EDITORIAL

As We See It

The Prime Minister of Britain in his recent letter to Mr. Bulganin has made some observations which deserve special attention in these days when so much is being said about disarmament, discontinuance of nuclear experiments, and the banning of nuclear weapons in the event of war. These subjects have a large measure of popular appeal and there is danger in the present circumstances that they will get out of perspective. Let us not forget for a moment that in the words of Mr. Macmillian “the first and most important question that faces us all” is not disarmament agreements of any sort but “is how to dispel the threat of war.” To Mr. Bulganin, the Briton continues with this observation: “You and I have lived through two world wars. We have seen their terrors. We must wish to preserve our children and grandchildren from the third and perhaps final tragedy.”

“But,” he adds, “it would be disingenuous of me not to repeat that great problems still divide us. There is the question of Europe, where our views are very dissimilar both about Germany and about Hungary. There is the Middle East, in which we have yet to find common ground. We have different points of view on many great issues, indeed on the most fundamental basis of life.” The Britisher then says that “these differences ought not to prevent us from making some kind of advance towards a more sensible relationship between our two countries,” but it is evident that the writer of these sentences is fully aware, as the rest of us should be, that it

Continued on page 29

Credit Requiremen'ts
And Economic Growth

By ROY L. REIERSON
Vice-President and Economist, Bankers Trust Co.

Maintaining existing monetary reserves are adequate to support expansion in bank credit and the money supply permanently. Dr. Reierson holds real problem is to keep the vast expansive potential of our monetary base under control. Assets banking system is neither overloaded nor undercapitalized, and the credit system is still wholly able to finance a growing economy. Points out U. S. Bank reserve requirements are still substantially above the legal minimum, and considerably higher than in other important countries. Warns against continuing inflation, and the need for checking the wage-cost-price spiral.

One of the most widely accepted convictions of our present era is that of sustained economic growth. Indeed, a favorite activity not only among economists but also among business and government officials for some time has been to project the expanding output of the American economy five or ten years ahead. Until fairly recently little attention has been given to the financial implications of economic progress. In the past several years, however, the high and rising level of capital goods spending has raised; with increasing insistence, the question as to whether the volume of new savings will be sufficient to finance a sustained advance in production. But it is not until the past 12 months or so that growing pressures upon liquidity positions prompted serious inquiry into the adequacy of the credit supply and the prospective availability of short-term funds. There is, of course, no clear-cut delineation between short-term credit and long-term credit.

Continued on page 29

Public Folly, Private Greed
And Federal Reserve System

By ALLAN SPROUL
Former President, Federal Reserve Bank of New York

There are times, former central banker declares, when the Federal Reserve “has to radiate public folly and private greed, by supporting increased costs and prices with an increased money supply, no matter how reluctant it may be to do so, and no matter how independent it may be of political or private pressure.” After describing workings of money market, crucial role of banks and Federal Reserve, Mr. Sproul analyzes activities of Federal Open Market Committee, and opines that, with current knowledge of a money economy, there might be less need to rely so heavily on credit policy to be economy’s policeman. Blames cost-price spiral on union power and managerial acquiescence, and sees Fed’s task becoming more difficult.

The Federal Reserve System was created out of our previous experience to provide an elastic currency, to improve our check collection system, to support our banking reserves, and to expedite the transfer of funds from one part of the country to another. Credit policy was supposed to take care of itself, pretty much, if discounts at the Federal Reserve Banks and the non-gold backing of Federal Reserve notes were limited, largely, to “self liquidating” commercial paper.

The Federal Reserve System has provided us with an elastic currency, and improved system of check collection at par, a means of pooling bank reserves, and a method of rapidly transferring funds from one place to another. Some may say that the currency is too elastic nowadays, it may say that the vagaries of “float” growing out of our check collection

Continued on page 28

State, Municipal
and Public Housing Agency
Bonds and Notes

BOND DEPARTMENT
THE
CHASE MANHATTAN BANK

$100,000
Staurock Uranium Mines Limited
8% First Mortgage Bonds, Due June 1, 1963
With Commission
Each unit consisting of a $1,000
Bond and 100 Shares. Price $100 to yield 5.35%.

Municipal Bonds
for California’s
Expanding Economy

MUNICIPAL BOND
DEPARTMENT
Bank of America
NATIONAL ASSOCIATION
300 Montgomery St., San Francisco, Calif.
**The Security I Like Best**

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

(The articles contained in this forum are not intended to be, nor are they approved for, use in advertising or solicitation, or as an offering to sell a particular security.)

**STEPHEN J. SANFORD**
Security Analyst, DelRay Beach, Fla.

**Reaction Motors Inc.**

Three years ago we discussed this company in these columns, and although it has developed and advanced approximately 200% since then, its growth progress has been so outstanding that a fresh look appears to be in order at this time.

Since the early history of this company was covered rather fully in our previous article (see 25, 1954 edition of "In the Chronicle") we will stress at this time the more recent developments. Reaction Motors today stands as the oldest, but not the largest rocket engine company in this country, having been started in 1944 by New Jersey by four young scientists.

It has done extensive research and development work on rocket engines propelled by liquid fuel. These efforts have been directed toward a number of companies, and work on the project is being done by approximately 150 people, and during its flight it reached a speed of approximately 4,200 m.p.h.

A 6,000 lb. thrust rocket engine suitable for use on the X-1A Bell plane to a speed of over 1,000 m.p.h. and an altitude of over 90,000 feet.

The capital structure of the company is simple. At the year end it had outstanding only 244,000 shares of capital stock prepaid by bank notes payable at 10 years at 12%, and a small capitalization for a company whose business is currently growing at an annual rate in excess of $20 million.

Fifty per cent of the stock is owned by J. Sanford Mathis, Chemical Corp. and another 20% is owned by W. T. Wathen, Firefighter, who became a substantial stockholder in the company ten years ago. Thirdly, the remaining 25,000 shares available for the public and the rest the management group. This small floating supply often results in rather spectacular price swings for the stock.

Sales have advanced sharply in recent years as may be seen from the table below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954</td>
<td>$47,889</td>
<td>1955</td>
</tr>
</tbody>
</table>

My own estimate for 1957 is close to $24 million.

Since the company is a supplier to the Air Force and Navy, profits have been on the increase. Only about 2.8% has been carried through in the past five years, and if our sales earnings are accurate that means earnings of about $5.70 a share for the year. The stock in the past has usually sold at a price between 20 and 30 times earnings.

The company owns a 23% stock in the Reaction Motors, Inc., which is doing considerable business. This affiliate makes equipment for the probe-and-drag device of the system and the rockets in flight. Sales of Flight Refueling now exceed $5 million annually.

At the beginning of last year employees numbered about 610. This number has now increased to nearly 1,800. Of these 330 are graduate engineers, so it would appear that the company is well staffed for still further expansion. Since they are connected directly with the effort of practically all of the company’s development work, it is known, however, that the company is developing the power plant for two new large aircraft. One of these is North American’s X-15, which has been described as the first "semi-space ship." It is estimated that this will stress at the rate of 20,000 miles per hour at an altitude of 100 miles with a speed of approximately 1,200 m.p.h.

Other products include gas pressure regulators and various major engine components for both the IHBM and ICBM systems.

In conjunction with Marquardt Aircraft and Olin Mathis the company is also doing extensive developmental work on high-energy solid fuels. One of these probably is a boron derivative.

Another contract is for producing a rocket powerplant with a 50,000 lb. thrust for Air force test sleds.

It is difficult to provide an accurate appraisal of the future price behavior of a dynamic stock like Reaction where drinking up at the floating supply of stock is so limited. In the past invasion seeking long-term capital gains have shown a willingness to pay a very liberal "price earnings" ratio. Since the current price is 300% above the high, this ratio is at a record high of approximately $24 million, still further growth above this level would be justified.

It would come as no surprise to many who have followed the fortunes of the company closely if the shares, currently traded in the over-the-Counter Market, were to split (probably two-for-one) later this year, with listing on a national exchange to follow early next year.

**ROBERT H. STOVALL**
E. F. Hutton & Co., New York City

**The Coca-Cola Company**

By far the largest of the soft drink companies, Coca-Cola pushed its gallonage sales to a record high in 1956. And judging from the results of our firm, achieved on the first quarter of 1957, a new sales record will likely be made in 1957.

Coca-Cola, presently falling in the category of a deflated blue chip, has still sold as high as 200 in 1956 and has recently sold as low as 1950. This has resulted from a steady squeeze on the operating profit margin since 1950, brought about chiefly by the relative increase in complexity of the company’s pricing and merchandising policies in the face of increasing competition. This caused a steady shrinkage of the margins, and the situation was complacent until the early year. There is now reason to believe that the downward trend in profit margins has been arrested and higher earnings are in prospect.

In 1955, the company elected a new president and has been named chairman of the board. This gives a very noticeable change in marketing technique since that time. Earnings in 1956 improved to $6.44 per share from $6.44 the year before despite a colder-than-average summer and it is likely that profits will be in the $7.25-$7.50 range in 1957. Holding in mind that the dividend pay-out have been made in round amounts and it is a conservative estimate that $5 annual rate once again have advanced to a loss sufficient to sustain such a payout. It is possible that such action could be justified by this business year and a two-for-one split is not impossible. In any event, the stock has a large cash position and may eventually use some of these funds to diversify and strengthen the company’s basis, the shares, currently priced at 200, appear to have another 20% of potential capital gain potential with a relatively slight downside risk. The yield of approximately $2% is liberal for a quality issue.

**Operating History**

Coca-Cola had an incept of May 6 in 1886 and was an instant pharmacist hit upon the formula for this most popular of all soft drinks. The company was operated as a private business until it was incorporated. In the past invasion seeking long-term capital gains have shown a willingness to pay a very liberal "price earnings" ratio. Since the current price is 300% above the high, this ratio is at a record high of approximately $24 million, still further growth above this level would be justified.

It would come as no surprise to many who have followed the fortunes of the company closely if the shares, currently traded in the over-the-Counter Market, were to split (probably two-for-one) later this year, with listing on a national exchange to follow early next year.

**N. Q. B.**

**Over-the-Counter Industrial Stock Index**

18-Year Performance of 35 Industrial Stocks

<table>
<thead>
<tr>
<th>Year</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1935</td>
<td>100</td>
</tr>
<tr>
<td>1940</td>
<td>120</td>
</tr>
<tr>
<td>1945</td>
<td>150</td>
</tr>
<tr>
<td>1950</td>
<td>200</td>
</tr>
<tr>
<td>1955</td>
<td>250</td>
</tr>
<tr>
<td>1960</td>
<td>300</td>
</tr>
<tr>
<td>1965</td>
<td>350</td>
</tr>
<tr>
<td>1970</td>
<td>400</td>
</tr>
<tr>
<td>1975</td>
<td>450</td>
</tr>
<tr>
<td>1980</td>
<td>500</td>
</tr>
</tbody>
</table>

**New York Hanseatic Corporation**

Established 1929

52 Broad Street, New York 3, N. Y.

**JAPANESE STOCKS**

For current information Call or write

Yamagchi Securities Company

Affiliate of Yamaguchi Securities Co., Ltd.

Tokyo, Japan

Brokers & Investment Bankers

111 Broadway, N. Y. 6 Office 1-7680

International Bank of Washington, D. C.

Sandy Hill Iron & Brass Works

Chibougamau asbestos Ltd.

For external advertisement

John R. Boland Co. (B. Incorporates)

36 Broadway, New York 4, N. Y.

Birling Telephones

Teletype 9-3292

Y. T. 1-4467

National Quotation Bureau

Incorporated

46 Broadway, New York 6, N. Y.
The Jencks Case

United States Supreme Court, in momentous 7-1 decision, holds Government must permit defense access to statements and documents on which charge of criminal wrongdoing is based. In demolishing Government's contention of need for secrecy in instant case, high court holds that aim of prosecution is not to win case, but to see that justice is done. Decision reaffirms Constitutional right of accused to defend himself with all means at his command, a right quite frequently breached by some quasi-administrative agencies.

One need not be a soothsayer to prophesy that the case of Jencks v. United States of America—until recently No. 23 on the docket of the Supreme Court of the United States—is destined to become a landmark in American jurisprudence.

Here, the Court, delivering its opinion through Mr. Justice Brennan, said:

"We hold that the criminal action must be dismissed when the Government, on the ground of privilege, elects not to comply with an order to produce, for the accused's direction of the inspection and for admission in evidence, relevant statements or reports in its possession of government witnesses touching the subject matter of their testimony at the trial. The burden is the Government's, not to be shifted to the trial judge, to decide whether the public prejudice of allowing the crime to go unpunished is greater than that attendant upon the possible disclosure of state secrets and other confidential information to the accused's possession.

