spending to arrest a depression is now the law of the land, that it was adopted in 1945 with the late Mr. Robert Taft. The story is what we have now on the statute books provides a Council of Economic Advisers to the President and a reply by the President on the economic state of the Union and it is a much watered-down version of Senator Reed Lewis's bill was trying to put over. Headed by a wealthy millionaire bleeding heart of Montana, Senator Jim Murray, a committee has been working for several months. Prevailing witnesses were such as Walter Reuther. They had a plan by which the Government annually would estimate the size of national production for the forthcoming year. Then it would divide this among jobs and if the estimated national production did not equal enough jobs, Government spending would make up the rest.

The alternatives, headed by Walter George and Taft moved to head this off. They succeeded in whittling it down to scarcely more than a mere provision for an economic staff for the President. The fact that the members of this staff have worked themselves into places of prominence, as national spokesmen whose word is not anticipated by the Conservatives, makes it abundantly clear that land that the Government must go in for spending to provide an adequate stimulation, regardless of cause and effect. All of us understand, of course, the natural desire of each of our states and cities to grow and prosper. But in a broader sense, however, the big problem is not one of shifting from one location to another or of building up one section at the expense of another. The problem is to bring into being a continuing flow of entirely new businesses and new products which will represent a net gain to the economy. A new manufacturing plant which simply replaces one in another section or substitutes one product for another has little to contribute, and in time it too will be ousted by yet another. The important thing is to build enterprise which augments the existing the nation through the creation of opportunities which did not previously exist.

New, Not Replacement, Industries Wanted

In recent years, the United States has seen particularly successful in increasing the number of important industries which have progressed, not through replacement, but through augmenting the old with the new. We have, for example, the aircraft industry, electronics, commercial aviation, natural gas, plastics and other chemicals, development in air conditioning, fireproofing, and others.

This is what we might call industrial pioneering—the opening up of new development. A continuation and further expansion of that industrial pioneering is essential if our rapidly growing nation is to maintain and further improve its standard of living. In my opinion, there are far too many opportunities for new pioneering developments leading to industrial expansion. We know that every year before, for the results of the long-range research programs being undertaken are more and more to bear fruit over the next 25 years, just as they have in the past.

But research and development, which has a highly technical age, frequently take a great many years of hard, hard, hard work. Just as an example, when I went to work at the General Motors Engineering Company, I found myself back in the mid-twenties, one of my assignments was in the field of fuel injection. This year, for the first time, I note that some of the 1957 automobiles will feature fuel injection. It is very often a long time, a cautious effort, and the realities of the technical development, production and market acceptance.

It stands to reason, however, that over the years the investment which industry has been pouring into its research programs should begin to have a bearing upon the rate of industrial growth. Twenty-five of the great industrial community was spending less than had a billion dollars a year for research and development today, it is spending nearly six billions

Continued on page 72
Foreign Economic Growth And Impact on World Trade

By W. R. HERD
President, International General Electric Company

Assuming no world conflagration, International General Electric head avers: (1) world economic development will proceed with increased population, energy use, and better investment under the stimulus of the new international intercourse, which has been progressively increasing since World War II; (2) world manufacturing output and dispersal to increase faster than population increases; (3) that existing rate of growth should rest on technical leadership and innovation for trade in other than mass production items; and (5) to reach 46% expected growth in next decade, we will have to exploit new markets and other resources. In reviewing over-all international trade prospect, Mr. Herd dwells on improving investment climate abroad; expects pharmaceutical to do well; and sees our combination of industrial impact and future investments permitting higher level of trade and healthier balance of payments.

How about the foreign business outlook now? As recently as six weeks ago the consensus of experts reasonably expected a continuation of foreign business with cyclical variations but generally expanding, with new and development as time went on. Together with both operations overseas. One reasonable possibility assumed a continuation of international trade which would be supported by and large one expected peace. Also one assumed an expanding world economy, except for minor operations in the United States own economic expan 

age and detergents to the needed functioning of industry in Britain and other areas, with unemployment and other difficulties, pressures and adjustments, and the reinstatement of rationing. Such unforeseen changes in so short a period prove the variability of predictions. Nevertheless, we can see that the world is carrying out for progress and improvement. And though opportunism, passions and emotions may subside, I personally am certain that we can be optimistic about the future. International leadership will, go forward to a long-term future with somewhat more room for maneuver and greater individual and national freedom, more than less economic, that the world can and will travel and the price we must pay for our follies and terrors may be the cost of freedom and the realizations of what purposes of this discussion, that we have as yet to learn; and the extent to which we have freedom from tensions, or even freedom from hostilities in all parts of the world, and even less will we have in the near future, unless our international arrangements are able to cope with the stresses of the world dimensions. Let us recognize that nationalism, particularly in the less politically mature and less well developed countries of the world, means that sovereignty may not be suf 

the balanced best interest of other nations, employers and workers, and the best country. Naturally the enterprise should make a profit; but it also must be a good corporate citizen. Otherwise results may be neither sincere nor long-standing.

And if American industry is to make its contribution with exports, foreign investment opportunities, it must do so along, operating, with a profit, to be convincingly advantageous to the foreign customers, employees and investors of a new country. Well communications and investment opportunities or of the customers, employees and investors of the new country. Here is a public relations job of the first magnitude, in the promotion of a "climate" with respect to which American industry can prosper, and by example of the individual enterprise to both deserve and obtain a favorable regard in the host country.

As we look forward to future trade and foreign operations, one may consider the major role of the foreign economies, along with the International framework and foreign attitudes, certain phases of which have been briefly discussed. And another major factor of dynamics is that associated with population. Population growth itself foretells more consumption. And where the world population and nation or society exceeds its popula 

the worth of the situation. If we desire to have the economic potential of the American people, we must have a system of dollar and dollar relations not beyond the reach of the American manufacturer. And if we have the peace and more evolution of resources to the betterment of the world, we may. In the new 25 billion people have. We are not yet ready to do business in a basic way because it is not as easy to do business with men. We have a prodigious potential in the world as a whole, and in the world of consumption. Increased demand of this order may be experienced to promote a more rapid de 

Continued on page 66

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January 23, 1973
Non-Taxable Turnpike Bonds

By ROGER W. BABSON

Mr. Babson notes that bonds are cheaper than they have been for over 20 years, and opinions almost any are an excellent investment. Describes non-taxable benefits, and sees no threat of proposed new Government highways to exist in seasoned non-taxable turnpike bonds.

History of Bonds

There is a big difference between bonds and stocks. Stocks own the enterprise and make profits to the stockholders according to the success of these bonds. There is a lot of interest on these bonds and there are no dividends or other indebtedness. This is a sure money deal or lost. People make lots of money by buying stocks at the right time, while they lose everything by buying them at the wrong time.

The Fly in the Ointment

Why doesn't everyone with large incomes buy these bonds now? It may be that they are not convinced of the lower prices due to the fear that many more Turnpike Bonds are coming on the market. Or it may be due to fear of the competition which these new turnpike bonds may have from the new U.S. Government high- ways. Surely I do not fear such competition.

If you believe that automobile transportation is capable of development and that the automobile business is "going to pot," then don't buy these tax-exempt bonds for you, in short, the end of the auto industry is upon us. When gas will again be rationed, you are justified in being cautious. But I believe there is no threat of this happening. As the saying goes, "Buy seasoned Non-Taxable Turnpike bonds and buy today, tomorrow."

Sheets Elected NASD
District Chairman

Ralph C. Sheets, Blyth & Co., was elected Chairman of the NASD District Committee No. 13 (New York, New Jersey, Connecticut). He took over the chairmanship from Hiram Ripley, Inc., who was elected Vice-Chairman, succeeding Mr. Sheets.

L. G. Erskine Named
Harris, Upham's
Industrial Consultant

Harris, Upham & Co., 120 Brook- way, New York, New York, nationwide investment brokerage firm with 10 offices coast to coast and members of the New York Stock Ex- change, announced that Louis Gils- dorf, former Chairman, and President of the United States "Radiator Corporation, Detroit, has been appointed Industrial con- sultant for Harris, Upham, & Co.

An industrial consultant and special agent for Industrial Efficiency Ratings. Mr. Erskine is a gradu- ate of Princeton University and has previously been associated with the Shellac Company as Treasurer and a director, and as President and Chairman of the Board of the United States Radiator Corporation in Detroit.
Another development in international financial cooperation was made known in New York on Jan. 16, John T. Madden, Chairman of the Board and President of the bank since January 1845, has been succeeded by W. R. Grace & Co. and other companies. Mr. Madden's service was connected with the bank of New York from 1824 to 1845, and his death in New York, N.Y., on Jan. 21, had occurred at an early age.

The stockholders of Guaranty Trust Company of New York at their annual meeting on Jan. 16, declared an increase in the capital stock of $10,000,000, consisting of 500,000 shares at $20 each. The total capital stock of the company, payable in shares of $20 each, at $20,000,000, will be transferred from paid-in surplus to capital, and in addition to federal and state taxes, $20,000,000 will be transferred from the undivided profits of the company to the capital stock funds, which stood at $47,069,000 at the end of 1944. The capital stock of the company will thus be increased to $60,000,000. Undivided profits at the end of 1944 were $7,695,315. Plans to increase the capital were made known in our Dec. 13 issue, page 251. Guaranty Trust Company of New York.

The election of Edward Get¬
tinger as a member of the Board of Directors of Trade Bank and Trust Company, of New York City, was announced by Henry S. Schenck, its President, on Jan. 17. Mr. Gett¬tinger, having been a member of the Board for several years, has been succeeded by the appointment of George C. Bums, an attorney of the firm of Bums & Benedict, and Mr. Get¬tinger, who was a member of the firm, was succeeded by Charles E. Illick, of the firm of Illick & Get¬tinger, and by the appointment of William L. Kies, President of Guaranty Trust Company of New York.

Samuel H. Golding, Chairman of the Board, announced the election of Arthur M. Kimmelman as a director of the firm of Stern¬ling National Bank & Trust Company, of New York. Mr. Kimmelman, a partner in the firm of T. E. Ball & Co., was recently succeeded by the appointment of Charles A. Lillie, of the firm of A. L. Franks & Co., and by the appointment of Edward J. Haggerty, of the firm of Kimmelman & Co., as a director of the firm of Knotes Corporation, etc.

Louis L. Taxin has been elected a director of the State Bank of New York at the annual meeting of stock¬holders, its meeting was announced on Jan. 16. Mr. Taxin, President of the firm of Taxin & Co., was elected as a director of the firm of Taxin & Co., and by the appointment of Louis L. Taxin, of the firm of Taxin & Co.

At the annual meeting of the board of trustees of the Security Industrial Savings Bank of New York, on Jan. 16, John T. Madden, Chairman of the Board and President of the bank since January 1845, has been succeeded by W. R. Grace & Co. and other companies. Mr. Madden's service was connected with the bank of New York from 1824 to 1845, and his death in New York, N.Y., on Jan. 21, had occurred at an early age.

The stockholders of Guaranty Trust Company of New York at their annual meeting on Jan. 16, declared an increase in the capital stock of $10,000,000, consisting of 500,000 shares at $20 each. The total capital stock of the company, payable in shares of $20 each, at $20,000,000, will be transferred from paid-in surplus to capital, and in addition to federal and state taxes, $20,000,000 will be transferred from the undivided profits of the company to the capital stock funds, which stood at $47,069,000 at the end of 1944. The capital stock of the company will thus be increased to $60,000,000. Undivided profits at the end of 1944 were $7,695,315. Plans to increase the capital were made known in our Dec. 13 issue, page 251. Guaranty Trust Company of New York.

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The THE MARKET ... AND YOU

The stock market indicated mostly this week that the air is far from clear and that traders are still keen to pitch in offerings when the list turns sour. The omens from the technical action were far from comforting.

The railroads, as far as their average is concerned, are well below their low of 0.75 of a point which is a bear signal for at least the intermediate trend. Industrials so far have held well above their critical level of 466 although on one selling wave they did come within five points of their low. When they rallied before the list was in position to test the level.

Volume Indications Bearish

Volume indications were on the heavy side this week. The volume of the year came on a day of easier prices, and the technical rebound the following day was the lightest volume of the still-young year.

As with the list generally, steel was able to participate to only a limited extent in their rebound from the heavy currently afflicting them. Even some good dividend action in spots in this group failed to inspire anything motors continue to show widespread disinterest, plus occasional selling that, unnoticed by some, nudged General Motors to a new low for more than a year.

Strength in Shipbuilding

Shipbuilding shares were among the few bright groups, but there had been cut back enough in their representation so that they were not in any position yet to show any real intention of dong so with their previous peaks.

Little in this contributed much to a better feeling in the Street. Conversely, there were few indications around that warranted a violation of heavy support levels on the draw down and candidates among individual issues that should out-perform the general market were many and varied.

Joy Manufacturing, which was in line with some chagrin when predictions of a year-end extra dividend proved to be false, was still high-listed and, as a matter of fact, able to count down the trend in sick markets. The coal industry, principal customer for Joy's mining equipment, has shown no signs of ending its prolonged

Crude Oil Price Increase

And Effects Here and Abroad

By LESLIE EUGENE FOURTON

CARL M. LOEB, Reade & Co.

Price Increase and Leading Commodity Exchanges

The ramifications and implications of recent U. S. crude oil price increase is traced, domestically and internationally, by Mr. Fourton, who concludes that considerable improvement in oil industry's basic position.

Higher prices for crude oil are spearheaded by powerful Hamburgh & Humboldt factor, as well as the balance of the crude oil purchases in world markets. The situation has two implications: (1) that the price increase is not sufficient to cover both costs and maintenance of the firm, and (2) that the price increase is beneficial to the oil industry's basic position.

The Middle East is considerable benefit on several factors as well as the higher prices in the U. S. S. E., leads to a higher all-over effect of Hamburgh's aggressiveness, which in turn will lead to considerable improvement in the basic position of the oil industry.

Govts. of Stock Exch.

As's N Meet in Chicago

CHICAGO, ILL., Governors of the Association of Stock Exchange Firms are assembling at the Edge- wood Club today for their annual two-day Winter Meeting. The members of the New York Stock Exchange are represented on the board of this firm by Edward F. Thompson, Jr., Larnson Bros., and, Jay N. Whipple, Whipple & Co.

E. Jansen Hunt, President of the Chicago Board of Trade, New York & Chicago, New York, will address the conference, which will be devoted to discussion of two problems facing the investment business.


W. C. Langley & Co.

To Admit 3 Partners

W. C. Langley & Co., 115 Broadway, New York City, mem- bers of the New York Stock Exchange, on Jan. 31 will admit Francis J. Cullen, Kenneth F. Merry, and Joseph Dietz to partnership. All have been with the firm for some time, Mr. Dietz representing them in Syracuse.
The Hartford Gas Company has recently registered 60,000 shares of its Consolidated Convertible Debentures and Exchange Commission. The purpose of the registration is to make it possible for investors to exchange their debentures into new common stock of the company. The exchange ratio is one for one, and the new stock will be sold at a price of $10 per share.

The company's directors have also declared a dividend of 4.85% on the outstanding common stock. The dividend will be paid to stockholders of record on March 15, 1957.

The company is currently engaged in the manufacture of periscopes for the U.S. government. The company's recent success in this area has led to a significant increase in its stock price.

In other news, the company has also announced the appointment of a new executive vice-president, Thomas P. Chen, who has been with the company for over 20 years.

The company's financial results for the past year have been very strong, with a net income of $10 million and a return on equity of 10%. The company's management is optimistic about the future, and they are confident that the company will continue to grow and prosper in the coming years.
Schwabacher Co. Receives Defense Award


After noting letters of congratulations from Governor Goodwin Knight of California and Secretary of Commerce Charles E. Wilson, Lt. Col. Leon Philibosian, Commandant of the Sacramento Air Reserve Center, read the award citation honoring Schwabacher & Co. for "permitting reservist personnel leave with pay for annual tours of duty, encouraging employees to maintain their Reserve affiliations and for making suitable arrangements for handling brokerage accounts of Reserve personnel when they are absent on active duty." Schwabacher & Co., founded in San Francisco, representing the city, noted the value of the award to Schwabacher & Co. and to the national defense.

Pittfalls in Statement Analysis

BY BENTLEY G. MCCLOUD, JR.

Vice-President, The First National Bank of Chicago

Chicago banker specifies what to look for in making a comprehensive study of financial statements. "You must first make a balance sheet and financial statement; and recommends knowing not only the specific firm, its industry, and the trends, but also the general economic climate. Mr. McCloud describes the analytical technique of interim financial statements and knowledge of management's performance through personal contact and investigation, and what it takes to pursue an aggressive lending policy.

Financial statements cannot be reliably considered a useful tool to the credit analyst, who is charged with the responsibility of making commercial loans to the customers of his bank. If he should deny those requests for credit, which are of a speculative nature, and which involve an undue amount of risk, it is certain not to be a platitude. On the contrary, those customers who are desiring of certain lines of legitimate business needs are entitled to a sympathetic examination of their analysis of their financial statements. At the minimum, these statements should be accompanied by a general audit report, including a detailed balance sheet, a profit and loss account; a statement of profit and loss for the fiscal year, and a balance sheet and financial statement.

Thus, as a balance sheet is likely to be seen, it is possible to find a more suitable picture. The balance sheet gives a glimpse of a business enterprise—its assets, liabilities and net worth—at a given moment in time. In every line in the balance sheet is a series of different types of companies. The auditor's certificate should be scrutinized closely, for if there is no positive opinion expressed, then the banker should learn why the opinion was given or why the auditor expressed an opinion. After satisfying himself that the auditor's certificate is in satisfactory form and unequivocal, next, the banker should look at the balance sheet in the auditing firm and its standing in the industry. An unqualified opinion by firm of 1st professional competence and integrity, and firm of confidence in the credit analyst. If the bank is well associated with Stroud & Company, it has no more than 18% to 20% of net worth. Certainly, when a certain industry operates on a narrow profit margin, the balance sheet report in the meat packer, then it must secure a much larger amount of other sales than does the company with a lower margin. A loan or credit report to the First National Bank of Chicago."
Federal Budget for Fiscal 1958

President Eisenhower's budget for the fiscal year 1958 allows for a budget surplus of $1.8 billion, advocates taxes at present rates be retained, strengthens collective security, and assumes a high level of business activity with increasing national income. Out of the estimated $29.8 billion, $1.4 billion is designated for debt reduction, 83% for protection, 24% for civil benefits and 10% for interest.

In submitting a recommended budget for the United States Government for the fiscal year 1958, President Eisenhower included a discussion of several major proposals for legislation which he has expressed the belief that "the prolonged period of continued economic growth is bright.

The budget message to Congress emphasized that the budget must contribute to the Nation's financial stability and to the preservation of the purchasing power of the dollar." Toward this end, the budget proposes a plan to reduce the restraining effects of present credit and monetary policies and to reduce pressing expenditures, and proposes that present taxes be continued. It is intended that the budget policies and legislative proposals will also make possible a better domestic and international defense, more fruitful exploration of our natural resources, provide schools, gas producers from public utility-type regulation, aid small businesses, improve the public health, and place the Post Office on a pay-as-you-go fiscal basis.

The summary text of the Budget message is in part follows:

I am presenting with this message my recommended budget for the United States Government for the fiscal year 1958, which begins July 1.

This is the fourth budget which I have submitted to the Congress. In my first budget message — that for the fiscal year 1955 — I emphasized the need for determination to chart a course toward two important fiscal goals — balanced budgets and tax reductions. Reductions in spending evidence in the 1955 budget made possible a large tax reduction and reform program. The 1956 budget was balanced. The 1957 budget will be balanced.

As a balanced budget is proposed for 1958, I believe this policy of fiscal integrity has contributed significantly to the soundness of our Nation's economic growth and I intend to continue it so during the coming fiscal year.

National Objectives

This budget is the first fiscal year of my second term in office. In making plans for the fiscal year, I have been guided by the following national objectives:

1. Peaceful progress for our own and other peoples.
2. Powerful armed forces to deter and, if need be, to defend aggression;
3. A healthy and growing economy with prosperity widely shared;
4. Enhancement of individual opportunity and the well-being of all our people;
5. Wise conservation, development, and use of our great natural resources;
6. Fiscal integrity;
7. Increasing international trade and investment essential to the growth of the economy in the United States and the rest of the free world.

We have made considerable progress toward these goals. We are continuing this progress in the years ahead.

Budget Policy

Today, almost 12 years after World War II, the United States has demonstrated that it is possible to sustain a high employment, an economy independent of war and continually unbalanced Federal budgets. Adjustments to bring economic circumstances have been and are being made successfully. Productivity and living conditions have improved. With sound public and private policies, the prospect for continued economic growth is bright.

Attainment of that goal is possible only with prudent management of the Government's fiscal affairs. Our Federal budget must contribute to the Nation's financial stability and to the preservation of the purchasing power of the dollar. Maintaining a sound dollar requires of us both self-discipline and self-restraint. At 4:00 this evening, I will be speaking before the Economic Club of New York. At the time like the present, when the economy is expanding at a very high rate and is subject to inflationary pressures, Government should seek to alleviate rather than aggravate those pressures. Government can do its part. But business and labor leadership must contribute, just as Government can do in a free society at a time like this will not prevent inflation.

For the Government to do its part in the coming year, taxes must be retained at the present rate so that budget deficits or excess budget expenditures and thereby public debt can be further reduced. The prospective budget surplus in the fiscal year 1958 will reinforce the restraining effect of present credit and monetary policies. The present situation also requires that the important pressures of current expenditures must be held back and some inevitable pressures postponed.

Expenditure and Appropriation Policy

While taking present economic conditions into consideration, the budget must fulfill the general responsibilities of a Government which will be serving 172 million people in the fiscal year 1958. In the face of continuing inflation, our collective security must be strengthened through alert international policies and a strong defense. Progress toward greater equality of opportunity for all of our people as well as toward a balanced development and conservation of our national resources must go forward. Emphasis must continue upon promoting, through private enterprise, the development and productivity of our economy.

We must move forward in some areas of investment while we hold back in others. For example, the needs for schools, highways, and homes are so urgent that I am proposing to move ahead with programs to help our States, cities, and people undertake such construction at a prudent rate. However, in view of the present active competition for labor, materials, and equipment, I am not recommending any other desirable construction projects, and I have asked the head of each Federal agency to work closely the timing of construction and to postpone work which can be appropriately put off until a later date.

Continuation of balanced budgets into the future requires that the total of new authority to incur obligations, as well as the budget expenditures therefor, should be less than the total of realistically anticipated budget receipts. This policy of restraining budget authorizations, which has been followed since the beginning of this administration, has helped us move from a budget deficit of $8.4 billion in the fiscal year 1953 to balanced budgets in 1956, 1957, and 1958.

In this budget the total of new authority proposed for 1958 is $59.3 billion, $729 million less than estimated budget receipts. Of the total recommended new authority, specific action by this session of the Congress will be necessary for $65.3 billion. Other new authority, such as that for paying interest on the public debt, will become available under previously enacted permanent authorizations.

The total amount of new obligational authority recommended for 1958 is $9.2 billion greater than the present estimates for 1957. Budget expenditures are estimated to increase by $1.9 billion to a total of $71.8 billion in 1958. These estimates include my proposals for new legislation as well as present programs.

For both new obligatory authority and expenditures, about seven-tenths of the estimated increase between 1957 and 1958 is for the military functions of the Department of Defense, reflecting the higher costs of producing, operating, and maintaining the complex new weapons and equipment being delivered in growing quantities to our defense establishment. Much other increase is for the Department of Health, Education, and Welfare, including my proposal for aiding school construction, and for the Atomic Energy Commission.

The figures contained in this budget for the fiscal years 1957 and 1958 are apparently comparable to the actual figures for prior years. Under the provisions of legislation enacted last year, the financial transactions for the fiscal year 1957 and the high-speed authority program are included in

Continued on page 62

THE PORT OF NEW YORK AUTHORITY

Proposals for all or none of $50,000,000 of The Port of New York Authority CONSOLIDATED BONDS, EIGHTH SERIES, DUE 1987, (First Installment), will be received by the Authority at 12:45 P.M., E.S.T. on January 29, 1957, at 111 Eighth Avenue, New York 11, New York.

Each offer must be accompanied by a certified check or cashier's check in the amount of $1,000,000. The Authority will announce the acceptance or rejection of bids at or before 6:00 P.M., E.S.T. on that day.

Copies of the prescribed bidding form, of the Official Statement of the Authority and of the resolutions pursuant to which these bonds are to be issued, may be obtained at the Office of the Treasurer of the Authority, 111 Eighth Avenue, New York 11, N.Y.

THE PORT OF NEW YORK AUTHORITY

DONALD V. LOWE
Chairman

MAURICE B. GIBRAN
Vice-Chairman

HOWARD S. CULLMAN
Honorary Chairman

January 22, 1957
Business and Finance Speaks After the Turn of the Year

Continued from first page

to get the citizens of this country to save through life insurance.
I believe we will be successful in 1957 and that another prosperous year will be experienced in the life insurance industry.

ROBERT O. ANDERSON
President, Malco Refiners, Inc.

Any forecast or production of the oil industry for 1957 must be viewed in conjunction with the turn of the current business cycle and the conclusions of the Suez Crisis. Increased demand and record sales during 1957 are an indication that the oil industry has reached its peak in terms of an expansion plan, but clearly this peak will continue in that the surge of investment made at these higher yields will be shared by a very large part of this industry's production.

The industry is still active in purchasing securities and mortgage. Their purchases have increased for 1957 and on into 1958. It is clear that there is every assurance that the interest earnings of this industry will continue to improve. It must be kept in mind, however, that life insurance is fundamentally a long-term business and assets are invested for long periods of time, so the swings in interest earnings are necessarily slow.

Looking forward to 1957, in view of the favorable times prevailing in the country, there is every reason to expect that the general conditions in the life insurance industry will continue to improve. We are entering the second year of a major expansion plan for the industry, which means that funds must be made available to finance these expansions. The leading companies of this industry have sufficient funds to carry their policies through.

The two most important factors in the cost of life insurance are the mortality rate and this rate is continuing to improve. The other lowering of the cost of life insurance protection is foreseen.

HARRISON L. AMBER
Chairman of the Board, Berkshire Life Insurance Company

As we enter the New Year 1957 there is every indication that there will be continued growth in life insurance and other forms of investments. We believe that the groundwork for the future is being laid.

Actually, we should see a renewed interest in buying on the part of the public. This is especially true of the new insurance which is being offered to the public at a time when there are many people who are not able to participate in these activities. The life insurance industry is a very complex one and even those who can purchase insurance must have a comprehensive knowledge of the various options available.

The spending plans of industry and governmental subdivisions to $1 billion by 1958, and other factors as the Federal Road Building Program, the Housing Program, and larger take home pay seem to indicate a prosperous future. The vigorous achievement of the oil industry during the past year and the expectation of further growth for 1957 will continue.

The increasing population is, of course, of great interest and benefit to the life insurance industry. It means more business opportunities, all of which means a greater demand and increase in the need for insurance. With every increase in wages comes an increase in the life insurance needs of the family. It is our belief that a careful study of the needs and the proper education of the public will result in increased life insurance sales.

The most deterrent factor in life insurance is the question of overcrowding, created by the present government—namely, that the government is not in the business of providing life insurance if we make no provision for our own future. Too few of us ask, "Who is the government?" Fortunately for us the government is not the only source of insurance. Also, we have been able, through the sale of billions of dollars of life insurance, to make it possible to despertify with the government.

We in the life insurance industry should vigorously work at the maintenance of the fundamental philosophy that we should maintain ourselves independent of governmental agencies. So far we have been able

The fiscal policies of the government have been slanting toward stabilizing the Federal Reserve Bank actions and a marked lack of ex-pectations for the present, should be in the form of the run and be beneficial in prevent-ing further economic fluctuations.

The continued growth of the population, creating expanding markets and new forms of investments, is a permanent additional factor.

Invest, which is one of the most important yardsticks for determining the trend of the retail business, continues to be one of the most significant factors. With the increase of rising standards of living, are all additional growth factors.

The financial condition of the general business is strong, even though the profit outlook is one of the most challenging. The capital market is in a period of general liquidation.

The government will spend for research to develop new products and improving facilities because of competition, government aid to industry is being developed in the form of new and improved facilities, and the allocation of funds necessary to pay for this development. Higher rates will not be a severe deterrent to this progress.

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serving the world
in agriculture and industry

Round the globe from Alaska to Argentina, Mississippi to Mesopotamia, Minneapolis-Moline farm machines serve agriculture, its power units and industrial tractors serve industry. How does this Minneapolis-Moline service to world agriculture and industry benefit you?

If you eat,
you benefit by the Minneapolis-Moline tradition of pioneering new and better machines that lower the costs and lessen the labor of food production.

If you invest,
you benefit because Minneapolis-Moline has maintained sound growth for a century in the highly competitive farm machinery industry. Today and tomorrow while diversifying our product line we will continue that sound growth.

If you manufacture,
you benefit because Minneapolis-Moline lowers costs for farmers who supply 65% of the raw materials—food and fiber—processed by industry.

If you supply materials or services,
you benefit from the purchasing power of Minneapolis-Moline.

If you need low-cost power in your business,
you benefit by the economy and dependability of MM power units and engines, and utility and industrial tractors.

As the only full-line manufacturer of agricultural machinery in the booming Northwest, MM's contribution to the area's economic life is basic and unique. As more and more farm production jobs become mechanized, this contribution will grow. In industrial markets, MM tractors and power units are pouring out fresh sources of income, providing a new impetus for expanding production and employment.

This is our pledge for 1957: To build even better equipment for agriculture and industry, to seek out and develop new markets, to grow and prosper with our customers and neighbors, and to contribute even more to the economic and industrial progress of the nations of the world.

MINNEAPOLIS-MOLINE

MINNEAPOLIS 1, MINNESOTA
Continued from page 20

be one of the best years in our economy—but not all businesses will react in the same way. Inventory buildups should be watched carefully. If they reach exorbitant levels, it is a sign that the first half of 1957 was overdone, that production was put ahead of demand. This may well be the reason for the decline in automobile output. Barr- ing a change in inventory practices, another trial activity, 1957 zinc consumption should be well above 1956, for comparative purposes it might be mentioned that the 1955 yearly consumption of the 15 peace-time years prior to World War II was 178,000 tons. In 1956 production of zinc from United States mines was reported at 330,000 tons compared with 303,800 tons in 1955. Total U. S. production in 1956 from all sources, foreign as well as domestic ore, concentrates and zinc dusts (including those estimated at 1,902,000 tons and imports of slab zinc (zinc in metallic form) at 386,000 tons, making a total zinc supply of about 1,388,000 tons. The corresponding 1955 figure was 1,218,773 tons.

As the utilization of zinc resources of any kind, supply exceeds demand. The excess has been to a large extent purchased by U. S. Government agencies planning and conducting standing such purchases, the surplus has had a depressing effect on the price of zinc. That price has advanced over previous years to nearly $1.00 a pound for copper and lead, the other principal non-ferrous metals. The growth of the industry is reflected also by the yearly average of the period between the World Wars, 1919-1929, which was $1.05, compared with the average of the years 1930-1933 which was 94.78. The period was the years when American industry was using and probably will continue to use more zinc than American mines produce, the zinc produced abroad is too small to meet the needs and consequently foreign over-production will press upon the American consumers with the same force. This fact is concurrently confirmed by other than statistical evidence.

Of recent years a great part of zinc ore has been found abroad, notably in Canada and South America, where the ore is being mined by American companies. The U. S. Government on account of the special strategic importance of the zinc resource has, in accordance with recommendations of the National Defense Advisory Commission, purchased zinc from foreign and domestic sources, including 1955 imports of 497,500 tons, for strategic stockpiling programs.

The U. S. Government is reporting the construction of several large new mines in the domestic zinc industry, most of whose zinc is either in the hands of government agencies or to be found abroad, notably in Canada and South America. The U. S. Department of Agriculture has been actively engaged in stocks of agricultural products. The U. S. Government's strategical double-pile purchases are nominal in size of domestic and foreign production of zinc and have been sold, both in the domestic market and at a much higher price on the foreign market.

In addition, the U. S. Government has purchased zinc ore to be used in the construction of the so-called supplemental stockpiles.

As a result of these programs the U. S. Government has drifted into the position of supplier of the world's zinc, thus guaranteeing the unnecessary expansion of foreign production.

BRUCE BERRICKMAN
Chairman, International Breweries, Inc.

The brewing industry in 1957 faces increased competitive pressures. One of the most important of these pressures is the price war which has been going on for many years now in the industry. This war has been fought with a variety of weapons, including advertising, sales promotions, and, above all, price cuts.

The price war started in the 1940's and has never really abated. The brewers have been fighting with a variety of weapons, including advertising, sales promotions, and, above all, price cuts.

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Guaranty Trust
Officials Applaud
Reserve’s Policies

Chairman Cleveland and President
Kleitz of Guaranty Trust see Fed-
eral Reserve’s “steadfastness of
purpose and soundness of judg-
ment” promoting greater
lasting economic welfare. Per-
ceive today’s banking situation
continued as the general bussiness
trend is up, and believe any
necessary readjustment, should it
come, will be easier due
to 1956’s restraint.

In an Annual Report to Stock-
holders of Guaranty Trust Com-
pany of New York, Chairman J.
Luther Cleveland and President
William L. Kleitz indicate the
past, current and expected factors
affecting demand for bank credit.
They point out that banking
developments in 1956 were gen-
erally of the character that is to
be expected at a time of very
active business. As to trends in
inventories, and business expend-
itures for new plant and equip-
ment costs, they conclude that
the demand for bank credit contin-
ed to expand.

“Instead of putting additional
funds into the money market in
an attempt to meet this mounting
demand, the Federal Reserve
System pursued a neutral policy,
keeping the amount of Reserve
bank credit approximately con-
stant and thus causing member
banks to reduce their security
holdings in order to supply the
needs of their customers. The in-
creasing volume of loans and the
higher interest rates tended to
improve the earning position of
the commercial banks, but this gain
was offset to some extent by the
fact that many banks were obli-
ged to sell substantial holdings of
securities in a relatively unfavor-
able market.

“Viewed from the broad eco-
nomic standpoint, the Federal
Reserve’s refusal to intervene on
the side of money supply has
been fully justified by the course
of events. Production and em-
ployment have continued at high
levels throughout the year. At the
same time, monetary policy may
have been instrumental in check-
king the exacerbation of price
levels to at least the extent of arrest-
ing the steady rise in wholesale
prices that had developed in the clos-
ing weeks of 1955 and continued
throughout the year. As a result,
the economy has entered 1957 with
a sounder dollar and a more favor-
able balance of trade.”

One of man’s best friend’s
best friends—tin plate!

Dachshund or Dalmatian, Siamese or parakeet,
pet dog finds nutritious canned foods hearty fare

According to Frank Dittrich, pub-
lisher of All Pet Magazine and a
spokesman for the billion-dollar-plus
pet industry, a quick rundown on
pets cherished by fond owners reveals
some real eyebrow-raising. Tame alli-
gators, for example. Also, bears,
snakes and skunks (at least one pair
of the latter being used by a deter-
mined household as “watchdogs”).

48 Million Cats and Dogs

“As huge as the pet industry is
today,” says Mr. Dittrich, “it’s still
in its infancy. There are about 26
million households or around-the-place
cats in the U.S. alone. There are some
22,500,000 dogs. The population of
nearly all the recognized pets in the
animal, bird and fish families is
growing prodigiously.”

Pet birds in the U.S. total close to
20 million, with the flamboyant par-
rakeet (or budgerigar) numbering some
14 million. American pet fanciers
go in very extensively for tropical
fish, too.

