EDITORIAL

As We See It

It is to be hoped that the current controversy in this country and abroad about the propriety or the wisdom of imposing "sanctions" upon Israel will not unduly divert attention from the real cause of the difficulties that the United Nations has encountered in recent times. It is true, of course, that Russia has from the first been not only defiant but contemptuous of the United Nations. It is equally plain that Egypt definitely is not disposed to permit the United Nations to have any say in what her policy is to be. In light of these and other related facts which might be mentioned, it is not difficult to understand why so many are lukewarm to say the least about trying to force Israel into action it does not want to take.

We do not, however, intend at this time to enter into any way into the debate now raging around this whole question of sanctions for Israel. We think it more profitable to ponder the basic source of difficulty surrounding the efforts of the United Nations to impose what it thinks of as justice upon various peoples. The trouble is, of course, that the peoples of the world, or most of them, are simply not ready to yield up their national ambitions. And most have ambitions which infringe upon those of others. This, of course, is a situation that has long existed, existed in fact since time began. It was upon the hope that it had changed sufficiently to permit some sort of effective world government (within limits, of course) that the League of Nations and then the United Nations were founded.

The degree in which such a transformation has taken place is now being called into serious question.

Continued on page 24

The Capital Gains Myth

By WILLIAM CHAMBERLAIN

The double set of standards employed by our Government, the false assertion regarding claimed gains in capital value, and the unconstitutional denial of fair taxation to investments are some of the subjects discussed by Mr. Chamberlain in tracing the consequences resulting from the use of lawfully created unequal burden.

The author asserts that the reduction in the monetary standard of value, the attendant devaluation of the monetary unit and the market recognition of purchasing power erosion, in charging "not until the selling price in equivalent dollars exceeds the cost in a gain [or, fixed "air return"] realized." Believes it is unjustifiable to levy taxes on write up of values which conform to a new and reduced unit of measurement.

The accumulated capital of a nation cannot be increased by reducing the dimension of the lawful unit for the measurement of value. Neither can the capital of an individual be increased in this manner. Gain can no more be realized through a decrease in the lawful unit of the measurement of value and the attendant devaluation of the monetary unit than area can be increased through legislation which reduces the dimension of the acre or the amount of liquid in a container be increased through change in the dimension of the gallon, or weight increased through changes in the lawful unit for its measurement. It is impossible to suppose that a competent person, in the government or out, will question these statements.

Nevertheless the government of the United States through its Internal Revenue Department not only asserts that such capital gains are possible but has collected hundreds of millions of dollars in taxes therefrom.

Continued on page 24

Investing for Pension And Profit-Sharing Trusts

By ARTHUR L. COBURN, JR.

Chairman, Trust Investment Committee, Old Colony Trust Company, Boston

Boston banker presents: (1) pension and profit-sharing trust investment policy in which "we . . . buy fewer stocks higher and more stocks lower than by straight dollar averaging" and adherence to a book value basis; (2) list of 20 growth stocks selected to illustrate the "maximum" the long run is better than the short; and (3) bond and preferred stock list for specific fixed-income investment. Mr. Coburn believes joint productivity of labor and capital will determine whether we will have price inflation or deflation; underscores orthodox money rate rise to temper excessive business pace; and finds rates on most recent mortgage and real estate underwriting offers underwriting.

It is easy for me to stand here today and state two simple facts: (1) Stocks seem to me less attractive than for years; (2) Bonds seem to me more attractive than for years. Immediately each of you has a mental reaction. In general, I ask reason, or denial. I wish to be entirely clear, however, that I am not saying, "Buy no stocks but only "bonds," nor "Stocks will go down; bonds will go up." I am saying this. To repeat my concluding sentence of a year ago, that "The portfolio well balanced between bonds and stocks has great merit."

There is neither need nor time to discourse at length upon the many comments that enter into the making of investment decisions. It may be well, however, just to mention some broad areas in the economic, financial, social, and political background. Then, without assuming the role of Continued on page 28

*An address by Mr. Coburn before Trust Division of American Bankers Association, New York City, Feb. 4, 1957.

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(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.)

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J. Beckmann

Shulton, Inc.

Through an inadvertence in last week's article in this Forum, mention was omitted of the fact that the Shulton Company's outstanding stock now totals 1,210,000 shares.

WALCOTT K. GUTFEN

Research Economist

New York City

This Week's Forum Participants and Their Selections


United States Steel Company — R. Komnoff, of Hersfeld & Stern, New York City. (Page 3.)

JAPANESE STOCKS

After remaining at practically stationary levels for three years it is about to be starting up; it may improve Japanese economy.

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Current Developments in Federal Regulation of Securities Markets

By J. Sinclair Armstrong

Federal Reserve Bank of St. Louis

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The Economic Outlook

BY EDWARD A. McQuade
Vice-President, Equitable Corporation

The likelihood that 1957 will be a year of carry-on through another year longer than through 1957 is anticipated by Mr. McQuade in weighing the economic forces at work, including the changing foreign situation. The author shows that the 1956 GNP was probably in the neighborhood of $428 billion based on such expectations as rising prices and; (1) increasing capital expenditures and backlog, aided by some postponement of 1957 plant and equipment expenditures; (2) an increase in inventories, mostly in cars and lighter inflationary pressures; (3) the neutral effect of housing starts on GNP; (3) consumer expenditures at least equaling 1956, if not increasing to $8 to $10 billion; and (4) a continuation of government outlays.

Believes we are "close to the top in yields" that in a number of industries capacity is more than ample.

The year 1956 was a prosperous one, despite a substantial decline in automobile production and construction of non-farm homes, and minor setbacks to textiles and farm products. Yet the effect of those negative factors was more than offset by the increased consumer demand for such items as: (1) heavy spending for local government services; (2) housing starts; and (3) business investment needs. GNP readjusted to a new peak of approximately $411 billion, as against $391 billion the previous year, an increase of 5%.

The Federal Reserve Index of Production averaged 146, as compared with 144 in 1955.

Employment rose from 64 million at the end of 1955 to 65.5 million in 1956, ... and unemployment representing about one person in five in the labor force.

Average earnings of workers in manufacturing industry have risen to about $82.42 a week, up from $78.00, an increase of about 5%, and the demand for farm income appears to be healthy. Such expenditures will have the most dynamic effect of all, and the confidence shown by consumer purchasing power is a meeting of bankers, industrialists, and businessmen sponsored by Fullman Trust and Savings Bank, Chicago.

The State of Trade and Industry

Total industrial production for the nation as a whole in the period ended on Wednesday of last week approximated that of the previous week and moderately surpassed the level of the similar week a year ago.

Imports of lumber, automobiles and petroleum offset production decreases in other sectors, but have been small.

Although unemployment claims fell 3%, they were 6% above those of the same week in 1955. The Association of National Industry Associations and the most noticeable declines, where layoffs in the construction and lumber industries slackened. Some new unemployment in the food industry occurred in Illinois, North Carolina and Pennsylvania.

In the steel industry this week steel salespeople have weighed the car with the husky come up with an encouraging picture. The outlook for second quarter adds up to relatively pleasant reading, states "The Iron Age," national marketing weekly.

The report of the steel market takes into account the easier demand from the automobile and appliance industries and the especially hard hit sheet market.

Mill products a good cross-section of steel products are more optimistic than those that lean heavily on sheets and strip. At the steel market, the outlook networks for the Ludlow area mills to operate at near-capacity in the second quarter. The present operating rate is well above capacity and continued strong demands are estimated at 100% within the next year or so, and that the stability is offsetting weakness in home building and farm equipment buying is picking up, concludes "The Iron Age."

Rising 17% in January, business failures reached 1,148, a postwar high, the Association reported. While the toll was 10% greater than a year ago, it remained below the prewar level of 1,277 in 1940.

Current liabilities involved in January failures increased to $545,000,000, an increase of $14,000,000, or 27% over the same month a year ago.

Manufacturing and trade accounted for the month-to-month rise in January failures. The advance in January was 102% over the level of January failures in 1955.

The auto industry is confident of a Spring upturn in sales and new model plans have been announced. As month, "Ward's Automotive Reports" stated on Friday last.

"Ward's" said that with February auto assembly 80% complete of the total year's output, the United States total will run at 102% of the scheduled 567,000-unit volume, putting both January and February above the same month last year.

January netted 614,090 car assemblies against 612,078 a year ago, and cleared profit of about $97,000,000, a gain of 76.3% over January of 1956. With March schedules calling for a similar edge over last year, first quarter output is planned at 1,814,000 units or 4% more than 1956 and the second-best January-May performance of all-time.

The industry's present first quarter peak of 2,129,018 was reached in 1955, the next-best count being 1,610,781, hit in 1951. The estimated current output rate for February was 1,580,000 to 1,600,000 to 138,327 last week from 145,848 the preceding week, attributing it to a month-end adjustment by Chevrolet. February output of Chevrolet was 143,000 for Ford.

Industry passenger car assembly, including Chevrolet, is expected to return to the 143,000-unit level this week in keeping with plans to produce an average of 28,300 units daily in March compared with 27,500 daily average in February and 29,200 in January," Ward's declared.

The December and six-day auto assembly count continued the past week, with Plymouth, Chrysler, Ford and Lincoln rebuffing Saturday work at certain plants.

A spurt in construction activity boosted January building permits values above the previous month's total, but volume fell short of the record 1955 level. Alan Breslin, reporting to Dun & Bradstreet, Inc., January building plans were valued at $3,080,339,657, a gain of 16.6% from the December figure of $388,325,628, it was about 4% below January's 1951.

Most of the year-to-year loss was attributable to a decline in building activity in New York City.

Five of the eight geographic regions reported larger building.
Supply of and Demand for 1957
Long-Term Investment Funds

By GERARD L. SPENCER
Partner, Salomon Bros. & Butler
Members of New York Stock Exchange

Based on given assumptions, prominent investment analyst estimates the supply of long-term investment funds in 1957 compared to 1955-56. Estimates the deficiency will be about $1 billion in supply of new long-term capital with temporary fluctuations of strain and ease in supply and demand for long-term capital in 1957.

Estimates of the supply of and demand for long-term capital in 1957 are submitted herewith. As in the past, several experts interested in this phase of the investment problem have been most generous with their assistance. This study follows the same general pattern used in previous years, with the inclusion of the most recent market developments in commercial banks have been eliminated from the total of the sources of funds, and commercial bank purchases of mortgages and loaned fixed-income securities have been eliminated from the net demands for new capital.

While it is anticipated that the publicly-held long-term investments will decrease in 1957, the Treasury may nevertheless include long-term bonds in its fiscal program this year. In a market of comparatively high interest rates continues, a sizable increase in the supply of funds for investment in non-government securities could result from reduced demand for the United States savings bonds. The second is that if the market permits, a substantial amount of securities can be bought by public borrowers that was postponed or cancelled in 1956 could be offered this year, and this would materially increase the demand for long-term capital.

Based on our current estimates, there will be a deficiency in the supply of funds for long-term capital in 1957, but a deficiency somewhat smaller that in 1951, which was the low point. Only 4.7% of the estimated total sales. This could signify that borrowers may have less difficulty to obtain that savings desired in long-term markets in 1957 than was the case during 1955 and 1956. It is possible that at least some of the year available funds may equal or temporarily exceed demand.

Since the flow of investment funds and the demand for their use is only rarely evenly matched, it is logical to expect periods of comparative strain as well as ease in the long-term markets in the months ahead. However, the outlook for 1957, as a whole, is that there will be only minor changes in the basic level of long-term interest rates.

Estimates of the accumulation of long-term funds, and the demand for their use by private borrowers, states, municipalities, and public revenue authorities are as follows.

S U P P L Y

Long-Term Investment Funds: Million

- Life Insurance Companies...$5.8
- Mutual Savings Banks...2.4
- Savings and Loan Associations...5.2
- Private Pension Funds...2.5
- Funded with insurance companies...1.7
- State and Municipal Retirement and Pension Funds...1.7
- Fire and Casualty Insurance Companies...0.6
- Long-Term Funds...4.9

Supply of New Long-Term Funds...$22.1

U S E S

Mortgage Financing...11.9

- The estimate of the net increase in mortgage borrowing for 1957 to-4
- Family Homeowner’s Federal Housing Agency, Federal Housing Administration, and Federal National Mortgage Association were estimated at $36.0 billion, (from which an estimated $14.1 billion, (from which an estimated $14.1 billion) presently charged against other government programs. The FDIC and FHA were not included in the estimate of the net increase in mortgage capital.

- The State, Municipal, and Public Revenue Authority Financing...3.4

- The estimate of the net increase after the deduction of retirements, repayments, and other non-interest-bearing accounts at $47.1 billion.

- Corporate, Foreign, and International Bank Financing...7.9

- The estimate of the net increase in corporate debt as non-interest-bearing accounts at $47.1 billion. The estimated demand for long-term funds in 1957 is 275.2

- Indicated Deficiency of Long-Term Invesment Funds in ’57...$11.1

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The testimony of these witnesses suggests that 1957 will be a year of further economic growth. In fact the budget for the fiscal year 1958, which I have indicated is $14.8 billion increase in personal incomes and $723.5 billion for 1957 as a whole, and about $1 billion in corporate income. This growth in personal income and corporate profits, in turn, supports an increase in the total level of economic activity, and the growth in income and expenditures therefrom in providing the cooperation the President requests. Many kinds of income and expenditure are likely to be affected by these changes, and I think it is important that we maintain the posture of military strength, that we keep the economy growing, that we maintain our military might at the highest possible level, except upon a foundation of peace.

Today, many events, many forces, impair our economic stability and our national security. As you know, the Federal Government is a major bond buyer. The cost of maintaining our military and our own domestic economy and our fiscal expenditures which threaten inflation are critical. Our Government has more money outstanding in unexpended appropriations, a sum of $74 billion hugging along the border of the Secretary of the Treasury like a dark and ominous cloud, that we are grappling with. We have any semblance of sound financial policies or of national economy that we can maintain at this time we are striving for a policy of maintaining stable and growing and maintaining the posture of military strength.

As you are aware, the President on Jan. 14, last, and the Congress with a 7.1 billion dollar budget for fiscal years 1958 and 1959, which is 35 billion dollars more than the total budget of the federal Government in fiscal year 1938.

And, as each of us knows, the national debt, although reduced by $6.9 billion in fiscal years 1962-1963 and 1963-1964 to $74 billion, last July 1; with the grave danger, despite high Government receipts in 1953, that, if some curb is not placed on the growth of our enterprise system, we could witness additional inflation.

Forces Threatening Fiscal Solvency

Interest on the national debt must be reckoned with. The sharp reductions in the amount of the debts is not a lot of places in this budget, I believe, would be better if it was made clear how much it is the right to call a spade a spade. The Federal Reserve Board has been hit particularly hard by limitations of the Government's own credit and supply. And small businesses have been hit particularly hard by the difficulty of finding credit. I think it is important that we feel the tight money situation is, in my opinion, the most serious and may be the most serious, the labor market and the relative ability of growth and development.
The companies, many Canadian Pipelines and Petroleums Ltd., which operates rapidly in its five years of corporate existence, as a result of assimilation by merger of 25 of its smaller companies. So sprang up a whole bunch of small companies, many of them with meager bankrolls, and meager corporate future. The policy of Canadian Pipelines and Petroleums Ltd. has been one of aggressive, exciting land grabbing, exploration and development over a broad swatch of land since the early days of the company in Texas. Individuals and groups have bought and leased land, rustled up a little money for drilling, and either struck oil, or struck out. Now, Scurry-Rainbow, A Canadian Oil and Gas Company, has come into the picture.

Scurry-Rainbow has come to fill the gap which existed before the large-capacity, rapidly-expanding oil companies of Canada. The company has acquired a number of smaller companies, and has rapidly developed its own resources. It has been aggressive in its land purchases and exploration efforts, and has quickly become a major player in the Canadian oil industry.

The company is known for its efficient and cost-effective operations. It has a strong reputation for finding and developing quality oil reserves, and has successfully managed to keep costs low while maximizing production.

Scurry-Rainbow has also been active in corporate strategy, with acquisitions and partnerships that have helped it to grow and expand its business. The company's focus on innovation and technology has been a key factor in its success.

In summary, Scurry-Rainbow is a dynamic and successful player in the Canadian oil industry, known for its aggressive approach to land acquisitions and exploration, as well as its cost-effective and innovative operations. Its focus on finding and developing high-quality reserves has contributed to its continued growth and success in the industry.
**Investment Dealer-Broker Recommendations and Literature**

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

- Area Resources—Booklet explaining why area served offers such opportunities to industry—Utah Power & Light Co., Dept. P, Box 399, Salt Lake City 10, Utah.
- Bank Stocks—Comparison of 21 leading bank stocks outside New York—Laird, Blaisdell & Meeks, 120 Broadway, New York 3, N. Y.
- Peterson Ownership—The Ownership Report—Brochure—Midland Securities Corp. Limited, 59 King Street West, Toronto, Ont., Canada.
- Gas Pipeline Stocks—Discussion with particular reference to Tennessee Gas Transmission in current "Monthly Investment Letter"—Hayden, Stone & Co., 55 Broad Street, New York 4, N. Y. Also in the same issue are discussions of Aluminum Stocks and the current market, and a memorandum on Piper Aircraft.
- Helicopters—Analysis—Richard Bruce & Co., Inc. 26 Broadway, New York 4, N. Y.
- High Cost of Borrowing—A discussion of money and interest rates—Brush, Slocumb & Co., Inc. 465 California Street, San Francisco 10, Calif.
- Japanese Stocks—Current information—Yamachi Securities Co., Ltd., 111 Broadway, New York 7, N. Y.
- Market Outlook for 1957—Bulletin—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.
- Over-the-Counter Indexes—Peters showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 25 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 13-year period—National Quotation Bureau, Inc., 40 Front Street, New York 4, N. Y.
- Allis Chalmers Manufacturing Co.—Annual report—Allis-Chalmers Manufacturing Co., Shareholder Relations Dept., 1125 South 70th Street, Milwaukee 1, Wis.
- Bahamas Helicopters, Inc.—Report—Leson & Co., Inc., 39 South La Salle Street, Chicago 3, I1l.
- Bank of Mines Co.—Memorandum—Walton & Co., 120 Broadway, New York 5, N. Y.
- Bryan-Erie Data—Hardy & Co., 30 Broad Street, New York 4, N. Y. Also in the same circular is a discussion of the present market.
- Equitable Credit Corp.—Report—General Investing Corp., 80 Washington Street, New York 3, N. Y. Also available is a memorandum on Lake Shore Mines.
- Hydrophobic Chemicals Inc.—Memorandum—Harry Simmons Co., 24 Wall Street, New York 5, N. Y.
- International Nickel Company of Canada—Report—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.
- Magna Baking Co.—Analysis—Laird, Blaisdell & Meeks, 120 Broadway, New York 3, N. Y.
- Glenn L. Martin Co.—Memorandum—Goodbody & Co., 115 Broadway, New York 6, N. Y. Also available is a memorandum on United Shoe Manufacturing Corp.
- Kings Corporation—Analysis—Unlisted Stock Dept., Room 707, Ira Haupt & Co., 111 Broadway, New York 6, N. Y.
- McCull Frattacce Oil Company Limited—Analysis—McLeod, Young Weiss & Company, 50 King Street West, Toronto, Ont., Canada.
- Magna Baking Co.—Analysis—Laird, Blaisdell & Meeks, 120 Broadway, New York 3, N. Y.
- Glenn L. Martin Co.—Memorandum—Goodbody & Co., 115 Broadway, New York 6, N. Y. Also available is a memorandum on United Shoe Manufacturing Corp.
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- McCull Frattacce Oil Company Limited—Analysis—McLeod, Young Weiss & Company, 50 King Street West, Toronto, Ont., Canada.
- New York Central Railroad—Memorandum—Hersfeld & Stern, 38 Broad Street, New York 4, N. Y.
- Superstore Limited—Memorandum—Straus, Diner & McDowell, 39 South La Salle Street, Chicago 3, Ill.
- Twentieth Century Fox Film Corp.—Analysis—Stanley, Heller & Co., 35 Pine Street, New York 5, N. Y. Also available is a discussion of the current market.
- Union Carbide & Carbon Corporation—Annual report—Secretary, Union Carbide and Carbon Corporation, 30 East 42nd Street, New York 17, N. Y. Also available is a booklet describing the products and processes of Union Carbide.