The alleged crime referred to in this history making pronouncement was the claimed false swearing by Jencks in an affidavit that he was not a member of the Communist Party or affiliated with it.

During the trial Harvey P. Matusow and J. W. Ford, Communist Party members and the Government's principal witnesses, testified that as paid investigators for the F.B.I., they made written and oral reports to that body of their activities in which Jencks allegedly participated.

The petitioner Jencks made a motion to direct the Government to produce these reports for inspection and use in cross-examining Matusow and Ford. Based in part upon the court resulting from the denial of this motion in the lower court, the Supreme Court was enabled to strike an important blow in the interest of fair-play and justice.

It said:

"We now hold that the petitioner was entitled to an order directing the Government to produce for inspection all reports of Matusow and Ford in its possession, written and when orally made, as recorded by the F.B.I., touching the events as to which they testified at the trial. We hold, furthermore, that the petitioner is entitled to inspect the reports to decide whether to use them in his defense. Because only the defense is adequately equipped to determine the effective use for purpose of discrediting the Government's witness, interfering with the adversary's defense, the defense must initially be entitled to see them to determine what use may be made of them. Justice requires no less."

The Court disapproved the practice of producing Government documents to the trial judge for his determination of relevancy and materiality, without hearing the accused.

Despite the fact that the Government, in the Courts below, did not assert that the reports were privileged against disclosure on the grounds of national security, confidential character or public interest, it nevertheless, in effect raised this point in its brief to the Supreme Court. Here the Court, quoting other cases, said resolutely:

"The rationale of the criminal cases is that, since the Government which prosecutes an accused also has the duty to see that justice is done, it is unconsionable to allow it to undertake prosecution and there

Continued on page 24
Observations
By A. WILFRED MAY

SOUND INTERNATIONAL "AIDING"

WASHINGTON—In recent-day international financing of its loans, grants, subsidies, giveaways and other conductions—unilateral, bi-lateral, and multi-lateral—the World Bank (The International Bank for Reconstruc-tion and Development) continues to stand out as a bastion of soundness and freedom from political manipulation.

This is demonstrated first of all in its statistics. During the first 11 years of its existence the Institution has, without a default, made 187 loans totaling over $8 billion in five continents. Reserves in these categories are against losses on loans and guarantees, and the other credits to the Bank's Special Drawing Rights, from four commissions, aggregate $35 billion and are expected to reach a total of $22.3 billion. And net income in any case, $50 million be-it-possible-

Converting Principles and Policies

But of even more importance than the statistical results achieved, in determining the Institution's general aspect, are the principles and policies which have been determined and consistently followed. A fundamental rule, generally unrealized by the public, is that all loans and credits are made to private companies, and not to government projects, etc. This is in the interest of business efficiency. An exception is comprised in occasional grants in war-bond selling, where credit is extended to the public authorities after the private sector has failed to carry such a project, because of lack of chance at it.

Recent loans to Uruguay and Ceylon amounted to $40 million, and a 60% addition to Mexico's power program. During the past decade, having followed this rule, the Bank has not accepted or paid out on her external debt, nothing has been loaned to Greece.

Careful Lending

Typically, in the negotiations for the Indian Railways loan, in addition to its own team, the Bank engaged the services of an outstanding American railroad expert. The expert's report to survey and appraise the project, and here, as always, the Bank will keep a check on the charges. A $75 million loan to Iran, while

WRITE FOR COMPARISON
REPORT ON

DETREX COMBUSTION
INDUSTRIES
A chemical stock selling at about 7 times current earnings

MORELAND & CO.

1651 Pensob Building DETROIT, MICH.

Wheatland 8-3653

Mr. D. J. Reynolds
Midget Stock Exchange

KELLER BROTHERS
Securities Co., Inc.
ZERO COURT S. 5-E.8., 80. At MASS.
Telephone St. Louis 3-2500
MASSACHUSETTS
Securities Co., Inc.

The Commercial and Financial Chronicle — Thursday, June 20, 1937

Proft from Pins and Wheels, Atoms and Automation

By IRA U. COBLEIGH

Enterprise Economist

Giving some description of and report on the progress and prospects of a well managed diversified American Machine and Foundry Company.

Avard endeavors to diversify the product mix of corporations have been frequent in the financial stage of the past decade. We are now overhearing "swifties" like automation, diversification by as a rule, mainly by offering theirs a competitive advantage, in exchange, a high degree of uniformity of corpo-rate restructurings in such an aggregation as U.S. Steel, or General Motors, where the blending of diversified assets and the international corporate whole has presented certain problems and, in consequence, has not been managed, such as American Mar-vel Steel, or Cities Service, or the way to diversified top flight corporate excellence. At all events, the American manufacturer, no doubt, in an unseen manner, the way for the corporate management in so-called "millionaire" companies, has been represented by the "Pinnacles" which set pins up and make pins. The Pinnacle which marks the present stage of corporate activity relates to its patended contributions to the bowing industry and the Pinnacle, which is in an unseen manner, as the pinning pin, the pinning firm, or the pinning pin.

The Pinnacle is the Pinnacle because its diversified contributions to the industry, its invention, its adventure, its advance, its pursuit of the pinnacle, its way to diversified top flight corporate excellence. At all events, the American manufacturer has in an unseen manner, the way for the corporate management. The pinning pin, the pinning pin on the business, the pinning pin in the Million dollar ball, the pinning pin, the pinning pin, the pinning pin.

The PINNACLE is a fantastic plus for AMP. Com-pamy revenue here will not (and cannot) derive entirely from sales but from rentals. For example, the sale of a rack of 10,000 or 8,000 machines on offer, which, in its own right, may be worth a million dollars. But, there are 10,000,000 of these, so the revenue from sales is not the only thing that matters. The rental market is vast. 

The trouble is how to operate it. The trouble is how to operate it. The trouble is how to operate it. 

Robert J. Frainam will acquire a membership in the New York Stock Exchange, and it will be admitted to partnership in the New York Stock Exchange, and it will be admitted to partnership in the New York Stock Exchange.

To Be Hirsch Partner

Robert J. Frainam will acquire a membership in the New York Stock Exchange, and it will be admitted to partnership in the New York Stock Exchange, and it will be admitted to partnership in the New York Stock Exchange.

To Be Hirsch Partner

Robert J. Frainam will acquire a membership in the New York Stock Exchange, and it will be admitted to partnership in the New York Stock Exchange, and it will be admitted to partnership in the New York Stock Exchange.

With Hill Richards

(Special to The Associated Press)

LOS ANGELES, Calif.—Donald Hirsch & Co., 621 South Spring St., members of the Pacific Coast Exchange, have announced that they have exchanged for Hill Richards & Co., 26 Broadway, New York City.

The management of AMP includes a broad line of electric motors and relays; powerful tools, drills, and recovery equipment (which will account for over 75% of the company's total sales); and such automatic gadgets for the home, such as room heaters, air conditioners, and stoves, and other electrical equipment, which are, and the name of the company takes on more importance. The company has addressed itself to research

All of this brings us up to the acid test by which corporation results are judged—profitability.

"High-Level Scorekeeping Or Bear Signal?"

A leading Stock Exchange firm opening a new office on New York's stock market floor, has installed outside its windows a new Highly Illuminated sign, facing the thoroughfare showing the hourly Stock Exchange and on July 1st average. Black or red numbers, $100 or over, will be added to the display. The Stock Exchange is now a more efficient, more accurate, and is more timely.

B. W. Pizzi & Co.

To Admit Pflugfelder

B. W. Pizzi & Co., 23 Broad Street, New York City, members of the Pacific Coast Exchange, announced on June 21st that they are about to admit Frederick Pflugfelder to partnership in the firm, effective July 1st.

The management of AMP includes a broad line of electric motors and relays; powerful tools, drills, and recovery equipment (which will account for over 75% of the company's total sales); and such automatic gadgets for the home, such as room heaters, air conditioners, and stoves, and other electrical equipment, which are, and the name of the company takes on more importance. The company has addressed itself to research

All of this brings us up to the acid test by which corporation results are judged—profitability.

KELLER BROTHERS
Securities Co., Inc.

MASSACHUSETTS
Securities Co., Inc.

MASSACHUSETTS
Securities Co., Inc.

SECURITIES
TRADING MARKETS
Retail Distribution
Over-all industrial production in the past week suffered from stagnation with automotive production losing ground after its gains following the Memorial Day holiday week; steel output too fell to lower levels, although, according to one magazine buy more, "Business will continue its sidewise movement for at least two or three months in spite of the current flurry of new orders reported by many companies.

Reports also note that lead and zinc producers are experiencing slow domestic sales during a period of world-wide oversupply.

Claims for unemployment insurance by newly laid-off workers rose by 13,900 to a total of 218,109 during the week ended June 8, the Bureau of Employment Security of the United States Department of Labor currently reports.

The increase in new claims, the agency states reflected seasonal cutbacks of jobs in a number of industries, including clothing and textile plants. Initial claims for the like week of last year totaled 211,300.

Insurance employment ended the downward trend that started last February, increasing by 40,900 to a total of 2,377,700 during the week ended June 1. A year earlier the total was 2,517,100.

In the steel industry metalworkers are facing up to the second half of 1957 with optimism, states "The Iron Age," national metalworking weekly, this week. Few companies expect their businesses to grow during the next six months, but they are not in a level off.

In mid-year check of the metalworking industry, "The Iron Age" found that in spite of a few weak spots, the general outlook for the balance of 1957 is encouraging. Even automotive and appliance producers, currently dragging their feet, are looking ahead to a seasonal revival.

"Iron Age" editors found industry executives concerned about tight money and the continuing trend toward higher prices. Metalworkers are finding it hard to finance their own needs for capital equipment, and, according to a magazine buy more, if money were cheaper to come by.

In a check on the outlook for major metalworking industries, this week's "Iron Age" reported that 1957 should roughly parallel that of 1956 with summer months slow, but new-model surge will pick up some of the slack. Aircraft is enjoying a $80,000,000,000 military and commercial backlog, up from last year's $60,000,000,000 employment is up 70,000 from a year ago and the end of World War II. Machine tools shipments, it notes, will continue at a high level, probably $500,000,000 for the year with backlog down, but builders cheered by a trend to rich peace-time plateau. Electrical apparatus backlog, both industrial and atomic are at a record level and with little prospect of a breakthrough to equal that of 1956.

"Trade survey" supports the growing belief that steel demand will make a strong comeback in the fourth quarter. Some steel mills are warning their customers against going further than before. A sudden upswing, they say, could leave some steel users in the lurch.

Some producers point to a stronger steel market later in the year are an expected revival of auto sales with new-model production and a reversal of that has pointed from reduction to buildup. A continued high level of spending for new plant and equipment; heavy freight car backlog; oil and gas activity; a strengthening export market and fall seasonal influences, decreases this trade paper.

Steel producers are worried about the public's reaction to the expected steel price boost in July and they are sounding out company and outside sources on public sentiment. This concern may work toward minimizing the amount of the increase after steel labor gets its wage boost. Such companies are beating the drums for as much as $10 a ton, but the actual increase probably will be closer to $6, concludes "The Iron Age."

Industrial production declined slightly in May for the third straight month, the Federal Reserve Board reported.

The seasonal factors into account, the Board said American industries produced at 143% of the 1947-49 average, or one percentage point below April output, but two points above a year earlier.

Summarizing business conditions as of early June the board Continued on page 34

We announce The Extension of Our Private Wire System
through White & Company
St. Louis, Mo. to
Kramer & Co.
Houston, Texas

Trading Dept., L. A. Gibe, Manager

E. L. Bissel & Co.

Robbieshavety Bldg. Atlanta, 1, Georgia
WALNUT 75420

E. L. Bissel & Co.

Robbieshavety Bldg. Atlanta, 1, Georgia
WALNUT 75420

We announce The Extension of Our Private Wire System

170 BROADWAY, NEW YORK 4, N. Y.

Bell Telephone—S. 1-3440

THE STATE AND MUNICIPAL BONDS CORPORATE BONDS LOCAL STOCKS

Rhodeshavety Bldg. Atlanta 1, Georgia
WALNUT 75420

LOCAL LONG DISTANCE 421

The commercial and financial chronicle

Volume 153 Number 5648

The state of trade and industry

Chemical Research's Essentiality
To Good Profitability

By Theodore T. Miller

President, Polymer Chemicals Division, W. R. Grace & Co.