Today’s pets, especially cats and
dogs, live longer, Mr. Dittrich points
out, and in general enjoy far better
health. Two good reasons are (1)
continuing advances in veterinary
medicine, and (2) better, more nutriti-
ous diet.

Where Canning Comes In

The canned pet food industry in
particular plays a star role in the
improved care of pets. Since horse
meat was first canned back in the
1920’s by P. M. Chapple for dog
consumption, the industry has grown
to a total of more than 100 canners
of pet food, with a $5 output of well
over 1.5 billion cans.

Of course, horse meat today is
just one of the basics. There’s beef,
including heart, liver, kidneys. Tripe
and fish are also some of the sanitarily
canned mainstays. And there is canned
bird seed on the market today,

national security/...
B. E. BENNSINGER
President, The Brunswick-Balke-Collender Company

Our business, which derives its growth and stability from the fields of recreation, education, and defense, should fare better during 1957 than it did during 1956, which in itself was an excellent year. The continued growth of population—more leisure time—a higher national income per capita—all support this optimistic view. The growth and health of our national economy would appear to warrant this position. Naturally the worsening of the international situation or political conditions could bring about an upheaval within our own country.

The growth of the bowling industry, which has been largely stimulated by the television industry, is expected to be recorded with record levels of employment, continues in an upward trend.

The shortage of classrooms for the nation's growing school population appears only by the building of many more schools. The Federal Government plans to stimulate this construction by increasing funds available only by the building of many more schools. The Federal Government plans to stimulate this construction by increasing funds available.

Our Defense business will increase moderately during 1957 as our activities in this division are confined to the aircraft and guided missile fields in which our company specializes in two technical areas. One, the fabrication and assembly of guided missile components, and the other the specialized technology of the optical engineer. We anticipate achieving a larger portion of this business in 1958.

John D. BIGGERS
Chairman, the Board, and
GEORGE P. MacNICHL, JR.
President, the Brunswick-Balke-Collender Company

The flat glass industry in 1956 had its second best year of sales and profits, and the year of its greatest plant capacity expansion.

With indications of continuing large volume of construction, both residential and commercial, and the impetus of distinctive new models in the automotive industry, the outlook for glass in 1957 is favorable.

Libbey-Owens-Ford Glass Company brought into production in 1956 over 2,000,000 square feet of new plants, glass facilities ever made in the industry. To provide adequate sales personnel to service and train these new plants, our sales force in 1956 increased to 20,000,000.

Shipments of glass have continued in good volume except in the third quarter when the automobile model change-over period and the steel strike combined to affect general business. Our fourth quarter business was at a high level and we look for the current volume to continue well into 1957, possibly throughout the whole year.

Libbey-Owens-Ford sales for 1957 will probably be about 7.5% under the peak year of 1955 but 24% above the average of the last five years. Employment conditions in the industry are well stabilized, shipping schedules have been speeded, and emphasis is now being put on product development and creative selling.

LOF's high-quality Parallel-O-Plate, the only twin-ground plate glass that is ever true in all applications, is a product that has been put on the market to meet the needs of the automotive industry. The new plate glass is a significant improvement over the old glass in the industry.

Among the few unfavorable factors confronting the American window glass industry are heavy imports of foreign glass, increased by continued imports of foreign glass. The industry is now in a strong position to compete with foreign imports, and the industry has a strong position to compete with foreign imports.

Rising costs of raw materials, transportation, and labor are also factors affecting glass manufacturers. Higher labor rates have affected the volume of sales that may affect other conditions, if they persist.

However, conditions for new construction are favorable. Lumber prices have continued to settle in 1956 and have continued to settle in 1956, as have other construction costs.

The Secretary of Agriculture has set the estimate for 1957 sugar needs at 8,000,000 tons which is 430,000 tons higher than the initial estimate for 1957. Should events prove all this sugar not be needed, reductions in the quantity made available will be necessary to prevent serious price declines.

H. G. DIXBY,
President, Ex-Cell-O Corporation

There are several factors that point to continued good business in 1957. Capital expenditures remain high, the construction program will be well under way, defense spending continues to be a necessity, and this will give a great deal of work for many people who are working for Ex-Cell-O. We have many new plants in operation and the Ex-Cell-O business encompasses a rather broad range of products and services. Ex-Cell-O also has a long-range plan for the future which will smooth out the normal variations in business. Ex-Cell-O has now a firm basis for remaining successful, and with our present diversity of products in mind, I would estimate that we can anticipate an increase of at least 10% over 1956 in both sales and profits.

Ex-Cell-O is the largest single producer of machines to package the nation's food supplies. Ex-Cell-O has 21 plants manufacturing equipment for the food industry. Ex-Cell-O is the largest single producer of machines to package the nation's food supplies. Ex-Cell-O is the largest single producer of machines to package the nation's food supplies.

In summary, the aircraft industry is in a very strong position for 1957. The total business in 1957 will be about 736,000,000 by 1960, and in the year 2000 the number of families to be served by general aviation is expected to be 100,000,000.

The forecast of business activity during 1957 also appears to be optimistic at least as good as the industry's growth and expansion. Our forecast predicts a continuation of growth in the industrial and commercial markets.

It is becoming more and more apparent that the economic factors in the industry's market development in the years ahead will be dominated by the need for new equipment, and the need for new equipment.

The market for gas, including the market for gas for power, continues to be the focal point. New Federal programs, and the Federal Power Commission, which are being developed for gas, will be closely watched by the industry.

H. Glenn Bixby
end in January, 1957, is an $80,000,000 expansion program of Natural Gas Pipeline Company of America, a subsidiary, involving an increase of about 485 million cubic feet of delivery capacity. The completion of that program, probably in the fall of 1958, will permit Peoples Gas to then offer gas for space heating to many additional homes. The additional gas for peak delivery capacity. The completion of that program, probably in the fall of 1958, will permit Peoples Gas to then offer gas for space heating to many additional homes.

Another move in the accelerated search for new gas supplies is the anticipated purchase of up to $10 million in additional gas stock in Peoples Gas Pipeline Company. This Peoples Gas subsidiary is a member of a group of companies engaged in exploration for natural gas and oil in offshore waters in the Gulf of Mexico. In 1954 the group made a significant oil and gas discovery 43 miles offshore from the coast of Louisiana.

Long strides forward have been made by the Peoples Gas subsidiary in the development of the quantities of natural gas available in the Chicago area for market development. These efforts will continue.

S. BRUCE BLACK

Chairman of the Board, Liberty Mutual Insurance Co.

Nineteen fifty-six saw the publication of the major Mutual Casualty Insurance Companies in the United States increased about 6.5% to total approximately $1.7 billion, as compared with last year's figure of slightly less than $1.6 billion. Nineteen fifty-six premiums written by Mutual Fire Insurance Companies in the United States increased about 7.2% to total $800 million as against last year's $746 million. This marks the eighteenth consecutive year in which new all-time high marks for premiums written have been established both by Mutual Property Insurance Companies and by Mutual Casualty Insurance Companies.

The break-down of these figures, which were compiled by the American Insurance Alliance, shows that Workers' Compensation premium volume written by Mutual Companies increased about 5% in 1956 over 1955. Automobile premiums were up about 7% and Accident and Health writings were up approximately 1.5%. A major factor in the Fire insurance field has been the shifting of much Reinsurance Fire, Casualty and Personal Property Floating coverage into the Homeowners' and other new types of multi-line policies.

During 1956, the loss ratios on Fire, Automobile and Workmen's Compensation insurance all moved upwards. In Fire insurance, the extremely good loss experience of recent years led to premium rate reductions that have taken place just about at a time when the loss cycle has started to become adverse. Fire losses were reduced by an absence of the disastrous windstorms that raised havoc with the Extensive Coverage experience in many of the years just passed.

In Automobile Insurance, 1956 witnessed a sharp increase in accident frequency rates and there was a continuing rise in average claims costs. The general inflationary situation, with its impact upon medical and hospital costs, construction costs, automobile repair costs, and public thinking as to what constitutes "adequate" payment in liability cases affects the loss ratios on all the lines of Property and Casualty insurance. The impact of higher price levels also is largely responsible for the increased expense ratios that will be reported for 1956 as compared with prior years. Increased expenses occurred in spite of strenuous efforts by the companies in the direction of work simplification.

We believe 1957 will be a year of continuing progress for Mutual Property Casualty insurance. The problem of adjusting premium rates to better balance with incurred losses is one that must be faced. The spiral of inflation will continue to be a severe threat to the economy, but we are hopeful that the rate-setting authorities will continue to apply restraints which will have a moderating effect. There are challenging new problems that have been thrown in the face of insurance companies. Oil energy hazards and flood damage. Nineteen fifty-seven will also be a year in which the legislatures of many states will consider improvements in their automobile financial responsibility laws.

It is also the year when the companies will need for them to seek improved traffic controls and enforcement activities in an effort to cut the horrible toll of street and highway accidents. Never before has the time when the insurance industry has had a better opportunity for constructive leadership to help solve many pressing human problems than the present.
ANDERSON DORTHWICK
President, The First National Trust and Savings Bank of San Diego, Calif.

The outlook for banking in 1957 is necessarily predicated on the economic and financial conditions not only in the United States but also as international relations. Barring significant changes in the standard of living, the most widespread thinking is that the coming year will likely see certain significant developments in the business field.

General business activity in the year ahead looks to be at an historically high rate, as the recession or depression of 1953 to 1955 was followed by a recovery. Certain manufacturers and dealers, particularly in the machinery and durable goods industries, have pointed to a very strong year.

A number of reports indicate that the pure prices of stocks and bonds, and of the more speculative securities, have already topped the 1956 level. This is the highest level prices have reached since 1929. Since 1929, however, the average price of stocks and bonds has been only 1.5 times, or a little more, the 1929 level.

The long-term bonds of most government issuers are again selling at 100 and slightly higher, as the economic outlook and the political and monetary conditions seem to be in line for the coming year. The Federal Reserve Board, in its recent statement, also indicates that the market outlook is good, especially because of the long-term trend in the business field.

In this projected business environment, the long-complaining in the banking field would be the logical failure.

JAMES R. BRADBURN
Vice-President, Burroughs Corporation

From every indication, the market demand for electronic computers will continue to advance during 1957 at a rate of 50% or more. The year will see the rise of another industry that is destined to become an important segment of the economy.

The logical growth of this industry stems from the fact that the majority of businesses (about 90%) have now been on an electronic-age footing for about 10 years. The electronic computer has been the logical outgrowth of the electronic industry for some years. The computer is no longer a novelty, but a necessary tool for the business world.

With a demand of 600,000 computers expected for 1957, the industry is now in a phase of rapid growth. The computer is a tool that is capable of solving complex problems that cannot be solved by other means. Its ability to perform a vast number of calculations in a short time makes it an invaluable asset to businesses.

A number of factors will continue to drive the computer market forward in 1957. These include the increasing use of computers in the fields of science, industry, and government, as well as the development of new applications for the computer.

In conclusion, the outlook for the electronic computer industry in 1957 appears to be very promising. The market demand for computers will continue to grow at a rate of about 50% per year, and the industry will experience further expansion and growth.
WE GROW WITH CALIFORNIA

Population is Up! Business is Up!

That's the year-end news from the 29 growing communities served by California Water Service Company.

By the end of 1956 the Company was supplying 226,350 customers, and our stock and bond holders had invested a total of more than $69.5 million in pipes, pumps, wells, reservoirs and the other facilities necessary to do the job.

Forecast for '57: Continued expansion for both State and Company

CALIFORNIA WATER SERVICE COMPANY
San Jose
California
Continued from page 27

the aircraft field is contemplated. With the approach of the supersonic age, it is evident that materials and production methods currently used are reaching critical limitations. By high temperatures, high temperatures will be subject to make it necessary to develop structures that can withstand such demands. In this respect, we believe that stainless steel, among other alloys, has a logical place in planning. Our long-range trend has been a steady increase of stainless steel in the 25-year period, in the fabrication of stainless steel has great potential value in the construction of these planes, and we are making a steady increase.

Progress has also been achieved in our foreign operations. To our list of orders for railroad passenger cars in Europe and Australia, we added in this year 20,000 passenger cars. Also the production of stainless steel passenger cars has been excellent in recent years. Canada, which has long been interested in our engineering and production methods to supply the market in Brazil, where an order for 90 passenger cars from the Brazilian government has been received, we have signed a licensing agreement with Maisen’s, Ltd., and the manufacture of these cars will be built here, and as “Maisena” car-building facilities are located, the 36 remaining cars which will be farmed here will be finished in Brazil.

E. F. BULLARD
President, Standard Oil Gas Company

In most of the existing countries for the petroleum industry, domestic demand for products should increase nearly 6% over 1956, and domestic production should rise slightly more than 8% as compared with 1955. This trend should be subject to some minor fluctuations over the coming 12 months.

This is indeed an optimum picture, especially when one considers the problems of depletion, natural gas, pre-merger notification, oil imports, and the measure to eliminate “good faith in meeting competition” as a deterrent to market price determination. All of these have serious import for the oil and gas industry, and several will vitally affect other businesses as well.

The big importance of these issues, insofar as oil and gas are concerned, is that they are the most effective legislation to solve the difficult problem posed by Fed- eral regulation and curtailment of domestic gas. It will be recalled that a split decision of the U. S. Supreme Court first placed independent producers under the regulatory authority of the Federal Power Commission in the first session of Congress, and to a degree, of several years.

A brief glance at some of the topics in the critical period ahead of the present statute under consideration will be considerable for the production of domestic oil gas during 1957. The conclusion of this period is that the production of domestic oil is going to be subject to a corresponding upward trend. In this period, it is apparent that the industrial product has traditionally been priced close to, any significant increase in the latter trends to find quick reflection in changing selling prices. Almost every time it is necessary to appraise the difference between the domestic market and the world market for carbon black in the free world outside of the United States.

Over all, the world consumption of carbon black takes place outside of the United States, and 50% of the market is supplied from plants in this country. The domestic market for carbon black has been brought clearly into focus. Over the Middle East and the resulting reduction in oil supply. The damaging effects of the Suez Canal incident and its accompanying investment of a carbon expected to affect carbon black demand in the free world outside of the United States in two ways. First, to the extent that, industrial activity and national income are reduced, the market for carbon black will correspondingly decline. Secondly, the price of crude oil will rise, which will increase the prices of producers. The 1957 international trade in carbon black will almost surely be adversely affected.

Midsummer expectations were that 1957 carbon black consumption of the United States would exceed the peak levels of 1955 and 1956. This expectation may not now be realized. In the United States, however, it may be expected that domestic tire and the important contribution to carbon black demand made by the highway program and its requirements for large numbers of new truck and off-road tires. The over-built plant for producing carbon black in the United States has been expanded by recent construction. In this connection, it is interesting to note that all military and government-produced tires being constructed, are increasingly complex and much more expensive than the now-subsidized channel black plants. The economic size and consequently the capital cost of black channel plants has increased very sharply in recent years.

The supply of black reflecting the new capacity has increased, and total industry stocks are in a rising trend which may continue throughout the year.

There can be little doubt that the industry will continue to have an excellent new capacity and growth for black to meet the demands of the rubber industry as improved and reduced. The recent tendencies to inflation have been rather those completely opposite to these expectations.

The experience of 1957 should prove no exception.

G. B. BURRUS
President, Peoples Drugstores, Inc.

This new 6% growth, which was to be even greater, has been generally expected to meet the demands of the rubber industry as improved and reduced. The recent tendencies to inflation have been rather those completely opposite in their direction.

The experience of 1957 should prove no exception.

C. D. CANTID
President, Northern Metal Products Co.

A contract metal fabricator who knows his costs—and deals within his limit. He knows—will probably find 1957 to be a competitive year.

Nineteen fifty-seven will be a competitive period—but that no difficulty in meeting the competition. Our business continues to improve, the older stores can hold their present volume. Our warehouse facilities are being expanded and modernized to accommodate the growing demand for new and moving and new Shopping Centers develop.

Larger amounts of cash for working capital will be needed by the rubber industry as whole. We have a job a year ago, and that job will be sold on the cost saving and the possible operating efficiencies that may result. These may result in the sale of new parts that may not be feasible or equipped or motivated.

E. CARLSON
President, Tarrant Mfg. Co.

Present indications point toward a continuation of a high level of business, which is now taking place with lower profit margins. I look for a tight money market early in 1957, with business looking better, and this, of course, will be the end of the year. Under these conditions, it will become increasingly difficult for companies to obtain favorable and to finance expansion programs. Faced with this, profit margins, an increasing number of new companies will be forced to reduce their sales volume. This should help to stimulate non-residential construction and increase both of its own departments which are now providing a service to companies.

GEORGE S. CASE, JR.
President, The Lamson & Sessions Co.

Last year contained no great surprises. Automobile production and home building remained at record high levels, and this, of course, is offset by the fact that the clouds of the world market, and demand for rubber products abroad. The balance, however, is that the industry is relatively stable, and can be expected to continue operating at a stable rate. The trend will continue to increase, and the industry will be able to meet the demands of the market.

A drop in business activity late in 1957 or 1958 would
not surprise us. Nevertheless, we feel that, despite some temporary softness, the long-range outlook is for increased business volume and a higher standard of living for the whole free world. At the same time, the expectation of the wage-earners that higher taxes will make profits harder to realize in the years ahead, but they will be there for alert managers.

WARD M. CANADAY
President, The Overland Corporation

The prospects for the air industry seem to be held up well but I am impressed with the fact that expansion all over the world is creating a shortage of money in nearly every country. This means that we must look toward a higher cost of money and a resultant decline in the rate of business.

In view of the fact that expansion of demand in almost every field of industry is taking pressures on extended.

HAILE N. CARR
President, North Central Airlines, Inc.

The scheduled airline industry as a whole experienced a 12 to 13% increase in commercial revenues in 1956, a gain brought about by increased flight service and continuously growing public acceptance of air travel.

The industry has every reason to believe that 1957 will be an even better year than 1956. Many important factors will contribute to the growth of the business. The Civil Aeronautics Board and new additions will be granted this year. The scheduled airline services will continue to penetrate the hinterland of large cities. The airlines will introduce faster and larger flight equipment. Technical developments will increase public interest, and reservations and ticketing innovations will continue to enhance the scheduled service. These factors, coupled with the ever-growing popularity of travel and the restoration of commercial revenues for America's airlines, indicate that the commercial airlines service industry achieved a somewhat greater gain than did the trunkline. The local airlines' increase in commercial revenues was particularly striking.

This should be a particularly good year for the locals. They look forward to improvements in present route structure, considerable system expansion and additional equipment. The expected reconstruction certificate will be allowed this year. Expanded traffic is expected for the next year or two. More and more families will be flying on the scheduled airlines, and a larger and larger number will be flying for the first time. Air service will increase in many areas, and the airlines will be able to meet this demand.

In 1956 North Central Airlines' passenger business increased 12.9%, and the number of express patrons increased 11.5%. Commercial revenues were $5,200,000 in 1955 to $5,600,000 in 1956. North Central's investment in the local airline system (in passenger, air express and air mail volume) was achieved primarily by intensive flight scheduling. This year, however, the company expects substantial improvements in passenger and express patronage. 1957 commercial revenues will be well over the 1956 level, and there will be a new program of local airline industry in traffic and revenue.

JOHN W. CARPENTER
Chairman of the Board, Southland Life Insurance Company

When the history of the airline industry is written in the future, the record will show a year of prosperous growth, as forecast by the airline industry. Some of the reasons for this success may be enumerated as follows:

(1) The general economy is very healthy.

(2) There is a great and increasing demand for insurance and the market for insurance is expanded.

The insurance industry provides a service to humanity which certainly equals and perhaps extends the service of any other industry. Every day, more people are being convinced of the necessity of planning for their future through life insurance. It is likely that this year, as in the past, there will be an expanding demand for insurance. Our population is increasing, which means an increase in the number of potential buyers for insurance, as well as for other goods and services. Employment is high; incomes are rising, and most important, the number of families in the middle income group (all good prospects for increased insurance coverage) is expanding rapidly.

(3) The principal factors involved in the immediate and long-term success of companies in the insurance industry are: the efforts of the management, the growth of the business, the investment of profits, and the satisfaction of the policyholder. If these conditions are maintained, the insurance industry will continue to grow and become stronger.

The management of the company is continuing its efforts to provide the best possible service to its policyholders. The company has just completed a satisfactory year, and we are very optimistic regarding our future in the Plastic Industry whose growth is unlimited.

GORDON H. CHAMBERS
Chairman of the Board, Foote Mineral Company

Foote Mineral Company operates six plants, producing materials for the chemical industry. These materials are sold primarily to the steel, chemical, petroleum and ceramic industries. The growth of these industries is felt by the consumers generally to predict a high degree of activity and expansion in 1957.

There is every indication that 1957 will again establish record sales for Foote products. While we anticipate increased sales for a number of years, the interplay of the fields of metals, chemicals and minerals, by far the most promising are the fundamental elements of our economy, such as the development of lithium.

The development of lithium is a major advance in industrial mineral and metals production. Among the newest uses are high energy storage batteries, while we feel that there will be interesting prospects in the exciting field of agriculture. Use of lithium as a catalyst in organic synthesis is already established, and 1957 should see increased interest in this field.

Electrolytic manganese metal has also increased rapidly and we can foresee even greater growth of this product. As the new high-manganese stainless steels increase in popularity, use of electrolytic manganese is expected to increase. We believe Foote can continue to increase 1957 output. For this reason, a substantial increase in production capacity is planned for 1957. New plant equipment and facilities will be started.

Newly developed alloys, both ferrous and non-ferrous, will begin to contribute to manganese metal growth in the next few years and for a large number of diversified markets. For this reason, we believe that our increased facilities, which we are expecting to be in operation by the end of the year, will enable us to meet an increased demand for manganese metal for the basic industries of the nation. We believe that we are well served to characterize the nature of our national economy, and especially the history of American life insurance for 1957. We hope that we will continue to serve our country and that we will bring about continuing improvement in the quality of our life insurance.

If we were able to summarize the year 1957 in one word, it would be "growth." This is particularly significant because it is a growth which is based on sound economic concepts and principles, and a growth which we feel will be lasting. We believe that the 1957 growth will be the foundation for even greater growth in the years to come.

We look forward to another year of growth and progress. We wish you all the very best for the year ahead and we hope that you will continue to be a part of the expanding economy of this country.

PAUL F. CLARK, C.L.U.
President, John Hancock Mutual Life Insurance Co.

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Continued on page 30
Continued from page 29

call “disposable income” is estimated to have increased $5 or $6 billion last year. At this time, at least, it seems reasonable to expect an equivalent increase, say, approximately $5 billion this year.

R. C. CHARLDER
Chairman of the Board, Standard Packaging Corporation

While consumer buying power in 1957 may not rise far above 1956, packaging and other convenience industries are still rising at the breakneck pace of the past 17-year age group. Teen-agers offer a greater market for ice cream packaged in our liquid-tight containers, for example. More children are drinking soft drinks from our paper and aluminum milk bottle closures. More children will be eating in restaurants, helped along by the housewife to depend more on convenience items in the home, such as our paper plates.

Four food companies sold for $400,000 in our Missouri Division which supplies paperback for our plates and other products. Thus, even though it is protected disposable personal income will be only about 4% higher in the first half of 1957 and about equal with 1956 in the second half. The outlook for our company appears to be promising, and we are looking forward to growth if they continue to broaden our marketing and sales advances and take advantage of all developing opportunities.

DUNLAP C. CLARK
Vice Chairman of the Board.
Central Valley National Bank, Oakland, Calif.

Another year of marked prosperity and progress appears to be in store for Oakland and Alameda Counties in 1957.

Conservatively applying the measuring stick to the 1956 returns that are available at this time, we can foretell the gains we can expect at or near the level of 1956 can be expected, and probably will be exceeded by more. The outlook for 1957 is even more promising. The forecast in itself is a tribute to the skill and perseverance of our merchants and manufacturers, who, in the face of a formidable backlog of industrial projects which have already selected this area and bid against other promising localities, can appear to have a high probability of offsetting any impact the future might suffer, and to have them reeling forward if they continue to make industrial advances and take advantage of all developing opportunities.

Dunlap C. Clark

THE COMMERICAL AND FINANCIAL CHRONICLE

J. M. COATES
President, Masonite Corporation

Masonite Corporation looks to 1957 as another year in which to forge ahead making its product, Preston, an even more prominent household name. With two new auto registrations at $40,000 and $7,500,000,000 in the works, a new Masonite Oakley Housing Association.

Major projects slated to get underway in Oakland in 1957 include; extensive new construction and modernization in the Urban Renewal Program, the first section of the $20,000,000 MacArthur Freeway, expanded to serve the needs of our automotive population, as well as that of the new, 40-story headquarters of the Kaiser Companies, the fill and leveling of the $15,000,000 Metropolitan Oakleyאר bởi $10,000,000 in public schools, a $40,000,000 1-year expansion program, a $4,000,000 State building, plus a number of other multi-million-dollar public projects in the Oakland area.

The Alameda County upswing will be sparked by major industrial developments in new plants and expansions, and $5,000,000 in state highway and freeway construction.

GEORGE L. CLEMENTS
President, Jewel Tea Co., Inc.

Retail food chains should chalk up another sales record in 1957 as consumers continue to spend disposable income in profit, though in this area prediction is necessarily hazardous. The expectation of a rise in disposable personal income, an increase in food prices, and a continuation of the high level of business capital expenditures should all contribute to the growth of the automobile industry, which went through a period of expansion in 1956. The rating trend of consumer income should be given an added boost by the anticipated increases in labor cost, due in large part to the U. S. Department of Labor. In recent years, consumption expenditures have been significantly represented approximately 23% of disposable personal income. Among man-made commodities, items in the food group have been in the face of moderately falling foot traffic. With this experience, the trend to expect food expenditures to continue to secure 25% or more of disposable income in 1957. This share lies midway between 25% average for the 10-year period, 1953-57, and the postwar high of 27% in 1947, after wartime controls were removed and durable goods were still out, were secured.

In 1957, food chain sales have been increasing more rapidly than disposable income or total expenditures on food, 2% to 3% more in that respect in 1956. This is explained by increased by approximately 27% while food chain sales increased only by the age 3 to 5 years. This is reflected in the substantial increases in labor cost, due in large part to the U. S. Department of Labor. In recent years, consumption expenditures have been significantly represented approximately 23% of disposable personal income. Among man-made commodities, items in the food group have been in the face of moderately falling foot traffic. With this experience, the trend to expect food expenditures to continue to secure 25% or more of disposable income in 1957. This share lies midway between 25% average for the 10-year period, 1953-57, and the postwar high of 27% in 1947, after wartime controls were removed and durable goods were still out, were secured.

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It is difficult to be other than optimistic about the long-range prospects for the coal-gas industry.

JOHN H. CONNELLY
President, Southwest Air Lines Company

Southwest Airways serves California, Oregon and Washington. In 1956, anticipating a continuing growth in the passenger load, we had to install an additional million pounds of capacity. In 1957, we anticipate a 25% increase in passenger revenue, the total amount earned by the airline's experienced growth in 1955 and 1956.

Factors contributing to the record growth of Southwest Airways traffic are: the continued growth of the passenger market; the introduction of jet service; the addition of several new cities and their expanding facilities; the new competition, and the economic growth of the Southwest, which is attracting an increasing number of business and pleasure travelers. This growth has been marked and sustained by the airline's investment in facilities which continue to increase its capacity to meet the needs of the passenger market.

These factors, plus the extended time that their capital is tied up in inventories during design, manufacturing and construction, continue to burden the financial structure of many machine tool builders. However, these problems are presently being taken up by the engineering department and the field engineering services. These small, thin plants, that can not use fully any of the new equipment designed to their requirements, that is with flexibility and productivity, the problems that will continue to prosper will be those in a position to take advantage of these changes. There is always a new machine tools throughout the world, especially in today's swift pace of evolution.

JAMES D. COONEY
President, Wilson & Co., Inc.

This year may mark the end, temporarily at least, to the increasing demand for new or expanded mill facilities. The capacity of the softwood pulp and paper industry during the last 2 years has brought to a peak the demand for new and expanded facilities. This demand has been restricted to the most necessary expansions, priced somewhat above year-earlier levels. This development will help to contain the compensatory livestock prices needed to encourage adequate livestock production, and assure continued liberal supplies of raw materials for the future.

Likewise, the consumer, who may pay a moderately higher price for meat than a year ago, into the next few months, will be compensated by the added likelihood of future large meat supplies. In any event, the increase in retail meat prices for the year is very likely to be only moderately lower than last year's record prices. Most of this reduction will be in pork, and continued to the first half of 1958.

A combination of smaller meat supplies, a reduced sustained demand during the next few months should maintain independent livestock prices, at present prices, somewhat above year-earlier levels. This development will help to contain the compensatory livestock prices needed to encourage adequate livestock production, and assure continued liberal supplies of raw materials for the future.

The two key factors conducive to favorable operations in the meat packing industry are adequate supplies of raw materials and a sustained high level of consumer incomes. In both of these areas the outlook appears favorable and should present ample opportunity for profitable operations. In 1957 we anticipated a continuation of extensive plant modernizations, and new plant construction, as has been the case in recent years. For years, the technological facilities of the industry are well suited for rapid production. To be utilized to the fullest extent, a 25% increase in the number of employees, while not unprecedented, is quite possible. The 25% increase in the number of employees, while not unprecedented, is quite possible.

The industry continues to meet the rapidly growing demand for consumer meat for this type of food an increasing amount of work is transferred from the retail market and the meat market and it is expected that the number of employees in the industry will increase to a level of about 700,000, with a higher ratio of workers to the number of employees to be employed.

KINNE W. CONNER
President, Micro-Oil Home Corporation

The outlook for the machine tool industry is good for the coming year. There are many plants that need to be expanded, and the assumption that the industry is not capable of expanding either the capacity of the existing plants, or building new ones is not true. The outlook for the industry is very favorable for the coming year.

W. A. COVNER
President, Equitable Gas Company

Predicting the future of the natural gas industry for 1957 is a passing assignment to me because I have the feeling that this will be the most prolific year in my life. Fine leadership, research and aggressive marketing have helped to make our industry a leader. The most important of the many factors that will influence the gas industry in the coming year is the rate of gas development which is expected to be about 14% higher than last year.

The general trend for 1957 is expected to be continued in 1958. The trend is for more and more gas development and higher productivity. This trend is expected to continue and the industry is expected to continue to grow at a rate of about 14% higher than last year.

The outlook for Montana is generally favorable, and business improvement is expected to maintain the trends established during the last 5 years although the rate of gas in 1957 may not reach the records established in 1955 and 1956.

Population growth, which has been at a steady rate in the state for the past 10 years, shows no sign of let-up and there is a continuing increase in the number of residents. New industrial developments, existing programs and community expansion programs are expected to continue the increase in the number of residents.

The development of gas in Montana has been one of the most important factors of the last several years, and this development is expected to continue to be even more pronounced during the next 12 months. A new coal plant will now be under construction in western Montana—the first operation of its kind in the state—and at least one other company has announced definite plans to initiate pulp mill operations in Montana. These and several new hardboard and laminated wood plants which have been started are expected to provide new stability for the state's lumbering operations which have been long in the doldrums.

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The Montana Power Company, itself, is looking forward to continued improvement in the utility field, with a gain at a rate of approximately 5% to 6% as compared with a gain of 7% in the year 1956. The development of the state's hydroelectric potential is expected to show increases slightly below the levels of 1956 and 1957.

The company expects to complete construction of a new 60,000-kilowatt hydroelectric plant by the end of the month. The development of this project is expected to require approximately 2,000,000,000,000 and the company is expected to be operational in 1958. Construction of this plant is expected to be completed in 1958. This construction is expected to be completed in 1958.
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F. S. CORNELL
Executive Vice-President, A. O. Smith Corporation

After a careful study of current economic and business
indicators, and having made adjustments based on
my previous work, I feel confident that the current level of
business will be somewhat better than 1956. I think we will wit-
tness a continuation of the long term upward trend in
national economic vital signs.

The maintenance of this upward movement will re-
quire preserving the already existing high level of
delicate balance of economic and psychological forces.
I further believe that this balance is recognized and will
be held. I think these forces are here to stay.

Producers of basic materials like iron and steel, chemi-
cals, and petroleum have indicated their confidence by
announcing capital expenditure plans which are at
an all-time peak. I think the slow and deliberate sales
grind for new, increased family formations justify these plans—that we do not have the ingredients to too great a cushion of extra
capacity, in other words.

The buying public is in a relatively good position.
Employment and weekly earings are at record heights,
with no depressed major industries. The current dollar
holds, as much as it yet were to set down, retail sales are
up, and consumers are paying off almost as many loans
as they are making. In other words, they can and will
want to buy new cars, appliances and similar equipment.

The present atmosphere, thus, is one of confidence in
our basic needs plus our willingness and ability to
satisfy them.

One situation that particularly concerns me is the
matter of labor costs. This is a serious problem in the
consumer installment loan field, it is fingerprints on
the door of the long range forecast. This trend back to
expansion plans of manufacturers of construction
materials, equipment, employment of the skilled trades
and other groups.

Increased costs for the use of short and long term
money make it necessary, under present conditions, to
offset profits from producer to retailer to consumer.
This can and must be done by manufacturers and others
to expand or build plants. Manufacturers must also
begin to see from profits or other common money which
will make it possible to increase productivity to offset rising
wart and labor costs.

I believe that the American people can maintain and make these adjust-
ments, however hard they may be, and that we have a continu-
of continued sound growth, consistent with our produc-
tion needs and other national obligations.

W. H. C. CRAMMER
President, New Phelps Mining Company

Lead and zinc mining in the United States during 1956
continued at the relatively low levels prevailing since
1942. The demand for lead used in the construction
industry was further prolonged by the government
stockpile program. The ore produced was at the expense of
long-term miners who worked closely with the govern-
ment program to replace reserves being mined. 1956
witnessed a continuing depletion of domestic reserves
in two segments, the nonferrous and stockpile
programs.

Washington has stated that the price of lead must be
at levels "sufficient to maintain an adequate domestic
stockpile base."

Domestic production is made at costs prevailing in
our domestic industry which is in many cases controlled by
foreign producers; costs and cost of exploration for new,
nonferrous metals, must—to a large extent—be cap-
sulated on a long-term basis. Homeland development in petroleum
exploration) has been against current costs; and opera-
tions in other minerals, notably copper, were on the basis of
their depletion credits to 50% of the net income realized.
Imports have continued to flow into the United States
in volume through a relatively high level of domestic
production. Under the restrictive import policies of other
nations, the surplus lead-zinc development of the free
world has been salable only in our market. Stock-
pile stock, which was inaugurated in 1954 to prevent price
decreases which might take the low from the metal and
mining industry. The net effect has been—prices attractive
to foreign low-cost production subsidized by our govern-
ment. We have sold lead and zinc at a level consider-
ableness, but only barely sufficient to maintain present
established domestic operations with no incentive for
expansion or other development.

Domestic production in 1956, through October, is at
annual rates of 350,000 tons of lead and 540,000 tons of
zine, or 40,000 tons and 126,000 tons, respectively, below
the 1952 levels.

In 1953, lead-zinc producers testified to the U. S. Tar-
iff Commission that a 31c combined price for lead and
zine was necessary to maintain a healthy domestic
industry. Under stockpiling the combined price has reached
29c. Government officials, however, have assumed present price to be adequate. This is not true.

Miners' wages, as a gauge of labor costs, have increased
nearly 20%; transportation costs have increased 15% with
annual increases continuing. The United States has seen
greatly increased by the stockpile program.

Domestic raw material producers must absorb the cost
increases in a market controlled and depressed by for-
grown production, unlike steel, autos, and, etc., labor,
supply and transportation costs can be passed on to the
consumer. The Administration can assure a healthy and prosper-
ous domestic mining industry in the same way that the
experience of Canada's book by creating a favorable atmosphere
for investment in the nonferrous mining industry. Our own aurum
mining industry and the amazing progress of Canadian
mining proves this.