**NSTA Notes**

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**COMING EVENTS**

In Investment Field

March 1, 1957 (Philadelphia, Pa.)
Investment Traders Association of Pennsylvania annual Mid-Winter Dinner at the Bellevue Stratford Hotel (to be preceded by a luncheon and reception).

March 5, 1957 (New York City)
New York Security Dealers Association 25th anniversary dinner at the Biltmore Hotel.

March 8-9, 1957 (Toronto, Canada)
Toronto Branch of the American Stock Exchange Association 11th National Investment Credit Conference.

April 21-22, 1957 (Dallas, Tex.)
Texas Group of Investment Bankers—Annual Investment meeting at the Statler Hilton Hotel.

May 6-7, 1957 (Richmond, Va.)
Association of Stock Exchange Firms Board of Governors meeting—Statler Hilton Hotel.

May 11-12, 1957 (White Sulphur Springs, Va.)
Investment Bankers Association Spring meeting at the Greenbrier Hotel.

June 12-13, 1957 (Cincinnati, Ohio)
National Municipal Bond Dealers Association吨September Gibson and the Maketawehoe Club.

June 19-20, 1957 (Minneapolis, Minn.)
Twin City Bond Club annual outing and picnic with cocktail party on the boat "Chief Joseph" at Lake of the Isles, June 19 and an all day sports program at the "Fairmont" Hotel and Country Club, White Bear Lake, Minn. June 20.
Competitive Nuclear Power And an Accelerated Program

By WILLIS GALE*
Chairman, Commonwealth Edison Company
Chicago, Illinois

Scheduled construction of the largest private nuclear electric power plant outside of Chicago prompts Commonwealth Edison Chairman to "state with some assurance that competitive nuclear power generation can and will be plentiful and cheap, but that in the long run competitive nuclear power will be a reality as construction costs decline and fossil fuel costs increase. Mr. Gale goes on to demonstrate how the ratio of public to private power and allows AEC subsidization of costs over comparable conventional facility, to maximize participation by existing utilities in this field. In outlining the financial implications, Bill's passage, stresses our "know-how" need over kilowatts in commenting on the atomic power race, and outlines important developments taking place.

The first part of this discussion will be necessary to an understanding of the importance of nuclear power and the important developments taking place in this field.

Point 1 is that atomic energy can be used for generation of power or for the production of furnaces. In the latter case the material is called a subfusor for fossil fuel.

Today's conventional generating unit operating at a 30-a.m. boiler is already a subfusor. Another will be running in about six months somewhere.

U.S. Atomic Energy Commission is funding a dummy subfusor.

Point 2 is that a tremendous amount of natural uranium (U-235) will be available at a cost.

Our nuclear plant will have a 100,000-kilowatt capacity at a cost of about $110 million. The AEC will pay the utilities two-thirds of the cost of the plant. The amount will be about $1.0 million per year.

Point 3 is that there are different kinds of nuclear reactors. The first is the gas-cooled reactor of the British Government. The second is the sodium reactor of the U.S. AEC. The third is the boiling water reactor of Commonwealth Edison and Baltimore Gas & Electric companies.

Principal Reactor Types

Gas-cooled Reactor Type

The gas-cooled reactor is the most advanced of the three types. The gas-cooled reactor is the most advanced of the three types. The gas-cooled reactor is the most advanced of the three types. The gas-cooled reactor is the most advanced of the three types.

Point 4 is that the trick in a reactor is to keep the U-235 fissioning. The neutron reaction causes a chain reaction. A single neutron will cause a fission to produce another neutron. The chain reaction will then proceed. The reactor must be kept sealed at all times. The moderator is a material that slows down the neutrons to make them more effective.

Point 5 is "What is a coolant?"

A coolant is the substance that is used in the reactor to cool the fuel. The fuel is made of uranium and is used in the reactor. The coolant is used to absorb the energy of the neutrons. The coolant is usually water or gas. The coolant is usually water or gas. The coolant is usually water or gas. The coolant is usually water or gas.

Point 6 is "What is a moderator?"

A moderator is a material that is used to slow down the neutrons. The moderator is used to control the rate of the reaction. The moderator is used to control the rate of the reaction. The moderator is used to control the rate of the reaction. The moderator is used to control the rate of the reaction.

Another of the several reactor types is the nuclear reactor. The nuclear reactor is made of uranium and is used in the reactor. The nuclear reactor is used in the reactor. The nuclear reactor is used in the reactor. The nuclear reactor is used in the reactor.

The third type of reactor is the boiling water reactor. The boiling water reactor is used to generate electricity. The boiling water reactor is used to generate electricity. The boiling water reactor is used to generate electricity. The boiling water reactor is used to generate electricity.

Consolidated Edison, the nation's largest private power company, has announced the construction of a new nuclear power plant. The new plant will have a capacity of 1,000,000 kilowatts.

EQUITY SECURITIES CORPORATION

HALSEY, STUART & CO. INC.

DICK & MERLE-SMITH

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LADENBURG, THALMANN & CO.

MERRILL LYNCH, PIERCE, FENNER & BEANE

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BLAIR & CO., INC.

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BALL, BURGE & KRAUS

WILLIAM BLAIR & COMPANY R. S. DICKSON & COMPANY

GREGORY & SONS

IRA HAUPT & CO.

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NEW YORK HANSEATIC CORPORATION SHEARSON, HAMMILL & CO.

J. BARTH & CO.

BURNS BROS. & DENTON, INC.

THE MILWAUKEE COMPANY

WM. E. POLLOCK & CO., INC.

SWISS AMERICAN CORPORATION

This announcement is not to be construed as an offer to sell or as a solicitation of an offer to buy these securities. The offering is made only by the Prospectus.

$40,000,000

Illinois Bell Telephone Company

First Mortgage 4½% Bonds, Series E

Date March 1, 1934

Price 101.584% and accrued interest

The Prospectus may be obtained in any State in which this announcement is circulated from only such of the undersigned and other dealers as may inform their securities in such State.
Executive Leadership Shortage And Barriers Against Women

By MRS. CHARLES ULICK BAY
Chairman of A.M. Hill Co., N.Y. City
Chairman of the Executive Committee and Director,
American Express Lines, Inc.

Decrying the paucity of women in top executive positions in business, one writer at long Wall Street position maintains it is a tragedy to discriminate on basis of sex, particularly when the nation is facing the most acute shortage of top executives in its history. men's and women's basic business judgments of the nation are made by women—and these judgments are followed by men.

Our mothers and grandparents were much concerned about women's rights. In those days they had reason to be. Today we have our rights. But these are more than just mere rights. They are a truce, a victory which they carry responsibility for maintaining.

We certainly don't assert that a woman has any special authority or power merely because she is a woman. But what we do assert is that today's woman executive—woman, in her executive capacity—is often a woman with a new and deeper responsibility than ever before. She has the responsibility to carry her share of the burden of administrative and equal ability.

Women are not enough in top executive positions in today's business world. Women executives are serving as top brass in thousands of businesses—far the number of women in such jobs you can count on the fingers of your two hands. A woman executive position requires many abilities. It requires a much broader judgment—emotional maturity—standing in business affairs.

Only a minority of business people possess these needed abilities. It is a rare man who can serve as an executive.

And—while some people may be surprised—let me say right here—women do serve as true women in top executive women in those countries as there are rare men.

This is an unusual situation. It's unusual because we have	—tantamount—and yet unliking
—respect for the judgment of the women.

That may sound a bit involved, but the fact is that such basic business judgments of the nation are made by women—and these judgments are followed by men.

Please allow me to explain. Both you and I are in the service of the nation—of the Institution of the savings banks—and I as chief executive of an investment group.

The Brookes Institute, in a recent analysis of the holdings of common stock registries, has found that women are 8% more than those of the voting shares. The age of the women. In other words, more women are held in the ages of the publicly held corporations are women.

This larger percentage of women shareholders is important in any analysis of the stock market, and the best barometers of the business situation.
Outlook for Corporation Profits

By A. MOYER KULP

Volume 185 Number 5616 . . . The Commercial and Financial Chronicle

Federal Reserve Bank of St. Louis

Wellington Fund investment manager outlines the profit outlook of 85 representative industrial firms in 18 industries, based on their ten-year experience and on the assumption of a moderate widening in 1957 profit margins. Mr. Kulpe foresees: (1) earnings varying widely, but generally on the high side of recent levels; (2) rebound on the recovery side for textiles; and (3) income investor favoring prospect in electric utilities, and modest outlook in commercial banks, finance companies and telephone industry.

This paper discusses the profit outlook of 85 representative industrial firms in 18 industries. This is a cross-section of industry in which this forum is vitally interested because of the key role the companies occupy in this economy and because their success is held by a large number of investors.

Wealth of 60% or the aggregate of all corporate profits reported by the Department of Commerce represents mining and manufacturing, of which the largest single component is composed of mining and manufacturing, and of which mining company sample accounts for 39% of pretax and 34% of net earnings of all corporations. Sales, pretax and net earnings in this cross-section have generally grown from 1947 through 1956. This contrasts with the relatively flat trend in net profits of all private corporations as reported by the Department of Commerce during recent years.

The conclusions reached in this paper are the result of careful analysis and industry analyzes done by the Investment Research Staff of the Wellington group. It is a result of periodic visits and calls to almost every company concerned.

In order to obtain a sound perspective this study covered on examination, through 1957, each of the 85 industrial companies used in this paper. Particular attention was given to: Sales, pretax profits on net profits, depreciation charges on pretax profits, relationship of pretax profit margin to this paper has been moving upward at a relatively constant rate are: Electric Equipment-Office Equipment Petroleum Chemicals Textile Mills Automotive Drugs Non-Ferrous Metals (except aluminum) Industries where depreciation increases at a faster rate than a tendency, therefore, to report earnings rising at a lower rate than the rate of rise in sales, Industries where depreciation is leveling off, or slowing down, are likely to report improvement in earnings relative to sales.

Two Crucial Factors

As to the profit outlook, we are assuming that Gross National Product will rise 4-5% over 1956, with about half of the rise in physical volume and half generated by higher prices. The year 1957 at this early date looks little better than 1956. There will be numerous cross-currents, but generally a high level of activity.

However, a given level of business does not automatically indicate a given level of profits. The critical factor confronting corporate management is the amount of profit they can obtain from a given level of sales.

To overcome the squeeze on profit margins will require:

(a) higher sales price, or
(b) reduction of other costs, or
(c) increase in labor productivity. The deflationary trend throughout this representative sample suggests that the peak profit margin has been severe pressure. Industrial machinery is the only industry in our 18-company sample with a rising pretax profit margin in each of the years from 1955-1957.

We are assuming a moderate rise in costs over 1957, but break even. This is based on continuation of a high loan demand, a firm lending rate, and some increase in loan volume.

The income investor appears to be facing a definitely profitable profit outlook in the electric utility industry, and an increase of interest dimensions in the earnings outlook for commercial banks, finance companies and the telephone industry.

In conclusion, the corporation profit outlook for 1957 presented in this paper depends on: (a) validity of the cautiously optimistic business assumptions; (b) ability and inclination of management to overcome the squeeze on profits.

The record of the past decade indicates that profits of leading industrial corporations should be well maintained. This foreshadows dividends of these leading companies in 1957 will be at least as good and probably a little higher than in 1956.

A. J. McGowan

John R. Boland Co.

Alfred J. McGowan has become associated with John R. Boland & Co., Inc., 30 Broadway, New York City, and will be in charge of the trading department. Mr. McGowan was previously with Hayden, Stone & Co.

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

New Issue

February 27, 1957

300,000 Shares

Potomac Electric Power Company

Serial Preferred Stock, $2.44 Series of 1957

Par Value $100 per Share

Price $50 per share

plus accrued dividend from March 1, 1957.

Copies of the prospectus may be obtained from the undersigned (who are among the underwriters named in the prospectus) as may legally offer these securities or any applicable securities acquired thereunder.


Auchincloss, Parker & Redpath

Eastman Dillon, Union Securities Co. & Co. Feyriss & Company

Ferris & Company

Jones, Kreger & Hewitt

Mackall & Coe

Rouse, Brewer & Becker

Robinson and Lukens

Birley & Company

Rohrbough and Company
Financial Public Relations

By H. M. Gartley

Gartley & Associates, Inc., New York City

The rapid advancement of financial public relations, since it
Public relations leaders since World War II is accounted for by Mr. Gartley in terms of
what it can do and how such a program should be done.

Author stresses ability to reach financial opinion leaders and
to present financial products (1) to the investment world-
advantages to both management and shareholders.

My discussion gives special em-
phasis to the care and feeding of financial public relations as shareholders—and I might add,
I have cared for and fed a lot of
them.

Financial Public Relations (I)
shall confine myself to a few more specific relations with in-
vestors, the financial community—arere, in essence, the telling
and retelling of a company's story to its own share-
holders, but even more importantly, to the 30,000 men
and women in the securities business. These 30,000 prob think for and
guide several million dollars, who are the real owners of Amer-
can enterprise.

A somewhat conceived, skillfully
executed F.P.R. program cannot
least four good and practical pur-
poses.

Purpose One: To achieve and
maintain a fair evaluation of the
company's securities in the mar-
ketplace.

Although, it does not appear on
the radar screen, the evaluation is
a very real asset. It reflects the
reputation of its management, its
industry standing, and the wel-
fare of all of its shareholders.

Shareholders want and deserve
a fair evaluation of their invest-
ment. Good management perform-
ce, a good earnings and dividend
record, is no less appreciated
enough. Increasingly, they look
to management to make their com-
pany prosperous and well regarded by
other investors.

Purpose Two: To provide
price support

Frequently a company consid-
ering an acquisition or merger
finds that its shares provide the
most practicable means of ex-
change.

The market price of its shares is
to the principal yardstick of
negotiation.

Or perhaps the company faces
new financing. Again the price of
its shares becomes an important
yardstick. This is especially true
if the financing involves the issu-
ance of convertible senior security.

Purpose Three: To meet com-
petition in the nationwide financial
community.

In competitive capitalism, there
is a corollary competition for fi-
cancial leadership.

A well planned, sustained and
well supported F.P.R. program pre-
pare the way for expansion by
capturing the imagination among
financial opinion leaders and
the investing families for which

Purpose Four: To prevent mis-
understandings, and maintain the
loyalty of both share owners and
financial opinion leaders.

What Kind of People Make Up
the Financial Analysis Staff?

They are, the 30,000 men and
women who invest money for
management. They always have
the staffs of stock brokers, invest-
ment advisors, newspaper columns,
and institutional investors—
including mutual funds, Invest-
mortgage companies, banks, in-
fundations, pension funds and
unions. They may be found in
almost every corner of the
world—but almost half of them
are in the United Sates.

At the core of this group of
professional workers, are several
hundred of the brightest minds
in the country. They are not
shy about asking for, or giving,
their advice.

These security analysts and
investment advisors are interest-
ing because of their disciplinary
skepticism demand—and observe—full information. They are multitudes of in-
vestment opinion. Even one alert
financial analyst can present in-
terest in a company among hun-
dreds of potential shareholders.
Mr. Babson believes state and local taxes after the proposed budget revision is the basis of present concern. This is a clear indication of the situation in the field of education, as an attractive point of departure. Suggestions cut not from teachers' salaries but from changes in: curriculum, school building maintenance, interest, luxury buildings and the like.

Total taxes for the year: including Federal, State, and Local taxes, will amount to more than $160,000,000,000 for 170,000,000 people. There is very little possibility of relief by Federal, State, or City-taxes. On the other hand, if we were to really put up a fight, we should be able to keep down State and Local taxes. State taxes-amount to a bit $50 an individual.

The annual income of the State of New Jersey (where city taxes are relatively low) is $125 in the State of Washington (where city taxes are especially low).

State Tax Revenue Sources—More than 30 states have sales or excise taxes, or both. The states also get a big amount from automobile taxes, with cuts on alcohol and tobacco taxes. Unfortunately, most states are careless in their expenditures because their money comes so easily. As a result, total state debts have increased almost fivefold during the last 10 years—from about $25 billion to over $11 billion. Now there is a row on as to who should pay for the new schools. School costs are really the responsibility of the cities and counties, but they are being passed on to the states, which in turn are trying to hand them over to the Federal Government.

What About Teachers' Salaries? It is generally agreed that cities, towns, and counties should raise the teachers' salaries. It is unfortunate to believe that pressure for higher salaries is coming from the teachers themselves. Almost all good, well-paid teachers could get more money in industry, department stores, or offices, but they are sticking by their teaching from loyalty and because they have to have longer hours and longer vacations.

This means that the cut in school costs must come from a change in the curriculum or in school building maintenance, and especially in the high interest on building costs. This latter is particularly important now, when it is so difficult for municipalities to sell their bonds.

The Fundamental Question When discussing taxes for schools, we come up against only about saving money. We must remember the old adage: "The proof of the pudding is in the eating." If I felt that luxurious schools produced better students, I would be the last to criticize the present course for "big and beautiful" school buildings. From my observation, however, I am sure such school buildings do not produce better and more efficient students. Schools should be measured in my mind, and I feel that we had the right to have three grades in each room. Furthermore, we had two sessions—morning and afternoon—and no bus to bring children there. Under these rough conditions were good and great results.

Talking with students, I do not find much objection to having the schools used more or the curriculum made more practical. They welcome the radio, TV, and Liberal arts.

State School Tax Question The Legislature is supposed to increase taxes on the rich. This is not a revolutionary dictum, but the State Legislatures are largely interested in the fact of life.

Edward Mathews Addrs:

BOSTON, Mass., Frank H. Brownette has been the staff of Edward W. Mathews & Co., 53 State, Street.

Two With Paine, Webber

MICHLK, Wyo.—Llewellyn J. Morack and Benjamin J. Bernhart, P.O. Box 34, have joined The firm of Paine, Webber, Jackson & Curtis, 906 North Broadway, both were former Paine with Bache & Co.

Two With Suburban Secs.

CLEVELAND, Ohio—John J. Draper, C. Draper, is now affiliated with a new firm of Merrill Lynch, Pierce, Fenner & Smith, 200 Superior Avenue, Northeast.

Carl M. Loeb, Rhoades & Co.

Ludendorf, Thalmann & Co.

Bache & Co.

A. G. Edwards & Sons

Johnston, Lemon & Co.

Walston & Co., Inc.

Lewin & Co.

Sutro & Co.

Boettcher & Company

E. F. Hutton & Company

Mead, Miller & Co.

Newburger, Loeb & Co.
Unified Transportation Policy And the National Economy

By E. Roland Harriman

Chairman of the Board, Union Pacific Railroad

Union Pacific Railroad head calls for an independent full scale reexamination of the transportation industry, in place of the narrow and segmented efforts made to date, in order to meet the vital needs of what he describes as the broadest transportation product that would serve America best and how we can get it. Problems discussed by Mr. Harriman include: congested airways and airports, clogged cities, inadequate highways and oceans ports, rail's loss of high value traffic, tax limitations and improvements, and taking advantage of advancing transportation technology. The noted banker deplores lack of information and single viewpoints in the examples of gaps in our transportation knowledge.

I have always been proud to be a railroadman, and I am just as proud of that association today as I have ever been. However, this seminar is dealing with transportation in its broadest aspects, and what I have to say today. Likewise is directed to this broad question, rather than from a strictly railroad viewpoint.

Transportation is one of the nation's largest industries—probably the largest. Some estimates suggest that it annually accounts for as many as one billion dollars in gross national product. It's a fact, though, that the transportation function is discharged by many groups of industries, largely separate from one another, some of which devote themselves entirely to the business of transportation, and while others are part of other businesses and perform some, if not all of the transportation requirements required by their owners.

As a result, America has the greatest and most adequate transportation system of the world, although it has been too free of a transportation problem. Both in good times and bad, transportation questions have worried us. In recent times responsible persons have raised serious questions whether the lush growth of our transportation industries follows a pattern which is most beneficial to the nation, whether we are getting the greatest good over the past twenty years, and how we may slow the need for future troubles.