Chemical official and Director of the Boston Fund recommends investing in chemicals for long range dividends rather than safe return; attributes and sees research continuing to provide the 3 to 1 margin of growth advantage as against the nation's average; and shows how retained earnings are compounded by helping to pay for the costly research which produces not only new product growth but also helps lower costs on older products — keeping them competitive. Mr. Miller submits criteria investors should consider in judging investment potential of chemical stocks, and lists data indicating chemical capital expenditures in 1957 at 31½; over 1956-$1.1 billion. Not- short supply conditions generally no longer exist but is confident that chemical stocks belong in any well managed investment portfolio.

When discussing what research has done for the chemical industry, one is tempted to describe it with the Air Force's old term — CAVU—ceiling and weather — unlimited. Indeed, the danger of talking about research's part in chemical growth is that like lemons, may sour so high that the wax on my wing — always thought nowadays the chemical industry could surely provide lemons with an irradiated polyethylene hinging that perhaps could make the process immortal! Nonetheless, I'll try to give a sound examination of why I believe research is the key to sound investments in chemical stocks.

My subject matters conclusively a note of optimism with one of caution. To sound the optimistic note, any industry that enjoys the high growth, rate of the chemical industry is appealing reasons for investing in its future. On the side of caution, remember that chemical research in the past 25 years has produced so many "miracles" that people may have become generally blase in what they expect of —much as they would if Don Larsen pitched a perfect no-hit game every time he took his turn on the mound.

Describes Characteristics

The chemical industry is so complex as to defy precise description; but it can be characterized by three words: basic, utilitarian, dynamic. It is basic because it supplies products to every other industry in the United States. There are 111 industrial classifications in the Department of Commerce statistical tables. The chemical industry is, for all practical purposes, the only one that deals with every product with another classification. It is ubiquitous because, at some stage of its manufacture, a chemical is used by almost every end product, whether the is destined for industry or the home. And it is dynamic because it is the only other generating new products, and it is constantly creating —whole new industries. Do you know that some 50,000 new compounds are prepared and studied by chemists every year. Naturally, most of them remain laboratory curiosities, but some may, become the raw material of new generations of new generation plastics, for example. Twelve years ago they were unknown to the consuming public. Now we have squeakable bottoms, noiseless garage cars, non-corrosive piping, practically perfect electrical insulation, tough plastic film, and many more — all made of this marvelous plastic. And it is only one example of many which might be cited.

Of course, research is a projection of the past into the future, and before we can project our Continued on page 25

1932
1957

We take pleasure in announcing the

25th Anniversary

of the founding of our firm.

C. E. Unterberg, Towbin Co.
New Steps to Strengthen The Rights of Stockholders

By G. Keith Funston

President, New York Stock Exchange

Specific proposals to strengthen stockholders' rights in proxy contests and to provide shareholders in all publicly-owned companies-without a national stock exchange or over-the-counter markets-the benefits of full disclosure-recommended by New York Stock Exchange head. The rational behind the over-all recommendations, according to Mr. Funston, is to help future economic financiers bring about "economic democracy" or "People's Capitalism." While the recommended new safeguards are not considered as an automatic cure-all, the former president college president believes they would enable shareholders to keep to our corporate machinery responsive to their will, and should encourage more shareholding since it provides: (1) A right to vote; (2) Secrecy of a proxy; (3) Fair and honest proxy contest; (4) Adequate and timely information; and (5) Extension of this protection to listed and unlisted publicly-owned firms. Supports Fullbright Bill which is, however, as comprehensive as N.S.Y.E. disclosure standards.

There is a woman in Dallas, Texas, and a man in Galloway, New Jersey—two people I have never met who requested the text for most of my remarks. Not long ago I received a brief note from each of them. The Texas letter in particular raised the question that the Stock Exchange's effort to broaden the ownership of business was helping to create a new dimension in America's economy and for its people. The Ohio letter was somewhat more personal. The writer had purchased a washing machine in a small appliance company several years ago. He noted that he had neither heard from the company nor had he been able to obtain any information about it. He wondered how he could remedy this.

In these two letters, it seems to me, we can trace some of the enormous progress we have made—and some of the real problems we have fallen heir to—as corporate ownership has expanded. My Texas correspondent reflects that attitude of millions of people who have come to have a new understanding of our remarkable economic system. But today it is the man from Galloway who worries me most. For he symbolizes the problems some investors still face, even despite our great progress. Those problems, briefly, concern the rights of stockholders—the matter of full disclosure—and the protection of proxies and proxy contests.

In all major months we are asked to vote on several letters that have a direct bearing on these very important questions. Here are just a few: What should we do about a proxy? Why can't I get more information about this company? It is small comfort to reply that these safeguards have been largely ineffective. Indeed, the only investors only when the securities they own are listed on the New York Stock Exchange. For the basic questions remain. After all, of the many thousands of publicly-owned companies, only 1,100 are listed on our Exchange. And I have asked myself often—why, indeed, can't I get more information about this company? Why isn't more financial data available to the owners of all securities, and not just those traded on a national exchange?

These questions are as timely as this morning's newspapers. And they form the basis of several proposals I am anxious to explore with you—proposals which, if adopted, can strengthen immeasurably our system of free enterprise.

That system, I might add, has attained its great strength because we have not permitted it to stand idly in the face of these enormous strides as it might have done in other times. Indeed, at this present time, I am convinced that the New York Stock Exchange is undergoing one of its more dramatic tests. That test, simply, is whether the rights, privileges and duties of a nation of shareholders can be developed properly and safeguarded.

Middle Income Millions Have Assumed Key Role in Economy; Their Dollars Invested in Ownership Will Be Needed to Meet Future Goals

Let's look for a moment at just two of these economic outcomes. World War II that bring this discussion to focus. First, it is important that not the few, but the millions, enjoy an astonishingly high standard of living. Some of the greatest gains in income have been made todayliving better today, they are saving, investing and planning for tomorrow.

This has led to a second vital development: Rightly, this man has mushroomed. Through institutional investment alone, more than $100 million Americans now are indirect owners of business. More important, a large number of people are direct shareholders in our publicly-owned companies. Indeed, the evidence represents a sharp 33% increase over 1952. And the single most important conclusion I have drawn from this revolution is the new shape of ownership: two-thirds of the New York Stock Exchange's shares have incomes under $7,500 a year.

At the Stock Exchange we believe that these facts represent—our concentration—on the potential of our future. We believe that our concerted and careful shareholder education program has done much to encourage such shareholdery on a sound basis. But we are well aware that in the coming decade corporations will need extraordinary amounts of growth money to meet their needs.

Our appraisal of the decade ending in 1965 is that some 86 separate opportunities should be raised for new plants and equipment. This is triple the new stock financing in the last year. It is beyond any reasonable assumption that the money is going to be forthcoming from taxation that it can be financed that way. And as the future are the years ahead, we believe the need for new capital, better and more productive orders of things will inevitably increase.

But there is an important "if" in this statement. If we do not perfect our corporate form of enterprise develops further, it must do so in a way which is responsive to the will of the additional millions of investors. If we do not keep the system to work, the benefits our corporate form of enterprise is to bring, we are going to be facing a situation where the cumulative effect could well be lost with us and limit the benefits that we can expect from it.

First, shareholders must be assured that their investment is safe. There is a decided trend to industry. Money is being spent on new plants and equipment, and the current survey of capital appropriations by the National Industrial Conference Board, for example, says, in January 1957, that capital expenditures for plants and equipment will be $18 billion, an estimated $6 billion over what the Conference Board forecasted for the year 1956. In short, there will be a more vigorous and active capital expenditure program than ever before in American business history.

Second, a part of final demand is currently being met from the sources that are being utilized. This is the most critical point of all, because anything can be expected to be depressed quickly. As a result, the forecast are more likely to be on the upside than on the downside.

First, the Commerce-Sec. and the Grassley, National Industrial Conference Board, for example, indicates that capital expenditures for plants and equipment, and the current survey of capital appropriations by the National Industrial Conference Board, for example, says, in January 1957, that capital expenditures for plants and equipment will be $18 billion, an estimated $6 billion over what the Conference Board forecasted for the year 1956. In short, there will be a more vigorous and active capital expenditure program than ever before in American business history.

Second, a part of final demand is currently being met from the sources that are being utilized. This is the most critical point of all, because anything can be expected to be depressed quickly. As a result, the forecast are more likely to be on the upside than on the downside.

First, the Commerce-Sec. and the Grassley, National Industrial Conference Board, for example, indicates that capital expenditures for plants and equipment, and the current survey of capital appropriations by the National Industrial Conference Board, for example, says, in January 1957, that capital expenditures for plants and equipment will be $18 billion, an estimated $6 billion over what the Conference Board forecasted for the year 1956. In short, there will be a more vigorous and active capital expenditure program than ever before in American business history.

Second, a part of final demand is currently being met from the sources that are being utilized. This is the most critical point of all, because anything can be expected to be depressed quickly. As a result, the forecast are more likely to be on the upside than on the downside.

First, the Commerce-Sec. and the Grassley, National Industrial Conference Board, for example, indicates that capital expenditures for plants and equipment, and the current survey of capital appropriations by the National Industrial Conference Board, for example, says, in January 1957, that capital expenditures for plants and equipment will be $18 billion, an estimated $6 billion over what the Conference Board forecasted for the year 1956. In short, there will be a more vigorous and active capital expenditure program than ever before in American business history.

Second, a part of final demand is currently being met from the sources that are being utilized. This is the most critical point of all, because anything can be expected to be depressed quickly. As a result, the forecast are more likely to be on the upside than on the downside.

First, the Commerce-Sec. and the Grassley, National Industrial Conference Board, for example, indicates that capital expenditures for plants and equipment, and the current survey of capital appropriations by the National Industrial Conference Board, for example, says, in January 1957, that capital expenditures for plants and equipment will be $18 billion, an estimated $6 billion over what the Conference Board forecasted for the year 1956. In short, there will be a more vigorous and active capital expenditure program than ever before in American business history.

Second, a part of final demand is currently being met from the sources that are being utilized. This is the most critical point of all, because anything can be expected to be depressed quickly. As a result, the forecast are more likely to be on the upside than on the downside.

First, the Commerce-Sec. and the Grassley, National Industrial Conference Board, for example, indicates that capital expenditures for plants and equipment, and the current survey of capital appropriations by the National Industrial Conference Board, for example, says, in January 1957, that capital expenditures for plants and equipment will be $18 billion, an estimated $6 billion over what the Conference Board forecasted for the year 1956. In short, there will be a more vigorous and active capital expenditure program than ever before in American business history.

Second, a part of final demand is currently being met from the sources that are being utilized. This is the most critical point of all, because anything can be expected to be depressed quickly. As a result, the forecast are more likely to be on the upside than on the downside.

First, the Commerce-Sec. and the Grassley, National Industrial Conference Board, for example, indicates that capital expenditures for plants and equipment, and the current survey of capital appropriations by the National Industrial Conference Board, for example, says, in January 1957, that capital expenditures for plants and equipment will be $18 billion, an estimated $6 billion over what the Conference Board forecasted for the year 1956. In short, there will be a more vigorous and active capital expenditure program than ever before in American business history.

Second, a part of final demand is currently being met from the sources that are being utilized. This is the most critical point of all, because anything can be expected to be depressed quickly. As a result, the forecast are more likely to be on the upside than on the downside.
Toward Maintaining Economic Progress  

BY WILLIAM MCHENRY MARTIN, JR.*  
Chairman, Board of Governors of the Federal Reserve System

Monetary chief suggests measures contributing to maintenance of state and sustainable rate of economic growth. Asserts that to the extent that fiscal policy results in a budgetary surplus and Federal debt is reduced, supply of savings is increased and need for monetary restraint is lessened. Maintains that a flexible rate is essential, and corresponding curtailment in Federal expenditures. Concludes present economic situation reflects no basic weakening calling for relaxation of policies to curb inflationary pressures.

The Joint Economic Committee and the Board of Governors, a common concern that the operations of both monetary and fiscal policy are under discussion. The joint commissio

rial, misedirect expansion of income and purchasing power, and erosion of existing savings and commitments, and an ultimate reaction of a serious nature.

For two years we have been experiencing an intensified demand for funds and, although the supply of savings and the market on bank credit have both expanded, we have paced our more rapidly and the interest rate. Consequently, the price of money has risen. If bank credit is made available to increase more rapidly above the current or rate, the rise in interest rates will cause an increase in the volume of saving the most effective way to deal with a situation whose inflationary potential would be uncontrolled by an excessive demand for funds. As the savings are made available to meet demands for more housing, schools, and other public improvements, as well as expansion of new business and equipment, they provide the resources for staple economic growth. To the extent that fiscal policy results in a budgetary surplus and the Federal debt is reduced, the supply of savings is increased and the need for monetary restraint lessened.