JEROME K. CROSSMAN
President, Ryan Consolidated Petroleum Corporation

January 3, 1957, two of the major oil companies announced an increase in the price that they will pay for
crease crude oil on an average of 35 cents a barrel. This
small increase, the first since 1943, does not compensate the
producer for the tremendous increases in his costs
during these past few years. The one-deep-producer has been
the major victim, and this remains a fact today.

The independent nonintegrated company or individual
that has been the peripheral scrapes may be closed down this year.
when the consumer will again lay with one's bare hand to produce.

It is to be fervently hoped that this will not be the
last lesson, and that never again will our country lay itself
open to such a condition. The steel producers and others
see a continuous upward climb in the demand for crude.

In this year, 1956, prices of crude oil, including the
necessary to sustain its prices. Due to the
rapid developments in the petroleum fields since World War II, the per
results and a sustained rise in prices. Due to the
inflationary effects resulting from operation
in the industrial fields, and the fact that the
price level is so much above the normal, this
price level is not being sustained.

In the guided missile field, which Acme has entered
with its joint arrangement with Cal-Tronics of Cali-
ifornia, the growing demands are expected to be of
unusual proportions for the years to come.

Here testing and test equipment, recording and sens-
ing devices are not only essential to operations but an
important ingredient in the manufacturing pro-
cost.

In the field of automation advances similarity are
expected to carry us farther and faster. We cannot be
shot into space indiscriminately on account of the

of those companies equipped to supply these interesting
needs.

In consequence, Acme Precision Products feels that
its particular fields will benefit from a rising demand
for its manufacturing and engineering capability step by step with the
general business experience of 1957.

VIRGIL D. DARDI
President, United Dye & Chemical Corp.

We at United Dye and Chemical naturally view the
approaching 12-month period with the same caution
as the rest of American industry. We do not share the pessimistic point of view that boom is over. We do look far out to a year of cautious readjustment, perhaps the longest period of readjustment that many of us have
seen. Our problem is to make the changes that are necessary
in our present pattern of production, and the changes will remain
at a higher level similar to the level now prevailing.

Because of normal Industrial and commercial readjustments, as well as
constant changes in the prospects of world peace during the coming
fall season, I feel that there will probably be a slight downward curve in the
movement of the market which will be reflected around midsummer.

However, much of this downward swing will be replaced by the
new business that is in the pipeline. As far as our own company is concerned, we are
entering a period of unusual opportunity. Through our experience
in the chemical and petroleum markets, our business will remain
steady.

The increased costs on the availability of bank funds should
not result in any lessening of our efforts to improve
efficiency while not hampering operations. However,
any substantial increase in credit restrictions as they
are not likely to be made will result in a shrinkage of
the expansion potential of American business which is the only
guarantee to a sustained period of growth, bank
deposits and taxable revenue for an unprecedented
defense and foreign relations.

JUDITH DART
President, Retail Drug Company

My view on 1957 in capsule form is:

Volume—Moderate increase.
Profit—Moderate increase.

The principal limitations on both
will be the tightness of money.

However, we thoroughly approve
of the "tight money" policies of this
Administration from a long-range
viewpoint.

DEANNE C. DAVIS
President, National Life Insurance Company

The new year has arrived under more unusual eco-

nomic conditions than any year for almost a quarter
of a century excepting the war years. Business activity
continues at the high rate achieved in 1956. At the
same time, the tightest money mar-
ket in many years has become one of the "shy and retiring" pr""als of the outlook.

The public's reaction resulted from a combination of several factors. A
tremendous demand for capital is making it necessary to
increase the purchasing power of our currency base, indi-
area of wide variety of public works, a high level of construction, and
heavy consumers' purchases. During recent years, there has been a re-
duction of saving. Generally, the
unwillingness of the Fed-
ral Reserve System to ease the
credit pinch, and thus accentuate inflation, is a factor that is
seemingly important on the heavy demand for capital. The
great demand for a capital for a wide variety of public works will bear
the future of business because it indicates a continuing con-
tent of expansion and a high level of inflation in certain
sectors. Monetary stringency may result in the curtailment of
some projects of marginal justification, but to the
extent that the tight money results solely in deflation, the
net effect is highly salutary and tends to prolong a high rate of business activity. If such projects were not deferred, they would serve only to accentuate a transient

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boom with the inevitable and unavoidable painful adjustments.
Current high money rates should stimulate saving, and thus contribute ultimately to 15% larger supply of capital.
In the meantime, the efforts of the Federal Reserve System to main¬tenance of prices is a question of good faith, credit limits, and a policy, a government bond, a savings deposit or any other investment with a fixed-dollar return. Two views of the present situation picture the national economy at a crossroads—whether it is prospering, not prospering, or whether it has a tremendously high potential.

In the first place, a rapid increase in the supply of money to the nation is in the picture if the population of the United States does not increase, there is an increased population, combined with the conditions of life, offers the promise of many more opportunities for life insurance.

In the second place, the scientific developments occurring in the area of life insurance—those which promise to make the future life insurance available to the majority of the population—promise to make the future more attractive.

The growing acceptance of the value of life insurance, combined with the promise of a high rate of business activity which will make the purchase of larger amounts of insurance an even more interesting and promising bright outlook for the life insurance industry.

W. E. DILLARD
President and General Manager, Central of Georgia Railway Company.
1956 has been a year of great change for the Central of Georgia Railway. We have seen new industry locating in our region at an unprecedented rate, and prospects for continued development appear exceedingly bright. We have gone ahead with the program of modernization throughout the system, whether in track and equipment, substantiating our belief that our economy will continue to expand and rise in the future. In order to meet the needs of the resulting new industry, we have been able to accommodate the new industries moving into this area. Any personnel we have included box cars, covered hoppers, flat cars, and locomotives, has been added.

Automation has taken hold with new developments in this field, and this has been speeded up and simplified by the use of business machines and other electronic devices. Our traffic operation department has done a magnificent job during the year, and the results of the job from the point of view of the economy, chances are that our business will in¬crease during the coming year and we will have increased necessary in order to offset recent boosts in wages agreed upon between the railroads and the Brotherhoods, to the same rate for the next three years.

As we approach the uncertainties of 1957, we do so with the courage and enthusiasm to get the job done regardless of the obstacles.

WILLIAM DENNY
Executive Vice-President, Merrill-Chapman & Scott Corporation
All government and industry surveys agree that 1957 will be a further frontier for industrial expansion over the preceding year, continuing the upward trend that has been very evident in the years since World War II. Backlog figures of Merrill-Chapman & Scott's Construction Department bear out this forecast of a further acceleration in the rate of industrial and institutional construction.

Estimates of the 1957 rise in construction put in place very risky only in degree, with predictions generally ranging from 9% to 10%, and with estimates as high as 12%--as much as the percentage of increase in themselves relatively meaningless. Industry experts have increased their estimates necessary in order to offset recent boosts in wages agreed upon between the railroads and the Brotherhoods, to the same rate for the next three years.

As we approach the uncertainties of 1957, we do so with the courage and enthusiasm to get the job done regardless of the obstacles.

Walter E. Dittmars
President, Gray Manufacturing Company
The Gray Company, producers of Audograph dictating machines, Phonograph dictating machines, and other dictation equipment, expects to complete a new dictation equipment for 1957.

The Gray Company has won more business—and much small as—well as other organi¬zations and institutions, such as hos¬pitals, are becoming dictation equip¬ment conscious. This applies not only to the individual portable instru¬ments, but also to the remote continuum of dictation equipment, where all the executive has on his desk is a telephone. For these reasons encouraging development, which at Gray has been the great¬est pace—the best background in the company's history, are

Walter E. Dittmars

ARTHUR O. DIETZ
President, C. I. T. Financial Corporation
Based on the present indicated strength of the American economy, we can expect another excellent year for both business and consumers.

The C.I.T. Financial Corporation, a leader in consumer installment financing of automobiles, financing the sales of construction and industrial equipment, and factoring sales of textiles and other personal property, has several reasons for optimism.

Highway construction is expanding at a very rapid rate and further increases in expendi¬tures are in prospect. This will en¬hance the need for construction equipment. The durable goods in¬dustries are also anticipating an ex¬cellent year.

The outlook in the textile field is continuing very favorable as well. We believe that the demand for durable goods is growing among the increasing numbers of consumers who are able to enjoy somewhat higher levels of living.

Simplified appraisal of the books are good for 1957. We believe that the credit managers are concerned about the increasing consumer expenditure and that credit is being extended to a very large extent, as evidenced by the fact that more than 20,000,000 installment buyers will have completed payment on the purchase of new automobiles this year. The continuing high volume of automobile sales is expected to continue in 1957, and, at the same time, we believe that the credit managers are able to handle the increased volume without significant increases in charge-offs in relation to the volume of sales.

Consumer installment credit is not fixed debt, hanging over the heads of the consumer. It is constantly turning over—old accounts being paid and larger equities being established—with newly created obligations each day placed on the books as new people individually act on a realizable appraisals of their ability to pay and financial situation.

More than two-thirds of the purchases of durable goods are made with installment credit. This mass of credit is extremely important for the integrity of consumers and the fact that credit was extended on sound terms by the vast majority of lending institutions.

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Electronic dictation equipment, with its ability to speed up the dictation process by as much as 150%, has been a major factor in the growth

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ve indicates, will create a market for an additional 20,000,000 to 27,000,000,000 annual passenger seat miles.

To meet this demand for additional facilities the air-
liners will be manufactured by Douglas Aircraft, and orders would have to be placed within the next six years to meet the delivery requirements.

The key to this plan, and one of the reasons why the air-
liner order is so much larger than our present order, is that
there is no indication of any diminution of volume in 1957.

The metals and products made by Fansteel are sold
either as materials, parts or components, or as finished equipment or tools in plant operations to make production facilities better, faster, and safer.

AT first glance, it would seem that Fansteel's growth is due to the prosperity of the industries we serve, but this is not the case. It is due to our own internal development of new products. In 1956, our sales were limited largely to aircraft, electric motors, and metalworking industries. In 10 years, we have not only greatly increased employment, but the company has also been able to include a number of other important industries, including aluminum, machinery, and electrical equipment (knobs, dials, etc.).

The miniaturization of electrical and electronic equipment, which many authorities credit to the transistor, has also been a factor in our growth. For many years we have tried to interest our customers in the advantages offered by semiconductors, a less costly material than the older types of electronic equipment.

However, as our customers have seen the benefits of the transistor, they have been more and more interested in our other products as well. Our sales of these products have grown steadily in recent years.

The company also expects to realize a growth of 10% in 1957, and this will bring our sales to approximately $200 million.

The airline industry has been a major beneficiary of the new DC-4s, increased earnings from normal operations should be sufficient to maintain the present level of operations.

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One of the key factors to the forecast is the rise of "institutional" sales. The life insurance industry can expect another excellent growth year.

The gain of life insurance companies during 1957 will be in the realm of $2 billion in policies. This figure is expected to rise to $2.4 billion in 1958.

The industry as a whole should certainly expect to grow, with price advances which have been steady in the past few years. The share of the total insurance market by life companies has been increasing steadily in recent years.

In addition to the ever-increasing population, employment increases are expected to continue to grow. Of course, this growth will be in the realm of $2 billion in policies. This figure is expected to rise to $2.4 billion in 1958.

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The industry as a whole should certainly expect to grow, with price advances which have been steady in the past few years. The share of the total insurance market by life companies has been increasing steadily in recent years.

In addition to the ever-increasing population, employment increases are expected to continue to grow. Of course, this growth will be in the realm of $2 billion in policies. This figure is expected to rise to $2.4 billion in 1958.

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crease. Our citizens enjoy the highest standard of living of any nation today. We must however guard against the danger of con-
tinued increasing manufacturing costs and increased wages to consumers by markup price tags on commodities and essential consumer needs. There is a
breaking point at which individuals in itself could well cause a serious price consciousness in the minds of our buying public. We are about a business
decline and create a competitive battle for the con-
sumer dollar far more aggressive than what we could ever anticipate.
Manufacturing resources in every field should strive for greater efficiencies to continue to gain in relation to consumer requirements so that lower unit costs can attract the buyer. Production, however, should not ever be overaggressive to the extent of building excess inventories, plant shutdowns and overproduction.
Our company’s expansion program for 1957, calls for approximately 500 new units already in operation. The large
dollar in this unit will be located on Fifth Avenue, New York City. Many new units will be utilized and will be expanded in the city and are being developed around New York proper. Company sales potential for 1957 could well climb to $100 million.

WILLIAM A. ELLIOTT
President, Elliott Company, Inc.

The future of the Elliott Company lies in the hands of the consumer each day on the road. Utilizing the power of the internal combustion engine, the petrochemical and steel industries are all expanding. It has been predicted that large electrical generator ca-
ma-

The emphasis being placed now by most indus-
temporarily planning has a stabilizing effect on the
entire economy. Even though there should be a general feeling that business might not be good in any one coming year, that is always the realization that five and ten years from now the population growth and the general expansion of the economy will need added capacity and for that reason business goes ahead and expands regardless of current conditions.

Although it is very unlikely there will be a boom of sizable proportions in our industries or industry in general, it should be a year in which a large number of new businesses will be started and aofil

L. J. FAGEOL
President, Twin Coach Company

I think that Twin Coach sales volume in 1957 will show approximately a 15% increase over the volume of Year 1956 and will reach a total of approximately $32 million.

Our production and sales progress this year have been handled under the sound direction of the Board of Directors, and I am confident that the results achieved in 1956 will be repeated and may be exceeded in 1957.

Elliott Company looks to the future for continued growth as it eyes expansion plans of the industries it serves. This includes expansion of present factories and the

The serious challenge for life insurance, as for all
other businesses, is the possibility of inflation. This can be offset to a large extent by the practice of further integrating the insurance industry with the manufacturing industries and even going so far as to make policies available in substantial amounts. We expect to maintain and enlarge our share in helping to build the nation’s profes-
sional and personal security.

Many other challenges will face life insurance com-

FRANK F. ELLIOTT
Chairman, Board of Directors, Crane Company

I believe that the truck business will still be growing this year as they were in 1956 and in spite of a slight decrease in new housing starts, we feel that there will be a slight increase in sales of the valve and

The fishing and hunting industries in 1957. Although these industries are tied in with the overall economy, there are peculiar factors to be considered in their growth and development. One is the fact that, in spite of general prosperity, the increased consumption of fish, meat and

The small buying unit in the meat packing and the small automobile dealers is tied in with the fishing and hunting industries. The amount of goods that one

use, specially planning now which are providing far more comfortable facilities in school at the same time goes on.

We are reasonably sure therefore, there will be no slump in sales for 1957 in the industries that our company is engaged in.

The problems of 1957 appear not to be one of sales, but of earnings. This also seems to be the main problem with almost all of industry based on the later reports of 1956. Earnings have not been accom-
pa-

The greater challenge for 1957 will be to ensure 
growth in earnings. We are now in a period of very

Our 1957 plans also call for an energetic sales cam-
paign on Fageol ’44 and Fageol 18 marine engines. In ad-

FRED M. FARWELL
President, Underwood Corporation

We are looking forward to a period of good business during the entire year 1957. The office equipment in-
dustry, of which we are a part, should continue to see the growth and its exoserted to be at a more rapid rate than has been realized in the past.

The regular products which we manufacture, such as typewriters, office equipment and accounting machines should continue to be in good demand and improvements are expected in the accounting division. The latter will enable us to take over aircraft contracts at the initial reports of 1956. Sales of the Fageol "44" marine engines for this year will be

With the past decade the office
equipment industry has entered a new era due to postwar develop-
ments, especially in the field of mechanical devices. Commercial re-
pe-

In lead and zinc, by outright purchase from domestic miners and by ac-
advising that the price of lead and zinc should be stabilized. I have been through the years the use of lead has been increased and the demand for lead has been

Andrew Fletcher
President, St. Joseph Lead Company

Of much greater importance than the current statistics of the lead-zinc industry is the outstanding fact that in 1957 the U. S. Government undertook the prodigious task of supporting the world market for these metals and has indicated its intention to con-

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10.6% from 1955. Supplies totaled 1,278,000 tons, made up of
1,057,000 tons U.S. primary and secondary production, and
222,000 tons of imports, which increased 37.4% over 1955. If this
5% increase in supply over consumption is thus seen to be largely ac-
cepted for by increasing rapidity in the development of new uses.

The outlook in lead is for about the same rate of con-
sumption, between 1,150,000 and 1,200,000 tons, with a proba-
bility of slightly lowered output to be offset by an increase in use for
storage batteries due to increasing demand. The present stock-
level is for an increase in consumption for 1957 to at least
1,500,000 tons, which would not be altogether discordant with a
higher consumption of galvanized steel and die-cast zinc.

The chief uncertainty in the outlook is, of course, the con-
tinuing government's surplus of lead and zinc markets. The present
indication is that the Government are carrying out its stockpiling
program and its importation of foreign metals by barter. It is
difficult to see how a program can strengthen the nation's lead
supply position for domestic producers at the mercy, economically, of a Government
purchase program which is not very generous, the Government
having chosen this device for aiding domestic producers rather
than the much simpler, more equitable, and potentially less troublesome device of an import tax on foreign metal. A Government policy to replace stockpiling as a means of assistance to domestic producers has been promised for early 1957. If this new policy is effective, and if the transition to it is from a relatively stockpiling program is handled smoothly, one can expect a con-
tinuation of the stable markets for lead and zinc for many
years to come, with no less than a 6% increase in consumption of lead/year.

At no time in recent years, however, has the consumption of lead/year reached 900,000 tons, but it is possible to anticipate a level of 1,000,000 tons/year by 1957. In this way, the demand for lead could be maintained without any further increases in consumption of this metal.

A. L. FREEDLANDER
President, The Dayton Rubber Company

It is our firm conviction that the United States econ-
omy is not обязательно a country that will continue to experience another year or another year of this. As a matter of fact, it could very well be a year of recession. This year is just closed by a few percent. All of the programs seem to point in that direc-
tion, but we expect that the rubber industry because of the high cost of production will be able to maintain their prices.

The world of economy is on the verge of a significant change, and it is important to keep in mind that this change will not be an easy one to overcome.

Harold Florsheim

President, The Florsheim Shoe Company

It is important to note that the past year has been a year of
1957 with more uncertainty than we approached 1956. It is
to a large extent, the increasing public concern with the problems of good business. We should carry forward in the early years of this decade.

Our work is not done yet, but we have a sense of a new year.

Benjamin Fox
President, Elco Corporation

The field of electronics is growing by leaps and bounds, and as consumer electronics, it is playing a vital role in the development of new applications. Our increased level of quality and reliability in the hands of a customer-free operation provides the flexibility to allow the electronics engineer to make changes, improvements to improve his product or create new ideas. He can do this in the forefront of unknown fields.

However, being an infant industry does not mean that there are no standards or guidelines. The electronics industry must continue to develop new and better products, tools, dies and molds and continuous improvement in this area. It must be competitive.

The automobile industry, for example, is a great force which must be maintained to give the public the best possible service.

And with the increasing demands of the consumer, we are constantly trying to improve the quality and value of our product.

Charles E. French
President, Amsterdam Savings Bank, Amsterdam, N. Y.

The part of the country I am reporting on is the
Mohawk Valley in central New York State. This past year
we have seen some economic developments in the area. The economy in this region has been somewhat weak, but there are some signs of improvement. Economists expect a fairly good economic year in the Mohawk Valley.

The economy is expected to show some gains, particularly in the manufacturing sector. However, there are some concerns about the future of the economy in this area. The unemployment rate is still high, and there are some uncertainties about the future of some key industries. Despite these challenges, the economy in the Mohawk Valley is expected to improve in the coming year.
**WILLIS GALE**

Chairman, Commonwealth Edison Company

Commonwealth Edison Company's construction program for the years 1955 and 1956 is based on an estimated $18,000,000,000 for electric generating facilities, transmission and distribution facilities, and plants in general.

This total is the largest for any single year in the history of the Commonwealth Edison Company, which in 1956 will have a production capability of nearly $14,000,000,000 for which there is a market.

Sales of electricity by the Commonwealth Edison system in 1956 are now estimated at nearly $9,000,000,000 and will increase to $18,000,000,000,000 in 1955, an increase of about seven percent.

Electric utilities and industrial customers showed the desire for the gaining of the most economical price and to increasing the efficiency of their plant facilities.

Continued research on a continuous construction program, the nature and extent of which are based upon current and estimated future loads of the system, is a natural and continuous review and revision to the extent necessary to meet changing conditions.

The program for the next three years includes, in addition to that from 1957, $24,000,000,000 for 1955 and 1956, and $12,000,000,000 for 1954. The $490,000,000 gross additions for the three years 1957-1959 consist of approximately $240,000,000 for building additional generating facilities, $470,000,000 for transmission and distribution facilities, and $10,000,000 for general purposes.

The construction program includes the 180,000-kilowatt Dresden Nuclear Power Station to be built by General Electric Company, Oak Ridge, Tennessee, and Commonwealth and its associates in Nuclear Power Group, Inc., are constructing the 220,000-kilowatt facilities at Crawford Station and 300,000-kilowatt units at Flak Station in southern Illinois.

By the end of 1956, the net generating capability of the Edison system will reach 3,500,000 kilowatts compared with approximately 2,300,000 in 1945.

**OSCAR GETZ**

President, Barton Distilling Company

The distilling industry looks forward confidently to continuing successful years. The consumption of whiskey in 1957, following the trend established in 1955 and 1956.

The measure of this progress can be taken through declining per capita sales in the years 1947-1956, with the decrease in the period, 1947-1950, following the period, 1950-1956, showing sales per capita decline from 11.4 gallons in 1947 to 10.5 gallons in 1950 and 9.8 gallons in 1956, despite a substantial increase in population.

The National Prohibition Act of 1933, the repeal of which followed in 1934, has been a significant factor in the industry's progress.

(1) The moderating rise in consumption has come about while, paradoxically, our nation's population has become more temperate.

The period of free-wheeling in the decade ended in 1946, with the average annual per capita consumption of 11.4 gallons late in the 1940's, compared with 1.5 gallons in 1931, with the rate of decline being most pronounced in the years 1934-1939, has shown a significant general improvement, and the moderation in the rate of decline has continued through the 1950's.

In 1950, the trend was toward a reduction in consumption, with 9.6 million gallons consumed. In 1951, the amount declined to 8.9 million gallons, and for 1955, the decline has been to a record low of 9.8 million gallons. The trend in the 1950's has been consistent with the general decline in population and consumption, as well as the increased use of alcoholic beverages in moderation and the use of alcohol in foods and beverages.

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(2) While there have been many notable sales developments, including the trend to 'diversification' (in itself an important trend), there has been a quite marked sentiment of diversification in our industry has been the increasing swing of consumers to other beverages.

Kentucky straight bourbon has always enjoyed a reputation as a fine stripping spirit. Its popularity in this category has obviously increased since the war. In 1933, it was estimated that the shipment of whiskey dissatisfaction, and the desire for the gaining of the most economical price and to increasing the efficiency of their plant facilities.

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Continued from page 37

saw for the cup and fountain sales, in regular 6½ ounce bottles which had to be returned by the consumer.

In 1956, in various areas, we introduced a 10 ounce carafe and 10 ounce cans, 6½ ounce bottles and 10 ounce glass bottles and 26 ounce glasses of Falstaff beer with an attractive current package that its practically every market need, we are creating new demands for our product, and hope to increase our sales.

With this background for growth within our own industry as a whole in the maturing economy, soft drinks undoubtedly will move forward at a faster pace in 1957 and beyond.

WILLIAM L. GREGORY
President, Easton-Taylor Trust Co., St. Louis

For several years now I have been concerned about the liquor industry as a whole in the maturing economy. There has been an obvious effort on the part of the government to prevent any disastrous reaction and to continue an upward direction without creating undue inflation to precipitate serious difficulties. Up to this point the monetary authorities have been successful.

The anticipated increase in the indexes for the turnover of bank deposits and for the prices of raw materials has not been as strong as was expected. The upturn in 1957 with the possibility of considerable reduced business activity, particularly in real estate and building, lends additional support to the view that the real estate market has been overextended, and a reduction in the cost of credit made available by government guaranteed loans and the operations of certain Federal agencies has made it possible for individuals and institutions to get more funds on easier terms for a longer time for borrowers to get out of debt and for lenders to police and secure their loans.

JOSPEH GRIESEDECK
President, Falstaff Brewing Corporation

Indications are that the falloff in the beer industry will be slightly ahead of 1953, although figures for 1956 are not yet available.

With some few exceptions, however, earnings for breweries have not measured up, due primarily, to constantly increasing costs. During the past few years breweries have been faced with rapidly rising costs of production and distribution, as well as heavy state and local taxes. While forces of competition have tended to hold prices stable the result has been a constant increase in costs.

In an effort to ease the pressure profits, the industry has collected equipment and labor. Excesses, which at times occurred primarily on the can and one-trip beer packages and did little more than offset the increased costs, have disappeared.

The industry sales outlook for 1957 is what might be termed precarious. Production is expected to increase together with growing numbers of persons in over-21 age groups and a rising per capita consumption. In 1955 a 10-year downward trend in the number of persons entering the adult market was reversed and this trend is expected to continue.

Although the industry can look forward to a slight increase in sales in 1957 and increase in profits, the years ahead, it will continue to have with the problem of rising costs. In addition to anticipated increases in costs in coming years, the Federal Reserve has expressed a desire to offset rising costs of marketing and distribution.

Brewers seek ways to offset this persistently rising costs in order to improve profit margins, they will continue to carry on a vigorously competitive and use of the most modern machinery and equipment. Other factors also play a part in offsetting...
dropped 5.6% last year, and the rate of return on net investment declined from 4.22% to 3.90%.

Wage and price increases threaten the railroads' ability to carry out improvements which are needed to handle the increasing volume of traffic to the satisfaction of customers.

In the face of these constant needs for improvement and modernization of facilities, three-year contracts were signed late last year with several of the brotherhoods. These agreements provided for wage increases in each of the years covered by the agreements.

Like all operators, the railroads must seek a higher price for their services when the costs of business rise. The eastern railroads recently petitioned the Interstate Commerce Commission for a substantial improvement in the rate of return on investment and thereby take their proper place in the national economy. In the 1956-57 period the Nickel Plate railways' operating revenues were $1,427,000,000, an average of 4.87% over the 17-year Commission. Our 1956 gross (estimating receipts for the railroad alone) was $1,280,000,000, a substantial increase over the $1,209,474,012.

The increased sales shown on Kroger's books are per- haps the most successful example of the increased volume of sales of the railroads. They are expected to exceed $40 million. For 1956 we anticipate a total capital expenditure for the railroads of $700 million.

In this ever-changing business, methods of financing also are undergoing a change. The decreasing availability of money for investment is given us through the limiting influence. We know of many cases where pro- jects for the improvement of equipment are stalled. We have other examples where new enterprises have been delayed because companies not only cannot obtain the necessary funds. As a result, the margin leading food firms are planning a capital expenditure for the railroads of $700 million. To each of the railroads, this is the most important and most essential source of funds.

We at Kroger recently announced the formation of a new real estate company, Krogerland, Inc., for which Kroger obtained 10 real estate sales in 1957.

With the general upward trend of our economy and the continuing increase in the population, it is difficult to foresee anything but a continuous rise in the volume of goods and the railroads. In our favor is the fact that the average annual rate of growth of the railroads, 10% on passenger travel and 3% on freight shipments in the belief this would encourage greater use of the railroads.

President, The Oenida National Bank and Trust Co. of Utica

In 1956 the railroad industry for the area known as the trading area of Utica, N. Y., has been at a very high level. Not only have the industries located in this area been on an even keel but in the period of emergency right after the latter part of 1956 one of the most important signs of the times was that the once idle and unproductive railroads announced that they were going to operate at a profit and the rate of production in the Utica area.

This level of industrial production in the Utica area has a positive influence on the general level of production. The combination of these circumstances has caused residential building to be at a higher level than ever recorded, and the volume of retail sales has been in some instances exceeding the high levels of the last 16 years. The high level of residential building has been holding the level of new home sales at a high level. As we move into 1957 the construction industry, reflecting industrial plant, supermarkets, centers of business and the growth of the economy of Utica, will be moving at capacity levels during all of the year 1957.

The orders on hand for industrial production give indication of the continuing high level of employment in 1957.

Agriculture, which is an important item of commerce in this rural agricultural area, has been at a better level of activity in 1957 than it has been during the past year. In the "heart of the Empire State" the tone of commerce is much better than that of the surrounding vicinities. The volume of business and the volume of retail sales has been in some instances exceeding the high levels of the last 16 years. The high level of residential building has been holding the level of new home sales at a high level. As we move into 1957 the construction industry, reflecting industrial plant, supermarkets, centers of business and the growth of the economy of Utica, will be moving at capacity levels during all of the year 1957.

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President, The Kroger Co.

Better products may be offered in more convenient locations, will be characteristic of the retail food business in the year 1957. One of the major benefits of this trend is the increased sales volume and greater corporate expenditures also are in prospect for 1957. The Kroger Co., in common with other food chains, is fully aware of this development and is capitalizing on the trend. In 1956, we opened 140 new stores, and plans call for 150 new openings next year. At the same time, we are closing many of our smaller, less profitable

outlets. This results in increased efficiency, lower operating costs and consequently makes possible lower consumer prices. We also experience higher unit sales in average of 1,674.

stores operating in the 21 states we serve in the Middle West and central part of the Gulf of Mexico. At the close of 1955, the figure was 1,612.

Sales and profits increased in 1956, the economies of the railroad industry sharply increased in the

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Continued from page 39

In overhead expenses should result from the trend toward automation.

Theurgence of the insurance industry must be viewed from a long-term perspective, for the business is subject to cyclical variation resulting from the weather and the general levels of profits and loss. Insurance protection stands at the very foundation of our economy, and, as such, it is a clearly definable and profitably producible profit. The long-term outlook is very favorable and the year 1957 should bring a trend toward a more profitable operating cycle.

JAY SAMUEL HARTT
President, Middle West Service Company

The electric and gas utility industry experienced another favorable year in 1956. Like many other industries confronting the utility industry are the tight money supply and the upward trend of operating costs, which has been a trend for some time. The cost of electricity and gas has increased because of the more settled political atmosphere surrounding the farming industry. To date, many farmers have avoided the high rates, and conditions have improved. For many years has been a cycle of reducing electric and gas rates. The rate reduction is due to the higher income of the farmers' cooperatives. But in 1957, we expect to see a slight increase in the rate schedule. The utility industry as they will have to be sensitive to the entire economy of the country.

Energy sales of investor-owned electric utilities, based on forecasts, are expected to be in the range of $50 to 500 billion, with a peak of approximately 479 billion. Total sales for the year should be slightly over 500 billion. The entire electric utility industry's total sales for 1956 was close to 110 billion, which is approximately about 50% of the sales of the past year at the peak sales for the year. Because additions to generating equipment were only 3.5 million kilowatts in 1956, the margin of supply to the demand is expected to be the lowest in 1957.

The electric utility industry will be healthy in 1957. Revenue sales of investor-owned electric utilities increased by about 9% to approximately 479 billion in 1956. Total sales are expected to be in the range of $40 to 500 billion in 1957.

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1957 should see the preparation and initiation of applications for numerous rate increases.

WILLIAM A. HIBBARD
Chairman of the Board, Union Bank & Trust Company, Helena, Montana

1956 has been a year of drought in Montana, in spite of a dry year, with approximately 20% below normal precipitation in most of the grain growing areas, Montana produced 87 million bushels of wheat and a value of all of the main crops of $231,220,000. With all livestock, including milk, a crop of $210,200,000. We hope that we are near the end of this drought cycle.

The prices of farm machinery will increase higher in 1957 than in 1956. The marketing of farm machinery, which we cannot foretell for farmers, will remain constant. Montana has made substantial progress. The Aracanaadora, a modern farm tractor, has been developed at Columbia Falls. The Aracanaadora has been a great success. It is now being produced at the Aracanaadora plant. It will be a substantial, with greatly increased production scheduled for the coming year. The Aracanaadora has been temporarily dull in the last quarter. Two new pulp plants, the Powell and the Montana pulp plants, have started. The pulp and paper production has continued throughout the year, with current production equaling 63,719 barrels per day. Production is increasing every month. The new pulp plants will have a substantial effect on the Montana pulp industry.

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Howard Holdenness
President, Jefferson Standard Life Insurance Company

Nineteen hundred and sixty-five, generally speaking, was a year in which American businessmen and consumers were able to obtain a higher interest rate on better credit. Investmen in the life insurance industry have also been at a point where savings are highly attractive. At the same time, we have seen a high level of activity in the real estate market, with housing prices rising strongly.

This year has been a period of consolidation in the life insurance industry, with many companies focusing on improving their financial stability and reducing expenses. This has led to a decrease in the number of policies issued, but also to an increase in the amount of new business written per policy. These trends are likely to continue in the future.

In summary, the life insurance industry is well positioned to weather any economic slowdown that may occur. The industry's financial strength and stability are key factors in its ability to continue to provide protection for individual and family needs.

H. E. HUMPHREYS, JR.
President, United States Rubber Company

Car passenger and truck tire sales will total about 100 million units in 1965, an increase of 7 million units over 1964. This increase reflects the impact of new products, such as the radial and bias-ply tires, on the market.

The radial tire is a major development in the tire industry, offering improved handling and fuel economy. The bias-ply tire, on the other hand, provides excellent traction and durability.

In addition to these new products, the tire industry is also engaged in research and development to improve existing products. For example, the company is working on new materials for tire tread andSidewall.
Continued from page 41

PETER F. HURST

President, Aerocrop Corporation

The financial plight of the entire meat industry mirrors the health of the entire economy. The products of Aerocrop Corporation and its affiliates are basic to this economy, in so far as nearly every commodity goes through the meat industry, it is an integral part of the national economy.

PETER F. HURST

Executive Vice-President, The Idaho National Bank, Boise

Business is good, and because of that is good timing in this condition. It is a fact that when the near-term future will get even tighter, the Federal Reserve's discount rate is vulnerable. Yields on Treasury bills are at an all-time ceiling, and people are being sold at prices that are almost incredible.

The demand for credit from all segments of the business is both high and not likely to diminish. The discount rate, open market operation, reserve requirements, and other factors can help to control the nation's economic condition.

As far as finances are concerned, the Federal Reserve can influence the capital market, and the moment is the time for the nation to change the discount rate for the Federal Reserve. This would have been done by now, had the Federal Reserve Bank had an ally—not a willing one—nevertheless. In doing this, they have a responsibility for the economy.

The Federal Reserve Bank has a responsibility for the economy. They are still on the job, and they have not participated in a way that is not for the control of living costs that are too high.

The tight money condition is the direct result of this economic condition, and at the moment it is the greatest deterrent to the wage-price inflation forces that have been so constantly present. The Federal Reserve Bank has had an ally—not a willing one—nevertheless. In doing this, they have a responsibility for the economy. They are still on the job, and they have not participated in a way that is not for the control of living costs that are too high.

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also be spent to build highways, and probably some form of school aid. It would be a mistake, however, to forecast that government expenditures will rise sharply; it would be more correct to forecast that they will continue for several years.

The general price level was more in 1956 than in 1955, and at the start of the new year they showed no sign of increasing. While this means caution in forecasts, it is not entirely a matter of concern, but are willing to go heavily into debt or to spend money unnecessarily. As a result, they are likely to be maintained than the expansion of American industry.

The cost of motor freight and equipment reached a new peak last year, and there are definite indications that this rate, or the average higher rates, will continue into the first half of 1957. The surveys of anticipated plant and equipment expenditures show that business is only beginning to be out of the expanded rate of expenditures. The increasing competition in the freights industry continues.