An address by Mr. Harriman before the Transportation Association of America, Arden House, Harriman, N. Y., Jan. 20, 1957.

101,233 Shares
Missouri Portland Cement Company

Capital Stock

(Par Value $12.50 Per Share)

Price $80.50 per share

The price of the shares is affected by many factors, including general economic conditions, Company operations, and changes in Company policy. The price of the shares is subject to change without notice. The Company is not responsible for any errors or omissions in the preparation of the Company's financial statements, which are the responsibility of the Company's management.

101,233 Shares
Missouri Portland Cement Company

Capital Stock

(Par Value $12.50 Per Share)

Price $80.50 per share

Circle of the prospecit is being offered from any of the several underwriters who have authorized securities in securities and in which the prospecit may legally be distributed.

Bly & Co., Inc.
Eastman Dillon, Union Securities & Co.
A. G. Becker & Co.
Reinhart & Gould
Robert W. Boyd, Co.
Bower, Sullivan & Company, Inc.
Stein & Co.
McCreary-Beckwith & Company
Howard, Waik, Loubatuse, Friedrichs & Company

February 28, 1957

The appointment of Lawrence Pinto as an Assistant Vice-President of Manufacturers Trust Company, New York, is announced by Mr. Pinto joined Manufacturers Trust Company in 1939 after over 20 years experience in the insurance business. He was appointed as Assistant Secretary in 1939 and in 1948 was placed in charge of the office, 378 Avenue of the Americas, the office to which he is presently assigned.

Mr. Pinto joined Manufacturers Trust Company in 1939 after over 20 years experience in the insurance business. He was appointed as Assistant Secretary in 1939 and in 1948 was placed in charge of the office, 378 Avenue of the Americas, the office to which he is presently assigned.

The appointment of T. R. R. Elliott as New York Agent. He succeeds Mr. Elliott, who is retiring after more than 45 years of service with the bank. Mr. Elliott was formerly Manager of the New York office of the Toronto-Dominion branch office in Toronto.

Election of Harold E. Harris and Sumner A. Williams as Vice-Presidents of the Bank.

The election of Harold E. Harris and Sumner A. Williams as Vice-Presidents of the Bank.

The Franklin National Bank of Franklin Square, New York, increased its common capital stock by $250,000 by a stock dividend, effective Feb. 15 (2,563,500 shares, par value $5).

Retiring after 93 years and 11 months in the banking business is Mr. R. W. Rath, a member of the Board of Directors of the New York National Bank. Mr. Rath was the last President of the New York National Bank to serve in that position.

The appointment of Mr. R. W. Rath as an Assistant Secretary of the New York National Bank was announced by Mr. R. W. Rath, who is retiring after more than 93 years of service with the bank. Mr. Rath was formerly Manager of the New York office of the Toronto-Dominion branch office in Toronto.

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The Cost of British Disarmament

By PAUL ENZIG

Whether there will be any net savings achieved as a result of British disarmament is viewed with skepticism by prominent British Economist who fears such savings will be dissipated in increased pensions providing half of annual wages. Moreover, Dr. Enz, in his book, "Economic Aspects of Defence," remarks that its author must have worked out its arithmetic while having his bath, and that the Labor Party itself expressed its ridicule by putting forward such a scheme. Yet within 48 hours, after this earth-shaking confirmation of Socialist irrelevance, it became known that the government, anxious not to lose ground among the electorate, is seriously considering the idea of raising the opposition's electoral budget by adopting its scheme. The cost of such a scheme to the Treasury would be so heavy that even if Britain were to dismiss all the savings expected, the nation would not be able to cover it.

LONDON, Eng.—The dismay caused among Britain's allies by the decisions to cut arms and military forces is increasing. Even Negro reporters, even Negro officers, even Negro civilians, have been told by their government that the Labor Party itself expressed its ridicule by putting forward such a scheme. Yet within 48 hours, after this earth-shaking confirmation of Socialist irrelevance, it became known that the government, anxious not to lose ground among the electorate, is seriously considering the idea of raising the opposition's electoral budget by adopting its scheme. The cost of such a scheme to the Treasury would be so heavy that even if Britain were to dismiss all the savings expected, the nation would not be able to cover it.

"British forces stationed on the continent of Europe stand in a position of German rearmament, has created in Britain an atmosphere of fear for the future. The notion that the government, anxious not to lose ground among the electorate, is seriously considering the idea of raising the opposition's electoral budget by adopting its scheme. The cost of such a scheme to the Treasury would be so heavy that even if Britain were to dismiss all the savings expected, the nation would not be able to cover it.

"Nor is this the whole story. Amidst prevailing conditions, the employers would be in a position to pass on to the employees' share of the savings. The cut in wages, or in the form of higher prices, the only way to keep the scheme viable, would be to prevent the financing of the scheme by saving part of the wages and profits earned by employees and employers. Indeed, it is said that wages would fall sharply, if old age pensions, which amount to £2 a week at present, were raised to a figure of £25 a week.

"Today workers feel the need of supplementing their prospective retirement benefits by saving up some of their high earnings. If, however, the retirement benefits are raised to a figure which insures reasonably comfortable existence, the chances are that most people would live right to the limit of their incomes while in employment. And, in the result, sharp fall in saving being produced, a substantial saving in expenditure, a result of which an American newspaper writer would find no difficulty in passing through the consuming the total of new spending.

"There seems to be rather more than a possibility for the adoption of the scheme. The government's present intention is to make the scheme entirely self-supporting by confining it to employees who will have paid an adequate number of contributions before reaching retirement age. If the Socialists should come out with a scheme under which employees would qualify after a short period, its appeal to the electorate might result in the government to follow the example. In that case a heavy deficit, in addition to the very substantial actuarial deficit of the existing old age pension system that is expected to develop in a few years, would be inevitable. The more will be saved on national defense the stronger will be the movement to cut down the period of contribution payments that would qualify employees to full benefit. Even if the government's present intentions are abandoned in favor of a genuinely self-supporting, politically palatable scheme in the form of higher prices, the only way to keep the scheme viable, would be to prevent the financing of the scheme by saving part of the wages and profits earned by employees and employers. Indeed, it is said that wages would fall sharply, if old age pensions, which amount to £2 a week at present, were raised to a figure of £25 a week.

"Foresee Higa Wages

Apart altogether from this aspect of the defense cuts, there are strong reasons for fearing that any improvement in the economic situation that would be achieved through the cutting back the defense budget would be offset by increased wages demands. As when domestic and foreign military spending drop and the result is an increase in the demand for goods and services, wages demands tend to become bigger and bolder. So it may well be that, long before the amounts saved on military expenditure are expended on increased social service benefits, they are expended several times over on higher wages. The fact that it is not the government but the public who will pay the additional amounts will make no difference in the inflationary effect of this expenditure.

"One cannot help feeling that it is short-sighted to jeopardize the security of the country and of the world by an unwieldy weakening of Britain's military defenses for the sake of an illusory strengthening of Britain's economic defenses. But this is a very unpopular line to take, because almost every section of the population hopes to derive benefit from the lowering of defense costs.
THE MARKET... AND YOU

By WALLACE STREETE

Stocks continued in their stalemated rut again this week, most pivotal issues given to backing and filling that are still on the radar and kept the future direction of the market well shrouded.

International oils were given to giving with the weak and flow of hopes of getting the Middle Eastern situation cleared up. Generally they bit the bid to higher levels, however, the stock met moderate support.

Motors were something of a disappointment, notably Chrysler which was unable to muster the required buying strength although the trade reports indicate the company is in a good rebound toward capturing its larger share of the auto market.

General Motors slipped to a new low since the stock was split late in 1955 in advance of publication of its 1956 earnings report. This is a bit of a blash as anticipated although the earnings were the second best in history. Once the bad news is out, however, the stock met moderate support.

New Low in Volume

Out of this welter came little to inspire any general market action, or lack of it, is that the violent sell-off on the market scale was not the same market as a few weeks back. A few of the key areas earlier this month was unable to budge most investors from their positions and the high margin requirement has kept margin calls and forced selling to an insignificant level.

The Average Questioned

As happens when blue-chip loaded averages give pessimistic signs, there has been much criticism of some of the companies considered to be representing the entire market, an age-old argument. One of the financial services corporations that have suffered the worst stock average hourly in the customary divisions of industrials, rails and utilities, but without much of a corresponding showing of the ninetenth of the total value of all the common stocks on N. Y. Stock Exchange. On the trend, general bullishness along continuing ultra-selective, such a broad index could over-diversify. In any event, the most heard advice from brokers generally is to con¬continue on issues and ignore averages.

There was still a bit of shying away from offering stocks for new commitments and one of the stock-of-the-month recommendations from one service with Phillip's Petroleum's convertible debentures. And such items as higher yields on senior obligations that on the same company's equities were being handled about, including the debentures of American & Foreign. As a result the yield and the higher dividend return over the common stock on Elliott's convertible second preferred.

In the common stock field the argument still raged over whether the times called for hunting among the quality issues already well deflated, or whether it was a case of only following strength in desolate markets. CooperBessemer, incidentally, was one of the real features on strength including several appear¬ances in a row on the daily lists of new highs.

Bargain-Hunting in the Aluminum

Aluminum shares, which have been prominent on the selling for months now and have been cut back around the 25 marks, were considered the group back at reasonable levels by the bargain-hunting element. Both McMillan and Kaiser Aluminum, the smaller produc¬ers who nevertheless account from some part of total U. S. capacity together, were both generally regarded as candidates for higher earnings this year.

Buying by Carrier Corp. in Elliott Co., power generator manufacturer, focussed attention on this group. In some of the many cases around where book value is substantially in excess of the market value. In line with the company utilizing plant expansions, Elliott is a candidate for even better profit recovery this year than last year's estimated improvement. It is also considered a possible entry for the higher-dividend group.

Another company regarded highly likely to continue to produce results despite the over-all economy is Gen¬eral Cable which boosted its profits handily last year, and with all the stress on modern¬ization of home wiring, plus general expansion of electrical use, is expected to do even better this year. Divi¬dends have been increased twice in last year, and it is still on a list of companies where an even larger payout would be in line with the company's minor trouble over the last years is due back stemmed from cost of production, and that is an unlikely development now.

Earnings Optimism on Nickel

In the nickel field the metal dominates the market in that metal is also, among the issues recommended rather widely and earnings are being pro¬jected upward for this year. Nickel prices were only boosted last December and should find reflection in this year's results. In addition nickel is virtually a must for the jet as well as the missile ag¬es.

General American Trans¬portation is another "v" for the year's developments more restrained than CooperBessemer, has been as fre¬quent on the new high lists. Unlike the above group where pinch profit margins are starting to be the pattern, General American is able to post new record earnings last year. Its new method of making port¬land cement is only arriving at the output stage and company estimates forecast better earnings through all the divi¬sions this year.

Mack Trucks, which sus¬cibed only on stock dividends for several years; has made enough progress recently to get itself in missile shape this year. It, too, was able to boost earnings a fat 55% on a sales basis. In this it is another good show¬ing when the trend is otherwise. The company entered this year with a backlog that was nearly two-tired again as large as it was the year be¬fore which augurs well for this year's results.

Food Machinery & Chem¬ical also is confidently predicting higher earnings again this year on top of last year's record-breaking results. The company is emerging as an important name in missile and launching appli¬cations as well as military vehicles which give it a broad market looks not hinted at in its firm name.

An Undervalued Stock Exchange Debutante

Shell Transport & Trading is the latest of the big foreign companies to be considered for N. Y. Stock Exchange listing, which usually kindles a bit more interest in the issue. Like most foreign outfits, a case can be made that the stock is undervalued when compared with the larger American companies. More¬over, it rounds out the inter¬ests involved in the Royal DutchShell Oil combine. One analysis indicates a market¬times-cash-flow of a meager 7 times in Shell Transport, against a 10.3-times ratio for Standard Oil of New Jersey with the present market plac¬ing "no value on the potential of its Middle East holdings."

"The views expressed in this article do not necessarily at any time constitute the views of The Commercial & Financial Chronicle. They are presented as those of the author only."

N. Y. State Consumer Credit Conference

SYRACUSE, N. Y. — Consumer credit leaders, headed by C. Canby Balderson, Vice-Chairman, Board of Governors of the Federal Re¬serve System, will be in Syracuse April 16 for the Fourth Annual New York State Consumer Credit Con¬ference.

Mr. Balderson will speak on the impact of expanding consum¬er credit on the national economy and its effect on Syra¬cuse University campus. Spirit is open to officers and employees of sales finance companies, li¬censed lenders; commercial banks and credit unions as well as col¬lege teachers.

Other speakers in the all-day session at the university will in¬clude Dr. Persia Campbell, consumer counsel to Governor Harri¬son, on "Consumer Credit and the Highway," William L. Brennan, Jr. deputy superintendent of banks, State Department of Banking, on "Regulation of Sales Finance Activities in New York State"; Jerry Miney, Survey Research Center, University of Michigan, on "Factors in Consum¬er Credit"; and Dr. John Chapman, emeritus professor of bank¬ing, Graduate School of Business Administration, Columbia Uni¬versity.

Dr. Eric W. Lawson, professor and chairman, Department of Fi¬nance, Syracuse University, will be academic chairman of the con¬ference.

Seymour Factory

WORTH & CO.

Worth & Co., 120 Broadway, New York City, members of the New York Stock Exchange, have announced that Seymour Fabricant is associated with them. Mr. Fabricant was formerly a Vice-President of Wm. E. Pollock & Co., Inc.

Veterans Launch Essay Contest

For Hospitalized & Paraplegic Veterans

Veterans present portrait to Surrogate DiFalco at Essay Con¬test Launching. Left to right are Heyman, Roblitz, Joint Chair¬man; Charles O'Brien Murphy III, Wall Street Post Con¬tributing Editor; Dineen, Executive Secretary of the Paraplegic group and Vincent Trotta, well-known artist who has sketched more than 1,500 portraits of G.I.'s over¬seas.

The Ninth Annual Essay Contest for Hospitalized and Para¬plegic Veterans was launched at the Wall Street Post No. 310, V. W. W., at a Testimonial Luncheon to Surrogate S. Samuel DiFalco. Subject of the 1957 competition is "Citizenship, What It Means to Me."

The luncheon was attended by representatives of the First Army, Third Naval District and all Veterans Hospitals in the area. The invitation was offered by Monsignor Aloysius C. Dineen, P.A., Pastor of St. Agnes Church, who represented Car¬dinal Spellman at the luncheon.

Charles O'Brien Murphy III of Wall Street Post announced that the new prize will make non-hospitalized veterans eligible for the first time.

He stated that the humanitarian interest of Surrogate DiFalco and other public leaders had made the contest a success over the years.

A portrait of the Surrogate was presented by Vincent Trotta, well-known artist, who has sketched portraits of the prize winners since the contest was established nine years ago. He has also done more than 1,500 portraits of G.I.'s in Korea and other theatres of action.
The Federal Reserve Bank of St. Louis
Digitized for FRASER

The Soviet Outlook

By HERBERT G. KING
Memorandum for New York Exchange
U. S. S. R. Disappointed hopes of a U. S. A. depression and growing specter of economic difficulties are set forth by Mr. King in depicting a lugubrious economic outlook for the hegemonial Soviet state.

For several years Soviet leaders have been hoping for a depression in the United States and expecting that the subsequent general crisis of capitalism would bring their principal economic foe to its knees. Now, as before, they have disappointed hopes.

Col. Herbert G. King

While purchasing executives refuse to agree entirely with the current talk of a 1957 recession, they are indicating that there is a more pessimistic opinion of purchasing agents who are members of the Business Survey Committee, whose Chairman is Chester F. Ogden, manager of the Detroit Edison Corporation, exercising a delicate balance of policies. Many predict that most materials will be in abundant supply this year, with competition developing in areas where it has not been a factor in some time.

Production remains high and 27% say it is better than January, 35% the same and 38% worse. New orders are being booked in satisfactory volume and 27% report them to be better, 50% the same and 25% worse.

While prices are continuing their upward movement, there is strong sentiment that resistance to higher prices. Moreover, the fact that buyers are generally used to paying the prevailing prices, or inventories, or to buying any further into the future, may have a deflating influence on prices of delivered needed materials, might lead to the belief that the upward pressures are not going to rise much further in the immediate future.

It is evident that, whatever else it is happening, employment has remained in a steady state over the past three months. As a guide to future sales expectations and production plans, purchasing executives were asked to estimate whether it would be increased by the employees of their companies would be increased, remained the same, or decreased in the next few months. Sixty-five per cent thought it would be increased, 25% thought they would be reduced, and 9% thought they would remain the same.

The costs of materials are increasing, buyers report. The general price trend is one that has been continuing upward, toward higher prices. While the general price trend is slightly, upward there is another indication of the significant prices that have been registered, for this year's report, is not at all what we thought, some of our best materials have been increasing in price, the increase in price of copper, steel and aluminum is one of the largest increases of the prices of materials that have been built up. Buyers, generally, have no reason to expect even more.

In 1956, 25% thought they would be reduced, 29% thought they would remain the same, and 46% thought they would be increased.

The reports the month show that purchasing executives are making very little effort to hold inventories at present levels. So little movement is being made through June 30th of the 256 countries that have been established in the United States. Hence, the figures that are in the report are not really indicative of the way things are going.

Headed by Paul A. Fund, well-known economist, President of the Fund, it is the company's function to determine what does as the investment banker in the corporate field.

The time it was announced that Joseph Milner, a member of the real estate field and John J. Renn, real estate consultant and former executive of the Prudential Insurance Co. of America, have been named Vice-President of the new company, Henry Gale, prominent attorney, will act as resident counsel and front-line Chief of the Board. Sidney M. Ziemer, recently a resident of the Long Beach, Calif. Losser's department stores, has been appointed Treasurer of the Board. Mr. Gale will fill a needed service, undertaking origination and management of real estate projects and the development of marketing and distribution procedures in real estate securities.

Form Fund Research

Fund Research & Management, Inc., announces formation with offices at 37 Wall Street, New York City to engage in a securities business. Officers are Wayne R. Bensing, President; Stanley W. Byrne, Treasurer and Secretary; and John W. Meader, Vice-President; and Elizabeth A. Grant, Assistant Treasurer. All were formerly with Granberry, Mearche & Co.

This advertisement is not an offer to sell or a solicitation of an offer to buy these securities. The offering is made only by the Prospectus.
Bank and Insurance Stocks

By Arthur B. Wallack

This Week—Insurance Stocks

There can be little argument now, in the face of the income statement, that insurance companies that are beginning to appear, that 1956 will be recorded as a really bad year as far as concerns underwriting operations in the fire-casualty field. Also underwriting operations that specialty companies show up better than the regular run of multiple-line carriers of fire and casualty coverage. In fact, volume of business, losses, and higher losses in almost all lines of writings were the undoing of some of the companies' underwriting.

Normally, the industry will have bad experience in one or only several lines, but will have favorable underwriting results in other lines. This was particularly true in recent years so were recent, but were balanced out by satisfactory underwriting results in the other lines.

In 1956 even though we experienced no devastating hurricane losses in the Northeast, where the high values had been hit hard by prior years, there were very large losses from other storms, tornadoes, etc., in the Middle West and South Central areas. Only a few lines, such as fidelity and surety, showed in a favorable showing, and this fact is reflected in the good report released by the specialists in these lines.

Fidelity and Deposit, about 80% of whose writings are in fidelity and surety categories reported a statutory gain of $6,910,000, versus $2,200,000 in 1955, while the great majority of multiple-line carriers were reporting extremely high statutory losses or negligible profits, relatively.

It will be noted that even where the statutory loss is comparatively small, or there is a small gain, the desert of the showing in the first quarter, the second... The second quarter results were taken as appeared in Moody's or in the "Wall Street Journal" and no attempt was made to single out those showing prominent profit.

It should be noted that, as generally speaking, higher volume was written by the industry, there will be an offset to the 1956 statutory losses in the form of the customary equity in the change in book values for the year, there would be a considerable better than work in most of the big units, a statutory gain of millions above the statutory loss of a few million..."Continued from Page 12

Competitive Nuclear Power And Accelerated Program

Federal Reserve Bank of St. Louis


Editorial Office, Research Department

Research Office, Washington, D.C.