Early in the volume of savings as the most effective way to deal with a situation whose inflationary potential would be uncontrolled by an excessive demand for funds. As the savings are made available to meet demands for more housing, schools, and other public improvements, as well as expansion of new business and equipment, they provide the resources for staple economic growth. To the extent that fiscal policy results in a budgetary surplus and the Federal debt is reduced, the supply of savings is increased and the need for monetary restraint lessened.

Early in the volume of savings as the most effective way to deal with a situation whose inflationary potential would be uncontrolled by an excessive demand for funds. As the savings are made available to meet demands for more housing, schools, and other public improvements, as well as expansion of new business and equipment, they provide the resources for staple economic growth. To the extent that fiscal policy results in a budgetary surplus and the Federal debt is reduced, the supply of savings is increased and the need for monetary restraint lessened.

A reduction in taxes would bring welcome relief to millions of taxpayers. Such action, however, without a corresponding curtailment in Federal expenditures, would reduce or eliminate the budget surplus, and tend to stimulate the economy and total saving in the economy. At the same time, the supply of funds made available through Federal debt retirement would be sharply reduced.

As a number of witnesses who appeared before this Committee have pointed out, the economic situation is still one of high price levels, intensive utilization of resources and continuing pressure toward higher costs and reduced service. They have also noted the depression conditions prevailing and some consumer durable goods, the slight falling off in total industrial output pointed out, the drop in prices of some sensitive commodities. The general economic situation is still being altered by increased financial and equipment outlays, rising demands for State and local government projects, further increases in consumer buying, and continued need for large-scale defense spending. Un balance, the situation does not call for any immediate action to correct a basic weakening that would call for relaxation in efforts to curb inflationary pressures.

The Congressional Committee has indicated an interest in the presentation given to current and prospective economic trends in the formation of Federal Reserve policy. Since Federal Reserve System operations reflect to some degree all phases of the nation's economic life and have a pervasive influence on it, they must be adjusted on a day-to-day basis to the ever changing situation. Hence, the System has needed as much for current and background economic information as it can assemble.

Best Informed Judges: Judgment Efforts are directed toward bringing together, and combining as background for our decision-making, the best available statistical information and the best informed impressions and judgments that can be obtained from businessmen, bankers, agricultural experts, labor leaders, and from the Federal, State, and local government. We also depend on information collected and compiled by the Federal Government. For this reason it is important to the proper formulation of monetary policy that the statistical abilities of the Federal Government be well manned.

The Committee on Environment and Economic Developments maximum use is made of the decentralized structure of the Federal Reserve System. Through the 12 Federal Reserve Banks and 24 branches, in business and financial centers all over the United States, and especially because of the caliber and experience of men who serve as the directors and officers of these institutions, the Federal Reserve is in close touch with current and prospective developments throughout the country.

In accordance with provisions of the Federal Reserve Act the Board of Governors frequently meets with Presidents of the Federal Reserve Banks, who serve as members and alternates, on the Federal Open Market Committee. The Act also provides for quarterly meetings with the Federal Advisory Council, composed of representatives of the member banks in each district. These occasions make it possible to study continuously underlying developments in the country and all sectors of the economy.

Toward Better Public Understanding Much of the statistical data and other information we collect for our own policy decisions is also made available to the public in general. We believe this is as important as its internal use, because it helps provide a basis for better public understanding of the general economic situation, and awareness of credit and monetary problems and of policy actions designed to deal with them.

**Note**: Chairman Martin made the Subcommittee on Fiscal Policy of the Joint Economic Committee, Washington, June 14, 1957.
COMING EVENTS
In Investment Field

June 19-20, 1957 (Minneapolis-St. Paul) Twin City Bond Club annual meeting, with cocktails and a party at hotel Nicollet June 19 and an all day sports program at the LaSalle Yacht Club, White Bear Lake, Minn. June 20.


June 22, 1957 (Chicago, Ill.) Bond Traders Club of Chicago 31st annual Field Day at Midwest Country Club.

June 28, 1957 (New York City) Investment Association of New York annual outing at Apawamis Club, Rye, N. Y.

June 28, 1957 (New York City) Municipal Bond Women's Club of New York Club annual outing at Morris County Golf Club.

June 28, 1957 (New York City) Syndicate annual outing at the Nassau Country Club, Glen Cove, Long Island, N. Y.

Aug. 1-2, 1957 (Denver, Colo.) Bond Club of Denver-Rocky Mountain Branch of IBA annual summer frolic and golf tournament at the Columbine Country Club.

Sept. 25-27, 1957 (Santa Barbara, Calif.) Investment Bankers Association Fall Meeting at Santa Barbara, Calif.

Oct. 7-9, 1957 (San Francisco, Calif.) Association of Stock Exchange Firms of Governments meeting at Mark Hopkins Hotel.

Oct. 10-11, 1957 (Los Angeles, Calif.) Association of Stock Exchange Firms Board of Governors meeting at Beverly Hills Hotel.

Nov. 3-5, 1957 (Hot Springs, Va.) National Security Traders Association Annual Convention at the Homestead.

Dec. 4-5, 1957 (Hollywood Beach, Fla.) Florida Investment Bankers Association Annual Convention at Hollywood Beach Hotel.

April 23-25, 1958 (Houston, Tex.) Texas Group Investment Bankers Association annual meeting at Shamrock Hotel.

June 9-12, 1958 (Canada) Investment Dealers Association of Canada annual convention at Manoir Richelieu, Montreals, Quebec.

TRADING MARKETS

FLORIDA

SECURITIES

Bank, Insurance Companies, Industrials

Invest in Florida's Golden Triangle

TRADING DEPARTMENT - TELETYPE MMS

ALFRED D. LAURENCE

INVESTMENT SECURITIES

201 S.E. 1st Ave. Miami, Fla.
Phone: Miami, FRanklin 3-7716
Financing State and Municipal Debt

By DANIEL M. KELLY
Partner, Salomon Bros. & Hutner, Members N. Y. S. E.

Mr. Kelly maintains municipal finance is caught in a "squeeze play" between the Federal tax code and the Federal tax capital tax code of the past. The problem is that reliance on tax exemption to produce low interest cost may be unwise. Assists bond dealer organization faces giants in the field of tax-exempt securities, including large volume of tax-exempt securities coming to market in the future. Concludes expanding economy, worldwide demand for capital, erosion of dollar's purchasing power, and high income taxes work against the future flow of capital from keeping up with capital demand, which will continue erosion of bond prices and yield increases.

In a way municipal finance is currently in a squeeze play between the Federal tax code, and the investment capital that the nation's business borrows course it has been. Of course this squeeze play is not new, but the magnitude of the problem is much greater today than in the past. The problem is that reliance on tax exemption to produce low interest cost may be unwise. Assists bond dealer organization faces giants in the field of tax-exempt securities, including large volume of tax-exempt securities coming to market in the future. Concludes expanding economy, worldwide demand for capital, erosion of dollar's purchasing power, and high income taxes work against the future flow of capital from keeping up with capital demand, which will continue erosion of bond prices and yield increases.

State and local governments, the primary issuers of tax-exempt securities, are in an even more difficult position than municipalities. The State and local governments are underwriting a large volume of tax-exempt securities coming to market in the future. The larger volume of tax-exempt securities coming to market is putting pressure on the yields on tax-exempt securities, which may lead to a decrease in the demand for tax-exempt securities. This decrease in demand could lead to a decrease in the value of tax-exempt securities, which would increase the cost of borrowing for the State and local governments.

Over-all, however, the rate of return on both state and municipal bonds, which carries a great deal of importance, seems likely to be higher than originally anticipated. This is because investors are now not only looking for the highest yields available, but are also looking for absolute safety of principal and interest. Consequently, the demand for tax-exempt securities has increased, which has led to a decrease in the cost of borrowing for the State and local governments.

Long-term projections of the volume of municipal securities fluctuations may not materialize in full in the next few years, since the demand for such securities is expected to be lower than anticipated. This is because the economy is expected to slow down, which will reduce the demand for tax-exempt securities. Additionally, the high yields on tax-exempt securities may not continue, which will reduce the attractiveness of such securities to investors.

To be continued on page 33

Norfolk and Western Railway Equipment Trust, Series B

4 1/4% Equipment Trust Certificates

To mature $144,000 semi-annually December 1, 1957 to June 1, 1972, inclusive

To be guaranteed unconditionally as to payment of principal and dividends by endorsement by Norfolk and Western Railway Company

MATURITIES AND YIELDS (Accrued dividends to be added)


Dec. 1957     | 3.00%     | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      |
Dec. 1958     | 3.75%     | 3.75%      | 3.75%      | 3.75%      | 3.75%      | 3.75%      |
Mar. 1959     | 4.50%     | 4.50%      | 4.50%      | 4.50%      | 4.50%      | 4.50%      |
Jun. 1959     | 5.25%     | 5.25%      | 5.25%      | 5.25%      | 5.25%      | 5.25%      |

Insofar as the Tenders of these Certificates are subject to authorization by the Interstate Commerce Commission, the Offer to Purchase may be withdrawn at any time. Such withdrawal shall not affect the obligations of the underwriters and other dealers as may be lawfully offer these securities in such State.

HALSEY, STUART & CO. INC.

DICK & MERLE-SMITH
R. W. PRESSPHRICH & CO.

BAXTER & COMPANY
FREEMAN & COMPANY
IRA HAUPT & CO.

W. M. E. POLLOCK & CO., INC.

SHEARSON, HAMMILL & CO.

JUNE 14, 1957

$4,320,000

(First installment of an issue not to exceed $12,000,000)

Norfolk and Western Railway Equipment Trust, Series B

4 1/4% Equipment Trust Certificates

(Philadelphia Plan)

To mature $114,000 semi-annually December 1, 1957 to June 1, 1972, inclusive

To be guaranteed unconditionally as to payment of principal and dividends by endorsement by Norfolk and Western Railway Company

MATURITIES AND YIELDS (Accrued dividends to be added)


Dec. 1957     | 3.00%     | 3.00%      | 3.00%      | 3.00%      | 3.00%      | 3.00%      |
Dec. 1958     | 3.50%     | 3.50%      | 3.50%      | 3.50%      | 3.50%      | 3.50%      |
Mar. 1959     | 4.00%     | 4.00%      | 4.00%      | 4.00%      | 4.00%      | 4.00%      |
Jun. 1959     | 4.50%     | 4.50%      | 4.50%      | 4.50%      | 4.50%      | 4.50%      |

Insofar as the Tenders of these Certificates are subject to authorization by the Interstate Commerce Commission, the Offer to Purchase may be withdrawn at any time. Such withdrawal shall not affect the obligations of the underwriters and other dealers as may be lawfully offer these securities in such State.

HALSEY, STUART & CO. INC.

DICK & MERLE-SMITH
R. W. PRESSPHRICH & CO.

BAXTER & COMPANY
FREEMAN & COMPANY
IRA HAUPT & CO.

W. M. E. POLLOCK & CO., INC.

SHEARSON, HAMMILL & CO.

JUNE 14, 1957

$4,320,000

(First installment of an issue not to exceed $12,000,000)
**Equities as Trust Investments Under Present Conditions**

**BY EDNA M. THOMPSON**

Assistant Investments Officer

First Trust & Deposit Co.

city of Philadelphia

Investment officer notes that although insitutions and trustees are not usually interested by individuals as owners of common stocks, there has since the early nineteen-thirties been a basic reversal in trustees' long-existing negative attitude toward equity investments. The cause of this development is the apparent safeguarding of senior capital investment with safety of bonds, need for income, and, Roosevelt-sparked fear of inflation. Gives rules for trustee policy toward equities under present conditions, together with all points of view of various speakers, including specifically-named suggestions. Concludes that good busi

**Nowadays, when we speak of avoid risk, it was as simple as**

**Reversal of Attitude**

The recent wave of enthusiasm for common stocks as investments which was generated during the 1929-34 period has not completely subsided, but the public is becoming increasingly aware of the safety of stocks as investments. This awareness is being reflected in increased purchases of common stocks by individuals, especially those who have had previous experience in this field.

**Additional Factors**

Now that we have seen why the confidence in common stocks was reasserted, let us consider the reasons why these stocks have become more attractive to investors.

1. **Higher dividends.** As dividends on common stocks have increased, they have become more attractive to investors. Investors are now looking for stocks that offer a higher yield than bonds or other fixed-income securities.