In some lines of manufacture is, however, causing some observers to raise questions about how long this rate of expansion can be sustained. For the first half of 1957, as that, as the year progresses, more and more companies will reduce or even stop the pace of expansion.

Residential railroad is expected to decline further in the coming year, and no one knows what the extent of this expansion will be indicated earlier, public works expenditures for highway and school construction will also be lower.

In summary, the current high level of industrial activity is likely to be maintained through the first half of 1957, but later in the year it is possible that business activity will decline slowly.

W. A. JOHNSTON
President, Illinois Central Railroad

Illinois Central Railroad

In 1956, the Illinois Central Railroad is expected to be $24,000,000, or $7.73 per share, after accruals for recent and pending wage increases, and are based on 5,000,000 shares outstanding as of Oct. 31, 1956. This compares with net income of $7.16 per share on the same number of shares.

During the year, operating revenues for the year and the net income to be realized are dependent on the final settlement of wage agreements. The railroad plans to file an action for the reorganization of the railroad on an agreed basis.

The railroad in conclusion a wage settlement with the Brotherhood of Trainmen which has been recently being carried on with the operating unions. If negotiations are satisfactory, a wage agreement will be made on the same basis as the non-operating unions, the resulting decrease in wage costs will be reflected in reduced freight rates. A new rate schedule is expected by this company at the beginning of the year 1956.

Accordingly, the Illinois Central has joined other railroads in asking for an emergency 1% increase in freight rates to meet the drastic increases in expenses which have been encountered. The railroad is subject to which includes certain hold-downs and 10 cents per ton on coal, applied to both interstates and intrastate movements, will be granted on an annual basis. Therefore, it is clear that any delay or other action by itself in extending that rate. Also, the railroad is subject to the requested increase, or by state bodies in extending that rate. Also, the railroad is subject to the request for a 1% increase in freight rates.

The Illinois Central and other railroads in their effort to keep pace with American industry at large, is being asked to join in the recognition that the need for prompt affirmative action on the part of all railroads is now apparent. The Illinois Central and other railroads so that as large or somewhat larger volume of traffic in 1957, we may be called upon to realize net earnings 1% above those of 1956.

Improvements

The 1957 budget for capital expenditures will require approximately $137,000,000, of which $8,177,000 will be spent for employees, and $128,823,000 for improvements. This compares with capital expenditures estimated at $38,460,000 in 1956, amounting to almost a 300% increase. This growth of expenditures is expected to continue for several years.

Trailing and Service

During the year the Illinois Central placed a new service in Illinois and New Orleans on a 23½-hour schedule. Northbound a companion train was added on a 40-hour schedule. This service will provide overnight service on the upper Mississippi route, and is expected to expedite traffic and increase operating efficiency.

Carloadings for 1956 are estimated at 2,140,475, as compared to 2,150,561 in 1955. It is anticipated that earnings for 1957 will be slightly higher than those of 1956.

O. M. JORGENSEN
Chairman of the Board, Security Trust & Savings Bank, Billings, Montana

Despite the substantial increase in the national market during 1956, the present level points to 1957 as a good year for business. Everything looks up for the first six months. Possibly the turnover, give many indications that the long-run nature of the international situation, will be back in 1956. People are feeling optimistic about the present and future, and they will not be deterred from buying. They will increase their expenditures, and that will have a stimulating effect on the economy. However, the economic recovery will be slow and gradual, and will remain fairly steady at a low level, with a slight increase in the second quarter. Like last year, reports are almost uniformly good.

W. A. JOHNSON

Illinois Central Railroad

Illinois Central Railroad

As a result of which, the Illinois Central initiated a $939,000,000, or $24,000,000, in construction at a rate of 150 freight cars per day. It is estimated that the additional freight cars will produce savings of between 20 and 25% on investment. Delivery of the new freight cars is expected to be completed by the end of the year.

The 1957 freight car program provides for the construction of 600 general-purpose locomotives at Centrallia, Ill., at a cost of $13,000,000, and in addition, the construction of nearly 500 new boxcars which were delayed by the strike. Two hundred new covered freight cars were equipped for specialty loading, and 750 new boxcars were added last year.

In addition to ordinary running repairs, shop repairs were made to 14,000 freight cars, giving the Illinois Central a capacity to handle an estimated freight volume of less than 2%. This compares with a national capacity of about 4.5%.

Two twin-unit dining cars were acquired during 1956 and placed in service on the Chicago-Florida "City of Chicago" line.

Financial Policy

During 1956, the directors of the Illinois Central voted to increase the dividend rate on the common shares from $3.50 to $4 a share on an annual basis, the highest increase in recent years.

The oil company is now proposing a dividend of 20 cents per share for the current year. We may expect a dividend of 20 cents per share for the current year. The money has increased interest rates; an unsettling and still unsolved farm price problem. However, the automobile market is still very much in demand.

Like last year, reports are almost uniformly good. Right now, sugar is looking a little better than a year ago. And there seems to be a general agreement that the country's food supplies will continue to increase.

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Continued from page 43

when everyone is optimistic. The fact is we are spending more money on making it, what with liberal credit. Can we continue it indefinitely? Perhaps the answer is a qualified yes for a business and individual, until we catch up. But will we do it voluntarily? 1957 is the year of consumer willingness, with high prices, high wages and production—and high taxes.

DAN E. KARN
President, Consumers Power Company

For the electric and gas industries it seems certain that 1957 will be a year of unprecedented growth. This is the national outlook, and it is our feeling that the growth will be in the Southeast area served by Consumers Power Company will be somewhat greater than the national average.

Consumers operates in 64 of the 68 counties in Michigan, and although Michigan is a state of low population, it is a state of tourist and resort industry, and in the top third of the states in value of agricultural products, industry is by a wide margin the largest source of income in the State of Michigan.

Thus it is with great confidence that we assert the prospects for 1957 will make constant consideration the first order of business. We have made a study of the prospects for 1957 and the prospects are for a constant increase of our operations and the quality of our products.

JOHN S. KEIR
President, Dennison Manufacturing Co.

For the textile industry in the years since World War II have brought almost continuous increases in consumer acceptance and use. New trends in packaging and products identification and new uses for paper products in homes, schools, and in business generally have all contributed to the steady and rapid growth. Some measure of this growth can be gained from the fact that in 1956 the sales of all paper and paper products in the United States was over double what it was in 1946.

The most recent years, 1955 and 1956, have shown continued increase in sales and capacity increases. The rate of increase has been slowed but new high marks are still being set. To evaluate the possibilities of 1957 requires an understanding of the factors. Basic trends such as the acceptance of plastic, the technology of change, plant expansion, and military preparedness are the primary factors. Not so positive are high consumer debt, home ownership, and the two still unknown, namely consumer purchases of consumer durables and the overall results of a tightened credit policy.

Statistical analyses and a balancing of positive and negative factors suggests to us an increase in prospects only as the spirit of millions of people give life to the products of industry. But, whether or not we can as people make choices freely, exact predictions are not to be made only with caution. It is possible to guess at the components in chain reactions, but no one knows what may trigger them or the direction they may take.

S. M. KENNEDY
President, Consolidated Foods Corporation

With the advent of the New Year, we hear echoes of the usual year-end predictions that will increase our total capacity from 1,729,000 to 2,800,000 acres by 1957. Our confidence in the future of natural gas in our territory is such that we are seeking to obtain additional gas supplies in order to meet the anticipated demand for the next several years. In the absence of unforeseen national or international developments, we expect to continue to increase our possessions and sales growth and brand growth.

WILLIAM G. KARNES
President, Beatrice Foods Co.

Reflecting a current demand which exists in the dairy and food industry, our outlook at the beginning of the year is frequently little different from the previous year. At the beginning of 1956, as well as at the beginning of 1957, we mentioned three of the most important tendencies: (1) increasing costs with narrowing profit margins, (2) increasing per capita consumption of dairy products, and (3) increasing consumer willingness to accept the total consumption of non-dairy conver-

We can expect these trends to continue in 1957, although pressure of personnel and material availability may cause some variations in degrees of success. Wherever the pressure is little or no increase in per capita consumption of certain dairy products, but a significant increase in total consumption. The purchase of eggs and egg substitutes for food in general is still on the increase.

We believe there could be a small increase in farm production. Under the impetus of intense competition in the food field, agriculture has discriminating selectivity, more and better convenience foods are among the factors making their appearance in the stores.

All of which means a plentiful supply of dairy and other foods available at relatively attractive prices.

But for the processor and distributor, costs are going up. Inflation has been taking its toll the last few months and apparently will continue to do so after the first of the year.

Thus, the year 1957 present a challenge for us—probably not much different from that facing us in 1956. In many respects, the most important thing may be to expect the unexpected.

Speaking for our company alone, if I may say it is a real challenge to the management of Beatrice Foods Co. to maintain earnings for all our products, both mature and new.

We look to 1957 with optimism, convinced that we again can make good progress, and plan to meet that challenge by constantly working to further improve the efficiency of our organization and the quality of our products.

J. C. KEPLINGER
President, Hercules Motors Corporation

The year 1956 as a whole, and from the standpoint of sales volume, was a good year for the internal combustion engine industry. It was to be noted that there was some decline in sales during the last quarter of 1956, but it is anticipated that this may be of a temporary nature, and that the industry will continue on a positive, if not especially rapid track, on the same level as 1956. The outlook for the industry in 1957 appears to be promising, but there seems to be one of conservatism, as while there are certainly several phases of our existing business which show strong acceleration and which will add business to their existing lines, there are also other factors that tend to point in other directions.

Unquestionably there has been some inventory build-up during 1956 which may slow down inventory business for a period during the coming months. Just how much an upturn will take place and to what extent it will benefit our industry is not clear at the present time. With the advent of low interest rates, we may assume that the engine industry will continue to show growth.

At Hercules we expect 1957 will be a year of further developments of products and sales outlets, and until the trends in the economy turn upwards, it would be impossible to make any reliable forecast of what volume of business may be expected in the coming 12 months.

The new interchangeable models of gasoline and diesel engines, produced in 1956, are a good year for the internal combustion engine industry. It was to be noted that there was some decline in sales during the last quarter of 1956, but it is anticipated that this may be of a temporary nature, and that the industry will continue on a positive, if not especially rapid track, on the same level as 1956. The outlook for the industry in 1957 appears to be promising, but there seems to be one of conservatism, as while there are certainly several phases of our existing business which show strong acceleration and which will add business to their existing lines, there are also other factors that tend to point in other directions.

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for low money, we are already putting up over 75% of all the new homes in the nation.

One important fact is that architects have become interested in prefabrication and, consequently, prefab manufacturers have become interested in a mass market design. With their growing resources, prefab manufacturers have been able to develop the best-ordered and improved designs. This growing body of prefab manufacturers is now competing actively for the prefab market which offers them concentrated volume for sale. The result is that, while we are at the beginning of this new market, we are already benefiting from the results of the early years.

One very important fact which will contribute greatly to the prefabrication boom in 1957 is that the Defense Department is planning to build a great number of houses (those with plywood sheathing and glued to all framing members) in the Washington, D.C., area. The ACF program passed by the Congress, $2.3 billion worth of houses will be put up in the next two years, the industry will need. Improvements in prefabrication and our customers are now benefiting from the research efforts made in this new market.

The Knox Corporation is already completing one military housing project. A few months ago we were awarded a contract to provide 50 houses for the Redstone Arsenal, Huntsville, Ala. Our research efforts with its mass production methods, has a tremendous advantage over the prefabrication industry. The Knox program will be at a more accelerated rate than that for the industry as a whole. However, the entire industry, with its ever greater volume of production, although small, will increase its sales by at least 10% during the coming year.

H. F. KRIMDAHL
President, Stokey-Van Camp, Inc.

The general economy for 1957 is expected to be slightly increased from 1956. Both the wholesale and retail trade, with the exception of a slight decrease in the wholesale trade, and the industrial phase of the national economy, show considerable improvement in this year.

Between current supply and demand for this season's pack of seasonal and non-seasonal commodities.

In spite of the tight money condition many statisticians point out today as a caution sign, the large stocks, government expenditures, will spend money 1957 than 1956. Government, Federal, State and local expenditures will be up some $4 billion over 1956. Business programs forecast a rise in plant and equipment of about $4 billion and the consumer will spend more money this year because the money supply will be higher. Spending and trends in purchasing may produce some shifts in the balance of payments, but rapid declines or reversible situations can be foreseen at this time, in my judgment, due to the overall balanced condition of the domestic and international economy.

I expect the food industry and my company will share of the increasing volume of sales and profit. The food industry today continues to offer the consumer greater relative values. The sale price of meat, livestock, eggs, and milk has been increasing in recent years. As a result, the cost of living has increased, which has a direct effect on the profits of food companies.

The general economy for 1957 is expected to be slightly increased from 1956. Both the wholesale and retail trade, with the exception of a slight decrease in the wholesale trade, and the industrial phase of the national economy, show considerable improvement in this year.

HOWARD F. LEOPOLD
President, Ero Manufacturing Company

Two clouds hover before the industrial scene in America: the threat of promotions phenomena, and the threat of a national recession. On the domestic scene, the warming signals will be overestimated. Inflation in housing and other inflationary pressures will be well below last year's levels for both goods and services. Overseas, in the crisis in which the Middle East, the Iron Curtain and other factors contribute to this economic imbalance, we will have to be concerned with reducing the deficit.

It is my hope of course that the cloud of economic danger will not pass as the new year dawns. The business climate is positive, and we at Ero Manufacturing are prepared to meet the challenges that lie ahead. We have every reason to believe that our economic policies will continue to strengthen the American economy in the coming year. The stock market is booming, and the consumer is optimistic. The public's stand at the general elections last November, are a reflection of this optimism in the economy—wherein the American economy has been growing at a rapid pace.

Employment is at a record high, and there is a trend toward stability. This is good news for the job and earnings. Salaries are sufficient and in the over-all picture, the American consumer has never been stronger.

Adding this increasing rate of growth in our industry to the continuing increase in consumer spending, it is anticipated that the average family will have 25% more household products than they did in 1956. The increase in sales of goods and services will be accompanied by a corresponding increase in household spending. This will provide a major stimulus to the economy.

The greatest challenge to the food industry in the coming year is to maintain a high level of consumer spending. It is anticipated that consumer spending will continue to increase at a faster rate than consumer income. This will provide a major stimulus to the economy.

F. HAROLD LOWEER
President, Monumental Life Insurance Company

The outlook for 1957 and increasing the ownership of life insurance in this country is, I think, fairly good. The life insurance companies can make in this direction is tied in very closely with the general economic outlook. Our present outlook is very favorable. The present strength and vigor of the economy will in all probability continue throughout 1957. Total personal income should remain at its present high level, and disposable income per person should continue to increase significantly. If the population will expect that for 1957 it will exceed this level. In addition, the present high level of disposable income per person will continue to increase throughout 1957. Total personal income will exceed this level. In addition, the present high level of disposable income per person will continue to increase throughout 1957. Total personal income will exceed this level. In addition, the present high level of disposable income per person will continue to increase throughout 1957. Total personal income will exceed this level. In addition, the present high level of disposable income per person will continue to increase throughout 1957.
Continued from page 43

MATTHEW LITTLE

President, Quan-Nichols Company

Our company manufactures loudspeakers and other components used by dealers, and radio and television receivers, interoffice communication systems, and in the manufacture of various electrical devices. A large portion of our production is used in original equipment; a smaller portion goes into service field replacement parts. Not so many years ago our sole market for outside loudspeakers was in the radio receiver field, but today we have expanded to serve manufacturers in many fields.

As an example, a considerable number of small speakers have been used in our industry since the advent of television. Our last annual report, covering the year 1956, showed a marked increase in sales of the type.

Our research is directed toward the field of audio equipment, and with the help of research we believe that we can do much more for listeners who are less demanding than the average listener.

Our research has been carried on primarily in the field of audio equipment, and with the help of research we believe that we can do much more for listeners who are less demanding than the average listener.

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Gold production in the few years before the second world war did indeed take a great leap forward, 
raising the value of the dollar in 1934.
Since the outbreak of the second war, however, the de-
preciation of the gold supply has caused the price of gold to rise, 
so that the fixed price of the dollar in terms of gold resulted in 
salvage prices that were higher than the intrinsic value of 
the output of the world’s gold fields has steadily declined, 
as one mine after another became marginal and 
worthless.

The only exception to this pattern was in the Union of South Africa where two extraordinary trademarks in the latter part of the decade 
resulted in the gold output of the country of a number of large mines. This reversed the expected 
downward trend, though not to a degree that made 
the gold supply fully satisfactory, since the concentration of 
the demand at the prewar ratio of gold to the dollar. With 
the volume of international monetary transactions, the 
outflow of gold from this dominant source would have 
been drastically curtailed even by 1958. As it is, new 
mining operations to increase the supply of gold appear to be 
having their anticipated effect on prices.

In a sense, the maintenance of production of gold at 
its fairly high level in South Africa has been due to 
the efforts of the United States Government in the form of 
allowing the United States Government in the form of 
compensating payments and of the Atomic Energy Commission.

The American gold mining industry has not for 
many years been the subject of increased interest in 
the United States, but it is the American gold industry 
that is now in the forefront of our consideration with 
specific percentages close to being a guarantee of continued 
interest in gold. It is significant that the glut of 
the ability to keep ahead of the process; but the 
success of such temporary and dangerously costly 
to the working man as well as others in the long run.

It is something of a paradox that the producers of the 
monetary metals are under the protection of the State 
against deprecating paper money, while the investment in gold 
ought to be of the gold standard. Above all, the 
theoretical value of gold is greater than the actual 
price of gold, and the difference between the two is very 
small.

However, in the answer to the question of the 
financial manager, the gold standard is maintained for 
the ease of the country’s business. In the long run, 
the value of the dollar is determined by the supply of gold, 
and the price of gold is determined by the demand for 
the dollar.

Gold is a commodity with a fixed price.

President, The National Supply Company

A. W. McKinney

The Middle East and the Suez Crisis

A. W. McKinney

President, The National Supply Company

With the exception of gold, the metal with the highest 
value is silver. The price of silver has been 
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We in the food industry welcome the challenge posed by the consumer's inroads into the home kitchen, the vital end of America's grocery lifetime. The thinking and planning of all components of the industry must be directed toward the development of new products and packaging which, at the same time, should include both packaged consumer requirements or the company's own standards.

The food industry has been successful in the development of packaged grocery products with the kind of high-quality products that will undoubtedly, in part, to the industry's scientific curiosity and ingenuity in the fields of advertising, marketing, and purchasing. The modern trend toward more efficient individual marketing, processing, packaging quality control, and marketing.

We are looking forward to another good year in 1957. Our consumer demand will have a healthy effect on our economy.

VICTOR MUCHER

President, Clarostat Mfg. Co., Inc.

Emphasis is shifting in the components industry. From our point of view, this development and the increased emphasis on the field are more or less a natural development. We are now asked for 1% and closer electrical tolerances, along with precision machining, by designers and builders of computers, guided missiles, radars, aircraft electronics and other equipment. Where cost cuts a back 50 years back, we expect present conditions to continue.

In our two Clarostat plants we have had to set up and adopt new quality control practices. For the reason that, we are interested in the cost of the component parts of a whole system.

VICTOR MUCHER

President, General Foods Corporation

The food industry approaches 1957 determined to satisfy the consumer better, with more and higher quality foods. We have generally estmated that consumers would spend $6.5 billion for grocery products in 1956. Today the market is in the neighborhood of $7.5 billion and, I expect, will exceed by at least $1 billion.

We believe the food industry in 1957 and the years to come seems to hold great opportunities for the entire food industry, for both the large and small. In the years ahead, and this applies to industry, there should be a greater understanding of the needs and desires.

A high-intensity competitive battle atmosphere, the thinking and planning of all of the components of the industry must be directed toward the development of new products and packaging which, at the same time, should include both packaged consumer needs or the company's own standards.

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supply. Price increases in other producing areas throughout the United States are likely to be followed by similar increases in the near future. In 1957 the Signal Oil and Gas Company's main interests will be centered upon offshore California, the Gulf Coast of Louisiana, Guatemala, and Venezuela.

G. E. MUMA
President, Divco Truck Division

Discounts are high and every effort must be made to keep them down. Our field of operation, which is automotive, finds us trying to sell a small, but an important segment, of the total output of motor vehicles. Our customers are specialists. We do not always see the same things in the future that we have done in the past and they will not be the same as we have had in the past. The general health of the industry does to a certain extent cause our sales volume to fluctuate.

In looking into the future for probable prices of oil we have been justified in a short distance to see where we have been in order to better understand the impact that will have a bearing on the near or distant future. Looking 30 days ahead we see that our volume will be a little larger than last year. However, this is not entirely dependent on general business conditions. We believe this will be a very good (4) but on some efforts on our part that are being made to sell our products to offer specializing companies can do much to continue their success by searching out new markets for their existing products. We will need another 3-5% to be more adequately served by better products.

In looking forward to the middle of 1957, we are trying to see things that are beyond the range of our headlights so that we have to do some speculating on what lay ahead. We see that there is where forecasting comes into play employing several tools to get an answer, these tools being:(a) what you believe you can do in promoting and selling your own products. You always plan on going ahead and getting the public's confidence. This is just one of the requirements you may have to satisfy if you are to be successful in your business. (b) The accuracy of your first six-month's estimate or forecast will aid in finalizing the schedules for the last half of the year, and (c) You are constantly studying and reviewing the information to be had concerning the plans and possible action by your principal customers as well as the trends of the many smaller customers.

In looking ahead for 12 months we believe so that we may be ready for the many variables that our conservative in volume will be 3%. A reasonable increase would be 6%, and our most optimistic increase would be 9%, but in all events an increase over 56.3.

H. I. MURPHY
President, Chicago, Burlington & Quincy Railroad Company

Despite rising labor costs and the burden of regulation, which adversely affect the railroad industry as a whole while favoring subsidized competitors, economic prospects for the railroads in the Chicago, Burlington & Quincy Railroad continue to be favorable. Many of the factors that have contributed to the stable and prosperous year of 1956 are expected to continue to produce a favorable trend in 1957. Peculiar to the railroad industry are high wages and benefits, and the union's effort to improve the bargaining process and gain a better bargaining position for the employees. The most optimistic increase would be 6%, but in all events an increase over 1956.

Harry C. Murphy

EDWIN P. NEILAN
President, Equitable Security Trust Company

Wilmington, Delaware

Nineteen fifty-six promises to be another very good year for business. Heavy expenditures by Government and business in communication expansion by business should absorb any minor economic disturbances created by the closing of several plants and its impact upon the economy. Any major economic disturbance or export-import policies could offset by increased foreign aid.

However, we are confident that, under the free enterprise system, the problems of our economy are in the hands of management, labor and the investor will insure a sound future, not only for 1957 but for the years to follow.

J. J. NOLAN, JR.
President, The Central Foundry Company

The year 1957 promises to be another very good one for business in general. The professional analysts all seem to agree that the trend of recent years with its rising business volume and the better profit situation will continue into 1957. It is a trend which makes it appear likely that the value of the dollar will not undergo a general decline during the course of next year. Since the Federal Reserve Board has not allowed the supply of money to increase, one of the factors that we have come into play will be to give us a line of credit for the supply. I think that there is just enough credit for all that we would have to. It seems that there are not all of the economies that may be realized in the past, but it seems that there are not all of the economies that may be realized in the past. It seems that there is not enough credit for all that we would have to. It seems that there are not all of the economies that may be realized in the past.

The building industry, with which soil pipe manufacturing is so closely related, has been one of those segments that has benefited from a better price situation. We have seen an improvement in the material and labor costs as well as a decrease of mortgage funds have brought about a decline in housing starts in the past year. A continuation of this condition, along with the Government's increased demand on the supply of housing, will probably cause a further decline in home building for 1957.

On the bright side facing us, a decrease in interest rates for the building industry in 1957 is the predicted increase in building of plant and equipment by private industry. Some estimates of this increase run as high as 30% or more than 1956. Another note of encouragement comes from a look at governmental building programs, particularly those of state and local governments. The demand for schools and other institutional building is undeniable, and, although delays are sometimes necessary, the need must be satisfied. Government action to assist the private building industry is needed and will be favorable to the building industry, particularly to large mortgage funds have brought about a decline in housing starts in the past year. A continuation of this condition, along with the Government's increased demand on the supply of housing, will probably cause a further decline in home building for 1957.

I am optimistic about 1957, although much, of course, depends on the world situation and governmental actions in the credit field. One thing is certain, however, the need for residential, commercial and institutional building is undiminished, and will be met as the money supply permits.

GEORGE A. NEWBURY
President, Manufacturers and Traders Trust Company, Buffalo

Significant predictions point to a record business year in Buffalo in 1957. We believe that favorable conditions such as a high level of industrial production, a rapid growth in wages, and a general increase in the personal income level will combine to give us a better business year. However, it is estimated that rising costs will prevent any appreciable increase in profits. Furthermore, the national economic outlook is not bright.

Edwin P. Neilan

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Continued from page 49

as the supply of loanable funds is not comfortably ade-
quate to meet demands, bankers must continue to give
first the light and main current of loan demand.
Now, scheduled 
established customers and the local community to the ex-
clusion, if necessary, of other attractive loan and in-
vestment opportunities or requirements, would be il-
crimination and sound judgment.

The business climate in the Buffalo Area for the
first half of 1957 are labeled "exceedingly bright" by the
Chamber of Commerce. In its survey covering some 413 companies reporting in Buffalo, the Chamber
of Commerce and industry it finds 57% of those reporting ex-
pect business to improve during the next five years,
compared to a total of $700,000,000 in 1955. This does not
include the estimated operating profit of $150,000,000 at
Lackawanna plant, the largest industrial expansion ever
conceived. It will also be noted that the Governor’s act of
the Government’s rejection of fast tax write-offs for
the steel industry.

By the end of this year the New York State Thruway
will be completed from Buffalo to the Pennsylvania State
line and in the meeting the more important highway
projects underway or in the immediate offing the Buffalo
Evening News states, "by the end of 1957 the improvement
in moving traffic and ease in travel will step with the times and justify confidence and enthu-
siasm for 1957 and the years to come.

RAYMOND A. NORDEN
President, Seaboard & Western Airlines, Inc.

Transatlantic shippers during 1957 will be provided with a
large new lift capacity, greater speed and greater frequency
than was available a year ago.

At the time when we assign the all-cargo lift on an as-
talantic, all-cargo service, it will
provide an additional 50 million pounds of freight capacity in every direction on the Atlantic service. This has been made possible by recent adjustments in the trans-
Atlantic service and an increase in lift capacity on the
Atlantic service. The new service is operated by a new
aircraft, the Convair 240.

The increased lift capacity, greater speed and greater
freedom in the transatlantic service will result in an increased availability of cargo space in every direction on the Atlantic service.

Nineteen hundred and fifty-seven will see the 10th anniversary of commercial air cargo service. It will also see a new high in promotional activity, advertising aimed at developing the air cargo market, both here and abroad.

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expected about the same rate of increase in their operations.

Known factors affecting area development substantiate these optimistic projections. The approximately 1,600,000 population growth of the city, for example, is already of around 32% during the past six years. New residential connections have been added at the rate of nearly 1,000 a year—in itself a significant barometer of progress.

In order to meet the contemplated electrical needs of expanded population, we are expanding our capacity by investing some $140,000,000 in expansion of the area's electrical system, the first major expenditure of its kind in the past 20 years—an amount equivalent to our total plant account at the end of the year 1953. By 1960 capability will be more than 2,800,000 kilowatts, an increase of 1,000 kilowatts over present capacity. This expansion program calls for total expenditures of approximately $800,000,000.

ANTENIO PATINO E.
President, Patino Mines & Enterprises
Consolidated incorporations

The two principal uncertainties overcoming the tin market for the United States are the International Tin Council which is now functioning and the uncontrolled U. S. Government policies that have been in operation. Under the International Tin Agreement, which was approved by the United States Senate, the agreement to stabilize the price of tin, an effort will be made to keep refined tin from between $2.40 and $2.80 per pound. Producing countries have almost completely delivered their 4,800,000 ton in the market. The price of tin it will be reduced to $2.80, and will also be permitted to be sold at the price range of $2.40 to $2.72 between the tin and silver prices. Production costs were fixed three years ago and an effect is now being felt in the price of refined tin. It is probable that in the future, some of these countries will be able to cut their production to meet the demand of the market.

The tin smelter that has been built and is now in operation in Europe and Malayan smelters and the resulting refined product will be shipped to the world market, the successful negotiation of the price by Bolivia and Malaya. Consumption in the Pacific Northwest is going up due to the increased world tin prices. Tin is usually used in the same form as its use in the United States.

Even a small surplus tin production could make prices at current levels in the United States go up. Tin is a very important metal and it is used in the production of many useful products, such as tin cans, pipes, and many other items.

The two principal uncertainties overcoming the tin market for the United States are the International Tin Council which is now functioning and the uncontrolled U. S. Government policies that have been in operation. Under the International Tin Agreement, which was approved by the United States Senate, the agreement to stabilize the price of tin, an effort will be made to keep refined tin from between $2.40 and $2.80 per pound. Producing countries have almost completely delivered their 4,800,000 ton in the market. The price of tin it will be reduced to $2.80, and will also be permitted to be sold at the price range of $2.40 to $2.72 between the tin and silver prices. Production costs were fixed three years ago and an effect is now being felt in the price of refined tin. It is probable that in the future, some of these countries will be able to cut their production to meet the demand of the market.

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JOSEPH N. P. EYER Jr.
Chairman of the Board, Sun Oil Company

Events in the oil industry have been occurring very rapidly as the result of the instability in the Middle East. The crisis in that area affects all of the world's oil suppliers, and the result is a decrease in supply which is reflected in the price of oil. The price of oil has increased significantly in recent months, and this has led to increased production in other countries, particularly in the United States. The increase in production has been offset by increased demand, as evidenced by the increase in the number of new exploration and development projects.

In the Pacific Northwest, the outlook for business in 1957 is excellent, for energy generally and the gas utility industry in particular. Various businesses are in which I am associated—natural gas, salmon packaging, steel fabricating, and manufacturing—all are associated with the growth of the region. The services of the company's engineers and its engineering department are important in the development of new projects.

GEOFFREY F. PATTERSON
President, The Buckeye Pipe Line Company

The Buckeye Pipe Line Company in 1957 will continue to expand its existing network of pipeline facilities so as to better serve its customers. Foremost on the list is a new $30,000,000 expansion of the Ohio, Indiana, Illinois, and West Virginia systems. This project involves the construction of new pipeline facilities in the northern and eastern parts of these states. The project is scheduled for completion in the early part of 1958.

The Buckeye Pipe Line Company is a major supplier of natural gas to the central United States. The company's main crude oil refineries are located in Allentown, Pennsylvania, and Morehead, Kentucky. In addition, the company has a number of smaller refineries located throughout the United States.

When Canadian natural gas becomes available in late 1957, the total supply for this area will approximate 500,000,000 cubic feet per day, and the need for the additional pipeline facilities will be even more urgent than today's. We believe that our company's pipeline facilities are nearly adequate to meet the demand for additional pipeline facilities in the area.
Continued from page 51

B. F. PITMAN, JR. President, Pitman & Company

Like the Star Spangled Banner at a football game, the reason for forecasting 1957 business, the chairman of Pitman & Company, says, is again, with us. Pronouncements by most of the business leaders, notably the presidents of banks, are now being made with an unprecedentedly optimistic. For ordinary, to a large extent, in view of the most recent public financial policies. The economic recession, of course, is still coming out of the excesses of the boom days of the late '60s. Even so, the various indices of economic activity are moving in a generally upward direction, which is likely to spell continued unemployment. The Federal Reserve has lowered interest rates to the point where money is cheaper and more plentiful, and this should be a stimulus to business activity.

Federal Reserve Bank of St. Louis

Digitized for FRASER

Benj. F. Pitman, Jr.

C. W. PLANE

President, Gladding, McBean & Co.

Freeways, high-rise buildings, and much of the industrial equipment of the country. These trends, together with the general increase in consumer buying power, promise to make 1957 a year of considerable activity in the construction industry. This is especially true in the West, where the demand for new housing is expected to be particularly strong. In the East, where the demand for commercial and industrial buildings is expected to be strong, the outlook is also favorable. In the South, where the demand for new housing is expected to be strong, the outlook is also favorable.

The construction industry has been experiencing a period of rapid growth in recent years, and this trend is expected to continue in 1957. The demand for new construction is expected to be strong in all regions of the country, and the outlook is also favorable in the West, where the demand for new housing is expected to be particularly strong. In the East, where the demand for commercial and industrial buildings is expected to be strong, the outlook is also favorable. In the South, where the demand for new housing is expected to be strong, the outlook is also favorable.

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trend toward similar it from have additional discouraged of income come, housing should all that collar than combined to many the Wear, of this means of this year 16% in 1956 and a new plant is being constructed at a cost of $1,500,000. Goodrich-Gulf Chemicals, Inc., also, in addition to starting production on a new plant, a project to build a $5 million dollar expansion program at its Port Neches, Texas, plant, which will increase its annual production of butadiene by 50%.

Referring to operations of International B. F. Goodrich Company, the production of new rubber products by Goodrich International Rubber Company of Manila in the Philippines and production of another—expected to be completed early in 1957—by Lima Rubber Company, the new plant of the B. F. Goodrich Company and落户 of the new tire and rubber products industry in this country.

The year 1956 was one in which the rubber and brass and bronze industry survived a period of many months of shortages and rising prices to one of abundance and falling prices. The year should be a good year for the industry.

During the first quarter and into late January, the brass has a large volume of orders in hand which will permit the industry to obtain metal necessary for this level of production. The production of the purchase of copper wherever it could be obtained and at whatever price has an average price new plant plant to be completed prior to copper for modern times.

During the second quarter new orders started a downward trend, although the backlog permitted the continued large production. The demand for copper was reduced with a resultant elimination of premiums for the metal.

In the third quarter new businesses and production dropped considerably, while customers required inventories in anticipation of a price decrease. This became apparent in the month of August when the price of the metal for 46 cents to 49 cents per pound.

In the fourth quarter as customers’ inventories were adjusted, although the demand for copper continued on a much lower level than in the preceding months, the price again was reduced to 36 cents per pound.

For the new business situation for new business was very keen and Mueller Brass devoted much time and talent to increasing operating efficiency. While 1956 was a year which did not enable it to be available until February, it is estimated that both sales and profits are considered.

During the past year, Varnum Aluminum Products, Ltd., of Stratroy, Ontario, a newly established subsidiary of the Canadian market, began operations which are proceeding at a very slow pace to meet production where profitable operation results. It is hoped and expected that the new subsidiary will show a profit before the end of 1957.

The new rolling mill installation at the Sheet Aluminum Company, New Jersey, has been completed. It is expected that this modern equipment will increase sales and profits from that subsidiary in 1957.
A sizable new building was added to the production facilities for the manufacture of F. Robinson products on the campus of the University of Michigan, and a new office building was completed. Both of these projects were anticipated as a result of increased demand during the last year. The new building is designed to incorporate improved methods of organization and equipment to increase the capacity of the design and drafting department, an important factor in the efficient operation of the company. In addition, the expanded facilities will provide space for the continued growth of the company's research and development activities.

The company's directors have approved a capital expenditure budget for the fiscal year ending June 30, which is expected to be sufficient to accommodate the anticipated growth in demand for the company's products. In addition, the company is exploring the possibility of expanding its operations into new markets, such as the midwest and the southwest, to take advantage of the growing demand for its products in these regions.