12 October 1956

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over-all unit cost of power would be the same as that from its conventional sources.

The contribution by the AEC should be the difference between the utility's cost of fuel and the total cost of the plant. It would be high only if a large percent of the utility's share could be fixed, and the AEC's contribution most of the time. It is almost impossible to estimate accurately the cost of a nuclear project where new concepts are involved.

Such was my proposal for accelerating our nuclear power program through the use of federal industry and the AEC.

My proposal was:

First, it would minimize the public versus private power controversy in relation to atomic power.

Second—It would encourage a maximum of financial participation by the public in the atomic-power program. In this phase, we must have a maximum of financial participation by the public in the atomic-power program and utilities.

I have been pleased by the favorable response my proposal has received. An example is the recently formed Industry Committee of the Investment Bankers Association last November.

Indebted Bill's Passage

Now that the Indebted Bill has completed its passage through both houses of Congress, the Bill was favorably reported last year by the Senate Committee on Atomic Energy. It would provide Federal indemnity up to $500,000 against loss resulting from liability in excess of the private liability insurance. It would also provide indemnity to the atomic reactor owner.

In the atomic-power plants program, we can at least be as at ease as conventional plants. As Mr. Satterfield has pointed out, frequently the owner is the concerned party. Ev- erest, the opinion is that the risk of a disaster resulting from an atomic power plant is substantial only. Nevertheless, no scientist can be too careful. This without actual extended experience in the operation of these plants. He has never been willing to say that the risk is necessarily less than that from the leakage of the public at large, as well as in the interest of reactor owners, that the risk is with us, that the risk is large, risk be provided for.

There are many provisions which natural agreements as to the need for Fed- eral indemnity and almost uniformly agreed upon. The passage of the bill proposed by the Joint Committee on Atomic Energy was, because it became involved with the atomic bill.

It is of vital importance that the Indebted Bill, which has been reintroduced by the Congress, be passed by the present Congress.

Congress is Cooperative

In the past year, we have had a number of conferences, on the part of the Joint Committee and particularly its three members—Mr. McCleery, Mr. Paterson, and, as our Illinois member, Mr. Melvin Price. In our presentation of the indemnity problem, we were given every consideration. We believe that the entire Congress approached this problem with true statesman- ship. I am confident that this will be true also under Chairman Burton of the Senate Committee onAtomic Energy.

Our experience convinces us that it is possible to get along with Congress on a bill and take basis and that our industry, on its part, will do. If we do, I am sure that it will help spread the development of the atomic-power industry. It will be good for both the electric industry and the country.

Congratulations!

In the name of Mr. James L. Lynch, Manager of the AEC, I present the following:

James L. Lynch

Congratulations are in order at James L. Lynch, Manager of the AEC, for the recent appointment of Frederick Shercial and G.W. Teele to the New York Stock Exchange. Shercial and Teele have been prominent leaders in the Boston Securities Traders Association, and their appointment is a tribute to their professional abilities and influence in the financial community.

Frederick Shercial

Frederick Shercial has been appointed a member of the New York Stock Exchange. Shercial's appointment is a testament to his significant contributions to the financial community.

N. J. Mfg. Bankers Annual Dinner Meeting

NEWARK, New Jersey — The Mortgage Bankers Association of America has announced the selection of N. J. Mfg. Bankers Annual Dinner Meeting for the installation of Officers and Gover- nors at the Robert Treat Hotel, Tuesday, March 5, 1957. Our speaker will be Mr. John F. Reiss, President of the Mortgage Bankers Association of America and President of T. J. Bettes Company, Houston, Texas. In addition, we will also have as our guest Mr. Henry P. Dori, Director of the Teachers Insurance and Annuity Association of America, also a member of the School of Mort- gage Banking Alumni, who will discuss the current problems of the Mortgage Banking. The Officers to be in- stalled are as follows:

President: Robert E. Smith, Mutual Benefit Life, Newark.


Second Vice-President: Raymond A. Mulhern, Underwood Mortgage & Investment, Inc.

Treasurer: Chas. J. Horn, National State Bank, Newark.

Counsel: Kenneth W. Bickel, McInnis, Murphy - G. P. Co., Cold Spring, N.J.

We look forward to a very successful meeting.

Letter to the Editor

Foreign Exchange Depreciation Views Scrutinized By F. G. Shuil

New Haven monetary scholar questions what he considers are seriously misleading statements by Franz Pick. In calling Mr. Pick’s World Currency Report and its attendant ability to gib- ly comment on the policies of the world (France, mark, lira, guilders, sterling, and the rest) a creeping inflation in misleading people as to the exchange rates honest.

Frederick G. Shuil

Frederick G. Shuil makes his point, let’s take the following two quotes from Mr. Pick’s World Currency Report and the Managers Club of New York on Foreign Exchange:

"The question of foreign exchange is one of the most important issues of our time. It has been a source of concern to many countries, and particularly to those engaged in international trade." —Macoy Dir. of Sp. Services for NYSE

Ruddick C. Lawrence, Vice-President of the New York Stock Exchange, has written a letter discussing the implications and market development, has announced a resolution from the Exchange’s public relations organization.

Cecil Macoy, Vice-President, has been named Director of Spec- tators on Foreign Exchange for the Managers Club of New York.

Paul Kolton has been appointed Executive Director of Public Information and Press Relations, a new position created to service the steadily increas- ing public interest in all types of information for the Exchange. Kolton was formerly with the New York Journal of Commerce and Advertising.

Prior to coming with the Exchange several years ago he was with the Associ- ated Press in New York, where he was on the staff financial.

In his new assignment Mr. Macoy will have executive responsi- bility for the operations of the Managers Club of New York, Street and Visitors’ Gallery and for the Exchange Magazine, of which Kenneth Hayes is editor.

Merrill Lynch to Exhibit in Chicago

"Your Money, and How to In- vest it," will be the theme of Merr- ill Lynch & Co.’s exhibit at the Chicagoan Fair. The exhibit will open on July 7 at Navy Pier.

The display will include illumin- ated charts and panels, an informa- tion booth, and even an electric calculator. Salesmen will hand out Fair visitors to "invest" in any of the securities issued by the largest Chicagoan firms.

The computer will tell in a mat- ter of seconds what an annual invest- ment of $500 in any of these securities, starting the cost of living between 1925 and 1955, would be worth today.

A team of account executives from the firm’s Chicago office will be available in the information booth to give expert answers to investment queries, from the very simple, to the very complex.

Those who already hold some securities would like an ex- pert evaluation of their portfolio and their future performance. Those who own them are asked to call Merrill Lynch exhibit. All you need do is list your securities on a pro- forma and we will do the rest.

They will be mailed an expert evaluation of your investment.

Eight different displays, including one intended to answer the question "What will $10 a month buy me in July?" will be included in the exhibit.

These displays, many of them illuminated, or animated, will de- tail the investment story from the development of the railroads to a chart which traces the move- ment of stock prices over the years and correlates them with the business world. In addition, more than a dozen free informational booklets will be distributed.

The Fair, which is sponsored by the Association of Commerce and Industry, is expected to be Chi- cago’s greatest exhibition since the Century of Progress.

More than 500,000 persons are expected to visit the five-day event and will focus attention on the "New Chicago" as the heart of business and in- dustry for the world, Reeves said.
Continued from first page

Capital Gains Myth

upon this premise. It still continues to be the subject of debate that the value of the dollar received exceeds the pre-devaluation dollar value, and that the devaluation is therefore an advantage. The question is: What was the value of the dollar received? What was the value placed by the government on the dollar it received? The answer to these questions is that the value of the dollar received was the pre-devaluation dollar value.

The most important point to be considered in this connection is that the dollar received was the pre-devaluation dollar value. The reason for this is that the government placed the same value on the dollar it received as it placed on the dollar it paid out. This is so because the government's only concern is with the exchange rate between the devalued dollar and the foreign currency. The government is not concerned with the value of the dollar in terms of goods and services.

In order to understand the nature of the capital gains myth, it is necessary to consider the nature of capital gains and losses. Capital gains are the increase in the value of an asset over time, while capital losses are the decrease in the value of an asset over time. The capital gains myth is based on the assumption that the capital gains are realized when the asset is sold.

The capital gains myth is based on the assumption that the capital gains are realized when the asset is sold. However, this is not always the case. In many cases, the capital gains are not realized until the asset is sold at a higher price than the original purchase price. This is because the capital gains are the difference between the original purchase price and the selling price of the asset.

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Achieving National Solvency
By the Wise Use of Federal Money

Republican and former Chairman of the Reorganization Subcommit-
ttee in the House of Representatives, I shall mention later in my re-
marks. I sincerely believe that Secre-
tary Humphrey has a solemn ob-
ligation and responsibility to hold his government to the highest stan-
ards of probity, morality, and public service. We have to look to the American people and to Congress to see that the Budget can be cut. It is not enough to say that the Budget can be cut. Secretary Humphrey, in his public statement carries with it the implicit but solemn rejoinder that those places instead of placing Congress in the position of ques-
ing or of jumping to conclusions.

At this point in my paper, I must distinguish clearly between the original text in the advance release that I made on February 1st; two days after giving the advance release, I received a reply from Secretary Humphrey to my letter. I now read that letter to you.

"My dear Senator Smith: Thanks for your letter. I have read the re-
marks on the budget. As I have said publicly several times, as well as in the Budget Committee, the ob-
ligations Committee, I felt that the budget, as it stands, would be best that we could do at this time. In particular, I have not in mind to go to no specific items which should be eliminated. I do believe, how-
ever, that we need to look at these before spending under this budget is adopted. As the time of day-to-day, case-by-case basis to find savings that can be made without sacrificing needed services. To do this ef-
tectively requires a budgeting in the spirit of the active cooperation of the public, the Congress, and all the depart-
ments of the federal government in searching out not only the things that we can find, but make sure that the things we have are not "branched" in the most efficient manner.

"The President in his State of the State message to Congress earlier this month said, for example, that the Congress should approve his request for more revenue and urge the co-
operation of the Congress as well. The President spoke also of the need for a budget that publicly the firm belief that if the Congress as a whole made some kind of spending without impairing secu-
rity and services that it would be the duty of the President to recommend.

"If we can achieve more effective control of the budget, we will have brought about a desir-
able result, namely, restrict the total pressure which can open the way to lower taxes, greater incentive, and the making of more and better jobs for the long-run well being of our people.

Sincerely, /s/ G. Humphrey"
NAM Urges $8.2 Billion Budget Slash

Association's directors specify areas where reductions can be made to prune Administration's proposed Federal budget for fiscal 1958. Board also urges continued implementation of Hoover Commission recommended economies; decentralization of central government; greater professional leadership to effectuate reductions in Federal spending.

The National Association of Manufacturers called recently for stringent pruning of proposed Federal spending for fiscal 1958, although it believes that the Hoover Commission's $7 billion budget (including the foreign aid program) carries both an "inflation potential and jeopardy to continuous economic development," among other complaints.

Specific recommendations of the NAM included reductions of $4.1 billion in civilian spending, $2.3 billion in foreign aid, and $1.9 billion in military spending.

In departing with the budget, the directors said, "both the President and the Congress should recognize that the Hoover Commission did not undertake the wish and needs of the whole people as directed by the special interests of militant, articulate minority groups."

Three Key Suggestions

The NAM board urged that the President take "firm leadership in the implementation of budgetary reductions."

In addition to its specific budget suggestions, the NAM urged the speed-up of the economic recovery program initiated by the Hoover Commission.

The board further urged a decrease in the "unwarranted concentration of Federal responsibility on the part of government," and a "distribution of resources and responsibilities among the several levels of government."

The NAM said that Congress should take legislative and organizational action to effect greater central control of Federal spending. It suggested the following steps: (1) restrict open-end commitments in the FederalFranchise system; (2) stabilize real needs and rescind excessive, long-term authorization; (3) restrict open-end commitments whereby the Federal government is "so much involved" in state and local projects; (4) review all programs and necessary substantive legislation involving long-term fiscal commitments.

Reducing Domestic Spending

In the field of domestic spending, the NAM said that the "allocation could be cut from the budget by judicious pruning, such as ending of old programs or continuing of some through 1956 or 1957 spending levels, avoiding new programs, and by completely eliminating certain programs which have been set up in the past 10 years. For example, the NAM said that $1.7 billion which could be "saved by eliminating certain programs that $4.1 million could be saved by a 20% cut in grants-in-aid and 20% in long-term Federal obligations of the states." The NAM urges that the Federal government promote acceptance by the states of their full responsibilities and encourage the establishment of interstate compacts as means of dealing with the regional problems.

Speciality Supplies

C. Parker Simpson is with Schreirer, Aher- ton & Co., 59 Congress Street, members of the New York and Boston Stock Exchanges.

In its new wholesaling role, Eastern will send members of its executive staff to several New England cities, including Manchester, to familiarize local investment dealers with the various planned investment programs and the Industrial Credit Corporation. Among the cities in which the firm will conduct its, wholesaling activities are New York, Cleveland, Hartford, Providence, Camden, Asbury Park, Long Branch, Ocean City and Cape May.

With Schreirer, Aher- ton & Co. (Special to The Commercial & Financial Chronicle)

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With Schreirer, Aher- ton & Co. (Special to The Commercial & Financial Chronicle)
UNION CARBIDE AND CARBON CORPORATION

1956 Annual Report Summary

\[
\begin{array}{ll}
\text{Sales} & 1956^{(1)} \quad 1955^{(2)} \\
$1,324,506,774 & $1,230,554,556 \\
\text{Net Income} & 146,233,444 \quad 145,834,416 \\
\text{Per Share} & 4.86 \quad 4.86 \\
\text{Dividends Paid}^{(3)} & 91,956,493 \quad 87,206,032 \\
\text{Per Share}^{(4)} & 3.15 \quad 3.00 \\
\text{Earned Surplus} & 580,097,003 \quad 528,088,998 \\
\text{Current Assets} & $715,406,189 \quad 691,500,489 \\
\text{Current Liabilities} & 257,656,500 \quad 237,272,575 \\
\text{Total Assets} & 1,459,748,536 \quad 1,494,460,065 \\
\text{Shares Outstanding} & 30,088,510 \quad 29,126,619^{(6)} \\
\text{Number of Stockholders}^{(5)} & 118,391 \quad 114,310 \\
\text{Number of Employees} & 79,000 \quad 76,000 \\
\end{array}
\]

(1) Operations of The Visking Corporation (acquired by Union Carbide on December 31, 1956) are consolidated.

(2) Operations of The Visking Corporation are combined with the exception of intercompany sales, which have been eliminated.

(3) Excludes dividends paid by The Visking Corporation to its stockholders.

(4) Excludes 864,449 shares issued for net assets of The Visking Corporation on December 31, 1956.

(5) Excludes stockholders of The Visking Corporation.

Copies of the complete 1956 Annual Report of Union Carbide and Carbon Corporation will be furnished on request. Also available is an illustrated booklet that describes the products and processes of Union Carbide. If you wish copies of these booklets, please write to the Secretary, Union Carbide and Carbon Corporation, 30 East 42nd Street, New York 17, N. Y.

**UCC's Trade-marked Products include**

- Electronic Tubes and Metals
- Crop Agricultural Chemicals
- Eveready Flashlights and Batteries
- Union Carbide Silicones
- Krylon-Lite Spray Paint
- Synthetic Organic Chemicals
- Pressure Anti-Freeze
- Haynes Stainless Steel
- Lexan/Dytron
- Union Textile Fibers
- Rubolite, Duraite, and Krene Plastics
- National Carbon
- Union Calcium Carbide
- Pyrex Glass

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*Digitized for FRASER*
As We See It

For many years the world has been much more at ease than it has been for a few decades. The world has been at ease for several reasons:

1. The cold war has ended.
2. The United Nations has been more effective in maintaining peace.
3. The United States and the Soviet Union have been more willing to compromise.
4. The United States and the Soviet Union have been more willing to use diplomacy rather than military force.

In the past, the world has been at ease when the United States and the Soviet Union have been willing to compromise.

The world has been at ease for many years, but it is not clear how long this will continue. The world will not be at ease if the United States and the Soviet Union do not continue to be willing to compromise.

The world will not be at ease if the United States and the Soviet Union do not continue to be willing to use diplomacy rather than military force.

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Foreign Situation

In discussing the economic picture, it would be unrealistic not to consider the foreign situation. We have, thank God, come through the disturbing events in Egypt without war involving Russia, England and France, in which we would have all likelihood have found ourselves ultimately participating. The high ill-advised actions of the English and French, and the implications of their quick acceptance of a cease-fire following the threatening notes from Russia, just about removed the last vestiges of prestige that they had retained in the Middle and Far East, not to mention Africa. On the other hand, for what it's worth, the so-called non-committed nations have, as a result of events in Egypt received some education on the true character of the Russians. These Hungarian events have even had their repercussions in Italy and France, the home of large Communist parties, the memberships of which seem to have substantially declined recently.

Apart from matters of prestige, France appears to lack the material and moral fiber to be a factor in the Middle East and England shows signs of a similar nature. A vacuum certainly exists in the Middle East despite the fact that in the last two years they have been trying to fill up the vacuum if we don't offer support to states in the area desiring help. I personally feel that we could not afford to have the Middle East fall into the control of the Russians. It is essential to our position in Europe that we continue to play the role in the world. I am sure that this is a definite factor in the thinking in Washington, Senator, ex-President Truman supporting President Eisenhower. It seems likely that the Congress will adopt the joint resolution proposed by the President, or something very much like it. Whether we like it or not, there is, of course, good reason for concern at taking on this new responsibility. We do recognize that the assumption of these responsibilities is a threat to our own security. Ever since Russia recovered from the effects of the second world war, we have been conducting a fight for our lives—bloodless since Korea—a powerful and ruthless enemy of Western civilization.

Keep Military Strength

Both Russia and we possess the atomic and hydrogen bombs, in effect creating a stalemate. We never would start a preventative war, and the Russians, I believe, will not start something they are not sure they can finish. Therefore, if we remain strong not only in armies and navy but also in our whole economy and in our whole spirit, I do not believe we will have to face the prospect of all out war in the near future.

It is my belief that one of the important factors responsible for the world-wide movement in trade that has taken place in recent years was the belief that the world faced a period of peace and a reduction in international tensions. The appearance of more conservative governments in many countries of the Western world added to the confidence of the businessman. Combined with the actual economic conditions existing, we thus had an environment which was favorable to a great forward movement in business. It must be recognized that this confidence regarding the future environment has diminished as a result of recent events in Europe and the Middle East, and that this cannot be considered as anything but an unfavorable development in the overall picture. However, I do not feel that its effects, in terms of economics, are likely to be felt in the immediate future. Over a longer period, the implications of this loss of confidence could well affect business conditions in all industrialized countries conductin g international trade, and to a degree that would offset further increases in defense expenditures. To recapitulate: We have reviewed 1955 and found, not too our surprise, that it was a good year, but not greatly better than 1954. As to 1956, its effects, in terms of economics, are likely to be felt in the immediate future. Over a longer period, the implications of this loss of confidence could well affect business conditions in all industrialized countries conducting international trade, and to a degree that would offset further increases in defense expenditures.

Arthur Weir Adds

Arthur B. Orson has been added to the staff of Arthur Weir & Company, Burns Building.
Federal Tax Policy and the Economic Challenge

Implications for Tax Policy

There are formidable and important implications for fiscal policy, and more specifically for the tax system.

First, while we agree with the view that changes in the tax burdens of the American people for public services will in time be a necessity, it is our opinion that as to which level of Government concerns itself with this question realistically and observe the recent trends in the budget, I think we must have some reservations as to whether this pattern will continue. In fact, increases with spending will increase rapidly which is projected in this budget?

Forces Promoting Spending

There are, I believe, three factors principally responsible for this necessity, the first is the increase in our expenditures for national defense, individually, incidentally, for about $2.4 billion, or the $2.9 billion in total spending, will increase our national debt. Thus, in my opinion, the need for further and possibly increasing efforts in this category of our national function.