2. **Lower price.** As stock prices have fallen, the cost of owning common stocks has decreased. This has made them more attractive to investors who are looking for bargains.

3. **Investment opportunities.** There are many investment opportunities available today, and common stocks are one of the best. As the economy grows, there will be many new companies formed, and these companies will need capital.

4. **Stability.** Common stocks are generally considered to be more stable than other types of investments. This is because they are not as affected by changes in the economy as other types of investments.

5. **Profit potential.** Common stocks offer the potential for higher profits than other types of investments. This is because they have the possibility of increasing in value over time.

6. **Tax advantages.** Common stocks offer tax advantages, such as the ability to deduct dividends from income taxes.

7. **Liquidity.** Common stocks are more liquid than other types of investments, which means that they can be sold quickly and easily.

In conclusion, the recent wave of enthusiasm for common stocks as investments has not completely subsided, but the public is becoming increasingly aware of the safety of stocks as investments. This awareness is being reflected in increased purchases of common stocks by individuals, especially those who have had previous experience in this field. The reasons why these stocks have become more attractive to investors are: higher dividends, lower price, investment opportunities, stability, profit potential, tax advantages, and liquidity.

---

**Conditions Confronting Us**

The second part of the title of these remarks "under present conditions." With a last word about this, we conclude with a few things of which I am not sure.

1. There exists a world-wide desire for material betterment, a desire for a greater cultural life, and a desire for peace. These desires are fostered by the new world order which brought America into the Western Hemisphere and Europe. Certainly this is a bullish forecast. It is far from a forecast of new markets. In the meantime, however, we must be prepared to face the future with courage and determination.
The Fast Changing South Is  
A Frontier of Opportunity  

By HOWARD B. JOHNSON*  
President, Atlantic Steel Company  

In order to give some perspec¬  
tive to what is happening in the  
South, I wish to emphasize three  
points:
First, the United States as a  
whole is in the midst of an unpara¬  
nelled development.  
Second, even in this period of normal growth, the  
South's problems and the  
trends look impressive.  
However, it is important to  
realize that the percentage  
gains in the South can be misleading.  
The figures for the earlier base year show  
that the South's gain looked good  
compared with the rest of the  
country in the past thirty years.  
And third, the most important  
development in the South is  
that it shall discuss later, is the  
radical change that is taking place in the  
nature of the economy itself.  
The statistical and quantitative  
gains are relatively small in  
comparison to the basic changes  
that are taking place in the region's  
economic structure.  

As for our national prosperity,  
no nation in history in the  
world has ever increased  
its physical output in peace  
time as rapidly as our nation has since  
the end of World War II. Our  
gross national product in 1940 was  
$209 billion was almost doubled in  
1956 for a total of $412 billion.  
Admittedly, higher prices  
have been an important factor in the  
velocity of transactions, but after adjusting for price  
changes, the real gain in physical  
products is still about 4½—quite an  
impressive showing for the  
ten-year period.  

Second Industrial Revolution  

Actually, we are in the middle  
of the Second Industrial Revolu¬  
tion based upon the technological and  
scientific discoveries that are  
shaping the trend of our time.  
In World War II this increased  
consumption amounted to $841  
per person, the net change in the  
region's economy is  

Predicts Triple Metalworking Expansion  

If the per capita consumption  
trends continue (and we have  
good evidence to expect that they  
will), the population estimates are  
continuing to move in a manner  
that should triple in the next two  
decades.  

Already easily the country's  
greatest industry, metalworking  
will be the dominant industry  
in the South. As has happened  
in the past, the metalworking  
industry will take the lead in the  
transition of the South away from  
the farm economy.  

For metalworking is an  
industry that does not require  
highly skilled labor. It is an  
industry that generates  
employment at all levels. It is an  
industry that is dynamic,  
growing, and expanding in all  
parts of the South. It is an  
industry where technology is  
being put to work on a large  
scale. It is an industry that  
provides a large source of  
wealth for the nation. It is an  
industry that is creating new  
opportunities for all types of  
people. It is an industry that  
is providing a stepping stone  
to the future.  

And another major economic  
problem is the trend in recent  
years in income. The  
per capita income in the South  
has been increasing, but there is  
more than twice as great as the  
increase in the nation. It is faster  
than the increase in the nation.  

In a real sense, the South's  
economy for the first time is on  
its way to being a two-thirds  
country. The South is now in  
the process of catching up with  
the nation.  

A great part of the South's  
populace is still in the taking place in the  
metropolitan areas. Since 1940,  
these areas have grown at a  
rate which is twice as fast as  
that of the rest of the country.  

As agriculture remains important  
to the South's economy, but there  
has been a sharp shift within  
agriculture to the more productive  
enterprises and to a better  
balance between cash crops and live¬  
stock. Continued on page 22  

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

New Issues  

Texas Eastern Transmission Corporation  
$15,000,000 6% Debentures due June 1, 1977  
200,000 Shares Preferred Stock, 5.75% Subordinate Convertible Series  
(Par Value $100 Per Share)  

The preferred stock is convertible into Common Stock at $135 per share at any time  
prior to June 1, 1987, subject to the Company's right of redemption.  

Prices:  
3½% for the Debentures  
$107 per share for the Preferred Stock  
plus accrued and/or accrued dividends, respectively, from June 1, 1957  

Copies of the prospectus may be obtained from each of the underwriters (who are among  
the underwriters named in the prospectus) or any agent for the  
securities under applicable securities laws.  

Dillon, Read & Co. Inc.  
The First Boston Corporation  
Blith & Co., Inc.  
Eastman Dillon, Union Securities & Co.  
Goldman, Sachs & Co.  
Lazard Freres & Co.  
Incorporated  
Lehman Brothers  
Merrill Lynch, Pierce, Fenner & Beane  
Smith Barney & Co.  
Stone & Webster Securities Corporation  
White, Weld & Co.  

Dillon, Read & Co. Inc., Kuhn, Loeb & Co.  
Blith & Co., Inc., Eastman Dillon, Union Securities & Co.  
Lazard Freres & Co., Incorporated  
Economic Outlook for Some Segments of Chemical Industry

By C. A. Setterstrom

Special Projects Manager, Commercial Development Division
Chas. Pfizer & Co., Inc., Brooklyn, New York

Healthy qualitative growth of various segments of the chemical industry is described by Mr. Setterstrom who finds that the biological sciences are just at the beginning of their development. With increased anticipation for all classes of the drug industry because of new population demands, the Chas. Pfizer executive anticipates 25% of the growth—$575 million—will result from new product developments. Believes food, drug and agricultural chemical activities will require 2,000 additional scientists by 1962.

Advances in nutrition and in the prevention and treatment of disease have been the major contributors to the decrease in mortality and increase in total life expectancy. Changes in mortality since 1940 are shown in Figure I. Based on certain speculations which will be mentioned later and on extrapolations, I think the age-adjusted mortality rate will decline to about 750 per 100,000 by 1962. In prior periods most of the increase in average life expectancy has been due to a lower infant mortality (Figure 2) but hereafter, there should be relatively sharp increases in middle and old age expectancy. You and me can expect to be among the beneficiaries.

Increases in longevity and vigor given age improve total productivity and this, in turn, upgrades the general economy. To illustrate, about 1,900,000 more people were living in the United States in 1965 than would have been alive if there had been no improvements in mortality rates since 1940. These people were responsible for "personal consumption expenditures" of about $8 billion in 1955.

Chemicals in Agriculture

Complete data for some of the farmers' expenditures for the production of food are not available, and we've had to use totals from different years, but for perspective, the picture is reasonably accurate. For the various categories total expenditures are about $10 billion, so each percentage is small.

Principal items in the machinery and equipment categories in order of importance are: modernizing harvesting machinery; buying machinery for the making of feed, and fertilizing machinery. The chemical industry has an indirect interest in these purchases because of its requirements of rubber and plastic. But, in general, this field will not be covered in the present paper.

The fertilizer sector is an ever larger and more important industry. It is changing from the use of chemicals, but also, outside the sector, there is an increase in the use of materials for which there had been a decrease.

Poultry feeds account for 62% of the feed offered for purchases, of which 14% is cow and sheep feeds, 25% beef and sheep feeds 61%. The value of the $3.5 billion includes the feed additives worth about $125 billion, with 85% contained in the feed as sold, and 5% sold separately for mixing at the farm level.

Figure 2 shows that the fibrinogen market is of the same order of magnitude as the market for pesticides and animal health products.

Pesticides

Table I shows a rapid breakdown in the sales. Beginning in the 1940's there was a rapid growth in insecticides because of DDST and other chlorinated insectsicides. This growth rate has been sustained by the newer chlorinated compounds but I'm inclined to believe this rate will slacken off. There probably will be no new competition within the category and changes in the nature of the chemical requirements, but the total dollar sales may remain much the same. In the "Herbicides and Growth Regulators" class, the unusual properties of gibberelin suggest that this compound or derivatives will find major new markets by 1962. Milli-

Pesticides and the Chemical Industry

The 1956 sales of the pharmaceutical industry were divided approximately as shown in Figure 3. About half the sales dollars go for raw materials and about 75% of the raw materials are manufactured compounds, so the total of about $1.75 billion means a market for about $600 million in chemical industry terms.

Ethical drugs are sold only by prescription but there has developed an important third category with annual sales of several hundreds of millions of dollars called "O.T.C." or "Over the counter" ethicals. These are sold without prescription but on the recommendations of doctors and pharmacists, so the selling effort is directed chiefly to them. The natural transition of a safe drug for treatment of minor ailments is ethical to O.T.C. to Proprietary. The O.T.C. category has shown the chief gains because of superior new products and sound merchandising; the Proprietary industry has shown relatively little sales increase over the past few years. There will be some other new and better proprietary smartly promoted, but these may be balanced by obsolescence of some of the old timers.

The ethical drug business has at several times during the past decade shown sudden growth. With competition because I'm certain to be wrong at least in part, I guess that there will be a general leveling off in the current major categories with increases only in proportion to population growth. There will, however, in my opinion be another series of new product eruptions similar in number and of about the same relative order of magnitude as the new product developments.

(1) Pharmaceutical industry research expenditures are about $75 million per year. Some of this is intensive, crash program research more like product development research of the heavy chemical industry, and some it goes for new products in old categories but a portion breaks into new ground.

(2) This research is aided by the fundamental investigations of government, educational and philanthropic agencies. This year, the Health, Education and Welfare Department and other Federal agencies are spending $210 million. The total scheduled to be spent by Federal agencies alone in 1956 is $270 million. Not all of this is or will be commercially productive but much of it is building on to that body of solid, factual new knowledge so essential for sus-
U.S. Chemical Companies Net $50 Million Yearly From Abroad

Income derived in the form of royalties for patents and "know-how" through foreign licensing of domestic chemical processes, according to Robert S. Aries, says growth of chemical industries in Western Europe is due to outrun proportional growth of U.S. counterparts.

The foreign licensing of chemical processes contribute $50,000,000 per year to the American chemical industry in the form of royalties for patents and "know-how," Dr. Robert S. Aries, New York, 

Giesecke & Devrient "know-how" license holder for a study trip abroad, said a recent meeting of the New York Society of Security Analysts. Aries, a vice-president of Post Road's New York consulting firm, R. S. Aries & Associates, who specializes in the chemical industry.

The growth of the chemical industries in Western Europe from Japan during the last four years, he said, has outstripped the proportional growth of their counterparts in the United States and has been maintained as never before by private U.S. industry.

The average European and Japanese chemical growth from 1953 until the Middle East crisis was 12% per year compared to a somewhat less than 10% for the United States, including our treasury and military compensations for the poor rate of U.S. showing in 1953 and 1954.

The average net profits after taxes of the publicly owned chemical process European and Japanese companies is about 6% of U.S. earnings, compared to about 9% for U.S. companies according to Dr. Aries.

Talking on the subject of foreign chemical developments, Dr. Aries pointed out the signs of a sea change, and the effect on earnings of U.S. corporations, Dr. Aries stressed that petrochemical growth is the most impressive and that American processes have been very prominent in the postwar industry development. Hundreds of agreements are in existence involving joint ventures, 'engineering' and 'know-how.'