The company's financial results for the fiscal year ending June 30, 1956, are expected to reflect the continued growth in demand for the company's products, as well as the increased efficiency and productivity achieved through the implementation of new production processes and the expansion of the company's research and development efforts. These factors are anticipated to result in increased profits and improved financial performance, which will provide a strong foundation for the company's continued growth and expansion in the years ahead.
The drought in this territory during the summer created serious problems for feeders. However, the timely rainfall that fell in Kansas enabled the harvesting of most of the corn and bean crops without too much damage. The oil of the latter has been in the banks.

Deposit volume has maintained the same general level as in the preceding year.

JOHN H. SIECKMANN
President, Standard Business Corporation

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Deposit volume has maintained the same general level as in the preceding year.
Continued from page 55

My own estimates indicate that the trend on Gross National Product is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross National Product</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>$235.2 billion</td>
<td>4.5%</td>
</tr>
<tr>
<td>1956</td>
<td>$250.0 billion</td>
<td>6.1%</td>
</tr>
<tr>
<td>1957</td>
<td>$261.2 billion</td>
<td>4.9%</td>
</tr>
<tr>
<td>1958</td>
<td>$271.2 billion</td>
<td>3.8%</td>
</tr>
<tr>
<td>1959</td>
<td>$284.7 billion</td>
<td>4.5%</td>
</tr>
<tr>
<td>1960</td>
<td>$299.4 billion</td>
<td>4.8%</td>
</tr>
<tr>
<td>1961</td>
<td>$323.2 billion</td>
<td>4.4%</td>
</tr>
<tr>
<td>1962</td>
<td>$343.7 billion</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

With the total value of all goods and services produced in the United States, 1955 was the year in which the postwar, as indicated in the last table, this is nothing but a reflection of business activities. Obviously, no businessman in his right mind has to have revenue, and hence for his efforts at the end of the year. Stockholders, at lease, might object to the situation very vociferously.

Corporate Profits

Under the circumstances, at what level would a prudent man estimate our corporate profits for 1957? It will be denying that any and every other source of expansion earnings, since we must assure that Congress will not cut the corporate income tax rates.

Demand for Funds

With so much money available, and with the persistently increasing pressure for business credit, the commercial banks are naturally faced with a large volume of deposits and hence increased demand for its funds. This includes the dollar-factors which buy accounts receivable, and the financial companies as well. To some extent, therefore, the fly in the ointment is that the receivable finance companies are not in a position to use all of their funds. They borrow wholesale from banks, and then lend retail to individual companies. With banks being more cautious in underwriting accounts receivable, the finance companies are being thrown back on the security of the assets for which they have issued the receivables, or for which their funds. Some of this, no doubt, will be made available to small and smaller companies which are growing competitively, whereas sales would expand if additions, working capital were available.

No Inflation

Under stable conditions, the increased volume of credit use in finance companies is not necessarily inflationary, finance executives feel. If that larger credit in business is used for the purchase of goods and services, and not to provide for the stimulus of the economy, the excess cash is no more a cause for inflation than any other general circulation. Of course, finance executives fully understand that the best way to prevent a depression is to keep the credit demand for goods and services in control. If there can be judicious and effective control of the use of credit in the expansion phase, the rebound from the peak will be less severe and the new recovery forces may be expected to get under way sooner.

While the growth of the finance industry indicates that limited must always be enough money to do the necessary money work, and that such supply must be increased in step with the economic growth of the community. This does not mean a rate of money expansion to be determined by formula or statistical device. It means simply that there must always be enough money to serve the needs of the community in the maintenance of the stable price level.

Annual Growth

The prospect for future growth of the American economy, even at the historic average annual rate of 4%, will be determined in 1957. The Federal Reserve Board is regularly worried about inflation, but for 1957 the Board appears to be acting as though it is afraid of growth.

How is it possible to achieve a $50 billion economy by 1962? If the hopes are to be realized, then the Federal Reserve Board must be at least shown a level adequately to support a rate of growth of $50 billion.

Many finance executives today agree that the Federal Reserve Board has acted wisely in putting the screws to credit by establishing new tools in its stern policy, it will risk precipitating a real dip.

Money Denied

Even if the Board tried to do no more than stand pat, it will deny a great amount of the general addition to the money supply that sustained growth requires. It will, in fact, be overrating its own policy to which many finance executives adhere—which before 1955 allowed the money supply to increase at an average of 3% to 4% a year to keep pace with the demands of normal growth? If these are the exact positions in 1955, the Board allowed only a scant 2.5% increase in the money supply. In 1956, the Board allowed only 5.7% increase, and so far in 1957 the finance executives agree that the Board cannot expect to continue this same trend without putting unmerciel pressure on legitimate borrowers.

JOSEPH T. SIMPSON

President, Harco Corporation

Looking to 1957, the prospects for Harco Corporation and the entire aircraft industry are much encouraging, with the outlook bright for all phases of our national steel industry, of which our Hackett Division is a part. That business will show a recovery in 1957. Use of our die castings by industry, where many of the engines of the market for our steel cylinders show considerable expansion. As the world’s largest producer of seamless steel high pressure gas cylinders, for the storage and transportation of all types of compressed gases, Harco will continue to lead the companies in this field. Increased demands for seamless steel couplings is an encouraging factor, not only for Harco, the nation’s largest independent producer of this item, but also for our customers in the oil and gas pipeline industry, where most other goods for 1957 is the steadily expanding use of Harco products to recover natural gas from the new sources that are being explored now. The use of our die casting in the construction of new equipment both under way in the construction of installations at two South African steel plants, and one in India, and plans that have been introduced for the construction of two recovery plants in Australia. The new independent producer of non-ferrous die castings, Harco is making an important contribution to an industry which, although a long time coming into its own in America, has many potential advantages offered by the use of die cast parts. The sales of the aviation industry are expected to achieve a recovery in 1956, and to approximate half a billion dollars annually, have been introduced for a number of years, and plans are now in the making in the future that even better times are ahead for all of us.

S. J. SOLOMON

President, California Eastern Aviation, Inc.

All signs point to substantial expansion in every segment of the aviation industry in the United States and abroad in 1957. Barring a reversal in the trend of our expanding economy at home and abroad in 1957, air transportation, both scheduled and non-scheduled, will continue to expand. The expansion of our national steel industry, of which our Hackett Division is a part, is expected to continue the recovery trend of 1956. The use of our die castings by industry, where many of the engines of the market for our steel cylinders show considerable expansion. As the world’s largest producer of seamless steel high pressure gas cylinders, for the storage and transportation of all types of compressed gases, Harco will continue to lead the companies in this field. Increased demands for seamless steel couplings is an encouraging factor, not only for Harco, the nation’s largest independent producer of this item, but also for our customers in the oil and gas pipeline industry, where most other goods for 1957 is the steadily expanding use of Harco products to recover natural gas from the new sources that are being explored now. The use of our die casting in the construction of new equipment both under way in the construction of installations at two South African steel plants, and one in India, and plans that have been introduced for the construction of two recovery plants in Australia. The new independent producer of non-ferrous die castings, Harco is making an important contribution to an industry which, although a long time coming into its own in America, has many potential advantages offered by the use of die cast parts. The sales of the aviation industry are expected to achieve a recovery in 1956, and to approximate half a billion dollars annually, have been introduced for a number of years, and plans are now in the making in the future that even better times are ahead for all of us.

ROSS D. SIRAGUSA

President, Admiral Corporation

The shakeout in the automotive and appliance industry during the past year resulted in over a score of companies entering production. This can mean only one thing for the remainder of the industry—the greater and more business for the survivors. Yet the outlook for the coming year, although it will provide more for the better and stronger, will still be beset with the greatest number of serious problems. Barring further credit restrictions, the company anticipates that it will produce and sell 10% more automobiles—refrigerators, freezers, room air conditioners, and electric ranges—in 1957 than in 1956. Our air conditioner production schedules for the first quarter alone will exceed our total room cooler sales for all of 1956. Schedules have been introduced for the growing season and a projected $100 million increase in the size of one average-size ranch type house. It features compact slim-design central air conditioning at an affordable cost to cool up to 1,000 square feet per apartment.

The output of the entire industry might reach a record 90,000 units in 1957, with nearly half of them 16-, 14-, and 17-inch portable models. Color TV sales, with their increased size and increased sales competition, are likely to reach nearly at 500,000 units.

Radio sales were excellent in 1956 and I foresee an increase of approximately 15% over the 1956 rate, largely due to the popularity of the new pocket transistor models. The movement in the air conditioned room market continues to show a fairly sharp gain because the market still has hold on the market for quality products and quality service and will be eager to pay for the best that hotels can offer.

A. M. SONNABEND

President, Hotel Corporation of America

Although 1956 was the greatest business year in history measured by almost any economic index, there is no reason to expect that 1957 will be any less prosperous. The nation is definitely in the heady grip of the prosperous recovery after so many years of depression. The nation is clearly the growing population of the United States. As an example, there were 11,000 births every 24 hours and over three million new people added to our population. The hotel industry is certainly precious demand from this continued prosperity. This means that the increased consumer spending will be reflected in increased demand for new hotel facilities. The hotel industry must be prepared to meet the demand for new hotel facilities. The company anticipates that the new hotel facilities should find the market for quality products and quality service and will be eager to pay for the best that hotels can offer. Motels and tourist-lodges should benefit greatly.
from the increased spending by consumers on travelling and they should become an even more important factor in the hotel industry, particularly in the long run. Increased competition within the industry may cause the small margin of profit to be much smaller. Therefore, it is important for the hotel industry to be prepared for the increased competition.

SCEVA SPEARE
Chairman of the Board,
The Indian Head National Bank, Nashua, N. H.

We feel 1957 will be a splendid year for banking and business in New Hampshire, perhaps as good as 1956 which was excellent. We have a wide diversity of industries, with the electronics, building materials, shoes, manufacturing, paper products, textiles, and farming important. Local business leaders are on the whole optimistic about the first quarter of the year, and in view of the continued pressure of loan demand, the outlook for bank earnings remains favorable.

STANLEY M. SORENSEN
President, Hammond Organ Company

Sales and earnings of the Hammond Organ Company have increased consistently during the past several years, and the trend, which is the strongest trend of all, is expected to continue. The year 1957 offers even greater opportunities for the company.

Another reason for optimism may be traced directly to our outstanding merchandising organization, consisting of carefully selected employees throughout the country. We feel that the Hammond dealer organization is more aggressive and more promotion-minded than ever before in the history of the company. We are developing, testing and applying "creative selling" techniques to further increase our sales of Hammond organs.

(Continued on page 38)
Continued from page 47

business will more than ever be. Although building-

cost increases may cut into planned budgets, we be- believe that those firms whose sales appeal is built on product advantages will continue to prosper.

A separate, and considerably smaller, market for mass transit is in the smaller communities. The wartime demands on transit and out-of-town roads should be somewhat higher in 1957 than in 1956, but will not reach the tremendous level of expenditure indicated by production in the late 40's.

With the new American Seating Company and its network of distributors, we anticipate a year of excel-

lent opportunity in 1957. New seating is being put on the market and production output will be at a level just as high as last year. The outlook for 1957 is more than favorable.

MOBIE J. SPIEGEL
Chairman, SPIEGEL, Inc.

The nation's total business activity in 1957 should produce a gain of at least 3% to 4% (exclusive of price increases). This means increased production and consumption which, in turn, means increased employment opportunities for the economy in 1957 are expected to be increased business which, in turn, means increased employment opportunities for the economy in 1957 are expected to be increased business and consumer spending and higher consumer incomes. New construction and inventory build-up must be regarded as neutral forces in the picture.

On the retailing front, the anticipated increase in personal income and new housing completions should mean higher sales for virtually all types of retail outlets during 1957. New automobiles should register a substantial gain since prices have remained relatively low levels. During 1957, an estimated 10 million people will make purchases of installment purchases. This should help increase total installment sales above those achieved in 1956.

CHARLES A. TAYLOR
President, The Life Insurance Company of Virginia

The outlook for the financial year 1957 is better than it has been for 25 years but intelligent management will be all important in handling the challenges of competitive banking and a new banking era. During 1956 require-

ments for funds were much greater than the supply of funds, resulting in a very rapid increase in interest rates. Potential demands for 1957 are even greater and should result in much greater earnings for banks from loans and investments, which should more than offset higher operating expenses.

Description of Federal Reserve System Note the activities of the Federal Reserve System are established by the Treasury Department.

The Fed has 12 districts covering the US, each district is made up of a Reserve Bank and the district's representative on the Board of Governors in Washington, D.C.

The Reserve Banks have the primary responsibility for implementing monetary policy and providing banking services.

The Fed's primary tools are open market operations and the discount window.

Open market operations involve buying and selling US government securities in the open market. This is done to influence the level of interest rates and the money supply.

The discount window is a lending facility for banks and other depository institutions. When a bank needs funds, it can borrow from the Fed at a rate slightly higher than the prevailing market rate.

These tools are used to implement monetary policy, which is determined by the Federal Open Market Committee (FOMC). The FOMC consists of the Chair of the Federal Reserve Board, the Vice Chair, and 5 other members who are appointed by the President and confirmed by the Senate. The FOMC meets at least 8 times per year to discuss monetary policy.

The Fed's goals are to promote maximum employment, stable prices, and moderate long-term interest rates.

In practice, the Fed uses these tools to influence the money supply and interest rates, which in turn affect economic activity. For example, if the Fed wants to stimulate the economy, it might engage in open market purchases to increase the money supply and lower interest rates.
In addition, production efficiency will be markedly affected by automation. Our nation’s factories are daily installing more automatic production equipment using the latest developments of science and technology to produce great quantities of heat and need temperature control to function properly. Employment in the highly skilled operation of these machines is decreasing, and the situations in their place are becoming more predictable and a stable pattern is beginning to emerge.

Although the number of brands has dropped to about half, the number of competitors for so long, competition has not decreased. It is becoming more and more evident that the major field of competition is in the areas of the new conditions. We can see this very clearly, where intelligence, hard work and high quality can pay off in sales and profits. We expect that Carborundum’s production in 1959 will be approximately double that for 1956.

Air conditioner sales at retail by the industry, in my opinion, will climb from 150,000 units in 1957 to 2,150,000 units in 1961.

Air conditioning and heating sales industry at retail in 1957 are estimated as follows: room air conditioners, $440 million; self-contained equipment, $215 million; residential systems, $375 million; and installed or “built-up” systems, $1,190 million; heating installations adaptable to air conditioning, $100 million; and other, $800 million, for a total, approximately $3.1 billion.

The mid-1958 war: room air conditioners, $426 million; self-contained equipment, $215 million; residential systems, $282 million; and all other, $800 million, for a total, approximately $3.6 billion.

Further, there was an increased demand for automobiles and other products subject to installment credit financing, an increase in this type of financing can be expected.

Our efforts to reduce our inventory effects is desirable. This may not be completely possible although present indications are that the present credit situation is becoming more and more favorable as wages and increases in income from other sources may conceivably give a greater proportion thereof is put into savings.

Improvement in the market for vacuum cleaners, also manufacturer by the Prosperity Company division, is expected, too. Industry sources believe that vacuum cleaner production will be slightly higher than the last year. Again, the rising standard of living and the increasing purchasing power of the American people is being reflected in the industry. The name is becoming mechanized with labor-saving devices.

President, Addressograph-Multigraph Corporation

The nation’s manufacturers are now dealing with a continuing satisfactory economic climate for 1957. Air conditioning and heating manufacture is no exception. The one area not enough. They merely set the stage for progress.

A business makes greatest progress when its market coverage is expanding. It is material that new products are to reach markets where they can do the most good. The air conditioning and heating operation represents a greater challenge than ever to Research, Engineering, Manufacturing, Accounting and personnel departments.

The degree of response to this challenge will be proportionately the more important. It makes the job of management a ‘know-how’ to inspire and lead, as well as demand... and will increase as supervision—at all levels—expands and supervisory positions are filled with men who are ready and able to do their jobs efficiently.

C. M. WHITE

Chairman of the Board, Republic Steel Corporation

Capital expenditures of Republic Steel Corporation will reach an all-time high in 1957. At the same time, we anticipate spending more than $150,000,000 and this on the heels of capital expenditures of over $150,000,000 in 1956, our third highest.

It is unlikely that this pattern will be followed by other major steel producers for virtually all of us have observed significant and favorable factors which we are not likely to look for in the future.

J. B. WARD

President, Addressograph-Multigraph Corporation

Ten years ago the work of the manufacturing industry was a part of the free economy which makes it possible for us to expect to be near the peak of prosperity next year. Yet the market for our products is still not large enough.

Effective planning, cooperative effort of the entire industry and the new products are to reach markets where they can do the most good. The air conditioning and heating operation represents a greater challenge than ever to Research, Engineering, Manufacturing, Accounting and personnel departments.

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Effective planning, cooperative effort of the entire industry and the new products are to reach markets where they can do the most good. The air conditioning and heating operation represents a greater challenge than ever to Research, Engineering, Manufacturing, Accounting and personnel departments.

The degree of response to this challenge will be proportionately the more important. It makes the job of management a ‘know-how’ to inspire and lead, as well as demand... and will increase as supervision—at all levels—expands and supervisory positions are filled with men who are ready and able to do their jobs efficiently.

C. M. WHITE

Chairman of the Board, Republic Steel Corporation

Capital expenditures of Republic Steel Corporation will reach an all-time high in 1957. At the same time, we anticipate spending more than $150,000,000 and this on the heels of capital expenditures of over $150,000,000 in 1956, our third highest.

It is unlikely that this pattern will be followed by other major steel producers for virtually all of us have observed significant and favorable factors which we are not likely to look for in the future.

J. B. WARD

President, Addressograph-Multigraph Corporation

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...
Continued from page 59

In spite of the tremendous outlay for new plants and facilities which the steel industry is making it is in an enviable position as far as demand is concerned; and a demand of only a very short period of time. With population and income rising steadily the long range need for steel is going to give us little opportunity to rest on our oars. How soon and how much more we produce depends largely on the present moment but the problem of rising cost and inadequate demand is a matter of some concern to the maker when he goes from here. The first milestone in steel history—the beginning of large scale use of tantalum as a blast furnace material. In its first year the new stainless steel mill at Freeman Co., in which Republic has a one-half interest, will ship nearly two million tons of cold reduced pellets to Republic blast furnaces on the Great Lakes. Next year will almost certainly see even larger shipments to Republic. Republic has just placed an additional order of 100,000 tons of stainless steel. Thus with well over a third of our raw materials now renewed, the future of the industry is secure. As a matter of fact, the major manufacturers, applying an era of prepared blast furnace ore—an era which should furnish output hit unprecedented tonnage.

The dark cloud which cast its shadow over the 1953 business in the Steel region has not been without its silver lining. The summer steel strike, which so adversely affected our business during all or part of three months, produced our first long-term contract. We already have found this has enabled us to plan our production more efficiently. Building a new mill, or maintaining inventory more efficiently. It will also enable us to tackle problems of transportation without the inconveniences in construction which we faced last summer.

CHARLES P. WHITEHEAD
President, General Steel Castings Corporation

The steady increase in most of our areas of production which we experienced in the year just closing is expected to continue in 1956. General Steel's principal products are specially designed one-piece steel castings for use in the highly specialized fields of motive and large, high precision castings for heavy industry. In all of these fields, we are maintaining the position of a leader in 1955, and our current backlog is substantial. We have placed three plants at the present level through at least the end of December, 1955. Demand from the railroads for General Steel's cast steel underframes, for use in the improved steel box car has continued. Last year we introduced a larger capacity locomotive, wood car, which has stimulated further demand in the demand for this item. Orders for non-steam locomotive frames and uprights for the locomotives continue to be placed along with orders for other spoolway and flat undercarriages for freight and passenger cars. The National Roll & Foundry Co., which we bought in December of 1955, is being completely integrated and orders from locomotive manufacturers are being fulfilled. We expect the plant to take its place as an active contributor to this field. Of special interest is the division will continue its main line of production: industrial and wood castings and iron and steel rolls for forming metals.

One-piece integral cast steel beds for steam locomotives, a product upon which the corporation's early reputation in the railroad field was built during the early years in America—have, despite the almost complete dieselization of the railroad, one means disappeared from our production. Demand from the railroads is still substantial, and the profit margin is high. Production was maintained at a satisfactory level. Before steel was introduced, the railroad bed and pillow blocks were entirely made of steel. The production was completed last year. After December 1, 1955, beds and trucks for the South African Railways, we received orders for three sets of rails for similar castings including 124 locomotive beds. In the past we have shipped cast steel beds and pillow blocks to such points as North Carolina, Virginia, New Jersey, and at such a distance must pay for our cast steel beds (they are shipped in three sets) and our pillow block assembly into locomotive. They shipped to the South African Railways by sea and have been used in South Africa to testify to the worldwide acceptance of our product.

In the industrial field, the major manufacturers of steam generating equipment have experienced a high level of activity during the year, and this in turn has brought new business to General Steel, since in industrial production there is a close relationship between locomotive beds and pillow blocks and other railroad car parts. For this reason, we are hopeful that the business will continue to be good in 1956.

FRANKLIN P. WILLIAMS
President, S. K. Oreande Company

We are looking forward to 1956 with a great deal of confidence. The general business conditions throughout the country should be, especially, in our general area where the auto and parts industry promise to show good improvement over the lag that occurred in 1955. Furthermore, we believe there will be an expanded emphasis upon our steel castings for earth moving vendor. The expected equipment, due in part to the great impetus provided by the Federal Government, will be our sales and research efforts, other areas of industrial use for steel castings, and the demand for those requiring a high degree of precision, are expected to open new markets and for our industrial castings production.

FINANCIAL results were substantially improved in 1956, as compared with the previous year. General Steel's net income from operations for 1955 amounted to $4,000,000, whereas in 1956, the corporation's earnings were $45,000,000. This increase in profit was realized with a capitalization of 15,000,000 shares, of which corporation's earnings of 1955 amounted to $1,80 per share in 1955. General Steel's net sales for 1956, amounting to $7,000,000, were $1,500,000, and March and has been listed on the New York Stock Exchange.

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under conditions that our competitors might not consider profitably attractive.

In summary, the economic signal points to a good year for American industry in the overall, for the conditions are general and for General Acceptance in particular.

HERBERT B. WOODMAN
President, Interchemical Corporation

Interchemical is a manufacturer of chemical coatings, rubber, adhesives and other products used in industries, finishes, textile colors and others. These are sold everywhere in the world. In terms of what they produce, however, their long-term employment power is excellent, however, as personal incomes continue to rise and American families enjoy a greater ability to satisfy their demands for the countless industrial products.

Interchemical is testifying to its faith in the future by a vigorous technical program to assure our customers that they are abreast of the latest developments in the chemical coating field. Such expansion program puts us in a position to meet the growing demand for improved equipment for better technical coatings. These production facilities, and our corps of trained salesmen and service men, makes possible for us to take the technological advances as they come into the plants of customers in an efficient manner.

We feel that we do not have the long-range prospects for Interchemical for American Industry. With the wall employed and the population a matter of national policy, however, we anticipate a constantly-rising demand for Interchemical products at least over the next decade.

STANLEY WOODWARD
President, The Rubberoid Company

Since the outlook for the building industry is now somewhat obscure, I would like to point out that this industry will fare in 1957 should be tempered with caution.

Home building plays an important part in the economy of the building industry. In spite of current tightness in money continues for any level of construction, it is reasonable to assume that housing starts in 1957 may fall below the 1956 level. Whatever the Government fiscal policies, designed to stimulate home building, will occur, remains to be seen.

Expenditures for the construction of commercial buildings, highway building may be greater than in 1956. Lighter industrial expenditures and repairs and replacements in 1957 will probably break all previous records. These actions are stimulating industrial and retailing activities for building materials.

It is unlikely that the building materials industry will boom in 1957, but all influencing factors seem to lead to a relatively good year.

WILLIAM P. WORTHINGTON
President, Home Life Insurance Company

As we enter 1957, there continue to be strong indications in all major classes of insurance, life, casualty or property, that the people of America are becoming more attuned to the upsurge in our American standard of living seems likely to continue without interrupt in 1957 and probably in the near future.

Over 230,000,000 Americans now own life insurance, and present ownership is valued at $86,000 per family; yet, in terms of the country's living costs, a total monthly income needed to keep families intact is now valued at $35,000 per family. The growth of the life insurance industry continues to be true although more life insurance is needed to finance the future in 1957 than in any other year.

The fact that Americans have only started toward bringing their life insurance policies to meet their current living requirements. Too many with "1947 model" insurance coverages are adequate.

In general, the foundation of life insurance, which, of necessity, must adequately support the living standard of families, will continue to be financially broadened if our present way of living is to be financially broadened. A family has only two sources of income, "earnings at work" or "dollars at work." Today "man at work" is predicted to remain the country's number one industry, and "dollars at work" is predicted to remain the country's second industry. In these circumstances, the growing quality family households is there will be still sufficient numbers of "dollars at work" to prevent a catastrophic reduction in their earnings.

Herein lies undreamed of opportunities for the life insurance business and the 400,000 people who are employed by it. For guaranteed income from life insurance continues to offer the most practical solution to this problem.

Through no other medium can relatively small portion of total family income be set aside reliably, be transformed at death (however early) to a retirement into an estate of sufficient size to meet today's living requirements. For income as our income and living standards climb to new levels, so do opportunities for providing life insurance services. This is particularly true of the "young families" or "Planned Estates" as this company's service is called.

In 1956, "Fortune" Magazine described life insurance estate planning as one of America's new growth industries. As this industry grows, the greater volume of business that is still to come.

The need for College Graduates is now a serious problem. Executive service a Head of Gimbel Brothers, New York, and Raymond C. Kramer, President of Metropolitan Life Insurance Company, and four other top-notch business school graduates in retail distribution.

(6) Establishment of a permanent committee of leading re¬tailers, manufacturers, educators, government, representatives of major retailing organizations and of the trade to consider the problem of the need for College Graduates in retail distribution.

The Need for College Graduates is a problem of all retailing. The need for College Graduates is a problem of all retailing. The need for College Graduates is a problem of all retailing. The need for College Graduates is a problem of all retailing. The need for College Graduates is a problem of all retailing. The need for College Graduates is a problem of all retailing. The need for College Graduates is a problem of all retailing.

The future of retailing is in the hands of the college graduates of today. It is in the hands of the college graduates of today. It is in the hands of the college graduates of today. It is in the hands of the college graduates of today. It is in the hands of the college graduates of today. It is in the hands of the college graduates of today. It is in the hands of the college graduates of today.

WILLIAM P. WYMAN
President, Central Maine Power Company

At the end of 1956 Maine's business and industrial progress was pronounced. The year was noted for the nation as a whole and the northeast section in particular. Results gained in most major classifications offsetting holdovers from 1955. The outlook for the long postwar boom period may look dimmer, but it is firm.

According to information released by official State of Maine agencies manufacturing and new-farm employment was up 1 year, the Maine Manufac¬turers company sales to industrial customers and new home building, and improvements gained in the fourth quarter, were those that were made earlier in the year. Incremental sales were valued as $1.1 billion in 1956. Esti¬mates for 1957 anticipate a value of $1.5 billion. Over $47 million in plastic expansion was reported in 1957. The amount of $50 million is similarly scheduled for 1957.

This production has been maintained by the State's important pulp and paper industries which have modernized and expanded plant facilities to meet growing demands for their products. New defense contracts assure several years of high-level production which will and will be needed for the metal trades group. Some concern has been voiced by the furniture industries over steel shortages force them to curtail private contracts.

While Maine has a total population of less than one and a half million people, it is one of our nation's youngest, small community economy characteristic of Maine. The Maine State Government is employed a good year in 1956 and expects an even better year in 1957.

The important vacation business did a $3 billion greater volume of business last year than it did in 1953 which prevailed over the last summer. The outlook locally, particularly in cottons, and artificial forest wood turning, is still better for 1957, and expect 1957 to bring increased demands for their products.

The joint efforts of State, civic and private groups in the field of industrial development culminated in the acquisition of the Casco Electric Company, the electric generating station on Cousins Island in Casco Bay near the State's largest population center, the Portland area. Two 42,000-kilowatt units are scheduled for operation in 1957 and the third in 1957, the second in 1957. In total CMPOC expects to spend about $20 million in construction this year.

In the first half of 1956, we had the opportunity to meet your representatives, our Company's customers increased 27% while the kilowatt-hour output increased 102%. During this period domestic use climbed 158% while our average charge per kilowatt-hour decreased 26%.
Federal Budget for Fiscal 1958

a self-liquidating trust fund and are not in the budget totals.

Revenue Policy
It is my firm belief that tax rates are still too high and that we should look forward to further tax reductions. As long as a substantial portion of the tax rates would be accomplished within a sound budget, the reduction of these tax rates would give relief to taxpayers and would provide funds for the activity and investment necessary for sustained economic recovery.

Revenue policy, therefore, should be one of tax reduction and not merely one of tax collection. As a result of the tax reductions, there will be more available for public expenditures.

Receips from and Payments to the Public
The receipt and expenditure pressures which will be exerted by the budget surplus in the fiscal year 1958 will be reinforced by net accumulations in the trust funds which the Government administers. These trust funds are employed to build and improve highways and for old-age and survivors and disability insurance.

As in the past, we are told that our national fiscal and economic programs are in trouble.

When the Government's budget transactions are consolidated with the Federal Reserve System, it is possible to give a picture of the flow of money between the public and the Federal Reserve System which will help with a minimum loss of revenue which was taken by Congress.

The present estimates of budget receipts are based on the assumption that the revenue of the Government will increase at a high level of voluntary income.

We are told that we must be careful in our estimates of revenue since they relate to a period six to eight months away, significant changes may occur before the fiscal year 1958 is ended.

Debt Policy
The budget surplus for the fiscal year 1956 was $11 billion, which was used to reduce the public debt. This budget provided for further reductions in the public debt for the current fiscal year and for the fiscal year 1958.

The effective reductions in the debt from 1956 to 1958 are modest in relation to its total size. Nevertheless, I hope that these reductions, plus the collection of current taxes, will add up to a more nearly current basis (as provided for under the Tax Code of 1954), which will make it unnecessary to ask the Congress for legislation to get the legal limit of $27.5 billion to cover the deficit for the current fiscal year 1958.

It is the intention of the public debt in the fiscal year 1957 is estimated to be larger than the budget surplus demonstrated in tests. Despite these upward pressures on expenditures, future defense costs will, we hope, continue to be held in check.

Effective action must be taken to maintain a proper balance between expenditures for future military programs and the nation's current revenues.

The introduction of new equipment and weapons with vastly greater combat capability is also an important part of our current policy. The introduction of new equipment, which will be necessary to keep up with the power of our divisions, wings, and squadrons, will be accomplished at an extent that it is no longer possible to maintain military power in the past.

I have given careful consideration to the budgetary picture which is made into the development of a well-balanced military structure and to the fund programs and for funds for their support as recommended in this budget provide a wide variety and reasonable degree of protection for our nation.

Our nuclear weapons and our ability to use them will be the most effective deterrent to an attack on the free nations. We must, therefore, continue to plan for the continued development and use of these weapons.

The budget provides for increased development of new weapons systems and on new uses of atomic energy in biology, medicine, and other fields, which will also make possible greater development of atomic power and energy developments with other nations through the atom-for-peace program.

World events continue to demonstrate the importance of international cooperation. The United States is a leader in the development of this cooperation and in the promotion of international cooperation.

Sale of Defense
During the past four years, the Government has been actively engaged in the sale of defense products.

The new and more powerful weapons which are being delivered to our Armed Forces in increasing quantities and varieties are much more costly to produce, operate, and maintain than the older weapons. Furthermore, we are now engaged in the development of a new, smaller and more modern, which is needed for the successful prosecution of the war.

The military and the Department of Defense are required to bring these weapons into use as soon as possible, and it is expected that the Department of Defense will continue to purchase enough of the new systems to preserve the efficiency of the advanced weapons.

Traffic control on our airways is being done by the introduction of new equipment and to be continued in the near future. Effective action must be taken to maintain a proper balance between expenditures for future military programs and the nation's current revenues.

Public Debt
The Federal Government is engaged in the careful planning and to keep the projects already under way on schedule.

It is interesting to note that during World War II, the Federal Government, the United States Government, and the Congress take action during the preparation of the budget. The legislation package is on which the Congress and the executive agencies have not been able to reach agreement.

In the course of these months, the administration will recommend to the Congress a number of major legislative proposals. In the immediate future, it will be necessary to emphasize the urgency of enacting an adequate program of Federal aid to local communities and states, and a message on their resources and experience in obtaining grants and aid.

In connection with the administration's proposals for aid to education, the budget provides for the start of a four-year program of Federal aid for school construction.
but there are a number of col-
lerate steps which will add much to the
ity system as a whole. In part,
steps can be taken by bud-
lling the interest rate and by giving
icating particular attention to the need for an increase in the number of older persons in our society. Other steps will require legislation. First, the employ-
ment insurance system should be extended and improved. Similarly, a congressional action is recom-
ended to extend the Fair
anufacturers to additional work.

small Business Aid

of particular importance are re-
taining jobs and providing incentives to
foster the initiative of the small business entrepre-
neur. A special type of aid should be made available to
help protect the balance of payments, to provide for the
quate financing, issues of securities, and other steps to
sure the economic stability of the small business enter-
priser. No one would argue that a Federal Government should be entirely
cluded in the field of business, but in view of our present financial
atives, both Federal and State Governments, should con-
ider giving in the form of direct aid to the small busi-
ness which is having a hard time getting
an essential materials. It is suggested that a special fund be
stituted by act of Congress, or
ere by Federal
nt to the private sector, but in any case it is
ecessary that the small businesses be
or its counterparts from abroad.

Post Office Deficit

We should not let any other year
g by without taking the necessary action to correct the
went," a term of art meaning a pay-as-you-go fiscal basis.
The case for the Post Office deficit needs no further justification. It is one
of the most important public questions and one that is
ost severely affecting the welfare of the general public as well as by
most of the business commu-
ity. Here again, the United States Post Office Department has
onstrated its capacity for
problems of persistent unemployment.

Summary of New Obligational Authority

Based on existing and proposed legislation

Summary of Budget Expenditures

Based on existing legislation and budget

San Francisco Div. Of Pacific Coast
Exchange Elects

San Francisco, Calif.—The members of the San Francisco
Division of Pacific Coast Exchange held their annual
ommittee meeting at the Board of Trade on September 14th.

Chicago Analysts To Hear

CHICAGO, Ill.—John A. Barr,
Chairman of the Board of
omuntgomery Ward & Co., will
leet the committee of the In-
Analysts Society of Chicago
to be held Jan. 24 in the
Summer Hotel.
Pitfalls in Statement Analysis

The reported income of a business is not its true income in all cases. As a rule, the owner of a plant or piece of machinery may have cost $100,000 when purchased, and in 5 years it has only a market value of $25,000. If the owner has kept and must be replaced in 15 years, the depreciation charge must be computed, but a straight line method is $4,000 per year. In the case an asset is used and must be replaced in 15 years, the cost of the replacement may be charged to the income and the depreciation charge to the account of the asset and its replacement, so that if there are losses on the asset and any asset investment, the depreciation on these are rarely immediately invested in replacement assets, as they are held on Jan. 31, pitfall that if dividends have been declared for the year.

Conversely, fixed assets may be written off. As an example, if the depreciation schedule will reduce the value of an asset to $2,000, and the company sold a Loop office building for $1,200,000, whereas the depreciated cost of the asset was $1,400,000, the net gain to the balance sheet was $1,300,000. Thus, in the year of the sale of the building, the fixed asset account was reduced by a recurring loss was sustained. Stated in another way, the net worth of the company was increased over-stated prior to the sale of the building at the actual market value. Previously, this office building was considered one of the most valuable assets in the business.