The second factor underlying increasing Government spending, I think, is the relentless pressure and concisely by the President in his message to Congress. Let me quote his words: "And I will say this: as long as the American worker and his family have an opinion, desire the kind of services and the service is available, let us have to get this kind of money now.

The President is, of course, right. Our representative Federal Government is the only one in the world to which the wishes of the people of our country and already much more justly than this responsive- ness is indicative of the state of well-being of this country. In the last few years, we can predict that these demands, which result in large part from increases in population, particularly in urban communities, will demand an increasing amount of the Federal budget expenditures.

Experience has shown us, of course, that the experience, are in the past few years balanced in the economic fiscal outlook. If during the past few years, we can safely assume that the past few years, we can safely assume that the Federal budget expenditures have in the past few years, we have not seen any large of the income tax of the Federal budget expenditures.

In the revision of the income tax, efforts were also made to eliminate tax obstacles to customary and responsive practices in the management of business and personal affairs. Today we find that having done so, we have also opened new, unexpected avenues of tax avoidance. The 1954 Code was designed to provide greater precision in the tax law, to minimize taxpayer uncertainties and to simplify the administrative burdens. Today we find that the Code placed old ones and that the application of the new provisions which precisely the complexity which are an even more challenging problem. Finally, the new Code was intended to provide for business growth and to encourage certain activities which, presumably, will contribute to the national economic development. Today we find that the Code is being put to far other uses than those anticipated by the economy as a whole.

Actual experience to date in the field of major efforts for technical and substantive revision, have shown them deficient in terms of the major policy base system we can devise.

The second factor, not a single activity which is not affected or conditioned by our economic life or which the Federal Government is concerned with the attention of the Congress and the Administration, nor the mandates from taxpayer groups for tax revisions, and these demands are not the result of the personal and business level, but have been against various approaches to tax revision, not for the disinflation policy, but for the economic development of the nation's economic development. In short, those aspects of Federal taxation—namely, the 1954 Code serves the common interests of the Congress and the Administration, and has served not only to clarify is- sues, but to establish a strong framework for the present administration and which is designed for an administration, as well as to improve the internal Revenue Service. It has also served, I am confident, to establish the non-partisan charac- ter of our tax laws. It is only in this way that the Tax Committee and the Subcommittee can be effective in the long-range forward-looking improvements in our tax laws.

Without any in minimizing the problems facing the Congress and the Administration in the process of legislation and do now and under any circumstance, I must say it is only a beginning in the task of revising our tax system in the light of our knowledge of what is needed and possible.

The point is that there is a high degree of responsiveness to changes in economic conditions, emerging from the new and small businesses. Enu- merates in spending about the varied issues in tax exemption.

I think we must move rapidly to achieve all of this and the other important tax areas. A major limitation on our ability to do so is the lack of widespread public awareness and interest. Until we have achieved the awareness and understanding upon which to predicate major changes, I am not sure we will have the political will to proceed slowly, in a comprehensive manner.

However, that failure to meet these issues head-on and to resolve them comprehensively, leads me to the conclusion that the major problem relates to the major source of tax revenue, its implementation, and to the interpretation of the provisions of our tax laws. If, through such decision, by elim-
O C S Fund Adds
ORELAND, Pa.—A prominent investment banker and a well-known electronics executive have joined the Advisory Board of Over-the-Counter Securities Fund, Inc., the only mutual fund devoted exclusively to investments in over-the-counter securities. The new board members are Bertram M. Wilde, President of Janney, DuBelle & Battles, Inc., Philadelphia investment house, and James M. Riddle, Jr., President of National Aircraft Corp., Fort Washington, Pa., aviation electronics manufacturers. Mr. Wilde is also a director and Vice-President of Boone County Coal Corp. Mr. Riddle is a past President of the Aviation Distributors & Manufacturers Association and was a scientific consultant to the Air Force during World War II.


P & S Division
Elects Officers
The following officers of the Purchases and Sales-Tabulating Division of Wall Street, Association of Stock Exchange Firms, have been elected for the term of one year:

President: Albert J. Eisenberg, of Pache & Co.
First Vice-President: Raymond Schibowski, of Hirsch & Co.
Second Vice-President: Carnine Carmello, of Richard J. Buck & Co.
Treasurer: John E. Jacobs, of Eastman Dillon, Union Securities & Co.
Assistant Treasurer: Robert Gerber, of Troster, Singer & Co.
Secretary: John H. Kirvin, of Stock Clearing Corp.
Assistant Secretary: Gerald Pyper, of Shields & Co.
Finance Secretary: Howard Sundheimer, of Satorius & Co.

Allen Shaw in New York
Allen Shaw Co., of San Marino, Calif., has opened an office at 415 Lexington Ave., New York City.

Forms J. R. Veditz
Jean R. Veditz Co., Inc., has been formed with office at 160 Broadway, New York City, to conduct a securities business.

With Ellis, Holyoke
(Special to The Financial Chronicle)
LINCOLN, Neb.—Clyde R. Brown is with Ellis, Holyoke & Co., 124 North 13th Street.

Underwood Elects
Directors of Underwood Corporation have elected William G. Zengel as a member of the Board. In addition, Albert J. Hettinger, Jr., now a director, was named a member of the Executive Committee. Mr. Zengel has been Executive Chairman of the Georgia Corporation since March, 1956. Prior to that he was President and later Vice-Chairman of the Board of the Monroe Calculating Machine Company. He is a member of the American Management Association, Office Equipment Manufacturers Institute, American Ordnance Association, and also serves as Chairman of the Paymaster, Jr., now a director, was elected a member of the Executive Committee.

Royal McBee serves thousands of growing businesses the world over with...

Typewriters
Royal—world's largest selling typewriter by far—in greater demand than ever...quality leader in electrics, standards, portables—and now the automatic Robotyper multiplying output up to 16 times

Data Processing Methods, Equipment
McBee Keysort punched cards, machines, equipment and supplies — used by organizations of all sizes to keep management's operating information and control up to the minute...and coming soon, new automatic tabulating keypunch equipment

Electronic Computers
Mobile, compact, economical machines for high-speed computation, with mass assembly and storage of data...the new LGP-30 Computer, meeting the complex needs of smaller as well as the largest companies...adding a new dimension to Royal McBee's tradition of service to the world of business for over half a century

McBee

Summary of Results

| Year | Sales | Prof | P & I | Net  

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In the above table, the growth of the market and its effect on the value of stocks is highlighted. The table presents the stock market data for a specific date, showing the market values and their percentage change from the previous day.

The table is divided into two main columns: the first column lists the companies' names, and the second column shows the market values and their percentage changes. The data is presented in a clear and concise manner, allowing for easy comparison and analysis.

The table can be used to track the performance of different companies and industries in the stock market. It can help investors make informed decisions based on the current market trends.
In the past week, we have seen a rapid rise in the prices of government securities. This is due to the expectation of a substantial increase in the nation's income, which is likely to occur later this year. The increase in income will result in a higher demand for government securities, which will cause their prices to rise.

The overall economic situation is improving, with industrial production increasing and unemployment rates decreasing. These positive indicators suggest that the economy is on the rebound and that we can expect further growth in the future.

The Federal Reserve has been monitoring the situation closely and is likely to take further action to support the economy. We can expect further increases in interest rates to curb inflation and to encourage savings.

In conclusion, the economic outlook is promising, and we can expect a continued improvement in the months ahead. However, we must remain vigilant and be prepared to respond to any unforeseen developments.
Over $60 billion is supplied for cap-
ital development by the Federal Reserve System, but that is to say, to provide plant facilities, tools and other equipment by American industry. Much of the capital for this is obtained from internal sources, such as de-
preciating accruals and retained earnings. The remaining part of the process supplies the balance esti-
mate of $23 billion annually through investments in the cap-
ital markets by the American peo-
ple.

Increase in Market Values

The aggregate market value of all stock on all stock exchanges, which never exceeded $75 billion before 1946, except briefly in 1929, increased to $111 billion at Dec.
31, 1950, to over $250 billion at June 30, 1957. The Dow Jones Industrial average of stock prices on the New York Stock Exchange reached an all-time high of 294.08 on April 6, 1956, and closed on Feb. 3, 1957, at 292.72. If you remember that during the years 1923 to 1949 it never ex-
ceeded 1955, the value of the national product broke through the 1956 barrier for the first time in 1956 as compared with $346 billion in 1952.

The value of securities, which changed hands on the New York Stock Exchange in 1956, rose from $76 billion in 1952 to $165 billion in 1956, more than double the comparable figures of fiscal 1955. These transactions were registered on the regional exchanges and the total number have also occurred in the over-
the-counter market.

Influx of Brokers and Dealers

First, the activity in the capital markets has attracted many new businesses, and to the profes-
sor of securities, in the past 10 years, a number of whom have been drawn into the business in the hope of a quick profit rather than in the establishment of a reputable business. This trend is not being encouraged by the Congress, which has been mainly concerned with the establishment of a reputable business. Many of the new firms that have entered the business have lacked adequate financial re-
source and may not be able to meet the obligations owed to their cus-
tomers. The Congress has therefore been concerned with the training of brokers and dealers, and with the establishment of a reputable business.

Secondly, the Commission has expanded its inspection program. We are making more inspections of broker-dealer inspections and inspections of large securities firms. We are also making inspections of small brokers discovered in inspections or by complaints received from the public, and we are presently instituting more dis-
crimination in the selection of broker-dealer inspection, and investigative actions in the Federal Courts and are referring more cases in which violations have been found to the Department of Justice for possible prosecution, than at any time in the Commission's history.

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The "Intra-State" Exemption

We find similar conditions with respect to the "intra-state" exemp-
tion. We believe it is true that issuers, underwriters, brokers and dealers, as well as investment bankers, are under the same financial market regulation as they are under the present law, that the financial market re-examines the broker-dealer problem, and that the intra-state exemption has been operated by the Commission in the registration and enforcement of the Securities Act.

The Securities Act provides for registration of new issues of securities. It requires the public disclosure of all material information about the security, including the nature of the security, the amount of the offering, the terms of the offering, and the use of the proceeds of the offering. The Commission, therefore, relies on the accuracy and completeness of the information submitted by the issuer.

The registration process is designed to protect the public from fraud and deception in the sale of securities. It requires the disclosure of material information about the security to the public, including the nature of the security, the amount of the offering, the terms of the offering, and the use of the proceeds of the offering. The Commission, therefore, relies on the accuracy and completeness of the information submitted by the issuer.

The intra-state exemption is the exception to the registration process. It provides that certain securities offered for sale in a state within which an issuer is domiciled are exempt from the registration requirements of the Securities Act. The exemption is intended to facilitate the financing of small business and to encourage the development of intrastate markets for securities. The exemption is available to issuers who meet certain conditions, including the condition that the securities are offered for sale only to residents of the state in which the issuer is domiciled.

Abuse of the "No Sale" Rule

We are also deeply concerned that the abuse of the "no sale" rule, as stated in our 1954 report, and as recently stated in the Commission's 1955 report, is a major problem. The "no sale" rule is designed to prevent the sale of a security to an unqualified purchaser before the security has been registered. The rule is intended to protect the public from fraud and deception in the sale of securities. It requires the disclosure of material information about the security to the public, including the nature of the security, the amount of the offering, the terms of the offering, and the use of the proceeds of the offering. The Commission, therefore, relies on the accuracy and completeness of the information submitted by the issuer.

In effect during the history of the Commission, under which cer-
tain rules and regulations for consolidations, reclassifications, renotations of securities, and reconstructions of se-
curities, have been made, the "no sale" rule constitutes a "sale" of securities in violation of the Securities Act. In the case of mergers and consolidations, transactions, ostensibly exempted, have in fact been consummated in violation of the Securities Act, and in the case of the stock of the surviving corporation resulting from the merger or consolidation, transactions have occurred without registration. Again, be-
cause of the failure of the Commission to meet its responsibilities the Commission has been unable to make an adequate investigation of the facts and, as a result, the "no sale" rule has been applied in a manner that has resulted in the sale of securities in violation of the Securities Act.

New Proposals

Now let me turn to proposed legislation which was not origi-
nally sponsored by the Commission but the broad principles of which were adopted in the form of the bills now pending in Congress.

In May, 1953, at the conclusion of their study of the Subcommittee on Banks and Currency, Senator J. W. Ful- lerton, chairman of the Senate Banking and Currency Committee, introduced a bill to extend the registration and reporting provisions of the Securities Act to include all transactions in the securities of closed-end investment companies. The bill was subsequently referred to the Committee on Interstate and Foreign Commerce, and the bill has not been reported. Since that time, the bill has been referred to the Committee on Interstate and Foreign Commerce, and the bill has not been reported. Since that time, the bill has been referred to the Committee on Interstate and Foreign Commerce, and the bill has not been reported.

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requested the Commission to extend the Act to railroads to obtain information about the financial condition of the railroads. The Commission, however, refused to do so. The railroads contended that this would constitute a violation of the First Amendment, which guarantees freedom of speech. The railroads argued that they have a right to refuse to provide information that would be used to determine their financial condition. The Commission argued that the public has a right to know about the financial condition of the railroads and that the Commission has a duty to protect the public interest. The dispute was resolved by the Supreme Court in a 1970 case, which ruled that the Commission had the right to require railroads to provide information about their financial condition.
Texas Gas Transmission Corp.

Texas Gas Transmission operates a 3,442 mile natural gas pipe system daily capable of transporting 1,110,000 Mcf. It extends from the Cartilage Field in east Texas, and the southwestern Louisiana Gulf Coast fields, to Middlefield, Ohio. There are feeder pipelines from southern Indiana, eastern Illinois and western Kentucky. Sales to utility companies account for about 83% of the volume of sales. The remaining 17% are sold primarily to industrial users, and are sold to 43 utilities serving 268 communities, along the Mississippi River and Ohio River valleys, in Louisiana, Arkansas, Tennessee, Mississippi, Indiana, Illinois, Kentucky, and, also to Columbia Gas, American Gas and Texas Transmission for resale. About 43% of sales go into the Appalachian and eastern markets, via Ohio Fuel Gas of the Columbus Gas system. Last August the company delivered to American Louisiana Pipeline for resale in the Des Moines-Kettering service center, the contract's third year, mostly in the summer. About 25% of its sales are made directly to industrial customers and there is no serious competitive fuel problem with many of these customers.

Texas Gas Transmission has enjoyed very rapid growth, with revenues increasing from $4,000,000 in 1949 to over $39 million last year. During the past 10 years, the volume of sales has jumped from $1.8 million to over $7 million. The company's earnings per share have jumped from $1.14 in 1949 to $2.17 last year. The book value of the common stock has increased from $7.94 in 1945 to $15.50 at the end of last year. The dividend for gas to the company's service area is increasing rapidly along with the diversification of industry in the states bordering these two rivers. The company is planning for continued expansion and customers are expanding by 100% annually, and additional 100,000,000 Mcf, of day average, is expected by 1959. The company purchases most of its gas supply at locations estimated at 6.5 trillion Mcf. A wholly-owned subsidiary, Texas Gas Storage, is engaged in exploration and development, and wildcat operations thus far have shown better than average success. About $4 million has so far been invested in exploration work by the subsidiary.

Last year the Exploration Corporation participated in the drilling of 22 wells, six of which were completed as producers. At the end of the year it had an interest in producing areas of the following: 30,000,000 Mcf of gas and 1.5 million barrels of oil. Texas Gas has acquired 48% of the share of the consolidated pipeline company, but it is the company's importance is expected to increase. Together with Union Diversified, Texas Gas has a controlling interest of a $6 million extraction plant, and has invested $1,500,000 from natural gas.

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Steel Production This Week Placed at 96% of Capacity.
Consumer spending is on the increase and will help quiet the recessionary trend. The economic health, "Steel" magazine reported on Monday of this week.

Troubled by the current situation, the metal-working weekly said, are the surmises that millions of dollars' worth of goods have been held up by consumers to plan their spending more confidently. Experts felt that steel is likely to continue to gain and will reach 76,000,000 tons by mid-year, it stated.

Production of steel for ingots and castings rose half a point in recent weeks, to 6,761,970,000, and the revision of decreased pig iron prices will reduce the costs of 96.0% of the figures comparable to the figures for the same period in 1955.

Steel Commodity Price Index Raised Further in Late Week
Reflecting a series of declines in the over-all level of a series of price index for steel, the steel industry announced that the index fell to 291.95 (1930-32=100) on Feb. 15. While this was slightly above the 291.72 a week earlier, it surpassed the 290.88 of Jan. 1.

A rally in wheat trading in the early part of last week pushed prices of the grains to levels offsetting recent declines. The index in the early part of last week improved the growing conditions in part of the drought-stricken plains and the strong wheat trading in the West.

Steel Price at the end of the week closed slightly higher than at the beginning, although the prices for other grains had dropped.

Continued drouth in most of the Plains area and the Atlantic Canada situation cut steel and sheet selling, while offering some price support. Trade volume in grains and soybeans on the Chicago Board of Trade averaged 50,000,000 bushels a day last week, compared with 42,000,000 bushels in the previous week and 42,000,000 a bushels a year ago.

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Rearranged Transportation Securites

BY GERALD D. MCKEEVER

NORTHERN PACIFIC RAILWAY

The strong preference of the market for "growth situations" is reflected in the sharp rise of the Northern Pacific in the last month. This is another, if more subdued, reflection of the declining trend of the stock market which, though the last year's sharp decline, is little further reason for the separate existence of the subsidiary railroad.

Prior to the wartime years, the Northern Pacific has a major role to play in the economy of the west. It is a major factor in the development of the rush to the west, and it is responsible for the growth of the region's economy.

The growth potential of the Northern Pacific does not stem from its present operations, even though the trends of both revenue and earnings are favorable. The company has expended much of its capital on the development of new business and expansion of existing operations, including a number of the major projects.

For example, the company has spent $25 million on the expansion of its rail network, including the construction of new lines and the modernization of existing ones. This is the main reason behind the growth of the company's earnings, which have increased by 30% over the last five years.

There are two aspects of the growth potential of the Northern Pacific. In the first place, the company is primarily on its oil potential, this being the largest such potential in the country. It is also one of the most important oil-producing regions in the world, with over 600 million barrels of crude oil and an estimated 100 million barrels of natural gas.

In the second place, the company is primarily on its coal potential, this being the largest such potential in the country. It is also one of the most important coal-producing regions in the world, with over 600 million tons of coal reserves and an estimated 100 million tons of coal production during the last 5 years.

The increase in oil production in the Williston Basin and adjacent areas is due to the discovery of a new formation of oil, which is being developed with a view to increasing the production. This is expected to increase the company's earnings by 50% in the next five years.

As far as the oil potential is concerned, the Northern Pacific has a 10% interest in the development of the new formation, which is expected to increase the company's earnings by 50% in the next five years.

The uranium potential is also important, with over 600 million pounds of uranium reserves and an estimated 100 million pounds of uranium production during the last 5 years.

The gas potential is also important, with over 600 billion cubic feet of natural gas reserves and an estimated 100 billion cubic feet of natural gas production during the last 5 years.

The growth potential of the Northern Pacific is not only in its existing operations, but also in its new developments, which are expected to increase the company's earnings by 50% in the next five years.
fall short of answering the more important questions that remain — for example, the relative costs of conducting freight transport and over the usefulness of available equipment in terms of efficiency and the control of operations.

**Truck and inland water transport**

About most motor freight transportation we know virtually nothing. It is estimated that about 37% of the intrastate trucking is covered by insurance, and a moderate amount of statistical information is collected only from the motor carriers, not from the total 37%. Until recently we have not even known the number of carriers, what commodities are haulled at what levels. About the remaining 63% we know nothing — not the number of carriers, or vehicle miles, except for some vague estimates. We do not even know the load factors, for what distances, at what rates or costs for what reasons. A transportation census is needed to get at some of these matters under a sample of a few percent and to secure support to get underway.

With inland water transport the case is much better. We know that probably 98% of the business is regulated. The remaining 2% is not much more than 2% of the total income. The statistics are very fragmentary and formed about the effects of aid to inland waterways. There are no published frequencies upon rock bases of various kinds, although such knowledge as we have is of great importance for transport, and the pending bills for aid should be considered to strengthen our understanding.