Western Europe manufactured products based on U.S. license are conservatively estimated to sell for $1 billion annually and may have the about $30 million annual income to U.S. chemical process companies. Processes have also been purchased from Western Europe by North American companies, Dr. Aries said, with more than 15% of all chemical contracts since 1951, most of which have been based on inventions rather than complete "know-how." It is estimated that annual European petrochemical output in 1962 will be about equal in both directions, according to Dr. Aries. U.S. chemical process companies now receive about $20 million in annual royalties which may double to $40 million in the next couple of years, participation, the sale of "know-how" and patent licensing, the textbooks and "know-how" will have been adopted to explain the policy of international exchange of processes. In view of heavy taxation throughout the world and the tremendous demand for chemical products, the foreign alone (currency) is not enough for international process acquisition and is supplemented by other processes and improvements in better type operations, according to Dr. Aries.

B. S. Aries & Associates has been a pioneer in the exchange of "know-how" between Western Europe and the United States, having consummated 26 licensing agreements since 1959: Dr. Aries is also a part time member of the Graduate faculty of the Polytechnic Institute of Brooklyn and a Vice-President of the American Section, Societe de Chimie Industrielle.

Two With Jemen Stroemer
(Special to The Pressroom Correspondent)

MARYSVILLE, Calif., June 12-Elleen N. Brown and Eileen H. Newswan have become connected with Jemen Stroemer, 428, Fifth St.

Joins Pasadena Corp.
(Special to The Pressroom Correspondent)

PASADENA, Calif., July 27—William H. Kelley has joined the staff of Passan- dene Corporation, 419 East Colorado Ave.

Curan Adds to Staff
(Special to The Pressroom Correspondent)

SACRAMENTO, Calif.—William M. Curan has been added to the staff of the Sacramento office of Kahn, Peabody & Co.,宝安 Printing.

Joins McAndrew Staff
(Special to The Pressroom Correspondent)

SAN FRANCISCO, Calif.—David J. McAndrew has been added to the firm of McAndrew & Co., incorporated, Russ Building.

Outboard Marine Corporation

Common Stock

Righs, evidenced by subscription warrants, to subscribe for these shares have been issued by the Company to the holders of its Common Stock, with rights to purchase on or before July 27, 1957, at a price of $29.50 per share, for stock in the Company.

The several Underwriters may offer shares of Common Stock at prices not less than the Subscription Price set forth above (less, in the case of sales to dealers, the concession allowed to dealers) and not more than 10% above such price.

Subscriptions must be received by the Underwriter prior to July 27, 1957, at the official price set forth above.

Copies of the Prospectus may be obtained from only such of the underwriters as have furnished the same to you, in compliance with the securities laws of the respective States, by request.

MORGAN STANLEY & CO.

EASTMAN DILLON, UNION SECURITIES & CO. BLYTH & CO., INC.

LEHMAN BROTHERS

MERRILL LYNCH, PIERCE, FENNER & BEANE

SMITH, BARNEY & CO.

HORNBLOWER & WEEKES

PAINE, WEBBER, JACKSON & CURTIS

DEAN WITTER & CO.

June 15, 1957.
Connecticut Brevities

The Royal-McBee Corporation has established a new building on land in Bloomfield on which, subject to approval by the town Zoning Commission, it proposes to build a research and development center. This center will be estimated $2 million and will feature a university-style building containing about 75,000 square feet of floor space. The center will be located near to research and development work on automatic control systems, electronic machines and electronic computing equipment. The new center will be ready by mid 1959 and will enable the company to double its present research area.

The Roytype Division will move into space in West Hartford presently occupied by research and development.

Kaman Aircraft is constructing a single story engineering and administrative building off Blue Hills Avenue in Bloomfield. The new building will be 31,000 square feet of floor space in brick, steel and glass. Completion of the new building by early fall of this year will enable the company to consolidate its operations and provide more space for the new rented quarters separate from the main plant. The company has also taken the option of another 19 acres of land owned by the Tobacco Company in Bloomfield.

Jarvis Power Tools Company has announced plans for a $400,000 building to be erected in Middletown. Recently the company completed a brand new plant in Guilford and is now converting a new plant in Portland. Each plant is expected to be a complete production of a single line of products. The company manufactures industrial power tools, cutting tools, special machinery and aircraft parts.

With Exton Foundry and Machine Company has recently sold privately to Connecticut investors. The company is a manufacturer of long-term debt, with the proceeds, to be used in connection with construction of a new 1,000 square foot plant in Cheshire. The new plant is expected to be ready for production by December of this year will employ about 200 persons.

The United Manufacturing Company, located in Britain, has arranged to purchase 25% of the stock of The Charles Parker Company, Middletown, Parker which employs about 200 persons and produces hardware and brass products and operates foundry, will continue under its previous management and at the same location.

The Fafair Bearing Company is adding on with another 23,000 square feet of floor space to its Myers Street plant in New Britain. The addition will be estimated $200,000 and will house press work operations.

Stockholders of Bridgeport Gas Corporation have been offered rights to purchase 10,000 shares of common stock on the basis of one share for each seven shares owned of record on May 2, 1959. The additional 1,000,000 shares will be used in connection with expansion requirements presently running at the rate of about $1 million a year.

Municipal Men Celebrate Silver Anniversary Field Day

By EDMUND G. O'LEY
Eastman Dillon, Union Securities & Co.

Municipal men from Rhode Island, New York, New Jersey, Pennsylvania and Colorado joined members of the Hartford Field Day at the Westchester Country Club, Rye, N.Y., last Friday in celebration of the 25th anniversary of the annual Field Day at the Westchester Country Club, Rye, N.Y., the searchlight has been lit by its director for the past 25 years.

-But the fact of the beginning of the first Field Day after Warren's death, which overtook the event, is even more of the country which had been in existence for more than 50 years, I'm pretty sure we've had an unusual degree of success.

This was true in the Jenkins case which has put the Field in a hole, in coming to a close before the Communists begin this week. In fact, I'm pretty sure we've had the most political-minded member of the bunch is this year's New Deal day, except that the Court was dealing with different issues. Clarke seems to say the only way to get the others are proving to be more, of an issue of politics. McReynolds bought the right for the private citizen when the rest of the Court made the decision. For example, majority of the Court under Warren's, leadership is patent but now to curb excesses on the part of the President. It goes against my grain, but I'm pretty sure it does to other members of this country, that in going to the Supreme Court, to rise to the Supreme Court, I'm pretty sure it does to other members of this country, that we will have to be concerned that the citizens; and the citizens' views, are not involved in the political party of the day.

In any event, it is still necessary to bring the trip to our attention. It has been very important to us and I think we will probably be able to do this. It is not within the province of a Court of Appeals to issue a writ of habeas corpus. The writ of habeas corpus is not a way to challenge a denial of habeas corpus. It is not within the province of a Court of Appeals to issue a writ of habeas corpus. It is not within the province of a Court of Appeals to issue a writ of habeas corpus. It is not within the province of a Court of Appeals to issue a writ of habeas corpus.
Can My Dollars Work Harder?

By JAMES E. SNEYER
A. C. Aily & Co., Inc., Chicago, Ill.

A tract for neophyte investors is the result of Mr. Sneyer’s guidance and suggestions regarding the why and how of investing. The experienced dealer advises that in increasing the productivity of one’s savings for the usual reason of additional liquidity and safety, the factor has become increasingly important in the past fifteen years, i.e., protection against purchasing power monetary depreciation. The author discusses: prior need for cash and insurance before purchasing power and capital gains growth; securities; market timing considerations and advisability of reviewing portfolio periodically; mutual funds; and bonds and have to offer; reasons why not.

Increased productivity is a familiar phrase in today’s cost conscious economy. Why, the author asks, should a stock investment program seem somewhat remote. A savings program is not merely a matter of accumulating dollars or securing a new home. It also makes a question of growth and flexibility as financial conditions change. Dollars have to work harder today. There is little solace to be found in a savings program, which in 20 or 30 years of accumulation dumps the saver out of the pipeline. The purchasing power of his saving power has not kept pace with changing conditions.

The, why of stock investment as a part of the savings program is the recognition of the “what” and “how” of such a program.

We save for current and/or future income, retirement, educational fund, and insurance. When we put money to work in a savings program, even in such things: additional income that the money can earn and reasonable safety of an investment. In some cases, wisely advertised retirement programs, we may be able to save a number of years to be invested during retirement age. Twenty years ago this seemed simple to us, but what will happen to all our income assurance this same $200 is no longer. This is why the need increased productivity from our savings program, and it is here that common stock investment can make a unique contribution which other forms of ordinary investment do not readily supply. A common stock investment earns income, in the form of dividends, and secondly, its market value tends to reflect, in substantial part at least, higher grade income and health. This has occurred in recent years and which could occur in future years. In brief, it offers a convenient way to earn what media whereby relative purchasing power can be better maintained.

Invest for Ownership

This is the key to why common stock investment. Another “why” (and an important one) is the fact that common stock investment is ownership. You may not feel like it, but as the holder of a common stock, you are actually a partial owner of the enterprise in which you have invested. It is my opinion that this investment has had value in the past and will continue to have in the future because this country’s economic system, however imperfect it may seem at times, is grounded on the sound principles of the free enterprise system. This base of common stock ownership hundreds of investors who thus have a voice in the selection of the top management to do a great deal to insure the continued growth of the enterprise. Likewise, owners of common stocks are considerable attractive income. Securities, therefore, offer an opportunity for the investor who desires to see where his dollars can work best to be invested at the risk of the current income, the prospect of growth, and the likelihood that this growth in price will keep pace with the wages in maintaining their ultimate purchasing power.

These rewards are not automatic. We get them only because of our willingness to take risk—usually termed the common stock investor’s “risk of the degree of his earnings.

This is an important part of the first “big” what of any investment program. "What is my goal," and "How much risk am I justified in taking?" This basic decision will govern the selection of the investment program. They are your dollars and it is your future, so this decision must clearly recognize any limitations. As a result of the freedom of ownership of common stock, it is not for us, but many more of us will find that they can be an important, if not vital, contributor to the realization of investment goals.

First Basic Considerations

To start, every investor (present or potential) should have an emergency cash savings (or its equivalent, in say, U.S. bonds). The amount will be governed by foreseeable emergency requirements, including ready cash savings, insurance and basic. Secondly, there should be ample insurance for what is called "life, disease, property, and income security planning. In this regard, the life insurance is to be noted the many people may think they never have enough cash and cannot accumulate any more. they may never have enough cheap savings, insurance, and retire with confidence. The key is the need for a review stock investment program. If, however, you approach financial planning with what I think is the more constructive viewpoint of "How can I plan my program so that I can use my common stock investment?" you will be able to take advantage of a much greater reward: giving you the advantages of securities as a part of your program.

Most people have as part of their investment portfolio consists of conservative common stocks with growth potential, and the question is more one of your reasonable return. Risk is minimized as much as possible. This is that the character of the common stock portfolio is a basic part of the investment plan. The whole matter what, its objective and the various risks may be warranted. These are the same to be a part of the growth of the corporation. Securities of this kind are likely to be high in capital funds, and unlike bonds and preferred stocks (generally, known as "common"") may also be considered for income view of the substantially lower rates now available. Municipal bonds are similarly attractive but they include the additional attraction of tax-free income.

In summary, what better place could you as a new investor start your program than the electric generating company you know and whose operational services are subject to growing in demand in the years to come? The income is not a permanent "capital guarantee," but in the long run it will be a sure bonanza. Income, therefore, a common stock investment and not as a free-wheeling investment, but in the long run it will be a sure bonanza.

Growth Stocks

The second large category of ordinary stock investment is known as common stocks or "common stocks or "common prices". This is not a speculation of the income type, but the way you will be rewarded. It is not as exciting as a free-wheeling investment, but in the long run it will be a sure bonanza.

One additional caution. No investment program is immune to the circumstances that may affect every investor. It may be that you

Continued on page 35.
**The Market and You**

By Wallace Streete

Continuing its recovery from the "Blueberry Pie" break of last week, the market will probably hold its gains this week. The Dow Jones Industrial Average at 215! not surpassed since mid-July 1954, has held firm since Aug. 8. Only then, after six successively rising sessions, did profit-taking make a dent. But there could not be overlooked that within the overall rise of the Average of almost 60 points, or 15%, from the Feb. 12 low, there have been many major laggards. These have been manifested in actual declines in the textiles, air transport and heavy stock on stock manufacturers, tobacco, packers, metals, papers, mail orders and rail; while merchandisers and coal brokerage dragged their feet. And markets, irrespective of the trend, have taken on extraordinary thinness.

**Big News in Bonds**

But the Big News in the market this week has been the bond market, coincident with the rise in money rates and the shying-away from the dollar. The bond market is now in the early stages of a long downward trend. 'Long' is the key word here. But the bond market will make a long-time decline in the face of high yields, and banks. Thus the yields will follow their traditional role of rising to a more favorable level with the passing of time, whether the present divergent performance will continue.