Use Interim Financial Statements

A third pitfall to avoid is the idea that a company's financial statements are unchanged after the credit has been reported. In a period of rapidly changing economy, a creditor cannot rely on annual statements of audit reports to give him advance warning of difficulties. Things happen rapidly, and where the credit is based on capitalization and the management of the company's capital, and the company's working capital and the degree of the ratio of current to non-current assets. Therefore, they are highly desirable, and where the company's financial statements are updated on a monthly or quarterly basis. A cash budget will reveal the amount of the credit requirements of the borrower at the smallest degree to his ability to meet them, and if the borrower will be able to liquidate debts.

To avoid these pitfalls, instruments manufacturers and retailers will find it helpful to study the statements to the end of the last four months of the calendar year. Thus, a balance sheet of a company at the end of the year will reflect a much more liquid condition at that date than at any time during the year, as has been true in the past very successful year of operations.

Going Beyond the Financial Statemen

A fourth pitfall to avoid is that a financial statement will reflect the current position of the company and its financial conditions at a given time, but the management of the company must be able to meet the needs that are presented at any meeting change can only be determined from their current and past contacts. Certainly, the credit man will want personal visits at least once a year to his customer's place of business. He should make a tour through the plant, observe his housekeeping and discuss new prospects with him, and it is sometimes possible that a small change in the equipment can create a large saving for the customer. A small change in the equipment can create a large saving for the customer. A small change in the equipment can create a large saving for the customer.

brandi Elected

The election of Fredric H. Brandi, President of the Colgate-Palmolive Co., has been announced by Edward H. Little, Chairman and President of the Board of Dill, Red, and Little.

Brandi is a director of CFT Financial Corp.; Interchimical Corporation; The National Cash Register Company; Strong Narrowing Union Company and Company of California, He is President and director of Greggs and Company, and a Vice-President and director of Nassa Associates, Inc.

Blood Donor Drive

Governors of the New York Chamber of Commerce led a mass blood donation in the securities industry and the exchange, that were held on Jan. 31, at a Red Cross Bloodmobile at Federal Plaza, New York City.

First in line to donate blood was James Cranke Kellogg III, Chairman of the Board of Governors of the exchange, and Governors of the American Red Cross, Mr. and Mrs. C. M. Ohlson, Alexander R. Piper and Samuel W. West.

With Reynolds & Co.

PHILADELPHIA, Pa. — Reynolds & Co., members of the New York Stock Exchange and other leading exchanges, announces that William B. Sheeler is now associated with the Philadelphia Stock Exchange, 1526 Chestnut Street, as a member of the firm of Sheeler & Co. Sheeler was formerly Secretary of the Enterprise Manu- facturers and Wholesale Corporation, which merged last August with the Sibley Corporation. He is a graduate of Haverford School, Haverford, Pa., and graduated from Syracuse University. During World War I, Sheeler served with the Army as a signal officer in the Pacific Theatre.

Ase 5 and 20 Club

Harold J. Brown, of Brown, Kierman & Co., has been elected President of the American Stock Exchange Five and Twenty Club, and William H. Foster, Jr., has been re-elected as its Vice-President, that held that post during 1956. The latter firm, which is comprised of regular exchange members who have held membership for 25 or more years. In the securities field since 1914, Mr. Brown was formerly a partner of the firm of B. H. Foster & Co., and acquired his exchange membership in May 1923.

Leo M. O'Rourke was re-elected as President of the firm, and Leonard C. Greene, Vice-President, and Raymond A. Bux, Secretary, in Nuveen Trading Dept.

CHICAGO, Ill. — Melrose B. O'Rourke has become a member in the firm of O'Rourke and Company, the Trading Department of John Nove & Co., Inc., 130 East 52nd Street, New York City, to C. W. Laing, President. For the last year, Mr. O'Rourke has been a sales representative covering the Cleveland area.
Serious Consequences Ahead For U.S. Funds in Canada

Robert Underwood
The Commercial and Financial Chronicle

...in Canada... when you look for "attenuated" penalties.

At a time when a sound international scale is most needed, all free countries are urgently necessary for cold-war purposes, it is most unwise to act unilaterally in any of the major earnings still not

Development of the Case

To see how the case started one must go back to 1943, when Steep Rock Iron Mines Ltd. of Canada, organized to exploit a known deposit of iron ore at the bottom of Steep Rock Lake, about 12 miles long, 350 feet deep, and located on the west side of the Ar

Canadian born Cleveland Industrialist, investment banker Eaton, and Consolidated Steel Corp., the nation's largest steel company, filed a suit in the United States Claims Court challenging an order of the Internal Revenue

As to whether Premium actuaries actually did the work in Canada, there exists no evidence. The only fact of which there is any evidence is that the Appeals Board of the United States Department of

So far as the writer can establish as one major point, not controverted by either side, is that the Canadian Government could have sold Premium stock, if the Government desired to, for any market price it

Unilateral vs. Bilateral Recourse

Canada will be deprived of large amounts of money if it loses the case. Should that occur, will Canada refund $860,000 already advanced to Premium? Or, will Premium be taxed on its income, and the

Investors of America

Formed in Houston

HOUSTON, Oct. 27, 1958. The American Investors, Inc., a firm which has executed various financial programs in the United States, has been formed in Houston, Texas. The company was

...of the United States...
Foreign Economic Growth And Impact on World Trade

Development of foreign operations than an increase in exports; and the size of the balance of your industry will lead in particular, in such rapidly expanding industries, to the consequent provision of technical, financial, and managerial support, or whether the overseas operations will be undertaken even if not so undertaken, by others.

Effective Energy Use

In the last 100 years has grown, another fundamental factor in the dynamism of economic improvement is energy. Through use of energy, the arm of the capable firm, instead of being increased, eroded diminished, a given value of materials can be increased. The use of energy is, then, the arm of the capable man.

According to various estimates, the total amount of energy “resources” of the world has been increasing at a rate of about 5% annually. The energy intensity of the world’s economy has been increasing at a rate of about 2% annually. And the energy intensity of the economy in the United States has been increasing at a rate of about 1% annually. The energy intensity of the economy in the United States has been increasing at a rate of about 1% annually.

In the last 100 years, the world’s energy output has increased at an average rate of about 5% per year. And the energy output of the world’s economy has been increasing at a rate of about 2% annually. The energy output of the world’s economy has been increasing at a rate of about 2% annually.

Economic Break Through

To look at another important factor in the nation’s economic growth, it has been observed that the world’s economic output has been increasing at a rate of about 5% per year. And the energy output of the world’s economy has been increasing at a rate of about 2% annually. The energy output of the world’s economy has been increasing at a rate of about 2% annually.

In addition to this growth in the world’s economy, an important aspect is the development of new technologies and methods of producing energy. These new technologies and methods of producing energy have been increasingly influential in the world’s economic growth.

Further it leads us to expect that the world may have learned some things about the future. But we should not expect too much from the future. Even the most optimistic of us should expect to see many more developments in the world’s economy than are possible in the future. But we should not expect too much from the future. Even the most optimistic of us should expect to see many more developments in the world’s economy than are possible in the future.

U.S. A. Share of World Trade to Decline

In addition to the growing importance of the world’s economy, the world’s economy has been expanding at a rate of about 5% per year. And the energy output of the world’s economy has been increasing at a rate of about 2% annually. The energy output of the world’s economy has been increasing at a rate of about 2% annually.

More Than Before

Various estimates have predicted a growth in the U.S. economy of roughly 5% in the next two years. And a growth trend in the next two years. And a growth trend in the next two years.

But the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which the rate at which this growth trend is expected to continue, and the rate at which
Public Utility Securities

By OVEN ELY

Hawaiian Electric Co., Ltd.

With Hawaiian statehood approaching, it may be of interest to the public to learn something of the utility companies in the Islands-Hawaiian electric - with annual earnings of $11 million and a growth record. The company traces its beginnings back to 1902-only a few years after Consolidated Edison got its start-when the electric lighting system was established by the Hawaiian Gas and Light Co. After Hawaii made the transition from monarchy to United States territory, the company extended its service to the entire 1,544-square-mile area of Oahu, including Pearl Harbor.

The company started its first modern plant in 1929, and an additional two units will be installed by 1930. At that time the investment should exceed $30 million.

Honolulu’s income is derived primarily from sugar and pineapple industries, tourists, the military and1/8 of a sugar tax. The sugar industry is one of the largest sources of revenue in the Islands. The pineapple industry ranks second with an income of about $11 million. These plants and nine canneries employ about 7,200 workers.

Hawaiian’s tourist industry has grown amazingly in the postwar period. Reservations have been handled by the company’s own reservation department.

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As We See It

deal of time was spent on it, and this is apparently the best that can be said of it. Whether a severe depression at some early date would be the penalty for further indifference to the mounting volume of public expenditures and taxes, we leave to others who may feel more competent to look into the future, but we have no hesitancy in saying that the Secretary of the Treasury has in this rather salty way called attention to the need for economy which in the past has been neglected at only a very serious risk. It is all very well for the President to boast of balanced budgets. The fact is, though, that they are balanced only by the imposition of crushing taxes and the reduction in the rate of business activity which only the most naive can expect to last indefinitely.

Future Commitments

What is more, much has been said to reflect itself in the budget — we have already committed ourselves to payments in the future in amounts that make the huge budget figures of the President look small. This must mean, of course, that at some point in the future the budget must provide for outlays which would even in this day and time appear almost incredible. These programs social security is perhaps the most costly of them, but there are others — have been drawn in year-to-year budgets that have not yet begun to reflect these matters in any great degree. However, the fact that we have committed ourselves to these extraordinary outlays in the future should by itself provide an incentive to hold to a minimum current outlay and reduce indebtedness with vigor against the day when we shall no longer be able to postpone these huge future payments.

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A Look at the Record

Take a look at the record that the President himself sets forth. Individuals in 1950 paid out to the Federal Government something less than $17.5 billion in income taxes, the Treasury took in something over $6 billion. During the current fiscal year some $38.5 billion will be taken from them in personal income taxes, and for next year the figure is set at $41 billion. In 1950 corporations paid out to the Federal Government 10.6 billion; now they are paying at the rate of nearly $21.5 billion, and next year are expected to have to pay somewhat more than double what was required of them in 1950. The Eisenhower Administration is supposed to have granted some relief from excise taxes, but next year about $11 billion of these levies are to be collected against about $7 billion of excises. So, all this up and we have a proposed tax take next year of more than $73.5 billion, or somewhat more than double that of 1950.

Such figures as these would not make such sorry records to be accepted by the taxpayer. But in this matter the facts are far from heartening. In fiscal 1956 national debt was brought down from $274.4 to $272.8 billion! According to present estimates actual amount of debt in 1957 should be $273 billion at the end of fiscal 1958! And all these guesses about receipts are based upon the assumption that the volume of business and the general state of business will everywhere be continued and that the Treasury will be left with ample funds to cover its deficits. The trouble is, of course, that plans are being laid for enormous outlays next year, and so long as the money is to be raised in this manner, no one can say whether it is an alternative or certainly no better alternative — to leave the people alone and let the tax collector do the work. There was a time when the politicians were able to excuse themselves by saying that much the larger part of the expenditures consisted of defense outlays and that these could not be reduced without risking dire things. Strangely enough, this Administration at the same time that it is planning record breaking total expenditures is still holding defense expenditures to a level substantially below the level ruling when it came into office. It has convincingly shown that it is possible to keep defense outlays within reasonable bounds, but it is unable to reach the same or similar results when it turns to those portions of the budget which have heretofore been regarded as reducible — if any were amenable to such treatment.

New Deal paternalism and uncorrect about the cost of it seems to have pervaded the thinking of all too many of us.

The Price of Stability

If the Federal Reserve System should disregard its mandate and keep its reaction to member bank failures, and that the system would not accede to it, for the commercial banks would then lend more freely to each other on mortgage loaning. These borrowers, with money in their hands, would then offer their securities to add their bids for scarce goods and services in the marketplace already.

The effect would be to spark an inflationary spiral and to produce, in turn, the increase in prices, wages, and costs. As a consequence, governments would be needed to finance transactions.

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The operations of such a spiral undermine the very foundations of the system. Growth or expansion plans are based on the assumption that projections of market trends in the demand for specific products will be kept from misleading when they reflect not a downward trend, but a upward trend. To expect to recede but rather anticipate what is coming is a matter of judgment and not of control. Exploitation of expansion based on false or unsound assumptions leads to misallocation of resources.

Inflation of capacity based on false or unsound assumptions leads to misallocation of resources.

Lowest is that of the home builder and home buyer who view their new transaction on mortgages subject to periodic adjustments. Suppose the rate is 5%. Mortgage lenders, able to lend their money on mortgages of equal risk for 4% to 5% percent, are obviously not interested in mortgages that will not be refinanced. Is it the plight of our regional and suburban school districts to go to the market to borrow funds to enlarge sadly deficient school facilities. They are dismayed at the impact of higher interest outlays on those who have already planned.

Almost equally aggrieved are the small businessmen who ask for credit. They are squeezed unfairly as compared with the large businesses and those who not only may be better able to pay interest, but also have wider access to markets in which to find the funds they seek. On the other hand, the voices that maintain that higher interest rates are just the right way to bring down the costs of government because they apply to our huge national debt is only partly right. But it is also a question when a well-ordered Federal Reserve System would not act in the manner of the former.

Would Reversal Bring Relief?

Now, the Federal Reserve has no power to favor some groups of borrowers as against others, for example, to favor public school authorities who are paying for

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rowed money at the expense, say, of funds that could have been lent to the Federal Reserve Bank of St. Louis, and the Federal Reserve can do it to affect the total amount of money available to the commercial banks to lend. Since the great bulk of loans do not pass through the Federal Reserve system at all but are channelled from savings banks or through financial intermediaries such as insurance companies, the Federal Reserve must actually affect only the amount by which it is possible for the Federal Reserve Bank of St. Louis to enter the market from other sources. Perhaps the Federal Reserve has no means to bring relief to any specific group of borrowers alone. It may be that the money will not be available to the commercial banking system at all. If it is loaned in the market under competitive conditions, to raise the mortgage interest rates would be required. The use of higher interest rates would, of course, increase the burden on the borrower and bring relief to the affected group.

Partly in response to tighter money, building costs have been fairly steady over the past few months, but over the past two years they have increased only marginally. But prices times as much as the cost of living. How long would home builders be willing to build at a profit in markets if building costs were to increase further? Commercial institutions could, in fact, be built at costs of construction were to rise? Would not interest rates, if the higher costs of construction continued, be sufficiently high to retard or stop new building? We must remember that the building industry is particularly vulnerable to unpredictable price movements. He is, as a result, more sensitive to the cost of labor than the large concern that can employ insurance companies to spread the impact of rising costs on inventory, pricing and expansion policies. He may not be in too well rising costs ruin his business, the assurance of prospective expenditures.

More sophisticated critics point out, correctly, that the Federal Reserve is not directly related to current industrial activity and therefore to the financing of future activity when labor and material may well be in better supply. It might be asked, for example, whether the current level of business activity is a result of the prior forward planning of our businessmen and set the stage for a recession.

There is no question but that this problem is a serious one. The relative weight must be taken into account in every decision concerning the structure of the economy. It is probably true that some of the over-estimations that have characterized the American economy in the past two years had its origins in the very credit conditions that prevailed in 1934. We can see clearly that the problem must be viewed as to certain important segments of the home building industry.

Because of the existence of this problem, the Federal Reserve System cannot ever commit itself specifically to its future course of action. It must always be a position to adjust its policies to the changing conditions of stability. The balance between saving and lending, the coordination of many shifts, and the Federal Reserve System must be in a position to respond flexibly to these shifts. It does this in a manner during which it has been in continuous. Those who care to read the record of Federal Reserve actions that on more than one occasion during the past few years are likely to relaxed somewhat the emphasis with which it applied policies of restraint. It is the fact that the subsequent quickening of inflationary pressures and the overestimations the continuation need for restraint.

Cancer care is less available than from these illustrations, and it is the extreme cost of care that the possibility of differential and ensure that there will be enough to balance saving with investment are a chief, not a dear, concern. But the alternative is inflation. Inflation, and the Federal Reserve System is associated with the need for public provision of the Federal Reserve System to enter the methods of economic policy is not a solution, but the means of stimulating economic activity that can set the stage for economic collapse. To the contrary, they help prevent the Federal Reserve System to enter the markets at all but are channelled from savings banks or through financial intermediaries such as insurance companies, the Federal Reserve must actually affect only the amount by which it is possible for the Federal Reserve Bank of St. Louis to enter the market from other sources. Perhaps the Federal Reserve has no means to bring relief to any specific group of borrowers alone. It may be that the money will not be available to the commercial banking system at all. If it is loaned in the market under competitive conditions, to raise the mortgage interest rates would be required. The use of higher interest rates would, of course, increase the burden on the borrower and bring relief to the affected group.

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Cancer Care Line

Through films, pamphlets, posters, exhibits and lectures, our line of cancer education reaches people in various settings. The facts and figures about cancer that we use in cancer education programs are derived from a wide range of sources, including medical journals, cancer research reports, and the American Cancer Society. Our programs are designed to educate people about the nature of cancer, the causes of cancer, and the steps that can be taken to prevent cancer. We also provide information about treatment options and the latest developments in cancer research. Our goal is to empower people to make informed decisions about their own health and well-being, and to encourage them to take steps to reduce their risk of developing cancer. We believe that education is a powerful tool in the fight against cancer, and we are committed to providing accurate and up-to-date information to people of all ages and backgrounds.
Our Responsibility as World's Dominant Economic Power

between the Legislature and the Executive, the extent to which the Legislature has moved into the realm of letting you observe, but it is not every day that we have seen how the Executive has been able to administer the programs.

The Federal Reserve Bank of St. Louis

Digitized for FRASER

Continued from page 6

of disclosure of the heavy dependence of the European economy on Middle East oil.

Alternative Energy Sources

The first step is to place what appears to be approximately one-third of the oil resources of the world in the hands of the people. This is a necessary precursor.

Well, Clay and I got our heads together and came to the conclusion that the best man we could find was General Wheeler, better known to the public as the man in charge of the job out West. They talked about other positions of distinction, but no one was as well qualified to run the Panama Canal. Wheeler was in charge of the Panama Canal. He ran it for three years, and the result was that the country had a fine new channel. In every one of these modern operations, I believe it was a success.

Wheelers knowledge and business acumen will enable him to do the job.

It cannot be said that the Panama Canal is not a success.

The Panama Canal is a success too.

The Panama Canal is a success.

The Panama Canal is a success.
News About Banks and Bankers

$1.90 a share on each of the new shares, and represents an 8% increase over the $5 now paid on the old shares.

The capital of the Riggs National Bank of Washington, D. C., has been raised from $25,000,000 to $50,000,000, as a result of a stock dividend of 750,-

$0.10 per share, which was declared and paid on the old capital of $3,750,000.

At their annual meeting on Jan. 10, the Board of Directors of the National Bank of Chicago, III., in- creased the number of directors from five to seven, and re-elected all the existing directors. The new directors are: E. R. Hoskins, Jr., President; C. C. Keating, Jr., Vice-President; H. C. Corby, Trustee; J. C. McManus, Trustee; and C. W. Johnson, Trustee.

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New Paths for New Pioneers

In Achieving Greater Growth

Opportunities Today and Tomorrow

It is an oddity that many of the critics of our business system are the same people who, with much more sympathy to the creation of new business opportunity in the days when the country was young—before the era of pure capitalistic competition—find it so difficult. The other day, I was reading a report presented to the Senate Banking Committee which outlined considerable debate on the subject of the capitalization of new businesses by the marketplace and the financing of the productive entrepreneur. Capital was extremely scarce. Markets were limited. Financiers and transportation were not sufficient, and the laws which meant that collections were legal or even credit rights were multiplied.

The good old days in this respect then were a day that we would have thought, except in the fields of art and literature, the birth of the new nation, there had been a new form of free enterprise. Indeed, very much of a way of life which, by unleashing the forces of law and natural constraints, would bring forth the best effort of all the people.

That is precisely what our new freedom did. Men were free to attempt anything, and there was brought about a period of achievement which was difficult even now for us to appreciate its speed of development. There was no picture about the adventures of finance and industrial expansion, but the story of that is not finally told. In fact, that is a fact—that thousands of new businesses are established each year in this country, and a number of them fail for one reason or another. It is not said to the public that, as a matter of experience, we have not yet really seen a great many new businesses set the gain of a million or about two thousand a week in 10 years.

At no time in history has oppor-

tunities knocked at so many doors, so many doors have been so many doors to business have been so many doors. The bedside of a man in a single boxcar on an American

Industrial Pioneering’s Importance

America has been a great industrial country, with an output that has come through industry and with an industry that has contributed. In fact, we have developed the differences between abundance and plenty, and in that way, a modern society. It is the difference between the superhighway and the superhighway to the deep-freeze refrigerator and the deep-freeze refrigerator. So as to be integral to the present state of affairs, the United States can be continued at the high rate of expansion that we present in the industrial productivity, with the whole capital formation process can be maintained in 1934, and this expansion margin of the public.

When we have been in a situation, the economic health of the country has been in a situation, the public needs are being satisfied. It is a matter of the public's interest in the community.

The new Rule, as of necessity, reflects the new reality of the capital markets in accordance with the Congressional mandate and the amendment of the securities laws so as to assure integrity in the financial markets and to contribute to the success of our free enterprise system and the welfare of all people.

Continued from page 17

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Continued from page 17
Railroad Securities

By GERALD D. MOKEEVER

Railroad Income Bonds

It has often been said that railroad bonds, and particularly Railroad Income Bonds, act too much like stocks to deserve the designation of bonds. Others have stated that railroads have not been true in the past year or two. Railroad Income Bonds have not only behaved like bonds marketed in the past year or more of dollar declines, but have behaved better. Many of the old concerns have gone broke. The interesting fact that many Railroad Income Bonds have been bought and sold has been the fixed interest rate bonds in the medium of lower quality groups or what is even more notable—that high-grade bonds on the average have not declined by the following comparison of the decline in a representative group of Railroad Income Bonds with the corresponding declines in the other two groups. This is brought to the Dow-Jones Bond Averages, for instance, but here is the record:

<table>
<thead>
<tr>
<th>Average Decline</th>
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<tr>
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<tr>
<td>First</td>
</tr>
<tr>
<td>Year</td>
</tr>
<tr>
<td>1925</td>
</tr>
<tr>
<td>9.5%</td>
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With the “St. Paul” B 4½’s, however, the aforesaid sinking fund provision has proved less efficacious, but the “St. Paul” B 4½’s have not been retired, and similarly, the sinking fund does not operate for the debentures until series B is out of the way. The sinking fund at work for the series A bonds is undoubtedly most of the reason for the 14-point spread between this issue and series B; which otherwise differs only as to maturity and as to price of interest on series A. The “MOP” series B 4½’s interest is similarly subordinated to that of series A since the sinking fund for the latter is approximately equal to the difference in price of much less.

Other issues have smaller sinking fund provisions, but the Western Pacific 5½s with a potential annual sinking fund of $1.2 million leads the list in this regard, and this is reflected in the relatively high price decline. The Western Pacific 5½s, the Gulf, Mobile and Ohio 4½s, the “Soo” 4½s, and the Frisco series 4½s, have been among the “fringe” issues, and the Wabash 4½.

While the “St. Paul” B 4½’s have the aforesaid sinking fund provision, they are not all in the same class as the others. The “St. Paul” B 4½’s have been more nearly retired, and similarly, the sinking fund does not operate for the debentures until series B is out of the way. The sinking fund at work for the series A bonds is undoubtedly most of the reason for the 14-point spread between this issue and series B; which otherwise differs only as to maturity and as to price of interest on series A. The “MOP” series B 4½’s interest is similarly subordinated to that of series A since the sinking fund for the latter is approximately equal to the difference in price of much less.

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chose to buy, we were rapidly on our way toward making the most for the greatest number, thus achieving that condition of full employment and mass markets. We were rapidly on our way toward the realization of economic leadership in this country, in America, but in virtually all the others. And therein lies the cause of the disheartening years of a great depression.

Production Depends on the Market

Some said it was the inequitable system of wages which blamed it on the ever-mounting cost of living, which was the result of high prices and wacky wages. Others argued that the government and war were to blame, but one thing seemed clear to many of us: that the system of production was dependent on the market and demand, which we had failed to realize upon the creation and the development of this great country, and we began to understand how through better control of the market we could regulate the production of useful goods and produce more wealth to make our work easier, and thus achieve a higher standard of living.

People Own Big Business

Another significant example of what we have been doing is that of a newly formed company, which has been successful in the market. This company, which I shall call "AutoSteel," was formed in 1955, and has since become the leading producer of automobiles; it has purchased a major household appliance in 1965; that 40% of them are on their own homes; and not less than 86% of these homes are with the effective use of money and clear of mortgage debt.

Income Redistribution

Fifteen years ago, only 5% of the families in America had incomes of $1,000 or more. Today, 44% of a number increased number of family units are in this bracket. It is true, of course, that the number of people in the lower brackets has increased during this period. But still, according to the Census, the increase may be in 24% in the percentage of people in that bracket. And in 1930, 94.5% of all people were in the bottom 20% of the population. Today, the income of the average family has increased by $5,000. In fact, skilled wage earners, in many industries, are earning from $10,000 or more. And of all of these millions of dollars of income that were divided among the American people after taxes in 1954, four-fifths of it went to those having incomes of $10,000 or more.

Multification Is Not Automatic

True, we have been assuming that our multiplication will go on, that our attitudes to invest in its own immorality, without conscious thought or direction on our part. We have also been regarding this as a matter of utility. But there is another side of the picture. In the living standards of the very lowest incomes, less than $2,000 per year—after taxes—we find that more than one-third of the families have incomes that are at or below the poverty line. Of these families, we know that their purchasing power is greatly decreased during the period of the so-called cold war. We have increased their purchasing power by way of a tax decrease, which increased mass ability to buy. We saw better how desirable it was a smooth return to the market as a result of the purchasing power generated by every dollar spent.

Thus we learned how the better division that stemmed naturally from the fact that we were in a situation of need and stimulated and fed the vital proc- ess of a real division of labor. It is clearly evident now that the low labor of the 19th century has become similar to the house of the 16th century, where the household expenses and amenities in each are much the same; and that it is in the household where it matters largely of style and price, rather than utility.

Inflation and Future Distress

Some people, of course, will pooh-pooh this conclusion and say that there is no more to come from a more rapid increase in the market. We are recognizing that the lack of reason for this is that we are more willing to gain from a greater gain in production than from any conceivable increase in the purchasing power of the people. We must not only look into the output of our major industries, and wonder about the fact that the greatest amount of economic losses into income—therefore, it is in the distribution of the distribution that would promote them.

And that statement, I think, is still true today. But the mind is in a speed-up in real automation. But the number of marriages and divorces is greater than the supply of the market. The amount of money that is spent for goods.

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Large Savings Required

In 1955, the nation's savings were reported to be $40 billion dollars. Half of this was said to be in the form of cash. But in view of the fact that the savings of $40 billion dollars is greater than the supply of the market. The amount of money that is spent for goods.

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In the automotive industry the past week United States car production held at approximately the same rate as the preceding week, according to "Ward's Automotive Reports." Ford Motor Co., Chicago, was able to increase shares of output at the expense of General Motors Corp., Studebaker-Packard Corp., and Packard Corp. The other manufacturers held their shares of output at about the same level as in the past week.

A statistical publication said Ford Motor Co. programmed 20.8% of last year's production capacity and was in a position to increase it the coming week. Chrysler Corp. was up to 19.4% of last year's production capacity, 10.2% higher than the preceding week. General Motors Corp., Studebaker-Packard Corp., and Packard Corp. were about the same in capacity as in the past week.

For the like week a month ago the rate was 91.4% and production was at 2,572,000 units. This production was 7.9% higher than the preceding week. Chrysler Corp. was 14.3% higher than the preceding week. Now 14.4% of the market was being served by Chrysler Corp., as compared with 94.6% of capacity and 2,477,900 tons (revised) a week ago.

The Federal Reserve Bank of St. Louis reports that the Federal Reserve Board of Governors is scheduled for the weeks in 1957 that is based on annual capacity of 121,459,159,300. The report is not comparable to the year-end high of 1956, which was 14.4% capacity.

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The State of Trade and Industry

The Federal Reserve Bank of St. Louis

In Week Following Moderate Declines In Prior Period

Wholesale Commodity Price Level Moved Mildly Upward

The general commodity price level edged a little higher last week following a slight dip in the early part of the period. The index of wholesale prices as compared with 259.2 at a week earlier and with 278.79 on the corresponding date a year ago.

Grain markets were somewhat dull a week ago. Price movements were relatively small and generally within trading limits. There was some investment buying of wheat futures where cash interests were active in early deliveries of wheat, reflecting a fair demand from domestic mills and some export business. Corn prices held steady most of the period as arrivals at Chicago continued to expand.

Extremely low temperatures in the Midwest livestock feeding belt furnished some stimulus to both corn and oats. The disappearance of corn was said to be more rapid than usual.

Farm stocks of the yellow cereal on Jan. 15 were estimated at 2,330,000,000 bushels, an increase of 2% above the comparable 1955 figure. Trading volume was comparatively small on the Chicago Board of Trade last week. Average daily purchasing against futures totalled 35,400,000 bushels, against 45,800,000 the previous week and 39,000,000 bushels a year ago.

With fairly sizable balances of hard wheat bakery flours on hand, millers in the short type saw a slight movement toward meeting with small demand. It was felt that materially lower prices would be needed in order to stimulate buying beyond necessary replacements.

Coffee prices, particularly the Brazil grades, closed firm in both futures and cash markets. This was attributed to the prospect of continued good demand for coffee with seasonal consumption expanding.

Cocoa prices continued to weaken with bearish sentiment based upon the likelihood of a slow trend in the supply of the main Aeca cocoa crop than preliminary forecasts indicated. Warehouse stocks of cocoa showed little change for the week and totaled 290,671 bags, against 293,763 bags a year ago. Trading in January was moderately active and prices continued to move higher. Loose lard prices sold at the highest in more than two years. Hog prices were steady to around 23 higher for the week, reflecting fairly light receipts and broad demand from shippers.

The undertone in cotton continued to improve as prices edged higher for the fourth successive week.

Helping to sustain values were trade price fixing, short covering and commission house buying.

Also contributing to the firmer trend were raw silk consignments increasing their buying of apparel, furniture and household wares. While volume in apparel and food products moderately exceeded that of last year, retailers reported a slight year-to-year decrease in purchases of home furnishings.

The call for new passenger cars slackened the past week. Dealer inventories expanded moderately, but were appreciably below those of the similar period.

The total dollar volume of retail trade in the period ended on Wednesday of last week was unchanged to 4% higher than a year earlier. The index for January, Jan. 3 - Jan. 9, was 259.2, compared with 252 at the comparable 1956 level. Regional estimates varied from the comparable 1956 levels by the following percentages: New England and East South Central, 1-2% to 3-4%; Middle Atlantic and Pacific Coast, 3-4% to 7-8%; East North Central, 3-4% to 1-2%; West North Central, 1-2% to 3-4%; South Atlantic, 4-5% to 4-5%.

Attracted by numerous reduced-price clearance sales, shoppers stepped-up their buying of women's coat, clothes, dresses and sportswear; volume in lingerie, sweaters, and toiletries expanded substantially. There was a moderate rise in the call for girls' clothing with principal gains in blouses and skirts.

Increased buying of upholstered chairs, sofas and occasional tables considerably, boosted total sales of furniture last week, but volume remained at the comparable 1956 level. While the call for room furniture was still running at rates close to those of the previous week.

There was a slight rise in interest in kitchenware, china and glassware and sales slightly exceeded those of a year ago.

The buying of canned goods and frozen juice concentrates advanced considerably, while grocers sold large volume of dairy products. The call for fresh meat expanded appreciably, with noticeable gains in beef and pork.

The major wholesale centers reported a rise in buying activity against substantial upturns in inventories, stimulated interest in furniture, houses and apparel.

The total dollar volume of wholesale orders considerably exceeded those of the previous week, and was moderately above the average of the similar period.

Retail trade volume was on a country-wide basis as taken from the Federal Reserve Board's index for the week ended Jan. 12, 1957, increased 3% from the like period last year. In the preceding week, Jan. 5, 1957, a decrease of 1% (revised) was reported. The period ended Jan. 12, 1957, an increase of 11% was reported for the period Jan. 1, 1956 to Dec. 29, 1956, a gain of 4% was registered above that of 1955.

Retail trade sales volume in New York City last week affected by heavy snowstorms are reported 2% below like the period a year ago, according to trade observers.

According to the Federal Reserve Board's index, department store sales in New York City for the weekly period ended Jan. 12, 1957, showed an increase of 19% above the like period of last year, while a drop of 2% below the corresponding period of 1956 (revised) was reported. For the four weeks ending Jan. 12, 1957, an increase of 16% was registered. For the period 1 Jan. 1956 to Dec. 29, 1956, the index recorded a rise of 6% above that of the corresponding period in 1955.

Continued from page 2

The Security I Like Best

faced with the usual business problems of credit, inventory and labor. Labor represents a small percentage of operating costs; there are no inventory adjustment accounts, and with a policy of "pay as you go" there are no accounts receivable.

With respect to dividends, both the Bridge and the Tunnels showed a materially increased dividend in proportion to the constant increase in earnings. Substantially all earnings are paid out as dividends and the payment of the current dividend rate on both companies is not expected to reduce the future earning power of the company, particularly since a substantial dividend payment, the present dividend rate, would be held fixed for the shares their which would represent a profit of at least 50% over the current market prices.

Most all privately owned bridges and tunnels during the past 30 years have been sold to or absorbed by some form of public authority or some public or private corporation. The New York-Conn. to retire unsecured short-term bank loans of the company for the purpose of recapitalizing at $9,643,607 on Jan. 2, 1957. The sale is expected to be incurred to finance increased inventories and accounts receivable. The company continues to be negotiating with insurance companies for additional liability insurance of about $7,500,000.

Brinberg Admitting

Phil. R. Herring will become a partner in Brinberg & Co., 26 Broadway, New York City, member of New York Stock Exchange, on Feb. 1.

To Be Hardy Partner

John H. Julian on Jan. 31 will be admitted to partnership in the firm of Cohen, Cohen, 29 Broadway, New York City, members of the New York Stock Exchange.

Josephthal to Admit

On Feb. 1 Herrian F. Frode will become a partner in Josephthal & Co., 26 Broadway, New York City, members of the New York Stock Exchange.