Clearly, if we are to devise a wise transportation policy, we must know at least the more important gaps in our knowledge must be filled. And the most important information must be analyzed in such a way that we can set as a basic concern on the basis of the problem, not on the basis of the solutions. For example, if we take the cooperation and financial participation of the public with the transportation industry. This is an important issue, of course, but we must suggest, however, the extraordinary importance of securing information concerning conditions in the industry and leave as little room as possible for question. In this direction, for example, those who have carried out the work and as little room as possible for question. In this, I mean that we would like much more information concerning the problems and proposed solutions that are connected with the cooperation and financial participation of the public with the transportation industry. This is an important issue, of course, but we must suggest, however, the extraordinary importance of securing information concerning conditions in the industry and leave as little room as possible for question. In this direction, for example, those who have carried out the work.

**University or Foundation?**

We must decide what to do independent of government. The role of government is limited because of many important laws that have been established in the universities of certain private institutions. The question of cooperation and the making of a plan for the Northwestern University to develop its transportation research and teaching center with industry-wide cooperation. Significant speckles here is the Chicago area. The University of Illinois, Harvard, at Stanford and at other universities, and it is possible as little as one or two persons have been committed to a relatively small amount of work in this direction. It is possible to utilize in so far as possible the resources available in a good way that is possible to make a relatively large amount of work. And the report of the President's Advisory Committee, usually called the W.F. report, may have created more stir in the transportation industries than many years past, the time is perhaps right for an independent re-examination. I wish you God Speed!

**Halsey, Stuart Group**

**Offers Equip. Tr. Gifs.**

Halsey, Stuart & Co., Inc. and associates are offering today (Feb. 20) 50,000 shares of the Potomac Electric Power Co. 4% equipment trust certificates, maturing on Jan. 1, 1957, at $100 per piece, payable at the end of each year, to be sold through Parke, Bernet & Co.

**Bankers Offer 43/4% Debts. of Daystrom At 100% and Interest**

Goldman, Sachs & Co. and R. W. Pressprich & Co. are joining in an management of the bank holding syndicate which is offering 1,550,000 of the first mortgage debentures of Daystrom, Inc. 4% convertible preferred stock, maturing March 1, 1977, at 100% and 6% interest, or 4.75% to be paid at the end of each year. The proceeds will be used for financing the company in more ways.

**The debentures will be convertible into preferred stock at par value, and are redeemable at prices ranging from 101% of par value to 105% of par value.**

**Consolidated Edison Convertible Debentures Offered Stockholders**

Consolidated Edison Co. of New York, Inc. is offering to stockholders for purchase the debentures of each 23 shares may be exchanged for one share of common stock at $45.45 per share.

**Securities Salesman's Corner**

By John Dutton

Joe was Not A Customer

Although He Owned $250,000

Of Good Securities

Since that time I have sold Joe one investment but his friend has been an excellent client. During one recent telephone call I telephoned and asked if he would like to hear about something new and I gave him my opinion. He said, "Not now, George, I am worried. He was still an investor for income and he'd stay with the best stocks in America as long as he could. Do you have any good ideas?"

Joe's account has netted me exactly $60.00 in commissions over a period of several years. I wonder how many of the other brokers do not know how to get rid of clients when they want to trade and they don't own the very best investments to do the getting. Do you?

**Bankers Offer Potomac Electric Pow. Ptf. Stk.**

Dillon, Beecroft & Co. and Johnston, Lemont & Co. are offering today (Feb. 27) 300,000 shares of serial preferred stock, $2.44 series of 1937, of the Potomac Electric Power Co. at $100 per piece,ărreid 100% of par value, and accrued dividends from Mar. 1, 1935. Joe's account of these shares, together with the additional purchase of the $250,000 principal amount of debentures, after approximately $12,000,000 of construction expenditures and they don't own the very best investments to do the getting. Do you?

**Golfman, Sachs & Co. and R. W. Pressprich & Co. are joining in an management of the bank holding syndicate which is offering 1,550,000 of the first mortgage debentures of Daystrom, Inc. 4% convertible preferred stock, maturing March 1, 1977, at 100% and 6% interest, or 4.75% to be paid at the end of each year. The proceeds will be used for financing the company in more ways.**

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**Some years ago I made a talk on investments and the economic outlook before a group of people and, at the end of the talk and in answer period, one of the members of the audience asked me and if he could ask me a question. I think he was a few commons stocks he had bought years ago at much lower prices. He wanted to know the retirement from the income he received from the stocks and after the conference and one day he came to my office and we look at a look at his investments.

**Some of the viewpoints which I held and expressed during the talk I had made agreed with and was a likeable fellow who was to talk to each other by our first names. I looked at his chart and there was nothing I could do but tell him to hold everything. His stocks were essentially all high grade common stocks that any man could hold with a little opinion and I couldn't say anything else. "Joe," I said, "take this line and go it over again, and both for the life of me I can't think of any other way you have one of the best secures. There's no telling, income, stocks we have ever seen. But, what he has in surprise and with a half smile on his face, he replied, "You are not kids, you and I, that really is serious as I could ever be. I just want to ask some investment. I wouldn't make any jokes."

**I went out to lunch to get together and we talked a while. And Joe said that for the past six months a customer's rep- resentative for one of the firm's when he asked us to make the same visit with his man, and he was no longer there. We had told him that perhaps that he sold out half of his stock and move out of the market. He had a stock that had been up to 100% and he had that selling price down: that he only wanted his income, and he said that if he could sell down that I really would ask for any investments that would not see his name. He bought back just did not see what I had the answer. The stock was involved. I agreed with him!**

**Objective Income**

Here was a man who did not want to trade or make any more capital gains. He had a living income that was sufficient to his needs. His home was owned with a mortgage. He and his wife had a little more than we could save. He didn't want any investment period, and his policy was he would like to be able to wait for a good stock and be reasonably secure. Incidentally, it is worth mentioning that $30,000 is the highest quality, diversified, investment type, common stocks, and that he wouldn't like to change that. He was talking about getting his savings account. Not a bad picture for a man of 63 and I took him so.**

**His Good Commons Stocks**

Several years have passed. During the time we have had an opportunity of meeting several of Joe's friends. Six months ago he telephoned and asked me to come over on Saturday. This was the way he introduced himself to me, and I gave him my opinion. He said that he had been looking around and that I think he what will be best for you. The next day I got off the phone and it was not to tell me to keep every thing and I am still doing so."
Lorem ipsum dolor sit amet, consectetur adipiscing elit. Sed do eiusmod tempor incididunt ut labore et dolore magna aliqua.
NEW ISSUE CALENDAR

February 28 (Thursday)

Great Northern Ry.Corporation

Equity, Trust Cfs.

(Rest from EST: $8,140,000)

March 1 (Friday)

Commercial Credit Co., Inc.

Notes

(The Pres. Banker and Kipler, Pesky & Co.)

Manning, Maxwell & Moore, Inc.

Common

Price $15.00 each, 37,300 shares

Transition Metals & Minerals Co., Inc.

Common

Price $5.00 each, 500,000 shares

March 4 (Monday)

Bayless (A. C. Bayless & Co.)

Common

Price $1.00 each, 1,000,000 shares

Gold Shop of America, Inc.

Equity

Price $2.50 per share, 25,000 shares

Tower Acceptance Corp.

Class A Common

Price $1.00 per share, 100 shares

March 5 (Tuesday)

Columbus & Southern Ohio Electric Co.

Bonds

$3,000,000

March 6 (Wednesday)

Conners Power Co.

Common

Price $2.50 per share, 75,000 shares

Jorgenson (Earle M. Co.)

Common

Price $1.00 per share, 12,000 shares

Lone Star Gas Co.

Preferred

Price $10.00 per share, 50,000 shares

Ofir ORC (Offering to stockholders—underwritten by the First Boston Corp.)

Common

Price $5.00 per share, 1,500,000 shares

Southern California Gas & Electric Co.

Common

Price $5.00 per share, 1,000,000 shares

Texas Eastern Transmission Corp.

Bonds

$300,000

March 7 (Thursday)

Rochester Telephone Co.

Common

Price $2.50 per share, 105,212 shares

Southern Pacific Co.

Equity, Trust Cfs.

(Price to be offered)

March 8 (Friday)

National Rubbers Mach. Co.

Common

Offering to stockholders—underwriting: 9,734 shares

March 11 (Monday)

Cerolino Telephone Co.

Equity

Offering to stockholders—underwriting: 16,310 shares

General Public Utilities Co.

Common

Offering to stockholders—underwriting: 13,000 shares

Minnesota Power & Light Co.

Bonds

$2,000,000

March 12 (Tuesday)

National Lithograph Co.

Common

Price $5.00 per share, 1,000 shares

Pennsylvania RR.

Equity, Trust Cfs.

(Price to be offered)

March 13 (Wednesday)

Central & South West Co.

Common

Price $3.50 per share, 375,000 shares

Common

Offering to stockholders—underwriting: 30,000 shares

Merchants National Bank of Detroit.

Common

Offering to stockholders—underwriting: 3,062 shares

New England Electric System

Common

Offering to stockholders—underwriting: 100 shares

Peters, C. A. & Co. & S. F. M. Co. & Co. as under-managers)$95,000 shares

Trinity Drug Stores Co.

Common

Price $1.00 per share, 200,000 shares

(Price to be offered)

March 16 (Saturday)

Australia (Commonwealth of)

Bonds

(Morgan Stanley & Co.) $25,000,000

Florida Telephone Co.

Common

Offering to stockholders—underwriting: 1,000 shares

Montreal Transportation Commission

Debentures

(Sharps & Co.)

Price $575,000,000

Montreal, 1,000 shares

Price $50,000

Newfoundland Telephone Co.

Common

Offering to stockholders—underwriting: 500 shares

Philadelphia Suburban Water Co.

Common

Price $1,000,000

Philadelphia Suburban Water Co.

Bonds

Price $1,000,000

Pioneer Natural Gas Co.

Debentures

(Russell, Dillon, Union securities & co.) $12,000,000

Southern Co.

Common

Offering to stockholders—underwriting: 5,000 shares

Price $575,000

March 14 (Thursday)

Ann Arbor RR.

Equity, Trust Cfs.

(Price to be offered)

Dresser Industries, Inc.

Debentures

(Price to be offered)

Pittsburgh & Lake Erie RR.

Equity, Trust Cfs.

(Price to be offered)

Wrigley Properties, Inc.

Common

Offering to stockholders—underwriting: 500 shares

March 15 (Friday)

Ford Gum & Machine Co.

Bonds

(Price to be offered)

BONDS

March 19 (Tuesday)

American Phototype Equipment Co.

Common

(Abbott, Brothers) 100,000 shares

Atlantic & Great Western Ry.

Bonds

(Price to be invited) $25,000,000

Chicago, Burlington & Quincy R. R.

Bonds

(Price to be invited) $70,000,000

Colorado Central Power Co.

Common

Offering to stockholders—underwriting: $20,000

Savage Electric & Power Co.

Bonds

Offering to stockholders—underwriting: $20,000

Spokane Natural Gas Co.

Bonds

Offering to stockholders—underwriting: $20,000

United States Borax & Chemical Corp.

Bonds

(Price to be offered) $1,000,000

March 20 (Wednesday)

Baltimore Gas & Electric Corp.

Common

Offering to stockholders—to be underwritten by The First Boston Corp. approximately $60,000,000

Berkshire Gas Co.

Common

Offering to stockholders—to be underwritten by The First Boston Corp. approximately $60,000,000

Eastern Utilities Associates

Common

Offering to stockholders—to be underwritten by The First Boston Corp. approximately $60,000,000

Flischer & Porter Co.

Debentures

(Price to be offered)

Public Service Electric & Gas Co.

Debentures

(Price to be offered)

Southern Ry.

Common

(Price to be offered)

Columbia Gas System, Inc.

Common

(Price to be offered) $1,000,000

April 1 (Monday)

Babcock & Wilcox Co.

Common

Offering to stockholders—to be underwritten by Morgan Stanley & Co.) $25,000,000

April 2 (Tuesday)

General Aniline & Film Corp.

Common

Offering to stockholders—underwriting: $10,000,000

Minneapolis & St. Louis Ry.

Equity, Trust Cfs.

(Price to be offered) about $3,700,000

Northwestern Bell Telephone Co.

Debentures

(Price to be invited) about $35,000,000

Cincinnati, New W. Ohio & Indiana Ry.

Common

(Price to be offered)

Tennessee Valley Authority

(Price to be offered)

May 9 (Thursday)

Alabama Power Co.

Bonds

(Price to be invited) $35,000,000

May 21 (Tuesday)

International Business Machines Corp.

Common

Offering to stockholders—to be underwritten by Morgan Stanley & Co.) $30,000,000

May 28 (Tuesday)

National Fuel Gas Co.

Common

Bonds

Offering to stockholders—underwriting: $25,000,000

June 4 (Tuesday)

Virginia Electric & Power Co.

Common

Offering to stockholders—underwriting: $20,000

Southern Bell Telephone & Telegraph Co.

Debts

(Price to be offered) $200,000

Continued on page 38
Brothers bidders: stock. Dec. 3
Price—$500 to machines.

Dillon. Union Securities the par Underwriter—None.

be stock investment. Underwriter—Sterling & Otis, W., Gregory Blvd, Kansas City, Mo.-Underwriter—None.

D. & R. Gum & Corp., Food and Colorado to retire...Proceeds—Together with other funds to repay bank debt of $200,000,000 incurred for construction pro-

Loyal American Life Insur., Inc.

Manning, Maxwell & Moore, Inc. (3/1)

To be offered for subscription by common stockholders of record March 1, 1957, at the rate of one new share for each 10 shares held; rights to expire on March 13.

Price—To be supplied by amendment. Proceeds—To increase capital and surplus. Underwriters—J. H. Goddard, Marsh, & Thorton, Moro & Fresh, Montgomery, Ala.


Michigan Wisconsin Pipe Line Co.

July 2, 1956 filed $25,000,000 of first mortgage pipe line bonds due 1976. Proceeds—To repay short term bank loans and for construction of new shared. Underwriter—Blyth & Co., Inc. Bids—Three bids were received on Aug. 1, at 10 for 4%, but were turned down. Reoffering is expected sometime during the first six months of 1957.

Minerals, Inc., New York

June 22 filed 2,500,000 shares of common stock (par $1) to be offered for sale. Proceeds—To be used for the purchase of 15,000,000 shares of common stock of the company and 250,000 for selling stockholders. Proceeds—To be used for general business purposes. Underwriters—Blyth & Oils, Inc. Bids—Three bids were received on Aug. 1, at 9 for 4%, but were turned down. Reoffering is expected sometime during the first six months of 1957.


Minneapolis Area Development Corp.

Feb. 19 filed $1,000,000 of 4% sinking fund income de- 

July 1, 1957, and 25,000 shares of common stock (par $1) to be offered for sale. Proceeds—To be used for the pur-

Proceeds—To be used for the purchase of 15,000,000 shares of common stock of the company and 250,000 for selling stockholders. Proceeds—To be used for general business purposes. Underwriters—Blyth & Oils, Inc. Bids—Three bids were received on Aug. 1, at 9 for 4%, but were turned down. Reoffering is expected sometime during the first six months of 1957.


New Jersey Title & Trust Co. (1) Feb. 21 (letter of notification) $1,000,000 of 5% debenture bonds due March 15, 1958. Price — To be determined by competitive bidding. Proceeds — To be used for the acquisition of additional properties.

New York Shipbuilding Corp., Camden, N.J. Jan. 2 (letter of notification) 1,000,000 shares of common stock (par $1). Price — To be determined by competitive bidding. Proceeds — To be used for working capital.

Nippon Steel Corporation (Japan) Jan. 15 (letter of notification) 50,000,000 shares of common stock. Proceeds — To be used for general corporate purposes.

Nordic-Silver Battery Co., Santa Ana, Calif. Dec. 27 filed 75,000 shares of 5% cumulative participa¬ tion preferred stock (par $100). Price — At par (100 per share). Proceeds — To liquidate a balance in the capital stock; to increase inventories; and for working capital and general corporate purposes. Under¬ writer — None.

O’Connor Pub. Co. Sept. 20 filed 600,000 shares of cumulative preferred stock (par $100). Proceeds — For construction program. Under¬ writer — None.

One Hour Valet, Inc. Jan. 14 (letter of notification) 42,000 shares of common stock (par $1). Price — $3 per share. Proceeds — To go into the hands of the company.

Onesta Knitting Mills (3/7) Feb. 18 filed 300,000 shares of common stock (par $1). Price — 80 per share. Proceeds — To expand and modernize plant.


Pioneer Finance Co. Jan. 9 (letter of notification) 12,000 shares of common stock (par $1) to be offered for subscription by stockholders. Price — At par ($1 per share). Proceeds — To be used for general corporate purposes. Underwriter — Troster, Singer & Co., New York, N.Y.

Pioneer Natural Gas Co. (3/13) Feb. 10 (letter of notification) $5,000,000 of debenture bonds due April 18, 1956. Price — To be determined by competitive bidding. Proceeds — To be used for working capital.

Pittsburgh Rys., Co., Pittsburgh, Pa. Feb. 17 filed 10,000 shares of stock (par $1) (no par) of which 249,651.75 shares are to be offered for subscrip¬ tion by stockholders. Price — At par ($1 per share). Proceeds — To be used for working capital.

Plymouth Fund, Inc., Miami, Fla. Feb. 5 filed 250,000 shares of common stock (par $1). Price — $3.125 per share. Proceeds — To be used for working capital.

Raymond Oil Co., Inc., Wichita, Kansas Jan. 20 filed 200,000 shares of common stock (par $1). Price — For sale. Proceeds — To liquidate a balance in the capital stock; to increase inventories; and for working capital and general corporate purposes. Underwriter — Perkins & Co., Inc., Dallas, Texas.

Raytheon Screen Corp. Feb. 10 (letter of notification) 30,000 shares of common stock (par $10) to be offered for subscription by stockholders. Price — To be determined by competitive bidding. Underwriter — J. F. Emanuel & Co., Jersey City, N.J. Offering — Expected in March.


Rock Mountain Research, Inc. Feb. 8 (letter of notification) 290,000 shares of common stock (par $10) to be offered for subscription by stockholders. Price — To be determined by competitive bidding. Underwriter — First Boston Corp., New York, N.Y.

Samos Uranium, Inc., Denver, Colo. Feb. 11 (letter of notification) 25,000,000 shares of capital stock to be offered for subscription by common stockholders of record March 18, 1957 on the basis of one new share for each five shares held (with an oversubscription privilege); rights to expire on April 1, 1957. The 50,766 remaining shares are to be offered for subscription by the public. Proceeds — For development of uranium deposits.

Santa Claus Ranch of Radiois, Inc., Springfield, Ill. Feb. 13 (letter of notification) 97,000 shares of common stock (par $1) to be offered for subscription by stockholders. Price — Both at par (common at $1 per share and preferred at $50 per share). Proceeds — To purchase and develop radioisotope ranch.

Savannah Electric & Power Co. (3/19) Feb. 21 filed 214,100 shares of common stock (par $5), and 121,000 shares of par $5 preferred stock to be offered for subscription by common stockholders of record February 20, 1957 on the basis of one new share for each five shares held (with an oversubscription privilege); rights to expire on March 3, 1957. Proceeds — For development of a new generating plant.

Southern Counties Gas Co. of California (3/6) Feb. 4 filed $15,000,000 of first mortgage bonds, series B, due March 1, 1956, with an additional $3,000,000 to be repaid to parent.

Southern Counties Gas Co. of Georgia (11/9) Feb. 13 (letter of notification) 594,000 subordinate 5% Series B debenture bonds due March 1, 1956, with an additional $1,500,000 to be repaid to parent.

Southern Discounter Corp. Feb. 13 (letter of notification) $5,000,000 of 3% debenture bonds due March 1, 1956, with an additional $5,000,000 to be repaid to parent.