**Riding Over the Obstacles**

Besides the record high bond yields, other external obstructions to the spring buying up to the long-term moves, with the possibility of substantial improvements in the future. It is a very likely possibility that the market will take a turn for the better in a week or ten days. The long-term seasonal tendency of the market is to improve in the fourth quarter. The only question is whether the current weakness will be long-term or temporary.

**The Technical View**

The technical factors show that the market is oversold, and that a return to the higher levels of the last few weeks is likely. The oversold condition is indicated by the fact that the market has not made new highs in recent weeks, and that the volume has been light. The market is now in a position to rally, provided there is a general upturn in the economy. If this upturn does not occur, the market will continue to drift lower.

**The Economic Situation and Outlook**

Continued from page 6

The continuing recovery from the "Blueberry Pie" break of last week is likely to continue, with the market holding its gains this week. The Dow Jones Industrial Average at 215!, not surpassed since mid-July 1954, has held firm since Aug. 8. Only then, after six successively rising sessions, did profit-taking make a dent. But there could not be overlooked that within the overall rise of the Average of almost 60 points, or 15%, from the Feb. 12 low, there have been many major laggards. These have been manifested in actual declines in the textiles, air transport and heavy stock on stock manufacturers, tobacco, packers, metals, papers, mail orders and rail; while merchandisers and coal brokerage dragged their feet. And markets, irrespective of the trend, have taken on extraordinary thinness.

**Big News in Bonds**

But the Big News in the market this week has been the bond market, coincident with the rise in money rates and the shying-away from the dollar. The bond market is now in the early stages of a long downward trend. 'Long' is the key word here. But the bond market will make a long-time decline in the face of high yields, and banks. Thus the yields will follow their traditional role of rising to a more favorable level with the passing of time, whether the present divergent performance will continue.

**Riding Over the Obstacles**

Besides the record high bond yields, other external obstructions to the spring buying up to the long-term moves, with the possibility of substantial improvements in the future. It is a very likely possibility that the market will take a turn for the better in a week or ten days. The long-term seasonal tendency of the market is to improve in the fourth quarter. The only question is whether the current weakness will be long-term or temporary.

**The Technical View**

The technical factors show that the market is oversold, and that a return to the higher levels of the last few weeks is likely. The oversold condition is indicated by the fact that the market has not made new highs in recent weeks, and that the volume has been light. The market is now in a position to rally, provided there is a general upturn in the economy. If this upturn does not occur, the market will continue to drift lower.
News About Banks
Consolidations, Reorganizations, New Officers, Etc.
Capitalizations

Stakholders of J. P. Morgan & Co. Incorporated, who may be asked to approve an increase in the capital stock from $200,000 to $250,000, worth $500,000 par value each, with the additional shares to be issued as a one-share-for-six stock dividend, it was announced by C. Alexander, Chairman, following a meeting of the Board of Directors.

Mr. Alexander said a special meeting of the shareholders would be called to vote on the proposed approval of the State Superintendent of Banks.

Upon receipt of the necessary approvals, Mr. Alexander said, it is intended to distribute the additional shares on July 20 to shareholders of record at the close of business on July 17.

It was explained that the board plans at its next dividend meeting, scheduled for Aug. 7, to declare the quarterly dividend at the current rate of $2.50 par value per share on the company's stock, including the additional shares.

The Chairman explained that following this proposed increase in capitalization, the board's capital would be $35,000,000, surplus would be $15,000,000, and undivided profits would be approximately $10,000,000.

This further broadening of the bank's power for new business, it was said, Mr. Alexander, "is in line with our policy of supporting and in serving the financial needs of our business industry in general".

Incorporated in 1849 with a capital of $200,000 as successor to the partnership of J. P. Morgan & Co., the bank has paid two previous stock dividends, one of 2% in October, 1915, and one of 2% in October, 1915. On both occasions the dividends were paid as paid-up stock, while the new dividend will be paid in share, at a par value of $150,000 to shareholders of record on June 27, 1917.

The First National Bank of New York was 145 years old on June 16, the original charter being granted to City Bank of New York on June 16, 1812 following the liquidation in 1811 of the First Bank of the United States.

The bank opened for business at 22 Wall Street, New York, and is now situated at 55 Wall Street. The bank has offices in New York City and 78 branches in 24 countries overseas.

The First National Bank of New York on June 18 announced the promotion of Charles W. Grotheer from Cashiers to Assistant Vice-President.

They are Milton M. Bates, Overseas Division; Walter Gless, Operating Division; and J. Martin, Operating Division.

The First National Bank of New York on June 14 opened its 71st overseas branch in Havana, Cuba. Located on the Rancho Boyeros Highway, the branch is known as the Cuban International Airport, the branch

News About Banks
Consolidations, Reorganizations, New Officers, Etc.
Capitalizations

Stakholders of J. P. Morgan & Co. Incorporated, who may be asked to approve an increase in the capital stock from $200,000 to $250,000, worth $500,000 par value each, with the additional shares to be issued as a one-share-for-six stock dividend, it was announced by C. Alexander, Chairman, following a meeting of the Board of Directors.

Mr. Alexander said a special meeting of the shareholders would be called to vote on the proposed approval of the State Superintendent of Banks.

Upon receipt of the necessary approvals, Mr. Alexander said, it is intended to distribute the additional shares on July 20 to shareholders of record at the close of business on July 17.

It was explained that the board plans at its next dividend meeting, scheduled for Aug. 7, to declare the quarterly dividend at the current rate of $2.50 par value per share on the company's stock, including the additional shares.

The Chairman explained that following this proposed increase in capitalization, the board's capital would be $35,000,000, surplus would be $15,000,000, and undivided profits would be approximately $10,000,000.

This further broadening of the bank's power for new business, it was said, Mr. Alexander, "is in line with our policy of supporting and in serving the financial needs of our business industry in general".

Incorporated in 1849 with a capital of $200,000 as successor to the partnership of J. P. Morgan & Co., the bank has paid two previous stock dividends, one of 2% in October, 1915, and one of 2% in October, 1915. On both occasions the dividends were paid as paid-up stock, while the new dividend will be paid in share, at a par value of $150,000 to shareholders of record on June 27, 1917.

The First National Bank of New York was 145 years old on June 16, the original charter being granted to City Bank of New York on June 16, 1812 following the liquidation in 1811 of the First Bank of the United States.

The bank opened for business at 22 Wall Street, New York, and is now situated at 55 Wall Street. The bank has offices in New York City and 78 branches in 24 countries overseas.

The First National Bank of New York on June 18 announced the promotion of Charles W. Grotheer from Cashiers to Assistant Vice-President.

They are Milton M. Bates, Overseas Division; Walter Gless, Operating Division; and J. Martin, Operating Division.

The First National Bank of New York on June 14 opened its 71st overseas branch in Havana, Cuba. Located on the Rancho Boyeros Highway, the branch
Impact of Economic Trends on Life Insurance

By A. L. GILTO

Associate Professor of Economics
School of Commerce, Accounts & Finance, New York University

Labor economist citing basic trends as particularly significant to the life insurance industry: growth of population and family formation, increase in life expectancy, and the passing of three-generational family and, people's expanding security consciousness. Foresees vast potential demand for life insurance coverage, with enhanced opportunities for salespeople. Calls attention to population trends' impact on annuity arrangements, and on labor recruitment by all American industry.

In this specialized world, I, an economist, can be of no help to you, the reader, unless I look into the area of the life underwriter. However, the day may not be too far distant when the labor economist will have no choice but to be a vital and forward-looking citizen concerned with life insurance.

Abraham L. Gitlow

The Population's Marital Status

With respect to marital status, the Census Bureau pointed out that the marriage rate dropped sharply in 1920. The proportion of single persons, 24.6% in 1920, has increased to 26.1%. The proportion of the population in the 20-64 age group has increased to 43.1%. The increase of single persons is due to the increased number of widows and widowers who are not married.

In 1920, the proportion of single persons was 24.6%. Thus, the proportion of the population in the 20-64 age group has increased to 43.1%. The increase of single persons is due to the increased number of widows and widowers who are not married.

Increase in Average Life Expectancy

One of the most important factors of the health and well-being of a nation's population is its average life expectancy. The Census Bureau noted that the progress made by the American people in increasing their life expectancy is not so clearly visible as in the case of the American people of European descent. In 1920, the average American's life expectancy was 73.5 years. However, in 1955, it had been increased to 75.3 years. This increase is due to the increase in the average life expectancy of people in the United States, particularly the increase in the average life expectancy of people in the 20-64 age group.

Ameri
can economists have long been interested in the relationship between the economic welfare of a nation and its life expectancy. The American economist, for example, has shown that the average life expectancy of people in the United States is inversely related to the economic welfare of a nation. The higher the economic welfare of a nation, the higher the average life expectancy of people in the United States.

Age Profile of the Population

We noted earlier the dramatic increase in the average life expectancy of people in the United States. Another trend was the changing age distribution of our population.

Census Bureau of the Census. "Changes in Marital Status Among the Population of the United States, 1920 to 1955." Current Popu-
lar Reports, Series P-20, No. 36, Nov. 28, 1961, p. 7.

Life Briefly, annuity arrangements are increasingly important today and may be expected to become even more important.

Expanding Security Consciousness

All of the foregoing has demonstrated the potentiality of the life insurance industry and its security consciousness. Our people are underwriting these services. Of equal importance, however, is our population's relative poverty and unwillingness to pay for them. These factors, plus the ability of the American people have become more security-conscious. Social security, for example, has become a collective, governmental development. That public policy and group action are not a complete answer to our problem. An insurance industry must continue to have this potentiality of the life insurance industry.

Some Final Observations

I have tried to show that economic trends as they relate to life insur-
ance. The key of my message is to the man who is in the industry. To economists, such trends are absolutely necessary.

It means that insurance companies will have to continue to have strong, increasing sales of the American people. And savings of the future are an important factor in life insurance. The life insurance industry faces a further challenge, which is to invest the savings which flow through its hands, and study has been devoted to this.

An analysis of the percentage of every policy sales of American life insurance company assets, during the period from 1950 to 1960, reveals these major features:

(1) Life insurance funds have played an important role in financing the Federal Government's efforts toward prosperity and peace during World War I (1914-1918) at a point where 11.3% of the gross national income was in U.S. Government securities, the percentage increased to 19.3% by 1940, further increased to 45.9% by 1955 to 19.9% by 1954. Barring a wartime military building, this represents a reasonable year-to-year basis.

(2) A mere 11% of the country's wealth is invested by all American families. And whether it is invested or not, I have no doubt that the savings of the American people will be invested in the life insurance company assets invested in securities of our country.

(3) The percentage of assets in all other government bond classes, has played an important role in financing the Federal Government's efforts toward prosperity and peace during World War I (1914-1918) at a point where 11.3% of the gross national income was in U.S. Government securities, the percentage increased to 19.3% by 1940, further increased to 45.9% by 1955 to 19.9% by 1954. Barring a wartime military building, this represents a reasonable year-to-year basis.

(4) By the way, the percentage of assets in all other government bond classes, has played an important role in financing the Federal Government's efforts toward prosperity and peace during World War I (1914-1918) at a point where 11.3% of the gross national income was in U.S. Government securities, the percentage increased to 19.3% by 1940, further increased to 45.9% by 1955 to 19.9% by 1954. Barring a wartime military building, this represents a reasonable year-to-year basis.
to rise, from 27.7% and 28.8% in 1920 and 1928, respectively, to 43.4% in 1954. I favor this trend. As the quantity of surplus money passing through the hands of life insurance companies increases, it is most important that a substantial proportion be invested in mortgages, for financial and social reasons. Furthermore, since the life insurance company assets are free from taxation, they may yield increasing amounts of wealth.

Keller Adds to Staff

BOSTON, Mass.—John J. White has become connected with Keller, Grant & Co., 31 State Street.

**Timken Roller Bearing Offering Underwritten By Hornblower & Weeks**

The Timken Roller Bearing Co. is offering shareholders of record June 12, 1957, the right to purchase 484,276 additional shares of common stock (without par value) at $40 per share, on the basis of one share for each ten shares held. The rights will expire at 5 p.m., EDT, on July 1, 1957, Hornblower & Weeks, who headed the financing in 1922 also will head the nation-wide group of investment bankers underwriting this issue.

This financing will represent the first time the company itself has offered securities since its incorporation in 1904, although a block of 400,000 shares of stock owned by members of the Timken family was sold to the public in 1922. Early in June, the stock was split on a two-for-one basis. Net proceeds will be added to the company's general funds and will be available for capital expenditures over the next several years. These expenditures will be made for new equipment and facilities to increase volume, reduce costs and improve quality.