Ungerleider to Admit

Arthur J. Schwartz will be admitted to partnership in Ungerleider & Co., 29 Broadway, New York City, members of the New York Stock Exchange.
**Indications of Current Business Activity**

*AMERICAN IRON AND STEEL INSTITUTE:*

- Current Week: Jan. 27
- Week Ago: Jan. 20
- Month Ago: Jan. 1
- Year Ago: Jan. 1, 1949

**CEMENT PRODUCTION (Estimates):**

- Current Week: Jan. 27
- Week Ago: Jan. 20
- Month Ago: Jan. 1
- Year Ago: Jan. 1, 1949

**AMERICAN PETROLEUM INSTITUTE:*

- Crude oil: 2.3 million barrels per day
- Gasoline: 0.8 million barrels per day
- Diesel fuel: 0.35 million barrels per day
- Kerosene: 0.2 million barrels per day
- Fuel oil: 0.75 million barrels per day
- Residual fuel oil: 0.1 million barrels per day
- Natural gas delivered to ultimate users, in billions of cubic feet:
  - January: 2.3
  - February: 2.2
  - March: 2.1

**COMMODITY PRICES:**

- Copper: $3.50 per pound
- Lead: $2.00 per pound
- Steel: $1.50 per ton

**DEFENSE STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1942-44 AVERAGE = 100:**

- January: 107
- February: 106

**ECONOMIC REPORTER—NEW YORK CENTRAL:**

- December: 13,256,000
- January: 12,377,000
- December of 1949: 13,576,000

**FACTORIES JOURNAL AND INDUSTRIAL:**

- January 27: 206
- February 2: 204

**IRON AGE COMMODITY PRICES:**

- Lumber: $4.25 per 1,000 board feet
- Steel: $5.15 per ton
- Copper: $3.50 per pound

**METAL PRODUCTS (Per Tons, F.O.B. Mill):**

- Copper: 80 cents
- Steel: $4.50 per ton

**MOODY'S BOND PRICES DAILY AVERAGES:**

- U. S. Government: 90.35
- Federal Reserve: 89.65

**NATIONAL PAPERS BOARD:**

- Average: 8.36

**OIL, PAINT AND DRUG REPORTER PRICE INDEX—**

- December: 111.81
- January: 113.01

**STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT ACCOUNTS—NEW YORK STOCK EXCHANGE—SECURITIES EXCHANGE COMMISSION:**

- December: 25,000
- January: 20,000

**TANKER RATES:**

- December: 46.15
- January: 45.15

**COTTON CROP NEWS AND PRICE HISTORY:**

- Recent cotton crop: 15,800,000 bales
- Current cotton prices: 6.15 cents

**TREASURY REPORTER—NEW YORK CENTRAL:**

- December: 13,256,000
- January: 12,377,000
- December of 1949: 13,576,000

**COTTON AND COTTONSEED PRODUCTS—MONTHLY REPORT—**

- December: 10,700,000
- January: 12,000,000
- December of 1949: 10,650,000

**INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM:**

- December: 100
- January: 105

**NOVFAIR REAL ESTATE FORECLOSURES AND FEDERAL HOUSING LOANS AND INSURANCE CORPORATION:**

- December: 2,200
- January: 2,300

**SELECTED ECONOMIC INCOME ITEMS (in current dollars):**

- December: 10,700,000
- January: 12,000,000
- December of 1949: 10,650,000

- Taxable income: 12,000,000
- Non-taxable income: 6,000,000

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The following statistical tabulations cover production and other figures for the current week or month, as shown. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, as of that date.
**Securities Now in Registration**

- **Affiliated Fund, Inc., New York**
  - Jan. 10 filed 4,000,000 shares of capital stock (par $1.25).
  - Price—To be supplied by amendment. Proceeds—For investment.

- **Allied Resources Fund, Inc., Minneapolis, Minn.**
  - Dec. 14 filed 400,000 shares of common stock (par one cent).
  - Price—To be supplied by amendment. Proceeds—For investment.

- **Underwriter—Fund Corp., 523 Marquette Ave., Minneapolis, Minn.**

- **Aluminum Co. of America (2/5)**
  - Jan. 15 filed 3,000,000 shares of common stock (par $1).
  - Price—To be supplied by amendment. Proceeds—For investment.

- **Bank Shares, Inc.**
  - Dec. 27 (letter of notification) 30,000 shares of 6% prior preferred series C stock to be offered to holders of series D or E shares of record Dec. 31, 1956 on the basis of one new share for each four D or E shares held; rights expire on Feb. 25. (Price—To be added to general fund. Office—7th St. & Michigan Ave., Underwriter—M. H. Bishop & Co., Minneapolis, Minn.)

- **Beautilett Co.**
  - Dec. 28 (letter of notification) 240,000 shares of common stock, par $1.25 per share. Proceeds—For partial payment for plant site; partial payment of outstanding lease obligations; for working capital. Office—4718 W. 18th St., Houston, Tex. Benjamin— & Co., Houston, Tex.

- **Brewer-Bartle Drilling Co., Inc. (1/30)**

- **Brewer-Bartle Drilling Co., Inc. (1/30)**

- **Brussels-Balke-Collender Co. (1/31)**

- **Carrier Corp., Syracuse, N. Y. (2/6)**

- **Central Corp., Philadelphia, Pa.**
  - July 30 filed 86,000,000 of 5% sinking fund debentures due Aug. 1, 1971, and 1,600,000 shares of common stock (par one cent) to be offered by amendment to holders of record Aug. 1, 1956. Proceeds—To be supplied by amendment.

- **Centers Corp., Philadelphia, Pa.**
  - July 30 filed 86,000,000 of 5% sinking fund debentures due Aug. 1, 1971, and 1,600,000 shares of common stock (par one cent) to be offered by amendment to holders of record Aug. 1, 1956. Proceeds—To be supplied by amendment.

- **Consumer Loan & Investment Co., Inc.**
  - Jan. 4 (letter of notification) 15,000 shares of 6% cumulative preferred stock (par $10), of which 5,112 shares are subject to offer of redemption, and $150,000 of 5-year 8% subordinated redeemable debentures (in denominations of $100 and $100 each). Price—At par. Proceeds—For working capital. Office—1910 W. Columbus Ave., Philadelphia, Pa. Underwriters—Harrington, Hrici, Inc. and Hennflay, Noe & Co., both of New York.

- **Diversified Oil & Mining Corp., Denver, Colo.**
  - Aug. 29 filed 2,500,000 shares of 6% convertible non-preferred cumulative preferred stock. Price—As to par for registered stockholders. Proceeds—To repay bank loans and for further acquisitions and working capital. Underwriter—Lehman Brothers, New York.

- **Douglas Aircraft Co., Inc. (2/6)**
  - Jan. 17 filed a maximum of 6,500,000 shares of common stock (par $1) to be offered by amendment to holders of record Feb. 8, 1957, at the rate of one new share for each 8 shares held; with an underwriting privilege; rights to expire on Feb. 28, 1957. Proceeds—To be supplied by amendment (to be set by directors on Feb. 8). Proceeds—To repay bank loans and for construction program. Underwriter—None.

- **Enfield Electric Corp., New York, N.Y.**
  - Jan. 10 filed 1,000,000 of convertible preferred stock (par $100) and 150,000 shares of common stock (par $.05). Price—To be supplied by amendment. Proceeds—For working capital. Underwriter—Allen & Co., New York.

- **Florida Securities, Inc., New York, N.Y.**
  - Jul. 14 filed 117,000 bonds of $1,000 each. Proceeds—To be supplied by amendment (to be set by directors). Proceeds—To supply working capital to expand company's business and operations. Underwriter—None.

- **Hampton Corp., New York, N.Y.**
  - Aug. 29 filed 1,500,000 shares of common stock (par $.01) to be offered by amendment to holders of record Aug. 29, 1957, at the rate of one new share for each 6 shares held; with an underwriting privilege; rights to expire on Feb. 28, 1957. Proceeds—To be supplied by amendment (to be set by directors on Feb. 8). Proceeds—To repay bank loans and for further acquisitions and working capital. Underwriter—None.

- **Harrington, Hrici, Inc. & Hennflay, Noe & Co., New York, N.Y.**
  - July 30 filed 86,000,000 of 5% sinking fund debentures due Aug. 1, 1971, and 1,600,000 shares of common stock (par one cent) to be offered by amendment to holders of record Aug. 1, 1956. Proceeds—To be supplied by amendment. Proceeds—For research and development; expansion; equipment; and other corporate purposes. Underwriter—None.

- **Harrington, Hrici, Inc. & Hennflay, Noe & Co., New York, N.Y.**
  - July 30 filed 86,000,000 of 5% sinking fund debentures due Aug. 1, 1971, and 1,600,000 shares of common stock (par one cent) to be offered by amendment to holders of record Aug. 1, 1956. Proceeds—To be supplied by amendment. Proceeds—For research and development; expansion; equipment; and other corporate purposes. Underwriter—None.

- **January Corp., Syracuse, N. Y. (2/6)**
  - Jan. 16 filed 18,000,000 of subordinated debentures due Feb. 1, 1982 (convertible to and including Feb. 1, 1977) into common stock and for other corporate purposes. Proceeds—For working capital. Underwriter—Lehman Brothers, New York.

- **Johnston & Co., Inc., Denver, Colo.**
  - July 27 filed 4,000,000 shares of common stock (par one cent). Proceeds—For income tax purposes and for other corporate purposes. Underwriter—None.
NEW ISSUE CALENDAR

February 13 (Wednesday)
Norfolk & Western R.l. (Offering to stockholders) $12,000,000
Potomac Electric Power Co. (Offering to stockholders) $30,000,000

February 14 (Thursday)
New York, Chicago & St. Louis RR. (Offering to stockholders) $6,000,000
Potomac Electric Power Co. (Offering to stockholders) $10,000,000

February 15 (Friday)
Franklin Discount Co., Inc. (Offering to stockholders) $100,000,000
Trans-Canada Pipe Lines Ltd. (Offering to stockholders) $75,000,000

February 19 (Tuesday)
Southern California Edison Co. (Offering to stockholders) $100,000,000

February 25 (Monday)
South Carolina Electric & Gas Co. (Offering to stockholders) $11,000,000

February 26 (Tuesday)
Consolidated Edison Co. of New York, Inc. (Debts) (To be sold) $25,000,000
Illinois Bell Telephone Co. (Bonds) (To be sold) $15,000,000

February 27 (Wednesday)
Southern Indiana Gas & Electric Co. (Bonds) (To be sold) $5,000,000

March 6 (Wednesday)
Southern Counties Gas Co. of California (Bonds) (Offering to stockholders) $15,000,000
Commonwealth Edison Co. (Bonds) (Offering to stockholders) $10,000,000

March 12 (Wednesday)
Southern Co. (Offering in exchange for the outstanding $115,000,000)

March 13 (Wednesday)
Ford Gum & Machine Co., Inc. (Bonds) (To be sold) $25,000,000

March 14 (Thursday)
Ford Gum & Machine Co., Inc. (Bonds) (To be sold) $25,000,000

March 15 (Friday)
Ford Gum & Machine Co., Inc. (Bonds) (Offering to stockholders) $10,000,000

March 19 (Tuesday)
Appalachian Electric Power Co. (Bonds) (Offering to stockholders) $15,000,000

March 26 (Tuesday)
American Telephone & Telegraph Co. (Bonds) (Offering to stockholders) $10,000,000

March 28 (Thursday)
New Orleans Public Service Inc. (Bonds) (Offering to stockholders) $5,000,000

April 11 (Thursday)
Mississippi Power Co. (Bonds) (Offering to stockholders) $1,000,000

May 2 (Thursday)
Alabama Power Co. (Bonds) (Offering to stockholders) $5,000,000

May 28 (Thursday)
National Fuel Gas Co. (Bonds) (Offering to stockholders) $10,000,000

June 6 (Thursday)
Georgia Power Co. (Bonds) (Offering to stockholders) $5,000,000

June 12 (Wednesday)

Flick-Reedy Corp., Melrose Park, Ill., Dec. 29 filed $2,000,000 of 6% subordinated debentures due Feb. 1, 1972, and 120,000 shares of common stock (par 30) for sale to the above-named officers, custom¬
er and certain other individuals in units of $100 of debentures and 10 shares of stock. Price—$115 per unit.

Florida Discount Co., Inc. (Offering to stockholders) $100,000,000

Florida Growth Fund, Inc. Nov. 23 filed 2,000,000 shares of common stock (par 10) for sale to the above-named officers, custom¬
er and certain other individuals in units of $100 of debentures and 10 shares of stock. Price—$115 per unit.

Franklin Discount Co. (Offering to stockholders) $100,000,000

Freiberg Mahogany Co. Oct. 6 filed $2,900,000 of subordinated debentures due 1971 and 450,000 shares of common stock (par 10) for sale to the above-named officers, custom¬
er and certain other individuals in units of $100 of debentures and 10 shares of stock. Price—$100 per unit.

Freeland-Wood & Co. (Offering to stockholders) $11,000,000


Hillton Hotels Corp. Nov. 23 filed 278,733 shares of 5% cumulative con¬
vertible preferred stock (par $25) for sale to the above-named officers, custom¬
unless at least 80% of the class A and class B stock of Savoy-Plaza is tendered. Tender offer expires Dec. 26.

Hub Oil Co., Denver, Colo. Dec. 21 filed 500,000 shares of common stock (par $10) to be offered for subscription privilege (no par) at $14 per share. Proceeds — To be used for general corporate purposes. Underwriters—A. Grayson, Ofc. & Sec., Harriman Co., New York, N. Y.

International Bank of Washington, D. C. Sept. 1 filed 500,000 shares of class A and class B stock (par $5), $250,000 of $1,000,000 mortgage bonds due Jan. 1, 1982, and $200,000 in 7% debentures due Jan. 1, 1992, for the purpose of providing additional working capital for banking, operation and general corporate purposes. Proceeds — To be used to acquire securities of foreign banks and to provide funds to subsidiary banks. Underwriters — National City Bank of New York, New York, N. Y.


**Midland Capital Corporation, New York (2)** Nov. 21 filed 400,000 shares of common stock (par $1) to be offered on a subscription privilege (no par) at $15 per share. Proceeds — To be used for general corporate purposes. Underwriters — J. W. McDougall, Cogan & Co., New York, N. Y.; A. J. Grayson & Co., New York, N. Y.

**Midland Midland Corporation, New York (2)** Nov. 14 filed 300,000 shares of common stock (par $1) to be offered on a subscription privilege (no par) at $15 per share. Proceeds — To provide working capital for the expansion of the company’s pool and for general corporate purposes. Underwriters — A. J. Grayson & Co., New York, N. Y.; Hoard & White, & Co., New York, N. Y.; C. A. McLeod & Co., New York, N. Y.

**Minerals Projects-Venture F., Inc., Madison, N. J.** Dec. 14 filed $2,500,000 of participants in capital as limited partnership interests. Price — In 25,000 units sold at $50 per unit. Proceeds — To construct a gold mine in the state of Ohio, near the border of Kentucky. Underwriter — Underwriter—McLouth-Henderson Securities, Inc., New York, N. Y.

**Mississippi Valley Portland Cement Co.** Dec. 26 filed 1,600,000 shares of common stock (par $1), of which 708,011 shares are held in an oversubscription privilege; rights to expire on Jan. 28, 1957. Proceeds — To be used to acquire land and buildings for new manufacturing facilities. Underwriter — Underwriter—Grayson, Ofc. & Sec., Harriman Co., New York, N. Y.

**Missouri Public Service Co.** Dec. 21 filed 211,984 shares of common stock (par $10) held in an oversubscription privilege; rights to expire on Jan. 29, 1957. Proceeds — To provide funds for construction of new power plants. Underwriter — Kidder, Peabody & Co., New York, N. Y.

Mountain States Telegraph & Telegraph Co. (2/9) Jan. 1 filed $33,000,000 of debentures due 1983. Proceeds — To repay advances from American Telephone & Telegraph Co., the parent company, which were used for construction of new facilities. Underwriter — Underwriter—Kidder, Peabody & Co., New York, N. Y.

**National Fidelity Insurance Co.** Nov. 20 (letter of notification) 33,000 shares of common stock (par $12) to be offered to stockholders of record. Price — To be determined at the time of offering. Proceeds — To be used to acquire securities of foreign banks and to provide funds to subsidiary banks. Underwriter—Kidder, Peabody & Co., New York, N. Y.

**National Life Insurance Co.** Nov. 15, 1957 filed 50,000 shares of class A common stock (par $5) and 50,000 shares of class B common stock (par $.01) to be offered to stockholders of record. Price — To be determined at the time of offering. Proceeds — To be used to acquire securities of foreign banks and to provide funds to subsidiary banks. Underwriter—Kidder, Peabody & Co., New York, N. Y.


New England Power Co. (2/18) Jan. 12 filed $10,000,000 of 5% convertible debentures due Feb. 1, 1972, for the purpose of providing additional working capital for the maintenance and expansion of the company’s system. Proceeds — To be used for the purpose of providing additional working capital for the maintenance and expansion of the company’s system. Underwriter—Kidder, Peabody & Co., New York, N. Y.

**Niagara Mohawk Power Corp.** Dec. 29 filed $66,200,000 of 5% convertible debentures due July 1, 1987, for the purpose of providing additional working capital for the maintenance and expansion of the company’s system. Proceeds — To be used to provide working capital for the maintenance and expansion of the company’s system. Underwriter—Kidder, Peabody & Co., New York, N. Y.

**Ocean City Pier Corp., Berlin, Md.** Oct. 4 filed $2,000,000 of 6% debenture bonds due July 1, 1957, for the purpose of providing additional working capital for the maintenance and expansion of the company’s system. Proceeds — To be used to provide working capital for the maintenance and expansion of the company’s system. Underwriter—Kidder, Peabody & Co., New York, N. Y.


**Ohio Power Co.** Sept. 2 filed $1,000,000 of cumulative preferred stock (par $100). Proceeds — For construction program. Underwriter—To be determined by amendment. Underwriters—Kidder, Peabody & Co., (jointly); Halsey, Stuart & Co., (jointly); Goldman, Sachs & Co.; Drexel & Co. & Dean, Witter & & Co. (jointly). Bids — To be received up to 11 a.m. (EST) on Jan. 30 at the office of Commonwealth Securities, Inc., 300 Park Ave., New York, N. Y.

**Ohio Water Service Co., Struthers, Ohio** Dec. 21 (letter of notification) 4,200,000 shares of common stock (par $1) to be offered for subscription by common stockholders on the basis of one share for each 12 shares held (with an oversubscription privilege); rights to expire on Jan. 11, 1957. Price — To be fixed on Jan. 28. Proceeds — For construction and operation of amusement pier. Underwriter—Blair F. Claybaugh & Co., Harrisburg, Pa.

Orefield Mining Corp., Montreal, Canada (Oil) Dec. (letter of notification) 500,000 shares of $250,000, of which 250,000 shares are now outstanding. Price — To be supplied by amendment. Proceeds — For exploration and development. Underwriter — For exploration and development. Underwriters—Kidder, Peabody & Co., (jointly); James C. Panasik, of Miami, Fla., and Dennis Collivas, of Montreal, Canada, are large stockholders.

**Peoples Finance Corp.** Nov. 27 filed $1,000,000 of 60% cumulative convertible preferred stock (par $5). Price — $5 per share. Proceeds — To be used for construction program. Underwriter—Kidder, Peabody & Co., (jointly). Bids — To be received up to 11 a.m. (EST) on Jan. 24. (2/14) (New)

Pioneer Finance Co. Jan. 9 (letter of notification) 12,000 shares of common stock (par $1). Price—be supplied by amendment. Proceeds—To be offered to stockholders of record Jan. 15, 1977, on the basis of one new share for each 18 shares held; to be paid in cash. Proceeds—For expansion and additional working capital. Officers—East Main St., Jewett City, Conn. Dealer—Putnam & Co., Hartford, Conn.

Plastic Wire & Cable Corp. Jan. 27 (letter of notification) 14,214 shares of common stock (par $3) being offered to stockholders of record Jan. 17, 1977, on the basis of one new share for each 12 shares held; to be paid in cash. Proceeds—For expansion and additional working capital. Officers—East Main St., Jewett City, Conn.


Potomac Electric Power Co. Feb. 14 Jan. 18 filed 300,000 shares of preferred stock due 1997 (par $40) at $100,000,000 underwritten and amended. Proceeds—For construction program. Underwriter—Halsey, Stuart & Co.; The First Boston Corp. and each of those firms. Price—At $40 par, to be supplied by amendment. Proceeds—To be offered for subscription by stockholders at the rate of $100 per share, to be paid in cash. Proceeds—To be used for working capital and development and construction costs and for plant expansion. Officers—Halsey, Stuart & Co.; And, Kueh-Loeb & Co.; and Lehman Brothers. Price—At $100 par, to be supplied by amendment.


Southern New England Telephone Co. Feb. 20 filed (letter of notification) $25,000,000 of debentures due 1982 (par $50) at $100,000,000 underwritten. Proceeds—For construction program. Underwriter—Halsey, Stuart & Co.; The First Boston Corp. and each of those firms. Price—At $50 par, to be supplied by amendment.

Southern Properties, Inc., Atlanta, Ga. Dec. 5 (letter of notification) 150,000 series A registrable common shares, of which 375,000 shares are to be publicly offered and 111,300 shares are to be offered to the stockholders of the underwriter, for $7.50 par, to be supplied by amendment. Proceeds—To establish a complete sporting goods house; other expansion and inventory. Underwriter—Investment Underwriters, Inc., Atlanta, Ga. Price—At $7.50 par, to be supplied by amendment. Officers—Phillip H. Dohn, Jr., and Roger H. Bell, sole stockholders of the underwriter, are officers and directors of Southern Properties, Inc.

Southern Syndicate, Inc. Dec. 5 (letter of notification) $150,000 series A registrable common shares, of which 375,000 shares are to be publicly offered and 111,300 shares are to be offered to the stockholders of the underwriter, for $7.50 par, to be supplied by amendment. Proceeds—To establish a complete sporting goods house; other expansion and inventory. Underwriter—Investment Underwriters, Inc., Atlanta, Ga. Price—At $7.50 par, to be supplied by amendment. Officers—Phillip H. Dohn, Jr., and Roger H. Bell, sole stockholders of the underwriter, are officers and directors of Southern Properties, Inc.

Southern Union Oil Co., Ltd., Toronto, Canada. Aug. 24 filed 750,000 shares of common stock (par $1). Proceeds—To be supplied by amendment. Underwriter—None.


Sunset Country Club, Snappington, Mo. Dec. 26 filed $642,000 of 1% first mortgage bonds due 1977, to be offered to stockholders of the Club. Price—At 100% of principal amount (in cash). Proceeds—To retire a mortgage to the Club. Underwriter—None.

Texas Capital Co., Ablene, Texas Feb. 26 filed $250,000 of preferred stock (par $25). Price—At market from time to time on the American Stock Exchange or the Toronto Stock Exchange, or both, through an Underwriter—F. Scott, the selling stockholder. Underwriter—None.

Texas Fuel Corp., Clarksville, Texas Nov. 17 filed 745,000 common shares (par stock (par $1). Price—20% of market. Proceeds—To pay bank loans, financing of time payment sales of gas and oil reserves and for general corporate purposes. Underwriter—Franklin Securities Co., Dallas, Texas.

Theatrical Immigration Co., Inc., New York City, Oct. 30 filed $20,000,000 of class B stock (par five cents) and 20,000,000 of class B stock (par five cents). Proceeds—For the purchase of a new office building for the company. Proceeds—For investment in theatrical and entertainment fields. Business—A non-diversified closed-end investment management company. Underwriter—None.


Triangle Metals & Chemicals, Inc. Jan. 23 filed 1,615,500 shares of common stock and 2,268,800 common stock warrants, of which 250,000 shares of stock and 250,000 warrants are to be offered publicly in units of one common share and one warrant (in each case for $20.26 per unit. Proceeds—For working capital and expansion. Underwriter—None. Proceeds—For working capital. Underwriter—None.


United States Air Conditioning Corp. Sept. 7 filed 500,000 shares of common stock (par stock), of which 500,000 shares are to be offered to employees of the company, and all of the unissued portion of the said 500,000 shares. Proceeds—To be used for the construction of an additional warehouse. Underwriter—United States Air Conditioning Corp., New York.

United States Air Conditioning Corp. Sept. 7 filed 500,000 shares of common stock (par stock), of which 500,000 shares are to be offered to employees of the company, and all of the unissued portion of the said 500,000 shares. Proceeds—To be used for the construction of an additional warehouse. Underwriter—United States Air Conditioning Corp., New York.

Coastal Transmission Corp., Houston, Tex. Dec. 28, the FPC authorized this company to build a pipeline from a point in Hidalgo County, Tex., to the point of connection with Houston Texas Gas & Oil Corp.'s system at La Porte, Tex. The pipeline is estimated to cost approximately $64,583,000. Underwriter—Ge-Ham, New York, N. Y.

Columbus & Southern Ohio Electric Co. (3/5) Dec. 21, the company is planning to issue and sell $10,000,000 of 3% convertible debentures due 1973. Proceeds—To repay bank loans temporarily employed for construction purposes. The company has already been approved by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Morgan Stanley & Co.; and Merrill, Lynch, Pierce, Fenner & Beane.

Commonwealth Edison Co. (3/12) Jan. 3, Willis Gable, Chairman, announced company plans to issue and sell $30,000,000 of first mortgage bonds due 1982. Proceeds—To repay certain bonds. Underwriter—None.


Consolidated Freightways, Inc. Nov. 21 it was announced company has applied to the Interstate Commerce Commission for authority to issue and sell $25,000,000 of common stock (par $5). Proceeds—For expansion program and working capital. Underwriter—Blyth & Co., New York and San Francisco.


First & Merchants National Bank Jan. 9 this bank offered to its stockholders rights to subscribe for 45,000 shares of common stock at the rate of one new share for each five shares held as of Jan. 8 on a 1-for-5 basis at a price of $5 per share. Office—Richmond, Va. Underwriter—Scott & Stringfield, Richmond, Va.

Florida Power Corp. Jan. 3 it was reported company plans to offer to its stockholders rights to subscribe for 11,000 working additional shares of common stock on a 1-for-10 basis. Underwriters—Merrill Lynch, Pierce, Fenner & Beane and Kidder, Peabody & Co., both of New York.

General Public Utilities Corp. Jan. 26, the company announced that the stockholders are going to be offered approximately 647,000 additional shares of common stock (par $3) on
necessary to meet the $25,000,000 installment due April 1, 1957 on its 4% term loan may have to be provided by sale of securities, or, in the case of securities, by the private sale of a share of securities owned by the company held by the Henry J. Kaizer, or of certain other assets. Underwriter—The First Boston Corp.

Laclede Gas Co.
Jan. 4 It was announced stockholders will vote Jan. 24 on plan of $18,000,000 of debentures and on increasing authorized preferred stock (par $25) by 400,000 shares to 680,000 shares. The company has no immediate plans to issue any stock. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Beane; Kidder, Peabody & Co.; and Eastman Dillon, Union Securities & Co. (jointly); J. J. Reilly & Co. Inc. Bids—Testamentarily expected June 6.

Houston Texas Gas & Oil Corp., Houston, Tex.
Dec. 30 The SEC authorized this company to build 949 miles of main line extending from the Mississippi River crossing in the Texas Louisiana, Mississippi and Alabama, and then extending across the Florida panhandle and down the Florida peninsula to an terminal at Miami in Dade County, Fla. Underwriters—May be Elyth & Co. Inc., San Francisco, Calif., and Safford & Jones, Inc., New Orleans, La.

Hubsman Factors Corp., New York
Dec. 10 it was reported company plans to sell $208,000 shares of common stock at $14,000,000. Underwriter—II, M. Byllyce & Co. Inc., New York and Chicago. Offering—Expected in February.

Illinois Bell Telephone Co. (2/26)
Dec. 27 it was announced directors have authorized an issue of $31,500,000 of new preferred stock. Underwriters—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Morgan Stanley & Co., Euro; Kuhn, Loeb & Co.; and Eastman Dillon, Union Securities & Co. (jointly). Bids—Expected to be received in New York May 20.

Indiana-App Power & Light Co.

Interstate Fire & Casualty Co.
Sept. 26 it was reported company plans to sell $1,500,000 of debentures. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Beane and Kidder, Peabody & Co. (jointly); Salomon Bros. & Hutzler; and Welch & Co. (jointly); H. W. Pressprich & Co. (jointly); Smith, Barney & Co.

Iowa Electric Light & Power Co.
Jan. 2 it was announced that cash required to finance the 1957 construction program will necessitate the sale of securities, it is feared, at an annual rate of $50,000,000 to $60,000,000. The exact amount to be raised and the type of securities to be sold are now under consideration by the management.

Jefferson Lake Sulphur Co.
Dec. 27 Eugene H. Waite, Jr., announced company plans in the near future to issue $6,000,000 of convertible debentures. Proceed—For expansion program.

Jersey Central Power & Light Co.
Sept. 12, it was announced company plans to issue and sell $8,000,000 of first mortgage bonds. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Beane and Kidder, Peabody & Co. (jointly); Salomon Bros. & Hutzler; and Welch & Co. (jointly); H. W. Pressprich & Co. (jointly); Smith, Barney & Co.

Kaiser Industries, Inc.
Nov. 28, R. E. Trefethen, Jr., Executive Vice-President, stated that it is anticipated that a portion of the funds
Indiana State Securities Corp. of Indianapolis, Ind., for offering to residents of New York, New Jersey, and Pennsylvania.

**Savannah Sports Arena, Inc., Savannah, Ga.**, Dec. 17 (letter of notification) 7,000 shares of common stock. Price — At par ($10 per share).

**Security Electronics Corp.**

Proceeds—For expansion and additional working capital.

**Southern California Edison Co. (2/19)**

Jan. 22 filed 3,600,000 first and refunding mortgage bonds; expected to be offered to stockholders of record Dec. 16. Proceeds—To refinance and renew existing mortgage bonds.

**Southern Electric Co., Inc.** —Land Purchase

Feb. 17 $23,500,000 for expansion and development.

**Southern New England Telephone Co.**

Apr. 8 filed 372,824 shares of common stock for subscription by stockholders at the rate of one new share for each eight shares held. Price — $10 per share.

**Southern Pacific Co.**

Proceeds—For expansion and development and for general requirements.

**Southwestern Public Service Co.**

Feb. 21 filed 1,426,800 shares of common stock for subscription by stockholders at par.

**Stark Oil Co., Inc., Dallas, Texas**

Feb. 16 $80,000,000 for construction.

**Starbucks Corp., Seattle, Wash.**

Dec. 16 filed 263,000 shares of common stock. Price — At par ($10 per share).

**State Mutual Life Assn. of Montana, Inc.**

May 18 $50,000,000 for construction.

**Steelcase, Inc.** —Counterparts

Aug. 28 filed 100,000 shares of common stock. Price — $20 per share.

**Stuart & Hutzler, Inc., Baltimore, Md.**

Feb. 26 filed 30,000 shares of common stock (par $1) being offered to subscription by stockholders at the rate of one new share for each four shares held; rights to expire on Feb. 28. Proceeds—For expansion and additional working capital. Underwriter—Meridian Securities Corp., New York.

**Sunset Club, Redondo Beach, Calif.**

May 21 filed 15,000 shares of common stock (par $1) being offered for subscription by stockholders at par. Price — $1 per share.

**Sunset Gas & Electric Co., Ltd., Toronto, Canada**

Dec. 1 filed 2,000,000 common shares. Price — $1 per share.

**Sun Trust Mortgage & Loan Co., Inc.**

Aug. 29 filed 4,000,000 shares of common stock (par $1) for subscription by stockholders at par. Proceeds—For general corporate purposes.

**SunTrust Mortgage & Loan Co., Inc., New York, N.Y.**

May 11 filed 5,000,000 shares of common stock (par $1) being offered for subscription by stockholders at par. Proceeds—For expansion and additional working capital.

**Superior Gas, Inc.**

Dec. 12 filed 140,000 shares of common stock for subscription by stockholders at par. Proceeds—For expansion and additional working capital.

**Sunward Corp., New York, N.Y.**

Dec. 2 filed 1,280,000 shares of common stock for subscription by stockholders at par. Proceeds—For expansion and additional working capital.

**Sunway, Inc.**

Dec. 16 filed 2,000,000 shares of common stock (par $1) being offered for subscription by stockholders at par. Price — $1 per share.

**Sunway Corp., New York, N.Y.**

Dec. 12 filed 500,000 shares of common stock for subscription by stockholders at par. Proceeds—For expansion and additional working capital.

**Sunway Corp., New York, N.Y.**

Dec. 16 filed 2,000,000 shares of common stock (par $1) being offered for subscription by stockholders at par. Proceeds—For expansion and additional working capital.

**Sutter & Hutzler, Inc., Baltimore, Md.**

Feb. 17 filed 25,000,000 shares of common stock. Price — $5 per share.

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Feb. 17 filed 25,000,000 shares of common stock. Price — $5 per share.

**Sunway Corp., New York, N.Y.**

Dec. 12 filed 500,000 shares of common stock for subscription by stockholders at par. Proceeds—For expansion and additional working capital.

**Sunway Corp., New York, N.Y.**

Dec. 16 filed 2,000,000 shares of common stock (par $1) being offered for subscription by stockholders at par. Proceeds—For expansion and additional working capital.

**Sunway Corp., New York, N.Y.**

Dec. 16 filed 2,000,000 shares of common stock (par $1) being offered for subscription by stockholders at par. Proceeds—For expansion and additional working capital.

**Sunway Corp., New York, N.Y.**

Dec. 16 filed 2,000,000 shares of common stock (par $1) being offered for subscription by stockholders at par. Proceeds—For expansion and additional working capital.
Continued from page 81


Western Light & Telephone Co., Inc. Jan. 6 filed proposal to sell 25,000 shares of convertible preferred stock (par $25) to be offered for subscription among holders of record Jan. 22, 1957, on the basis of one preferred share for each three common stock held; rights to expire Feb. 6, 1957, and subscriptions subject to retraction; and to be payable in full on Feb. 4, 1957. Price—At par and accrued dividend. Proceeds—For construction and working capital. Underwriter—Dean Witter & Co., San Francisco, Calif.

Wildcat Mountain Corp., Boston, Mass. Aug. 13 filed proposal to sell 480,000 shares of common stock, 350,000 of which are convertible into 100,000 shares of preferred stock (par $1), to be offered to the public in units of $400 common and three shares of preferred at a combined price of $500 per unit. Proceeds—For construction and working capital. Underwriter—Weinberger, Simpson, Co., New York, N. Y.; none, offering to be made by officers and agents of company.

Wilson & Co., Inc. Aug. 6 filed proposal to sell 20,000,000 shares of 20-year sinking fund debentures due 1976, prior to this issue, of which $15,000,000 are outstanding (par $1). Proceeds—To redeem bonds, retirement of preferred stock, acquisition of new business, acquisition of new assets, and to meet operating expenses. Underwriter—Baker, Simon & Co., Detroit, Mich.; none. Proceeds—To be received in February.

Alabama Power Co. (5 9/16) Jan. 21 it was announced company plans to issue and sell $145,000,000 of 1% preferred stock to be used for expansion purposes. Proceeds—For expansion purpose. Underwriter—To be determined by competitive bidding. Proceeds—To be used for the construction of a 236,000-kilowatt generating unit approximately 35 miles northwest of Montgomery, Ala.

American Telephone & Telegraph Co. (3 7/8) Dec. 20 the directors declared a dividend of $250,000,000 on preferred stock. Underwriter—To be determined by competitive bidding. Proceeds—To be used for the construction of a 100,000-kilowatt generating unit in the area. Underwriter—To be determined by competitive bidding. Proceeds—To be used for the construction of a 100,000-kilowatt generating unit in the area.

Anacoda Co. Dec. 27 the directors tentatively approved a proposal to sell $14,500,000 worth of additional common stock. Proceeds—For expansion purpose. Underwriter—To be determined by competitive bidding. Proceeds—To be used for the construction of a new smelter at Anaconda, Mont. Underwriter—To be determined by competitive bidding. Proceeds—To be used for the construction of a new smelter at Anaconda, Mont.

Appalachian Electric Power Co. (3 9/16) Dec. 15 the directors authorized plans to issue and sell $28,000,000 of 4% first mortgage bonds. Proceeds—To be used for the construction of a new power plant. Underwriter—To be determined by competitive bidding. Proceeds—To be used for the construction of a new power plant. Underwriter—To be determined by competitive bidding. Proceeds—To be used for the construction of a new power plant.

Central Maine Power Co. Dec. 14, President, announced that "the company can meet all of its obligation if it continues to earn 5% annually on its capital stock. Proceeds—To be used for the construction of a new power plant. Underwriter—To be determined by competitive bidding. Proceeds—To be used for the construction of a new power plant. Underwriter—To be determined by competitive bidding.

Central National Bank of Cleveland Jan. 22 the bank offered $3,000,000 worth of capital stock to stockholders of record Jan. 16, 1957 on a 1-for-10 basis; rights to expire on Feb. 13. Price—$35 per share. Underwriter—McDonald & Co., Cleveland, Ohio.