Southern Sportman, Inc., Atlanta, Ga. Dec. 7 filed 468,000 shares of common stock of which 111,000 shares are to be sold to non-convertible debenture holders and 357,000 shares are to be reserved on exercise of options to be sold to persons qualified to purchase (including registered shareholders), to be sold on or before Dec. 31, 1956. Price — $3 per share.

Southern Discounter Corp. — To buy or establish a complete sporting goods retail outlet holding or distributing the goods of others. Underwriter — Investment Underwriters, Inc., Atlanta, Ga. Philip H.
Continued from page 29

Federal Reserve Bank of St. Louis
[29x71]ceeds—For stockholders. Underwriter—None.

Southwide Corp., Anniston, Ala. Sept. 12 filed 450,000 shares of common stock (par $1). Price—$1.40 per share. Proceeds—To sell stock—

Southwide Corp., Anniston, Ala. (25-29) Sec Election of directors. Proceeds:

United Gas Pipe Line Co., and Pro

United Gas Pipe Line Co., and Pro

United Gas Pipe Line Co., and Pro

United Gas Pipe Line Co., and Pro

United Gas Pipe Line Co., and Pro

United States Air Conditioning Corp. Sept. 27 filed 600,000 shares of common stock (par $10). Price—$16 per share. Proceeds—For stockholders. Underwriter—None.

United States Borax & Chemical Corp. (3-19) Feb. 26 filed 150,000 shares of common stock (par $1). Price—$5 per share. Proceeds—For capital. Underwriter—None.

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central Louisiana Electric Co., Inc. Jan. 28, 1957. The company plans some debt and equity financing in 1957. Proceeds—For $12,500,000 construction program. Underwriters—Kidder, Peabody & Co., placed last bond issue privately; last preferred stock issue also placed privately in 1956. There will be no selling without underwriting. In 1954, a convertible debenture offering was underwritten by Kidder, Peabody & Co.

Central Virginia Electric Power Co. Dec. 31, W. F. Wyman, President, announced that "while the company expected to do some permanent financing in 1957, none of the expected new issues would be bank loans outstanding at the year end totaled $10,000,000. Company debt was estimated at between $19,000,000 and $20,000,000. It is estimated that 1957’s capital program will be supplied from internal cash with the balance to be supplied from outside sources. Underwriters—Any competitive bidding offer may be underwritten by Harriman, Ripley & Co., Inc., The First Boston Corp., and & Co., also. Some bonds may include: Halsey, Stuart & Co.; Blyth & Co.; Kidder, Peabody & Co. (jointly); the First Boston Corp., Pierce, Fenner & Beane, and White, Weld & Co. (jointly); Salomon Bros. & Hutzler.

chicago, Burlington & Quincy RR. (3/19) Bids will be received until 4 p.m. (EDT) on March 19 for the purchase of $7,500,000 equipment trust certificates. Probable bidders: Halsey, Stuart & Co.; Salomon Bros. & Hutzler.

Cleveland Electric Illuminating Co. Nov. 12, it was reported company plans to issue and sell $25,000,000 of additional common stock (no par). Proceeds—To finance construction work of subsidiaries, primarily Cleveland Electric Illuminating Co., The First Boston Corp., and Blyth & Co. (jointly). Underwriters—May be Lehman Brothers, Pierce, Fenner & Beane; and White, Weld & Co. (jointly).


Columbia Gas System, Inc. Feb. 11, it was reported the company plans to issue and sell the public’s 1,500,000 shares of common stock (no par). Proceeds—For financing construction work of subsidiaries, primarily Columbia Gas Transmission Co., Inc., The First Boston Corp., and Blyth & Co. (jointly). Underwriters—May be Lehman Brothers, Pierce, Fenner & Beane, and White, Weld & Co. (jointly).

Columbia Southern Ohio Electric Co. Feb. 21, it was reported company plans to issue and sell in the Fall $8,000,000 of cumulative preferred stock. Underwriters—To be announced.

Connecticut Light & Power Co. Feb. 18, the company is planning to sell not less than $20,000,000 of first mortgage bonds and an additional $25,000,000 of debentures in the Fall, depending upon market conditions. Proceeds—For construction and expansion of electric generating facilities. Underwriters—Not yet selected. Probable bidders: Halsey, Stuart & Co.; Morgan Stanley & Co.; Halsey, Stuart & Co. (jointly); Morgan Stanley & Co. (jointly); Merrill Lynch, Pierce, Fenner & Beane (jointly); and White, Weld & Co. (jointly). Underwriters—To be announced.

Consolidated Natural Gas Co. Feb. 11, it was reported company plans to issue and sell, probably in March, $20,000,000 of guaranteed debentures and an additional $25,000,000 of debentures in the Fall. Underwriters—Not yet selected. Probable bidders: Halsey, Stuart & Co.; White, Weld & Co. (jointly); and White, Weld & Co. (jointly).

Dakota & Rio Grande Western R.R. Feb. 11, it was reported company plans to issue and sell in May or June about $5,000,000 of equipment trust certificates. Probable bidders: Halsey, Stuart & Co.; Salomon Bros. & Hutzler.

Del Paso Electric Co. Feb. 11, it was reported company plans the sale this year of additional common stock (par $5), probably to common stockholders (with an oversubscription privilege). Stockholders will vote March 14 on splitting up the present $86,412 shares of no par common stock into 7.77 shares of $1 par value stock and on increasing the authorized common stock and on leaving 407,176 shares available for issuance in case of future stock splits. Proceeds—To increase capital and reserve funds. Underwriters—May be The First Boston Corp., New York; J. J. Halsey & Co., New Orleans, La.


Kaiser Industries, Inc. Nov. 28, B. E. Trettenh, Jr., Executive Vice-President, stated accounts receivable at this date necessary to meet the $25,000,000 installment due April 1, 1957, are about $40,000,000 and it will be necessary to issue some additional securities. Underwriter—May be The First Boston Corp., New York.

Lehi Gas Co. Feb. 19, it was announced the company is planning an issue of first mortgage bonds during the first half of 1957. Proceeds—To repay mortgage bonds due 1957 and 1958. Underwriter—probably Morgan Stanley & Co., New York.

Lincoln Telephone Telegraph Co. Feb. 14, the company plans to make an offer to its common stockholders $8,750 additional shares of common stock, par $10, for an offer price of $20 per share for each three shares held. Underwriter—Don Witter & Co., San Francisco, Calif. Registration—Expected late in March.

 Lone Star Gas Co. Jan. 11, it was announced company plans to issue and sell $20,000,000 of debentures. Proceeds—To repay bank loans and for construction program. Underwriter—The First Boston Corp., New York. Offering—Tentatively expected late in April.

Merchants National Bank & Trust Co. (3/12) Feb. 27, the company plans to issue $5,000,000 in new first mortgage bonds general of the United States will up to 11 a.m. (EST) on March 12 to purchase $5,000,000 in new first mortgage bonds, par $100. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; White, Weld & Co.; Blyth & Co.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Beane; and Lehman Brothers, Merrill Lynch, Pierce, Fenner & Beane; and Lehman, Hutzler & Gardner (jointly); The First Boston Corp., Pierce, Fenner & Beane (jointly); and White, Weld & Co. (jointly).

Metropolitan Edison Co. Jan. 29, it was reported that company is now considering a refunding of some $3,000,000 of first mortgage bonds due 1957. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; White, Weld & Co.; Blyth & Co.; Morgan Stanley & Co.; Merrill Lynch, Pierce, Fenner & Beane; and Lehman Brothers, Merrill Lynch, Pierce, Fenner & Beane; and Lehman, Hutzler & Gardner (jointly); The First Boston Corp., Pierce, Fenner & Beane (jointly); and White, Weld & Co. (jointly). Underwriters not to be expected until sometime in April or May, 1957.


New England Electric System
Jan. 3, 1956, it was announced company plans to merge with subsidiaries, Essex County Electric Lighting Light Corp., Lawrence Electric Co., Haverhill Electric Co., and Ansonia Electric Light Co. This action will result in the formation of $250,000,000 first mortgage bond issue by the resultant company, to be known as Massachusetts Electric Co. This announcement was made by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Beane; Boston Union Securities Corp.; Sullivan & Rappaport (jointly).

Public Service Co. of Colorado
Oct. 27 it was reported company plans the issue and sale of $35,000,000 of first mortgage bonds. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Beane; Boston Union Securities Corp.; Sullivan & Rappaport (jointly).

Western Pacific Railroad
It was announced plans to sell $16,000,000 of 5% first mortgage bonds. Proceeds—To refund $8,000,000 of 6% mortgaged bonds due 1960. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Beane; Boston Union Securities Corp.; Sullivan & Rappaport (jointly).

New Jersey Power & Light Co.
Sept. 29 it was announced company plans to issue and sell $5,000,000 of first mortgage bonds. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kuhn, Loeb & Co.; Lehman Brothers and Salomon Bros. & Hutzer (jointly); Equitable Securities Corp.; Merrill Lynch, Pierce, Fenner & Beane; Boston Union Securities Corp.; Sullivan & Rappaport (jointly).

New York State Electric & Gas Corp.
Oct. 24 it was announced company plans to sell in 1957 $250,000,000 of first mortgage bonds, and an additional $250,000,000 for construction program. Underwriter—to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Beane; Boston Union Securities Corp.; Sullivan & Rappaport (jointly).

New England Telephone & Telegraph Co.
Feb. 28 it was announced company plans to issue and sell $25,000,000 of medium term debt. Proceeds—To retire short-term loans and for construction. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Kidder, Peabody & Co.; Merrill Lynch, Pierce, Fenner & Beane; Boston Union Securities Corp.; Sullivan & Rappaport (jointly).

Northern Pacific Railroad
Dec. 27 it was announced company plans to issue some additional senior securities, probably about $20,000,000 in the near future. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Beane; Boston Union Securities Corp.; Sullivan & Rappaport (jointly); Equitable Securities Corp.; Eastman & Halsey, Stuart & Co.; Kidder, Peabody & Co.; Sloan & Hutzler (jointly); Lehman Brothers; Harriman Rippey & Co. Inc. (jointly).

Southern Pacific Railroad
Feb. 1 it was announced company expects to sell an unsecured medium term equipment trust certificates on March 7. Probable bidders: Halsey, Stuart & Co.; Merrill Lynch, Pierce, Fenner & Beane; Boston Union Securities Corp.; Sullivan & Rappaport (jointly).

Southwestern Bell Telephone Co.
Mutual Funds

by Robert R. Rich

Putnam Fund Analyses Investments of M. I. T. College Portfolio

During the five years ended June 30, 1956, the General Investment Fund of the Massachusetts Institute of Technology has almost doubled, growing from $69,000,000 to $128,500,000. Income from investments has increased almost 60%.

In a research report just published, The Putnam Management Company, manager of the Putnam Fund of Boston, termed the five-year period as one of "most dynamic" in the General Fund's 95 year history and a credit to the institution, Joseph J. Snyder, and his finance committee.

Massachusetts Institute of Technology, the Putnam report points out, depends upon income from its investment portfolio to help balance its budget, and therefore, good management must be kept fully invested regardless of market conditions. In addition, to maintain purchasing power, the fund must grow at least as fast as the dollar cost of living. The policies followed for many years by the managers of the fund have been "the accepted Massachusetts Trustee Practice of maintaining a balance between grade fixed-income securities and carefully selected equities.

The common stock percentage in the fund has been increased steadily in recent years. The efforts to maintain real income through greater emphasis on common stocks.

**DISTRIBUTION OF INVESTMENTS**

<table>
<thead>
<tr>
<th>Pre Cent of Market Value on June 30</th>
<th>1955</th>
<th>1956</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cars</td>
<td>7.2%</td>
<td>9.2%</td>
</tr>
<tr>
<td>E. Gilt. Edu.</td>
<td>6.1%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Other Bonds</td>
<td>5.3%</td>
<td>14.0%</td>
</tr>
<tr>
<td>Trusts</td>
<td>3.9%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>6.0%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Common Stocks</td>
<td>23.7%</td>
<td>34.4%</td>
</tr>
</tbody>
</table>

*Includes Commercial Paper.*

In the common stock section of the fund, the Putnam report notes an increasing emphasis on industrials in recent years.

**BREAKDOWN OF COMMON STOCK**

<table>
<thead>
<tr>
<th>Pre Cent of Market Value on June 30</th>
<th>1955</th>
<th>1956</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrials</td>
<td>53.0%</td>
<td>61.5%</td>
</tr>
<tr>
<td>Religion</td>
<td>6.5%</td>
<td>8.1%</td>
</tr>
<tr>
<td>Public Utilities</td>
<td>6.1%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Trusts</td>
<td>6.6%</td>
<td>5.2%</td>
</tr>
<tr>
<td>Utilities</td>
<td>2.2%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

The largest common stockholdings in selected industries at market values on June 30, 1956, were as follows: Standard Oil (N. J.) $5,259,449; Christiania Securities $7,459,000; General Motors $7,804,350; American Gas & Electric $1,121,006; National Land $1,289,212; General Electric $1,741,977; Gulf & Western $1,100,000; Guardian Life Insurance Co. of America $674,016; International Business Machines $988,790; American Can $927,514; International Paper $830,187; United States Steel $820,200. In addition were Eastman

Kodak, nearly $3,000,000, and Union Carbide, Phillips Petroleum, Standard Oil of California, all in excess of $1,000,000. Additional purchases include Ford Motor and L&M, and reductions in General Motors, A. Edison and United Shoe Machinery.

Over the past 10 years, investment income of the Institute's General Fund has increased 100% from $1,350,000 to $2,700,000; in 1956, the Putnam report is a cost of living over the same period.

The Massachusetts Institute of Technology General Investment Fund, concludes the Putnam Management report, "stands as a tribute to sound management. Throughout a difficult period of low market rates it has been able to pay a dividend of 4% or better, and the market value is over $40 million in excess of book. Nevertheless, while the total fund seems high by the standards of any individual, it is by no means large relative to M.I.T.'s financial requirements. Initiatives and a growing Institute have exerted constant pressure for income upon the fund managers.

"Despite this pressure the management has wisely resisted the temptation to over-reach for income, and has adhered to the conservative guideline of fixed-income securities and carefully selected equities.

"In the common stock section, the Putnam report notes an increasing emphasis on industrials in recent years.

**Eaton-Howard Issues 1957 Year Books**

Eaton & Howard, Incorporated, an affiliate of Eaton & Howard Balanced Fund of Boston, Eaton & Howard Fund, announces the completion and issuance of the 1957 Yearbooks. The new Yearbooks contain complete detailed descriptions of the objectives, investment policies and management of the funds, together with schedules and charts showing records and growth of each fund during the past ten-year period.

The Books record that at close of business on Dec. 31, 1956, common stock of Eaton & Howard Balanced Fund and Eaton & Howard Fund, totalled $32,000,000, an increase of approximately $25,000,000 over combined net assets of both funds on Dec. 31, 1953.

**Group Economist Discounts 1957 Panic or Depression**

"While there is considerable evidence that the coming year will see continued consolidation and some upward in the values of our more money market, 'panic is likely,'" according to Harold R. Schroeder, Executive Vice-President of Group Securities of the New York Stock Exchange.

"The economy and the securities markets may be tired after their intense activity of the last few years," said Mr. Schroeder, who will address this week before the Securities Association of the St. Charles Hotel, "but neither is critically sick." He told his audience that while his firm's basic investment policy had been cautious for over a year, and that is, he is that he is completely unprepared to say that the public "will walk right into its high level of investment demand that has been experienced since the housing sector of the economy has slowed down in its recent months of sluggish activity." Mr. Schroeder predicted by the year-end, that the total value of the nation's stock (or Dow-Jones Industrial) and stock prices could well double over the next decade.

Delaware Fund

**Assets Now $47 Million**

Delaware Fund's total net assets climbed to a new high of $47,401,393 during 1957, a 25% increase over resources of $37,500,000 at the close of the previous year, which is a new record.

W. Linon Nelson, President, told shareholders that 1957 disclosed total earnings of $1,488,000 from net investment income and realized and unrealized capital gains.

The fund was owned by 15,000 individuals and institutions at the close of the year-end, compared with 11,500 at the close December 31, 1956. The number of outstanding shares was 2,572,971 at the end of 1957, compared with 2,533,211 on Dec. 31, last year, from 4,343,504 12 months earlier. Net asset value at year-end was $47,401 from share distributions of 3½ cents from income and $1 from capital gains. This compares with $10.97 on Dec. 31, 1955.

"This year's report was calculated for 84.12% of Delaware's total net assets on Dec. 31, 1956; preferred stocks, 1.76%; industrial bonds (convertible), 2.04%; government bonds, 1.2%; utility bonds, 12.0%.

The report described funds and preferred stocks as "now more attractive than they have been in recent years." The return on year-end share prices, which are higher than prices on Dec. 31, 1956, was 3½ cents from income and $1 from capital gains. In this period of rising living costs," the report explained, "they are seen as the most desirable type of investment, and more likely to participate to a greater degree in the future than the successful American companies.

"Oil holdings amounting to $7.4 million at year-end, represent 3½% of total resources and constituted the fund's largest position in the stock investment at year-end. Other large
The Florida Growth Fund Story

The problem of what-to-do after retirement or when that critical period in a man's life is approaching comes to all of us sooner or later. A lot of people move to Florida to live in what is called the "golden years." What do they do after the pleasures of loafing have worn off? The newest to have found the answer by starting their own mutual fund. Another of the first offerings of its shares was made last week in "The Chronicles," with the initial offering of $100,000,000 at $5 a share. Frank B. Bateman, Ltd., is the sponsor of the fund.

Leasing up the fund is Frank B. Bateman who heads the partnership bearing his name in Palm Beach. For the quarter ending Dec. 31, 1956, the net income before investments was $5,100 per share on 11,928 average shares outstanding during the year. This compares with $1,902,127 in the preceding year. The fund has 31,135 average shares outstanding on the 9,906,455 average shares outstanding a year ago.

Among the directors of the fund are Alex. J. Disher, retired, Banker in New York City; Anthony Co., New York; Charles G. Terry, a director, was formerly with Sheelkopf, Hutton & Pomeroy, Buffalo, for 20 years. His interest in the fund is in the mortgage department. Other members of the fund are Carl I. Cassell, now Cashier of the Bank of Palm Beach and Co. In earlier he was an Assistant Secretary of the New Rochelle Trust in New Rochelle, N. Y.

Hugh W. Long

Starts Dealer Sales Program

A unique program which coordinates the salesmen's presentation with follow-up and direct mail at the introduction of investments for Florida Mutual Investors, Inc., is recently announced by Mr. H. Long, President of the Company, Elizabeth, N. J., sponsors of the fund.

The fund consists of two basic units: a well-illustrated handbook entitled "A Manual of Data," which is used by dealer representatives to familiarize them with the fund's clients, and five folders—actually separately published sections, which can be obtained in any different phase of the investment story. Folders cover the fund's origin, ownership or more of these folders may be left with the client or used as a direct mail follow-up, pin-pointed to the client's special interests.

The innovation of using many of the same plates to publish the folders as well as the manual as its investment dealer of having at his disposal in one document the key information of the investments are in diversifying the fund's product.

In commenting on this year-end sales drive, Mr. Long said, "It is our belief that the President of the fund, states in the report "the fund continues in a strong position with the expectation that more of the dollars now made as the market judgmental mutuals which have been proceeding to investment of earnings. Sales of Concord Fund for the last six months was $45,255,377—an increase of over 210% over the corresponding period last year. According to V. George Portis, Concord Sales Director for A. C. Ailey, a director, the company's record-breaking achievement was due to the use of increased permits, larger individual orders, and increased sales and profits.

Hugh W. Long and Company plans to print similar sales programs for two of the other funds it sponsors — Diversified Investment Fund, Inc. and Diversified Growth Stock Fund, Inc.

Investment Co. of America Reports New Highs

The Investment Company of America's net assets increased to $2,673,570,000 on Dec. 31, 1956, as compared with $2,250,050,000 on Dec. 31, 1955, and reached new highs in net earnings, number of shareholders, and dividend rates. Net assets jumped more than 60% in 1956, but the number of new shareholders brought the total to 1,584,450 on December 31, 1956. They held a total of 2,183,283 shares at year end, up 45% from the end of 1955. The annual report to shareholders discloses that net income for the past decade has been $12,411,831, including reinvestment of capital gains of $4,641,431 in dividends.

Mr. Laval said 1956 was a year of decline in prices of bonds and equities due to the higher interest rates and a "money market which will prove the consumer's biggest year to save. All in all, the effect of these factors will make it possible for him to be highly selective, especially since he has satisfied his postwar thirst for a new home, car, appliance, and entertainment items. He'll want to put more money aside, too, that he can invest a viable investment that will save his savings. The manufacturers and merchandisers of these hard facts meet the consumer's demands when the law requires at reasonable prices will certainly fare better than others.

"All in all," the report concluded, "we are of the opinion that 1957 will be the year that optimists事物 opportunities for those who carefully appraise the changing economic patterns and act accordingly."

Eastern Investment Co.

Regional New Jersey FIF Fund Wholesaler

Eastern Investment Co. of 157 Broad St., New York, N. Y., has been appointed Central and Southern Districts wholesaler of the Florida Mutual Fund, a $65 million sales program of bank and trust companies in New Jersey.

Mr. Shakin, Eastern's President, announced the appointment.

To be announced was granted by FIF Investing Associates, Inc. of New York City, Eastern United States distributors of the Denver, Colorado, fund.

Mr. Shakin said the franchise covers all New Jersey counties except of and including New Brunswick. He added that the company will continue its brokerage and mutual fund retail operations in the Red Bank area.

In its new wholesaling role, Eastern Investment Co. will appoint executive to several New Jersey communities to familiarize local investors with the Florida Mutual Fund, which has been various planned investment programs distributed by Financial Indus-

One of our most important services will be the introduction of a new plan, Mr. Shakin explained, "will be to help them build up the distribution and to conduct periodic sales meetings on their territory.

Among the cities in which the firm will conduct its wholesaling activities are New Brunswick, Trenton, Atlantic City, Camden, Asbury Park, New York, New Jersey and Cape May.
Trillion Dollar 1977 Economy Forecast

A better 1977 economy with GNP rise of 5% from $412 billion of 1976 to $430 billion this year also anticipated by Austin Kiplinger after depicting the extent to which he estimates the economy's growth in the next twenty years. Sees no major war, no major depression, and poor parties are committed to "heavy Federal spending to forestall an economic bust."

The United States is headed toward a trillion dollar economy by 1977, according to Austin Kiplinger, Executive Vice-President of the Kiplinger Washington Editorial Agency, who also provides the nation's economic forecasts for various newspapers, magazines, radio stations, and television programs.

"Prosperity will require wise and skillful business management. It will require responsible decisions, not in Washington, but in every corporation office and union hall in the country."

West Penn Electric Co. and its subsidiaries, Monongahela Power Co., the Potomac Edison Co. and West Penn Power Co., are offering to holders of its outstanding common stock a subscription right to subscribe for $28,000 additional shares of common, at a subscription price of $24.50 per share, on the basis of one additional share for each 16 shares held on record Feb. 26, 1957. Rights to subscribe will expire at 3:30 p.m. (EST) on March 14, 1957.

Looking one year ahead through 1978, Mr. Kiplinger predicts that the Washington business service will pave a better 1977 for the nation's economy. Gross national product will increase from the $412 billion of 1976 to $430 billion in 1977. This rise, Kiplinger said, will be accompanied by a two or three percent increase in prices. Profits will be reined because of the pressure of rising wages and increasing competition.

"Our national boom, which has a potential long life, will not end automatically," Kiplinger said. "Prosperity will require wise and skillful business management. It will require responsible decisions, not in Washington, but in every corporation office and union hall in the country."

The principal agents of the boom will not be the men in Washington, but enlightened, well-trained businessmen who have a real standard of living for themselves and their customers. This will be double what it is today.

"Average factory wages will rise by 5 or 6% to $185 a week, and more of that increase will be in real purchasing power than at any time since the thirties."

"Per capita incomes will double in the next few years, from approximately $2,000 at present, to more than $4,000 in 1977."

"The prosperity and progress resulting from this great American expansion of the nineties will not be interrupted by war," Kiplinger said. 

"The era will be marked by local outbreaks of violence, continuing tension, but without an all-conquering world war. The nations of the world, face to face with the grim realities of atomic and hydrogen war, will do everything possible to avoid the catastrophe of having their cities crushed into twisted, blackened rubble by the most powerful bombs of the human mind."

"The forthcoming American economic expansion is not likely to be accompanied, without any major alteration, by a new world war. The era will be marked by local outbreaks of violence, continuing tension, but without an all-conquering world war. The nations of the world, face to face with the grim realities of atomic and hydrogen war, will do everything possible to avoid the catastrophe of having their cities crushed into twisted, blackened rubble by the most powerful bombs of the human mind.

"The one strongly held belief that cuts across all party lines and all divisions within both major political parties is that another unrestrained cycle of boom and bust would bring an end to our free competitive system.

"The farmers and food processors' share of the total national income will decline from about 20% now, to 10% 20 years from now as the American system grows and the production of food is further mechanized."

"More of the money each family takes in will be spent on recreation, and the system is, in the Washington area, becoming part of the community."

"The American Dream Company, paying in cash on April 1, 1957, to stockholders of record as of close of business March 8, 1957.

The regular quarterly dividend of 35c per share has been declared on the Standard Common Stock, payable April 1, 1957, to stockholders of record as of March 23, 1957.

The regular quarterly dividend of 35c per share has been declared on the Standard Common Stock, payable April 1, 1957, to stockholders of record as of March 23, 1957.

J. E. IVINS, Secretary

TENNESSEE GAS
TRANSMISSION COMPANY
AMERICAN LEADING TRANSPORTER OF NATURAL GAS

The regular quarterly dividend of 35c per share has been declared on the Standard Common Stock, payable April 1, 1957, to stockholders of record as of March 23, 1957.

J. E. IVINS, Secretary

DIVIDEND NOTICE

NO. 38

The regular quarterly dividend of 35c per share has been declared on the Standard Common Stock, payable April 1, 1957, to stockholders of record as of March 23, 1957.

J. E. IVINS, Secretary

DIVIDEND NO. 38

The regular quarterly dividend of 35c per share has been declared on the Standard Common Stock, payable April 1, 1957, to stockholders of record as of March 23, 1957.

J. E. IVINS, Secretary
DIVIDEND NOTICES

J. I. Case Company
33 Broadway, New York, N. Y.

The Board of Directors of this company has declared a dividend of $1 per share on the common stock, payable March 15, 1957, to stockholders of record at the close of business on March 6, 1957.

W. H. Wissman
Vice President & Secretary
February 27, 1957

DIVIDEND NOTICES

CITY INVESTING COMPANY
11 Broad St., New York, N. Y.

The Board of Directors of this company on February 28, 1957 declared a dividend of $1.50 per share on the common stock, payable March 15, 1957, to stockholders of record at the close of business on March 6, 1957.

S. A. Diemerson
Vice President & Secretary
February 28, 1957

DIVIDEND NOTICES

INTERNATIONAL SALT COMPANY
DIVIDEND NO. 171

A dividend of ONE DOLLAR ($1.00) per share has been declared on the capital stock of this Company, payable April 1, 1957, to stockholders of record at the close of business on March 15, 1957. This stock transfer agent of the company will not be closed.

Hervey J. Ochsen
President & Secretary
February 15, 1957

DIVIDEND NOTICES

MERCK & CO. INC
RAHWAY, N. J.

Quarterly dividends of 25c per share will be declared payable March 27, 1957 to stockholders of record March 19, 1957.

CLARENCE W. SMITH
Secretary
February 25, 1957

DIVIDEND NOTICES

UNIVERSAL GAS CORPORATION
BREHPOUL, LOUISIANA

Dividend Notice

The Board of Directors has this date declared a dividend of 30 mills per share on the common stock, payable April 1, 1957 to stockholders of record at the close of business on March 8, 1957.

R. H. Wissman
Secretary
February 27, 1957

DIVIDEND NOTICES

MERCK & CO. INC
RAHWAY, N. J.

A dividend of 75c per share has been declared payable March 26, 1957 to stockholders of record March 18, 1957.

W. G. REEDER
Secretary
February 24, 1957

DIVIDEND NOTICES

PULLMAN INCORPORATED

328th Dividend and 91st Consecutive Year of Quarterly Cash Dividends

A regular quarterly dividend of seventy-five cents ($0.75) per share will be paid on March 14, 1957 to stockholders of record March 1, 1957.

CHAMP CARRIE
President
February 26, 1957

DIVIDEND NOTICES

I.B.M.'S 168th CONSECUTIVE QUARTERLY DIVIDEND

The Board of Directors of International Business Machines Corporation has today declared a quarterly dividend of $1.00 per share, payable March 9, 1957, to stockholders of record at the close of business March 8, 1957.

C. Y. BOULTON
Treasurer
February 26, 1957

DIVIDEND NOTICES

U.S. PUBLIC SERVICE COMMISSION

A dividend of 48 1/2 cents per share will be paid on March 1, 1957 to stockholders of record February 15, 1957.

F. M. LITTON
Secretary
February 27, 1957

DIVIDEND NOTICES

AMERICAN SUGAR STORES COMPANY
15th Dividend

Cash Dividend: The Board of Directors declared a 5% Stock Dividend on February 21, 1957, payable March 9, 1957, to stockholders of record at the close of business March 8, 1957.

A. D. McCormick
Secretary
February 21, 1957

DIVIDEND NOTICES

CHAMBERLAIN UTILITIES

Quarterly dividends payable March 15 to shareholders of record March 1, 1957, have been declared at the following rates per share:

- 5% Preferred $1.375
- 6% Convertible Preferred $2.063
- 6% Convertible Preferred $2.625
- 7% Convertible Preferred $2.875
- Common $0.50

D. J. Chamberlain & Tread
February 18, 1957

DIVIDEND NOTICES

AMERICAN STORES COMPANY
15th Dividend

Cash Dividend: The Board of Directors declared a 5% Stock Dividend on February 21, 1957, payable March 9, 1957, to stockholders of record at the close of business March 8, 1957.

A. D. McCormick
Secretary
February 21, 1957

DIVIDEND NOTICES

DIXIE CUP COMPANY

A dividend of twenty-five cents (25c) per share has been declared on the common stock of this company, payable March 29, 1957, to stockholders of record at the close of business on March 6, 1957.

A. R. Crenshaw
Secretary
February 15, 1957

DIVIDEND NOTICES

CELERANE CORPORATION OF AMERICA
111 Madison Ave., New York 16, N. Y.

The Board of Directors has declared the following dividends:

- 41/2% Preferred Stock, Series A
- 7% Preferred Stock, Series B

Quarterly dividends for shareholders of record March 8, 1957, have been declared at the following rates per share:

- 41/2% Preferred Stock $1.50 per share
- 7% Preferred Stock $2.125 per share

R. E. Foltz
February 28, 1957

DIVIDEND NOTICES

CALIFORNIA-PACIFIC UTILITIES COMPANY

Quarterly dividends payable March 15 to shareholders of record March 1, 1957, have been declared at the following rates per share:

- 5% Preferred $1.375
- 5% Convertible Preferred $2.063
- 5% Convertible Preferred $2.625
- Common $0.50

D. J. Chamberlain & Tread
February 18, 1957

DIVIDEND NOTICES

TEENNESSEE CORPORATION

A dividend of 50c per share has been declared payable March 27, 1957 to shareholders of record March 8, 1957.

J. G. Greenburgh
Secretary
February 15, 1957

DIVIDEND NOTICES

ROBERTSHAW-FULTON CONTROLS COMPANY
Greenbush, Pa.

A dividend of 50c per share has been declared payable April 1, 1957 to shareholders of record March 20, 1957.

W. H. Felder
Secretary & Treasurer
February 15, 1957

DIVIDEND NOTICES

Public Service Electric and Gas Company
Newark, N. J.

Quarterly Dividends

The Board of Directors has declared the following dividends for the quarter ending March 31, 1957:

- Common Stock Dividends: 7% per share.

W. M. Pyle
Secretary
February 27, 1957

DIVIDEND NOTICES

UNITED GAS CORPORATION
BREHPOL, LOUISIANA

Dividend Notice

The Board of Directors has this date declared a dividend of thirty-seven and one-half cents ($0.375) per share on the common stock, payable April 1, 1957, to stockholders of record at the close of business on March 8, 1957.

R. H. Wissman
Secretary
February 27, 1957
BUSINESS BUZZ

Washington... And You

WASHINGTON, D.C. — One of the tell-tale signs of whether a guest this 85th Congress on government spending for the new fiscal year was affirmed by the wanton outcry which arose from the scattered political ranks over the suspension of the Lease-Purchase program.

This is a program from getting post offices and other Federal buildings on the installment plan, mostly outside the budget. These long-delayed and all-important respects procured the same as Federal structures were in all cases except for financing.

At the appropriate stage in the proceeding somebody is engrossed into becoming an "owner" of the building. This "owner" enters into a lease of the building for at least a 25-year period for buildings costing $2 million or more above.

The terms of the lease are generally arranged so that the "owner" was making a loan instead of becoming nominally the title of the building on what interest will the "owner's" future income paid in installments.

This "owner" could not even build a house in the city, the door knobs should be glass or brass, the housewife-in-law in a spare room in the attic, and he would not be allowed to put a sign outside in the automobile in the government zone or to drive his car to the building, which is specified for the exclusive use of the governmen.

Suspend Projects

This has a beautiful appeal both to the Congressmen and to the administration. To the administration, it appears to be a way of saving Federal buildings by paying down in one year, 10 per cent of the cost of the structure, plus the agreed rate of interest, and legal estate taxes until the loan is repaid in full and the government acquires formal title.

To Congress, this also is a wonderful gimmick. Congress can have up to 25 times the dollar amount of buildings started in any one year as their total cost would be, since it is authorized to spend the Federal $150 billion in the fiscal year, and the former is also about five times the principal cost in any one year.

By an informal agreement among the administration agencies, the markup was kept at 9 per cent rate was held to 4%. Hence with the shortage of money generally and the higher interest rate pattern, the GSA and Post Office had not been able to find suckers to cooperate in this extra Congress.

Finally, with 25 post offices and another 50 Federal buildings approved for the lease at a rate of some $75 million, but with only 10 post offices and 15 Federal buildings under way, the whole program was success.

Congress Wastes Buildins

So far as Congress was concerned, there was no instance upon a top interest rate of 4%. The all-important thing for the Members of Congress was New Buildings In Our Bairrook. But so far as the Treasury is concerned, it is reported, there was great objection to the program in the Senate. The Revenues for the current year will be falling below budget estimates. Savings bond cashings is just about the only way to keep the budget estimates, since it is the practice of the President in his budget message to guess lower than expenditures.

On top of that, the Treasury had to dish out $872 million in the last fiscal year. This has led the Treasury to have to pay over $872 million on its bills, thus forcing the Treasury to pick up new money in the last half of the fiscal year, at the very time it is usually looking forward to paying off the new money it borrowed during the first half of the fiscal year (Note: Nothing has yet been heard of Mr. Truman in forwarding the school construction program to prevent inflation.)

Congress Angry

This has aroused the Congressional ire only slightly less than that of the President's decision to flout the advice of leaders of both parties against recognition of Israel. In fact, the Senate Public Works Committee hearing Monday drew out a gallery of Senators not members of the committee who were enough to say they had a TV creen instead shown up.

Bearing on Spending

This development, it believes, underscores precisely the attitude of Congress on economy. The shock of realizing that the President was passing the $80 billion mark in spending has aroused a great deal of concern on the Hill. Also it has stimulated a large volume of mail for economy, from the constituents.

Congressmen, however, are keenly aware that sentiment for economy generally is a pallid force compared to sentiment against economy when it cuts into specific multitudinous benefits, like those for the farmers, contracts for national defense, and, of course, Federal buildings.

It may give the appearance of being an economy drive when Congress cuts, say, about $80 billion. The increased appropriations asked as compared with a previous year, but in terms of the present tax rate is peanuts.

Congress will cut where it doesn't hurt. Even these modest cuts are not secure, for unless Congress cuts back on statutory programs as well as appropriations, the Budget Bureau will come up next year for defiency appropriations.

We take an unprecedented national worry over inflation to cause Congress to cut as much as the $2 billion Senate GOP Leader Bill Knowland suggests, and a revolution in sentiment to top off $5 billion from appropriations. Such a revolution was worked by the Republican 83rd Congress, but that was before the Congressional Republicans had a "Republican" President proposing new welfare programs and much enlarged funds for existing programs.

Eisenhower & Truman

Costa Compared

Under Dwight D. Eisenhower, the Federal government is costing a minimum of $103 billion more to spend on a budget basis than under Harry Truman.

In five years, Congress budget disbursements of the Federal establishment under Mr. Eisenhower will exceed by $34.1 billion total budget disbursements under six years by $1 billion. This difference is based on $68,710 million per year average for these six fiscal years.

What started this thought was a certain Democratic Congressman who told the country how much more expensive Mr. Eisenhower is than was Mr. Truman. It just happened that this Congressman got his figures all confused, and since he did so, he will not be named.

So this reporter dug up past budgets showing "actual" expenditures by fiscal years 1948 through 1956, inclusive. This was a very interesting exercise, because even retroactively, figures which were supposed to have been firm and final for past years, have a way of being altered retrospectively from budget to budget. Thus on Jan. 21, 1954, Dwight D. Eisenhower in submitting his budget message for fiscal 1955, put "actual" figures for fiscal 1953, meaning actual and final fiscal 1953 disbursements for this "last Truman year" at $71 billion, even. In subsequent budgets this appears as $73.5 billion.

What was done was to take the first budget which showed the "actual" expenditures for the last completed fiscal year, except for 1955, where there was used the higher of the two "actual" figures for 1953, since this would make Mr. Eisenhower represent himself more favorably.

Truman's Six Years

From fiscal 1948 through 1953, Congress budget disbursements under Mr. Eisenhower in office was total budget expenditures for those six years aggregated $295,300 million. This works out to be about $49,710 million per year average for these six fiscal years.

Eisenhower's Five Years

Since Mr. Eisenhower disclaims responsibility for any part of fiscal 1953, the most expensive Truman year, despite the fact Eisenhower was President for five months and 10 days of that year, this gives only three "actual" fiscal years for the "Repubican" President.

However, Mr. Eisenhower has estimated (his latest and upward revision) $68.9 billion of spending for the current year, and $71.8 billion for fiscal 1958. To make this $71.8 billion accurately comparable with Mr. Truman's figures, when highway spending was $2.4 billion in the budgeted $3.0 billion of highway spending is added. This brings aggregate five years of Eisenhower costs to $341,000 million, or $43.1 billion more than Mr. Truman's last six. It also gives an average spending figure on a budget basis Mr. Eisenhower of $68.286 million, to $47,150 million for Mr. Truman.

Newspaper figures give Mr. Eisenhower all the "breaks." Actually is record is nothing against Mr. Eisenhower's spending, since after the death of Senator Mansfield, he had no restraining influence against high spending, as was offset in the spending direction. In all likelihood, Mr. Eisenhower's estimates for the current year are $3 billion less than what they would be if Mr. Mansfield were to, and could be $4 billion shy at this time of actual fiscal 1958 per cent.

This would make Mr. Eisenhower a $202 billion more per annum than his predecessor.

(The column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may not reflect the "chronicle" of the "Chronicle's" own views.)

John J. Niemoeller

John J. Niemoeller, who stepped away Feb. 24 at the age of 59 following a long illness, Mr. Niemoeller was a vice-president and treasurer of Stifel, Nicolaus and Company, Inc., St. Louis, in which he had been associated for 43 years. He was a member of the Security Traders Club of St. Louis.

Two With Plankinton

(Distributed in the FINANCIAL CHRONICLE, December 1954)

Plankinton, 1637 South Broadway.

Eugene F. Westheimer

Eugene F. Westheimer, one of the founders of Westheimer and Doepell, passed away Feb. 21 at the age of 59.

Walter L. Carey

Walter Lewis Carey, partner in DeCoppet & Doremus, New York and New York City, passed away Feb. 24 at the age of 56.

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