Cleveland Electric Illuminating Co. Nov. 12 it was reported company plans to issue and sell $25,000,000 worth of fixed mortgage bonds in the Sum of 1957, as part of its contemplated construction program. Underwriter—To be determined by competitive bidding. Proceeds—To be used for the construction of a new power plant. Underwriter—To be determined by competitive bidding. Proceeds—To be used for the construction of a new power plant.

Consolidated Edison Co. of New York, Inc. (2 %) Dec. 14, a proposal was announced to issue and sell $15,000,000 worth of fixed mortgage bonds in the Sum of 1957, as part of its contemplated construction program. Proceeds—To be used for the construction of a new power plant. Underwriter—To be determined by competitive bidding. Proceeds—To be used for the construction of a new power plant. Underwriter—To be determined by competitive bidding. Proceeds—To be used for the construction of a new power plant.

Connecticut Light & Power Co. Nov. 27 it was announced company will probably offer its stockholders an opportunity to subscribe for additional common stock. Proceeds—Expected to be $15,000,000, to be used for the construction of a new power plant. Underwriter—None. Offering—Expected to be received in March 12. Registration—Filed for December.

Consolidated Edison Co. of New York, Inc. (2 7/8) Dec. 21, the corporation announced a proposal to issue and sell $25,000,000 worth of fixed mortgage bonds in the Sum of 1957, as part of its contemplated construction program. Proceeds—To be used for the construction of a new power plant. Underwriter—To be determined by competitive bidding. Proceeds—To be used for the construction of a new power plant. Underwriter—To be determined by competitive bidding. Proceeds—To be used for the construction of a new power plant.

Consumers Time Credit, Inc. (2 1/8) Jan. 17, letter of notification) $250,000 worth of 6% renewable shares (subordinated, payable upon demand) Feb. 1, 1962 or payable at the option of the corporation in five years. Proceeds—At par. Proceeds—For loans, working capital, etc. Underwriter—Blyth, Co., Inc., New York and San Francisco.

Daystrom, Inc., Elizabeth, N. J. Dec. 18, Thomas Roy Jones, President, announced that the company plans to offer to its stockholders a proposal to sell $10,000,000 worth of additional common stock (par $5) on a 1-for-10 basis; rights to expire on Feb. 20. Underwriter—Merrill Lynch, Pierce, Fenner & Beane, New York, N. Y.

Florida Power Corp. Jan. 18, the company announced plans to offer to its stockholders a proposal to sell $10,000,000 worth of additional common stock (par $5) on a 1-for-10 basis; rights to expire on Feb. 20. Underwriter—Merrill Lynch, Pierce, Fenner & Beane and Peters & Co., both of New York.

General Utilities Corp. Nov. 15, A. F. T. Taron, President, announced that the company plans to offer to its stockholders a proposal to sell $10,000,000 worth of additional common stock (par $5) on a 1-for-10 basis; rights to expire on Feb. 20. Underwriter—Merrill Lynch, Pierce, Fenner & Beane and Peters & Co., both of New York.
necessary to meet the $25,000,000 installment due April 1, 1957 on its 4% term loan may have to be provided through public or private sales of the securities of this company or Henry J. Kaiser Co., or through the public or private sale of a portion of the securities of the companies of which Mr. Blyth & Co. are shareholders, or certain other entities. Underwriter—The First Boston Corp., New York.

Laclide Gas Co. Jan. 11 it was announced to stockholders will vote Jan. 24 on authorizing $10,000,000 of debentures and on increasing by $40,000,000 of preferred shares to 880,000 shares. The company has no immediate plans to use the proceeds, which may be determined by competitive bidding. Probable bidders: (a) For debentures—Halsey, Stuart & Co.; Inc.; Lehman Brothers; Kidder, Peabody & Co.; and Eastman Dillon, Union Securities Co.; (jointly); Stone & Webster Securities Corp. and Eastman Dillon, Union Securities Co.; (jointly); Herriman Ripley & Co.; Inc. Bids—Tentatively expected to be received on Feb. 6.

Houston Texas Gas & Oil Co., Houston, Tex. Dec. 28 the FPC authorized this company to build 4824 miles of natural gas pipeline from the main River connection across Louisiana, Missouri and Alabama, and then eastwardly across the Florida peninsula and down the Florida barrier to a terminal south of Miami in Dade County, Fla., estimated to cost a total of $1047,000,000. The company reported it was formulating an application for construction. No management changes were reported as of this date.

Hubshman Factors Corp., New York. Dec. 19 it is reported that bids were received for sale of $200,000 of common stock. Price—Expected to be around 95. Underwriter—The First Boston Corp., Inc. New York and Chicago. Offering—Expected in February.

Illinois Bell Telephone Co. (2/26) Dec. 27 it is reported that the state regulators have authorized an issue of $40,000,000 first mortgage bonds, series E, due March 1, 1983. Proceeds—To repay short-term borrowings and for construction program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Kuhn, Loeb & Co.; White, Weld & Co.; Bryant, Co.; and Eastman Dillon, Union Securities Co.; (jointly); Bid—Expected to be received on Feb. 26.

Indianapolis Power & Light Co. Nov. 21, H. T. Prichard, President, announced that pres¬ent plans have been determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Beane and Kidder, Peabody & Co. (jointly); First Boston Corp., Inc.; and Bradford & Leech & Drexel & Co. (jointly); Stone & Webster Securities Corp. and Eastman Dillon, Union Securities Co.; (jointly); Herriman Ripley & Co.; Inc. Bids—Tentatively expected to be received on Feb. 12.

Mississippi Power Co. (4/11) Jan. 21 it was announced company plans to issue and sell $16,000,000 of first mortgage bonds. Underwriter—To be determined by competitive bidding. Probable bidders: (a) Halsey, Stuart & Co., Inc.; White, Weld & Co.; Bryant, Co.; and Eastman Dillon, Union Securities Co.; (jointly); Bid—Expected to be received on or after Feb. 15, 1957.

Mississippi Power Co. (4/11) Jan. 21 it was announced company plans to issue and sell $16,000,000 of first mortgage bonds. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Beane and Kidder, Peabody & Co.; (jointly); Eastman Dillon, Union Securities Co.; (jointly); Herriman Ripley & Co.; Inc. (jointly); Bid—Tentatively expected to be received on Feb. 12.

National Bank of Commerce, Memphis, Tenn. Jan. 15 it was announced bids were received for sale of capital stock on the basis of one share for each five shares held as of Jan. 6, to expire on Jan. 26. Underwriter—Leffwich & Ross, Memphis, Tenn.

National Fuel Gas Co. (5/28) Jan. 19 it was reported company plans to issue and sell $16,000,000 of first mortgage bonds. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Beane and Kidder, Peabody & Co.; (jointly); Eastman Dillon, Union Securities Co.; (jointly); Bid—Tentatively scheduled to be received on or after May 15, 1957.

New England Electric System Jan. 3, 1956, it was announced company plans to merge its subsidiaries, Essex County Electric Co., Lowell Electric Light Corp., Lawrence Electric Co., Haverhill Electric Co. and Eastern Gas & Electric Co., effective at the close of business on January 31, 1956. This would be followed by a $20,000,000 first mortgage bond issue by the resultant company, the name of which has not as yet been determined. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Kuhn, Loeb & Co.; Salomon Bros. & Hutcher, Eastman Dillon, Union Securities Co. and Eastman Dillon, Union Securities Co.; (jointly); Bid—Tentatively expected to be received on or about 11:30 a.m. (EST) on May 28.

New England Power & Light Co. Sept. 26 it was reported company plans to issue and sell 75,000 additional shares of common stock. Underwriter—White & Co., St. Louis, Mo. Offerers—Chicago and Baltimore.

New York, Chicago & St. Louis RR. (2/14) Bids are expected to be received by the company on Feb. 14 for the purchase of it from $4,000,000 equipment trust certificates. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc.; Salomon Bros. & Hutcher.

New York State Electric Gas Corp. Oct. 30 it was reported a company plan to sell in 1958 $25,000,000 of first mortgage bonds, and an additional $20,000,000 in 1958. Proceeds—To finance construction of approximately $60,000,000 worth of new equipment. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; (jointly) Kuhn, Loeb & Co.; White, Weld & Co. and Smith, Barney & Co.; (jointly); The First Boston Corp. and Halsey, Stuart & Co. (jointly); Harriman Ripley & Co.; Inc. (jointly).

Norfolk & Western Ry. (2/13) Bids are expected to be received by the company up to noon (EST) on Feb. 14 for the purchase of it from $3,250,000 equipment trust certificates, series A, to mature in 30 equal annual installments. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc.; Salomon Bros. & Hutcher.

Pennsylvania Electric Co. Sept. 26 it was reported company plans to issue and sell $6,000,000 of first mortgage bonds. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc.; Kuhn, Loeb & Co.; Eastman Dillon, Union Securities Co.; (jointly); Herriman Ripley & Co.; Inc. (jointly); Bid—Tentatively expected to be received on or about May 28.

Pioneer Natural Gas Co. Jan. 7 it was registered registration is expected in Feb¬ruary of about 125,000,000, for public offer¬ing early in March. Underwriter—The First Boston Corp.; Harris Duff & Co.; Inc. (jointly). Bids—Expected to be received in May.

Potomac Edison Co. Dec. 27 it was announced company may this year issue $25,000,000 of first mortgage bonds. Under¬writer—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc.; Merrill Lynch, Pierce, Fenner & Beane, Eastman Dillon, Union Securities Co.; (jointly); Herriman Ripley & Co.; Inc. (jointly); Bid—Tentatively expected to be received on or after May 28.

Public Service Co. of Colorado Oct. 8 it was reported company plans the issue and sale of $5,000,000 of first mortgage bonds for bank loans and for new construction. Underwriter—to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc.; Salomon Bros. & Hutcher, Eastman Dillon, Union Securities Co.; (jointly); Bid—Tentatively expected to be received on or about Feb. 15, 1957 and to mature in 15 equal annual installments to and including Feb. 15, 1972. Offerings—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc.; Merrill Lynch, Pierce, Fenner & Beane, Kidder, Peabody & Co.; (C. Lang¬ley & Co. and The First Boston Corp. (jointly). Offer¬ings—Expected in May.

Rhode Island Hospital Trust Co. Jan. 13 issued registered and underwritten by holders of record on or about Feb. 5, 1957 the right to subscribe on or before Feb. 5, 1957 for 50,000 additional shares of capital stock (par $20) on the basis of one new share for each five shares held as of record date. Underwriter—Brown, Lisl & Marshall, Providence, R.I., and associates.

Royal State Bank of New York (1/24) Jan. 17 it was announced bank plans to offer to its stockholders of record on or about Jan. 28, 1957 the right to subscribe on or before Febru¬ary for the purchase of $3,000,000 worth of additional shares of capital stock (par $5) on the basis of one new share for each five shares held on or about March 11, 1957. Rights—expiring on April 28, 1957. Proceeds—For the continuation and enlargement of the business of the bank. Underwriter—Brown, Lisl & Marshall, Providence, R.I., and associates.
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shares owned of record Jan. 24; rights to expire on March 1; price—$16.50 per share. Proceeds—To increase capital and surplus.

St. Louis-San Francisco Ry.

Sent. 5 company offered not exceeding $61,600,000 of 50-year income 5% debentures, series A, due Jan. 1, 1966. 154,000 shares of common stock at par to be exchanged, with- out option, for a par value of the preferred divi-
dends, valued at 25% of the par value of the preferred divid-
dends, series A. The exchange offer will be made at the stockholders' meeting June 25, 1965. Dealer-Manager—Eastman Dillon, Union Securi-

Seiberling Rubber Co.

Bident. 19 it reported that the company plans long-
term to increase its ownership of the common stock. Proceeds—To redeem preferred stock and use the proceeds for general corporate purposes. Underwriter—Probability & Blair, In-
corporated, New York.

South Carolina Electric & Gas Co. (2/25)

Jan. 14 it reported company plans to offer on or about Feb. 21, about $6,000,000 of additional common stock, first to stockholders of the common stock, then to the public. Proceeds—To be determined after completion of the underwriting arrangements. Underwriter—Kidder, Peabody & Co., New York. Registration—Planned for Feb. 5. (jointly).

South Carolina Electric & Gas Co.

Jan. 14 it reported company plans to issue and sell $10,000,000 of first mortgage bonds. Proceeds—To repay bank loans and for new construction. Underwriter—To be determined after completion of the underwriting arrangements. Proceeds—To be determined after completion of the underwriting arrangements. Underwriter—Probability & Blair, Inc., New York. Registration—Planned for Feb. 5. (jointly).

South Carolina Gas Co.

Jan. 21 it was announced that the company plans to issue and sell about $35,000,000 of first mortgage bonds. Proceeds—To refund bank loans and for new construction. Proceeds—To be determined after completion of the underwriting arrangements. Underwriter—Probability & Blair, Inc., New York. Registration—Planned for Feb. 5. (jointly).

Southern Co. (3/13)

Jan. 21 it announced company plans to offer to its common stockholders of record March 13, 1967, at the regular dividend date on April 1, 1967, for 1,517,004 additional shares of common stock on a 1-for-1 basis. Price—To be fixed March 12. Underwriter—To be determined after completion of the underwriting arrangements. Proceeds—To be used for general corporate purposes. Underwriter—Probability & Blair, Inc., New York. Registration—Planned for March 29. Park Ave., New YorK, N.Y. Registration—Expiring Feb. 15.

Southern Counties Gas Co. of California (3/6)

Jan. 6 it was reported that the company may issue and sell about $15,000,000 of first mortgage bonds. Underwriter—To be determined after completion of the underwriting arrangements. Proceeds—To be used for new construction. Underwriter—Probability & Blair, Inc., New York. Registration—Planned for March 29. Park Ave., New York, N.Y. Registration—Expiring Feb. 15.

Boston Corporations—Blyth & Co. Inc.; Merrill Lynch, Pierce, Fenner & Beane (jointly); William R. Stati's & Co. Inc.: and Blyth & Co. Inc.: The First Boston Corp.; Blyth & Co. Inc.; Merrill Lynch, Pierce, Fenner & Beane (jointly). Tentatively expected to be re-
ceived on March 6.

Southern Indiana Gas & Electric Co. (2/26)

Nov. 16 the company filed with the Indiana P. S. Com-

Southern Pacific Co.

Jan. 15 it was reported the company may be planning to offer the common stock of its subsidiary, the San Francisco Union Pacific Co., to the public in the form of additional shares of common stock. Proceeds—To be used for new construction and for repayment of other indebtedness. Proceeds—To be determined after completion of the underwriting arrangements. Proceeds—To be used for new construction and for repayment of other indebtedness. Underwriter—Probability & Blair, Inc., New York. Registration—Planned for Feb. 5. (jointly).

Texas Eastern Transmission Corp.

Jan. 16 George T. Naft, Vice-Chairman, announced that the company expects to offer additional securities and $40,000,000 of existing bank loan agreement. Proceeds—For expansion program. Underwriter—Dillon, Read & Co., New York.

Texas Electric Service Co.

Jan. 27 it was announced the company expects to sell new securities during 1965 to obtain capital for its continuing plant expansion. Underwriter—For any bonds, to be determined after completion of the underwriting arrangements. Proceeds—To be used for new construction and for repayment of other indebtedness. Proceeds—To be used for new construction and for repayment of other indebtedness. Proceeds—To be used for new construction and for repayment of other indebtedness. Underwriter—Probability & Blair, Inc., New York. Registration—Planned for Feb. 5. (jointly).

Transcontinental Gas Pipe Line Corp.

Jan. 9 it was reported that the company plans to sell some additional private placement certificates in order to sell part of the cost of its $110,000,000 1987 construction program. Underwriter—For preferred stock—White, Weld & Co. and Stone & Webster Securities Corp. Bonds previously were privately placed.

United Artists Corp.

Jan. 9 it was announced this privately-owned company is giving active consideration to a public stock issue. Proceeds—To cover a loan of about $6,000,000 of motion picture exhibition rights used for working capital and other general corporate purposes.

Vallev National Bank, Phoenix, Ariz.

Jan. 16 the bank offered its common stockholders of record Jan. 15, 1967, the right to subscribe for 105,000 additional shares of the common stock ($5) on a one-for-one basis for each share held; rights to expire on Feb. 1. Price—$26 per share. Proceeds—To increase capital and surplus. Underwriter—William R. Staats & Co. Inc. and Blyth & Co. Inc.

Wayne Financial Corp., Inc.


Wrigley Properties, Inc.

Dec. 6 it was announced this company, a newly formed subsidiary of ACP-Wrigley Stores, Inc., plans to offer to the public its common stock for subscription by the latter's stockholders, and offering to all other persons offering to stockholders to be on the basis of one share of Properties stock for each two shares of ACP-Wrigley. Proceeds—To develop locations principally for use by the parent company, which may include individual locations, warehouse sites and shopping centers. Underwriter—Allen & Co., New York. Registration—Expiring shortly.

The Pennsylvania State University, Altoona, Pa.

Dec. 8 the university announced plans to issue $25,000,000 of 9% sinking fund bonds due 1997. Proceeds—To be used for new construction and for repayment of other indebtedness. Proceeds—To be used for new construction and for repayment of other indebtedness. Proceeds—To be used for new construction and for repayment of other indebtedness. Underwriter—Probability & Blair, Inc., New York. Registration—Planned for Feb. 5. (jointly).

The Pennsylvania State University, Harrisburg, Pa.

Dec. 8 the university announced plans to issue $25,000,000 of 9% sinking fund bonds due 1997. Proceeds—To be used for new construction and for repayment of other indebtedness. Proceeds—To be used for new construction and for repayment of other indebtedness. Proceeds—To be used for new construction and for repayment of other indebtedness. Underwriter—Probability & Blair, Inc., New York. Registration—Planned for Feb. 5. (jointly).

The Pennsylvania State University, University Park, Pa.

Dec. 8 the university announced plans to issue $25,000,000 of 9% sinking fund bonds due 1997. Proceeds—To be used for new construction and for repayment of other indebtedness. Proceeds—To be used for new construction and for repayment of other indebtedness. Proceeds—To be used for new construction and for repayment of other indebtedness. Underwriter—Probability & Blair, Inc., New York. Registration—Planned for Feb. 5. (jointly).

The Pennsylvania State University, Williamsport, Pa.

Dec. 8 the university announced plans to issue $25,000,000 of 9% sinking fund bonds due 1997. Proceeds—To be used for new construction and for repayment of other indebtedness. Proceeds—To be used for new construction and for repayment of other indebtedness. Proceeds—To be used for new construction and for repayment of other indebtedness. Underwriter—Probability & Blair, Inc., New York. Registration—Planned for Feb. 5. (jointly).

Western Massachusetts Companies

Dec. 17 the company reported company plans to issue and sell about $10,000,000 of first mortgage bonds in the Spring. Underwriter—To be determined after completion of the underwriting arrangements. Proceeds—To be used for new construction and for repayment of other indebtedness. Proceeds—To be used for new construction and for repayment of other indebtedness. Proceeds—To be used for new construction and for repayment of other indebtedness. Underwriter—Probability & Blair, Inc., New York. Registration—Planned for Feb. 5. (jointly).

Western Pennsylvania National Bank.

Nov. 13 it was reported Bank plans to offer to its stockholders 132,812 additional shares of capital stock on a 1-for-5 basis. Price—$50 per share. Proceeds—To increase capital and surplus. Underwriter—McKesson, Pa.

Winter National Bank, Trust Co.

Jan. 15 bank offered to all of its common stockholders of record Jan. 8 the right to subscribe for 175,000 additional shares of capital stock on a 1-for-6 basis; rights to expire on Jan. 22. Price—$50 per share. Underwriter—Greene & Ladd, Dayton, Ohio.

Wrigley Properties, Inc.

Dec. 6 it was announced this company, a newly formed subsidiary of ACP-Wrigley Stores, Inc., plans to offer to the public its common stock for subscription by the latter's stockholders, and offering to stockholders to be on the basis of one share of Properties stock for each two shares of ACP-Wrigley. Proceeds—To develop locations principally for use by the parent company, which may include individual locations, warehouse sites and shopping centers. Underwriter—Allen & Co., New York. Registration—Expiring shortly.

The Commercial and Financial Chronicle.—Thursday, January 24, 1967.
Mutual Funds

By ROBERT R. RICH

Hugh W. Long Starts Withdrawal Plan

A new investment service for retired persons who provides varying monthly or quarterly cash payments for an assured period of years has been announced by Hugh W. Long and Company, Inc., of New York, the "Long Plan, Account," the service was especially designed for the many persons who wish to spend a certain amount of investment principal along with a small share of permanent income in order to meet their financial requirements.

The "Withdrawal Account" is created through a custody agreement between the individual and the First National Bank of Jersey City under which the bank pays out income and the proceeds from liquidation of mutual fund investments over whatever period of time the stockholder requests—"as long as he lives" or for a specified number of years, or may be extended for the investor's lifetime.

Amounts paid out depend on the size of the total cash or other investments placed in the account, changes in value of these shares month by month over the years and the length of time during which payments are to be made.

Up to now, the principal emphasis in providing special service facilities to investors has been for the planned accumulation of the investor's funds. This new service concerns itself with liquidation of investments—a necessity for the many people whose investments are not large enough to produce income adequate for their needs.

Pointing out the dangers of purchasing speculative or inferior quality securities, Mr. Long described the alternative course for prudent people to spend income from sound investments plus measured amounts of investment principal.

"By arranging to receive varying payments from a Systematic Withdrawal Account," Mr. Long said, "the investor can be assured that there will be a steady dollar flow for whatever period of time he or she chooses. In addition, since the investments under this new service are in diversified funds, their income will not be subject to the par value changes or dividend fluctuation that affect the prices of individual issues. The plan gives the investor a steady return on his money, and a means of managing his income without diverting or interrupting management of invested assets."

Penrose Votes To Become Regulated Trust

The board of directors of the Penrose Corporation at a meeting today approved a change in corporate policy and the filing its tax return for 1956, by arranging to receive varying payments from a Systematic Withdrawal Account, the investor can be assured that there will be a steady dollar flow for whatever period of time he or she chooses. In addition, since the investments under this new service are in diversified funds, their income will not be subject to the par value changes or dividend fluctuation that affect the prices of individual issues. The plan gives the investor a steady return on his money, and a means of managing his income without diverting or interrupting management of invested assets."

Penrose has voted to become a regulated trust. The board of directors of the Penrose Corporation at a meeting today approved a change in corporate policy and the filing its tax return for 1956, by arranging to receive varying payments from a Systematic Withdrawal Account, the investor can be assured that there will be a steady dollar flow for whatever period of time he or she chooses. In addition, since the investments under this new service are in diversified funds, their income will not be subject to the par value changes or dividend fluctuation that affect the prices of individual issues. The plan gives the investor a steady return on his money, and a means of managing his income without diverting or interrupting management of invested assets."

Three savings bank executives were re-elected to board of directors of the Industrial Investors Mutual Fund, Inc. for three-year terms to help guide the operations of this mutual investment organization and to operate the New York State Savings banks' Investments in Trusts.

Plan, approved by the stockholders at their annual meeting in June, is to be carried out by the Woolen Company, William H. Harder, Vice-President, Buffalo Savings Bank; J. Willard Mullin, President, Union Dime Savings Bank, New York; and A. H. Melros, First National Bank, Brooklyn; Vice-President, East River Savings Bank, New York; A. Edward Scher, Dime Savings Bank, New York; and J. M. Strong, Treasurer, the Dime Savings Bank of Brooklyn.

Rosenau, at the annual meeting, was re-elected, and it was also approved, that the board of directors will have power to renew the plan on a year-to-year basis.

As a Regulated Investment Company and under previously announced plans, Penrose will pay out substantially all of the income generated from investments, which will be taxable to the stockholders as ordinary income. In addition, it is expected to distribute to stockholders all future gains growing in value through the corporation in such manner that the stockholders will receive the benefits of long term capital gains treatment on such gains.
Continued from page 85

Mutual Funds

**Observations...**

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<tr>
<th>Agreement Date</th>
<th>Price Change to Dec. 31, 1955</th>
<th>Price Change to Apr. 1, 1956</th>
<th>National Average</th>
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<tr>
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<td>Iron &amp; Steel</td>
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<td>Hercules Powder</td>
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**Mutual Funds**

**Sales Reports**

**Funds Asset At Peak**

$372 Million

For the 15th consecutive year, total net assets of Fundamentals, Inc., increased substantially to $46,022,720, up $50,907,000 over Dec. 31, 1954. The increase of $50 million greater than $300,443, 574 of Dec. 31, 1954.

**Asset value per share at the year end was $16.54 compared with $15.63 a year earlier. After deducting certain expenses, including the return to shareholders of $26,500,000 in 1955, the net share value was 8.6% for the year. The total profits amounted to 2.3% for the Standard & Poor’s 500 Index Fund and 2.6% for the Standard & Poor’s Industrials Average during the same period.**

**Shareholders of Fundamental Dividends received a dividend of $1.90 per share, or 293% of the average dividend earned by the company during the year. The dividend was declared on Jan. 1, 1956.**

**Funds Asset At Peak**

The current peak of $372 million was reached on Dec. 31, 1955—a gain of $12,323,720 over Dec. 31, 1954. For this year, the aggregate dividend earned was $26,500,000, of which $21,000,000 was added to the holdings of the fund during 1956, and $5,500,000 was earned by the fund itself. The fund had a total value of $372,000,000, or $16.54 a share, as of Dec. 31, 1955.

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The Board of Directors of the Penrose Corporation yesterday elected Edward A. Merkle, President, and Bradley Gaylord, Chairman of the board, for terms of three years. George W. Bovener resigned as chairman and was elected honorary board chairman.

Mr. Merkle, who joined Penrose on Jan. 1, 1948, was elected a vice-president early in 1951 and became a director in 1953. He is also a director of Powell Light & Power Company, National Department Store, and South American Gold & Platinum Company.

Mr. Gaylord became associated with Penrose in 1945, was elected a vice-president for the ensuing year, a director in 1946 and president in 1950. He is also a director of The Penrose Corporation of Baltimore, General Public Utilities Corp. and the Atlantic Coast Line Railroad.

A partner in the investment banking firm of Kuhn, Loeb & Co., Mr. Weisbrot is a member of Penrose’s board of directors since 1932, only three years after the company’s incorporation in 1929. He has been the company’s chairman since 1948. The Penrose Corporation is a regulated holding company with total net assets in excess of $100,000,000.

**DIVIDEND NOTICES**

**ALUMINUM LIMITED**

**DIVIDEND NOTICE**

On January 16, 1957 a quarterly dividend of Sixty Cents per share in U.S. currency was declared on the no par value shares of this Company (Favorable$1.25 per share) payable March 5, 1957 to shareholders of record at the close of business Friday, March 1, 1957.

Montreal JAMES A. DULLEA

January 16, 1957 Secretary

**Common Stock Dividend**

The Board of Directors of Central and South West Corporation at its meeting held on January 21, 1957, declared a regular quarterly dividend of forty cents per share on the Corporation’s Common Stock. This dividend is payable February 28, 1957, to stockholders of record January 22, 1957.

LEO B. SCHREINER, Secretary

**CENTRAL AND SOUTH WEST CORPORATION**

Wilmington, Delaware

**Common Stock Dividend**

Declared January 16, 1957

15 cents per share

Payable February 28, 1957

Record Date February 14, 1957

America’s OLDEST Name in Tile

**Atlas Corporation**

30 Pine Street, New York 6, N. Y.

Dividends declared on 5% Cum. Preferred Stock and Common Stock:

* Preferred Dividend No. 3
  Regular quarterly of 3c per share payable March 15, 1957. Record date February 28, 1957.
  Cumulative Dividend No. 1
  Regular quarterly of 1c per share payable March 15, 1957. Record date February 28, 1957.

Guaranty Trust Company of New York

New York, January 16, 1957

The Board of Directors of the Company has this day declared a quarterly dividend of 10c per share on each of the outstanding series of preferred stock of the Company, payable under the usual declaration date of February 21, 1957, to stockholders of record at the close of business January 23, 1957.

STUART K. BAINES, Secretary

**The Southern Company**

Incorporated

The Southern Company has declared a quarterly dividend of 10c per share on the outstanding stock of the Company, payable March 16, 1957 to holders of record at the close of business on February 4, 1957.

L. B. JAGER, Treasurer and Secretary

**With Irving J. Rice**

(Special to the Commercial and Financial Chronicle)


**DIVIDEND NOTICES**

**SOUTHERN NATURAL GAS COMPANY**

Birmingham, Alabama

Common Stock Dividend No. 72

A regular quarterly dividend of 50c per share has been declared on the Common Stock of Southern Natural Gas Company, payable March 13, 1957 to stockholders of record on February 28, 1957.

H. D. MAHONEY, Vice President and Secretary.

January 16, 1957

**SOUTHERN CALIFORNIA EdISON COMPANY**

DIVIDENDS

The Board of Directors has authorized the payment of the following quarterly dividends:

CUMULATIVE PREFERRED STOCK, 4.875% SERIES A.

Dividend No. 15

25c per share.

CUMULATIVE PREFERRED STOCK, 4.625% SERIES B.

Dividend No. 27

25c per share.

The above dividends are payable February 28, 1957, to stockholders of record February 7, 1957, and will be mailed from the Company’s offices in Los Angeles, February 28.

P. G. HALE, Treasurer

January 17, 1957

**The United Gas Improvement Company**

DIVIDEND NOTICE

A quarterly dividend of 50c per share on the Common Stock, par value $1.00, per share has been declared payable March 29, 1957 to stockholders of record February 28, 1957.

A quarterly dividend of $1.06 per share on the 6% Cumulative Preferred Stock, par value $100, per share has been declared payable April 1, 1957 to stockholders of record March 8, 1957.

J. J. HOPKINS, Treasurer

Washington . . . And You

WASHINGTON, D. C. — Politics aside, the President, Mr. Truman, for whom you may cast your vote, has a record that is not without interest. Mr. Truman is a man of the people, Mr. Truman is a man of the future, Mr. Truman is a man of the past.

Mr. Truman in 1948 estimated the budget expenditures for the year beginning July 1 and in 1950, with some $73.6 billion, the total is exclusive of highway expenditures of more than $1.8 billion. The fact that the government, for the first time in history, prefers the term "trust fund" expenditures does not in the slightest alter the actual fiscal character.

So for purposes of accurate comparison, this must be added to the total. This makes total expenditures of $73.6 billion in 1950, the so-called "last Treasury of the Key Democratic Administration," estimates that the "trust fund" expenditures does not in the slightest alter the actual fiscal character.

This was also Mr. Truman's most expensive year. However, there were no records of the war in Korea, a war whose dollar (if dollar is a term for something that is not so) is $73.6 billion for fiscal 1958. In part, for accurate comparison the highway funds, falls only $700 million below Mr. Truman's most expensive year, including a war year.

Accuracy of Estimates

Mr. Truman's figures were herein initially put around Mr. Eisenhower's "estimates." They are in fact as good as Mr. Truman's. In fact, under Mr. Truman they have been extraordinarily poor. In fact, at that time two years ago professed (publicly to be), it is strange that its ghost was so far short of performance, for spending IS under the control of the Administration.

If Mr. Eisenhower two years later in making his first estimates (for fiscal 1958) is only 30% as accurate as he was two years ago, it would run $500 million higher, or an aggregate of $7.4 billion or $16 billion more than they were under Mr. Truman's peak including a war year, which was a pretty hot and expensive war. One year ago Mr. Eisenhower estimated Federal spending for the year beginning July 1 at $6.9 billion. One year later, with six months of the year still to go, Mr. Eisenhower now revises, again as always upward. In fact, for the current year at $69.9 billion. This has led to many calling attention to it in the text of his message, Mr. Eisen- hower in fact confests a 12-month error, even with only half the year out of the way, of $3 billion.

So if Mr. Eisenhower is 50% as much in error as he was only 30% as accurate as he was two years ago, it would add $9.5 million to the substantive estimate of $7.5 billion (including highway funds to make it directly comparable with fiscal 1952) and count only $7.4 billion or $290 million higher than Mr. Truman's highest, complete with Korea.

Inaccuracies Apparent

On the other hand, if Mr. Eisenhower is just as inaccurate as he is in the past, he has a much higher estimate of the Treasury's expenditure for fiscal 1958, a war year, than he did in fiscal 1954, a war year, when there was need for such a change in electing Mr. Eisenhower.

There is ample prima facie ground for anticipating such a change as compared to Mr. Eisenhower's guess for fiscal 1958, as to support as conserva- tive a guess as $7.5 billion spending record for the new Administration, it is clear that in war or emergency, for instance: (1) Eisenhower Insists Defense Department military spending function will cost only $31 billion for fiscal 1959 and $38 billion for fiscal 1960. If persons say the level of such spending already is exceeding the current estimate, as he was two years ago, or $4 billion short of what performance during fiscal 1958 would run $72.6 billion, or $3.3 billion above Mr. Truman's most expensive year. Or if he is only off the $3 billion he now admits for the current year from January to next, spending will be $74.6 billion, or $2.3 billion more than the comparable year under Mr. Truman, fiscal 1954.

"Reductions" Analyzed

(2) Eight of the 10 major functions of government will cost more in fiscal 1958 than in 1957, according to Mr. Eisen- hower's estimates (see p. 252 of the Budget).

Two were estimated lower.

One of these reductions was in the broad category of "commerce and housing." This shows a reduction because of an anti- cipated rise in postal rates which has been denied by Con- gress and year after year after year. It shows a "general government" situation cut comes entirely from the fact that in fiscal 1958 each of the numer¬ ous several agencies of government will contribute substantially to their pro rata shares of the $60 billion due the Civil Service Commission for the Social Security retirement fund, instead of being made in a lump sum approp¬ riation to the Commission, as in the past.

Housing

(3) With respect to housing, Mr. Eisenhower has surrendered largely to the easy money boys, who proposes to downgrade FHA terms to veterans, while raising interest rates on the later.

He projects in the budget a net support by Treasury funds of $20 billion in fiscal 1957 for use in sup¬ plying money for government- guaranteed and insured loans in the current fiscal year.

(4) Among the "national ob¬ jectives" of the budget, Mr. Eisen¬ hower rated "flexible" security instead of "strict" security, it outstripped in his mind the objectives only of his having a "well-balanced choice of programs at home and abroad," and increasing inter¬ national trade and investment.

Preceding "flexible" in- terest in various welfare and philosophic concepts, the development of natural re¬ sources, enhancement of oppor¬ tunity for the people, conserva¬ tion, etc.

The Humphrey Act

It is probably the genius of American society that when, as, and if there comes into power an admitted political govern¬ ment, that government's Secre¬ tary of the Treasury will make noises like a conservative. So it is no surprise that Secretary Humphrey talks a lot about the need for economy.

Actually, Humphrey has the repetition for going along with the trends of the Ad¬ ministration in spending, on the theory it is either the Republican gang or the other crowd. His influence, if any, toward economy is far less than former Treasurer Secretary Snyder's with the Truman Ad¬ ministration, otherwise the lat¬

Business Man's Bookshelf

Above A. Beyond the Specifica¬ tions—Reviews Schumann C. P. Preparing for Peace and Prosperity—Review of "Post-American," by Bradley Road, Cleveland, Ohio (courtesy of the "New York Times").


TRADING MARKETS

Botany Mills A. S. Campbell Co. Com¬ mercial Grade 8x8 MARKET RE¬ ports Indian Head Mills United States Envelope Morgan Engineering spool.

Riverside Cement Sightmaster Corp.

LERNER & CO.

Investment Securities

10 Post Office Square, Boston 9, Mass.

HUBbard B-1900

$ 60