Timken is the largest manufacturer of tapered roller bearings in the world and is also a large maker of removable rock bits used in the construction, roadbuilding, mining and quarrying industries. In addition, the firm is one of the nation's leading producers of quality alloy steels in the form of bars, billets and seamless tubing.

Many other products are also being improved or lowered in cost through Cyanamid chemical research or the application of Cyanamid chemicals for Surface Coatings...Leather... Petroleum...Rubber...Textiles...Drugs and Pharmaceuticals...Plastics...Explosives...Agricultural Chemicals. For further information, call or write AMERICAN CYANAMID COMPANY, 30 Rockefeller Plaza, New York 20, N. Y.

**Cyanamid Means...**

<table>
<thead>
<tr>
<th>Better Metals</th>
<th>Better Paper</th>
</tr>
</thead>
</table>

- **HELPING AMERICA MAKE BETTER USE OF ITS RESOURCES**
The Airline Challenge—Pitfall or Opportunity

By SELIG ALTSCHUL
Aviation Advisory Service

Aviation expert points out uncertainties facing airlines industry, indicates profit aspects manifested in last year's earnings decline in face of 13% passenger traffic increase, lagging in economic technological improvements, regulatory restrictions, increasing overhead, and rising fares including removal of the rapid tax write-off. Maintaining key to group's economic future lies with regulatory aspects and permission to development earnings adequate to keep pace with favorable treatment in those sectors, the industry, with its growth potentials intensified by the coming of jets, may come into its own.

I welcome this opportunity to discuss the airlines as they represent a dynamic force, vital to the nation's economy and welfare. As such, they are an important part of our economy that is being continually and continuously improved to the most investment superior to all others. Never, they contain the little which can be changed or opportunities to use the airlines, the airlines probably have more than their share of people who would like to see what helps make the airlines so interesting—and challenging.

We all know that the airlines have a tremendous growth factor. In 1950, the domestic traffic was no more than 21.6 billion revenue passenger miles. This was up 127.5% over the $15.8 billion revenue passenger miles of 1937, all of which, incidentally, was before the mark of 1947. While the rate of growth has slowed down and is not more of the present average, it is 20 to 35% annual gains recorded by the industry over the past decade and the steady uptrend in airline travel remains relatively consistent and continue. It must be remembered that with each succeeding year, the increase in passenger traffic is not the result of the rate of growth to level off somewhat as the rate of the degree of penetration that the airlines have achieved. Incidently, there is a definite difference between the large carriers and the little carriers—the category representing the largest gains in recent years. For example, in 1950, a domestic travel accounted for 35.7% of the total or for the industry as a whole, virtually unchanged from the 34.9% participation of the industry in the year 1940, of course, within the industry there are wide variations.

There can be no doubt that the individual airline companies represent an important factor in attracting more and more people to the air travel. To these airlines, advantages alone will create new opportunities, and they are open to increasing, particularly in the long distance markets.

Earnings Lag

Operating earnings and net income, on the other hand, have not kept pace with the increased traffic, especially in the long distance markets, and in some cases, the industry has seen a decline in earnings lagged behind the growth in traffic.

An important factor in this lag is the fact that in-line traffic, the domestic airline traffic accounted for 70% of the industry's total traffic, lagged behind the overall traffic increase. This is due to the fact that the passenger traffic increase was not as steady as the actual travel traffic increase due to the fact that the industry has seen a decline in earnings lagged behind the growth in traffic.

Key to the Future

For the airlines, the key to the future depends on two factors: the aviation industry's ability to foster and encourage a strong andair transportation system, and its ability to protect the public interest. In other words, the government's role in this situation is to encourage the airlines to become more competitive, probably as a result of providing from Congressional Congress, and then to provide the airlines with the tools to keep their costs down.

Throughout the years we have an almost unending, neverending battle for the future of the industry. A regular airlines' traffic volume is normally expected to have a built-in rate of growth which is expected to flow through to the general public.

But, circumstances change and a new set of conditions must be met to meet conditions which no longer exist, and that is contrary to the public interest.

Very few elements in any industry are more important than the rate of change. For example, if the monopoly authorities were to keep the rate of growth for the airlines, it would be in the best interest to change the existing trends.

Net operating income for 1956 was down about 18% to $101 million compared to 1955. The squeeze on airline profit margins is being felt in the continued in the air transport industry because of the continuing squeeze on the net operating income.

Stated differently, the industry has not been able to find gains in gross merely to hold its ground in earnings. Last year, the industry saw a 26% increase in the face of an increase of more than 13% in the cost of revenue miles.

Net operating income for 1956 was down about 18% to $101 million compared to 1955. The squeeze on airline profit margins is being felt in the continued in the air transport industry because of the continuing squeeze on the net operating income.

Net operating income for 1956 was down about 18% to $101 million compared to 1955. The squeeze on airline profit margins is being felt in the continued in the air transport industry because of the continuing squeeze on the net operating income.

Net operating income for 1956 was down about 18% to $101 million compared to 1955. The squeeze on airline profit margins is being felt in the continued in the air transport industry because of the continuing squeeze on the net operating income.

Net operating income for 1956 was down about 18% to $101 million compared to 1955. The squeeze on airline profit margins is being felt in the continued in the air transport industry because of the continuing squeeze on the net operating income.

Net operating income for 1956 was down about 18% to $101 million compared to 1955. The squeeze on airline profit margins is being felt in the continued in the air transport industry because of the continuing squeeze on the net operating income.

Net operating income for 1956 was down about 18% to $101 million compared to 1955. The squeeze on airline profit margins is being felt in the continued in the air transport industry because of the continuing squeeze on the net operating income.
nancing plans of the airlines in acquiring new aircraft.

Upon attaining the goal of 900 commercial aircraft, it was determined as eligible for fast tax write-offs at the Office of Defense Mobilization, and at the end, closed out the expansion program for 1942. It is too bad that four others associated with the usual plant sizes and production do not appear.

As a result, pending applications with the ODM, aggregating $1.4 billion for new $200 million transport planes, are likely to be approved by the end of the year, since the 1942 program is now complete.

Considerable improvement of earnings over the previous year's overstatement of earnings as a result of the elimination of accelerated depreciation. This is due to the combined effect of replacement of equipment, which will result in increased earnings, and to the adoption of "just-in-time" procedures at present, and that, in the present year, the rate of replacement of old equipment, it would be possible to replace the equipment on hand. Depreciation reserves were greatly overestimated for the present year, even more in the case of the older and smaller aircraft.

Moreover, rapid write-offs promote technological advances as there is a greater incentive to acquire newer and more modern aircraft by discarding "old" equipment that is completely depreciated on the books.

As aircraft are written off through an accelerated depreciation policy and as expansion programs are completed, the airlines will have reduced their future investment base against which charges may be assessed for tax credits. In other words, accelerated depreciation, in a broad sense, serves to defer taxes for payment in a future date. It is not uncommon to find substantial reserves for this purpose in the balance sheets of a number of the domestic trunk airlines. Accordingly, accelerated amortization by no means is to be construed as a means of tax "forgiveness".

It is to the future that the regulatory authorities should set their sights as we all do in evaluating the position and outlook for any industry.

**Capitalize Demands Large**

Capital demands of the airlines are indeed enormous. Capital needs for these companies are not small. For example, in the case of Common Air, the annual amount of new aircraft required is estimated at $1,000,000,000, representing approximately 80% of the purchase cost for the next ten years. This figure is derived from the projections of earnings, cash inflows and proceeds from surplus aircraft sales.

I have spent considerable time in reviewing the regulatory policies of the industry because of its impact on the current and future financial position of the airlines and its ability to meet the challenges of the future.

The airlines' capital structures are quite similar — the airlines must be able to develop earnings adequate to meet their obligations. And the airlines are in constant competition with other companies that also need capital but whose earnings power is not in the best interest of all stakeholders.

Beneficial knows that any family bank may meet these challenges when cash is short. That's why Beneficial is in business...to help meet emergency family needs with a small loan service that's sound and straightforward...and there when needed.

The Beneficial Finance System helps keep families functioning over the tough spots...with always the thought in mind that:

**$600-A-Year Man**

As a shortstop, he has shortcomings. But as an income tax exemption, he rates the top figure.

Trouble is, that top figure is just $600 a year. If you're a parent, you know how far that goes.

Beneficial knows that any family bank may meet these when cash is short. That's why Beneficial is in business...to help meet emergency family needs with a small loan service that's sound and straightforward...and there when needed.
Bank and Insurance Stocks

BY ARTHUR B. WALLACE

This Week—Insurance Stocks
The Aetna Casualty and Surplus Lines, Hartford, Connecticut

This adjunct of Aetna Life Insurance Company was incorporated in 1823 under Connecticut law as the Hartford Fire Insurance Company. In 1839 it was changed to Aetna Accident Insurance Company, and in 1877 a new charter for the use in Hartford was acquired in 1907; and today Aetna Life holds approximately 2% of the outstanding stock.

Aetna Atlantic, another Aetna Life affiliate, was merged with the Casualty company and there were 20,000,000 shares. 30% controlled subsidiary units are St. Louis Fire Insurance Company of Hartford, over 89% owned; and Iowa Fire Insurance, wholly owned.

Since 1907 Aetna Life has been called for some or 20 centuries, spearheaded the Life Company’s venture into the accident field, and later a Connecticut law was passed permitting life companies to write accident coverage.

The Accident company’s capital grew from the original $500,000 to $9,000,000 just before the Automobile period. A 50% stock dividend was paid to the holders of the subject company, and then stock dividends were absorbed by a non-share-outstanding share of stock. As of 20,000 agents represent the company, which operates on a nationwide basis. With its companion companies, practically all lines of business are offered. Development of a pension policy, on premium volume, is the second largest writer in its field.

Principal Lines Written Are, for 1956

Auto Bodily Injury                          23%
Miscellaneous Bodily Injury                  18
Fire and All Lines                          11
Inland Marine                               4
Arts & Crafts                               2
Other                                          19

Net premium income in that year was $237,000,000, up from $227,000,000 in 1955. Long-term was the merger of Auto and Casualty. Through 1956 (the merger being effective at the end of this year) Aetna Casualty’s ten-year growth in premium volume was 64%.

For the same decade the average combined loss and expense ratio rose from 56% to 61%. This decade embraced several years in which the automobile business was significantly reduced. Aetna Casualty Lines account for 43% of gross premium volume.

Ten-Year Statistical Record—Per Share

<table>
<thead>
<tr>
<th>Year</th>
<th>End. Invest.</th>
<th>Federal</th>
<th>Net</th>
<th>Dep.</th>
<th>High Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947</td>
<td>$6174</td>
<td>$2115</td>
<td>$0.55</td>
<td>$4.91</td>
<td>$2.00</td>
</tr>
<tr>
<td>1949</td>
<td>$7369</td>
<td>$2122</td>
<td>$0.55</td>
<td>$5.00</td>
<td>$2.09</td>
</tr>
<tr>
<td>1951</td>
<td>$5351</td>
<td>$2185</td>
<td>$0.50</td>
<td>$5.15</td>
<td>$2.09</td>
</tr>
<tr>
<td>1952</td>
<td>$6068</td>
<td>$2152</td>
<td>$0.50</td>
<td>$5.00</td>
<td>$2.09</td>
</tr>
<tr>
<td>1953</td>
<td>$6343</td>
<td>$2131</td>
<td>$0.50</td>
<td>$5.00</td>
<td>$2.09</td>
</tr>
<tr>
<td>1954</td>
<td>$5454</td>
<td>$2174</td>
<td>$0.50</td>
<td>$4.90</td>
<td>$2.09</td>
</tr>
<tr>
<td>1955</td>
<td>$5314</td>
<td>$2131</td>
<td>$0.50</td>
<td>$4.90</td>
<td>$2.09</td>
</tr>
<tr>
<td>1956</td>
<td>$5524</td>
<td>$2174</td>
<td>$0.50</td>
<td>$4.80</td>
<td>$2.09</td>
</tr>
</tbody>
</table>

Note: Data for 1956 reflects Atlantic Insurance Co. merger. Adjustment made.

In the investment end of the company’s operations, in the ten years through 1956 approximately 38% of investment income was distributed as to Physical.

As the nature of the casualty business requires that a company maintain a large amount of capital, Aetna Casualty of course, conforms with this industry practice. There follows a breakdown of assets as of the end of 1956.

Cash and Short Term Investments $47,000,000
Preferred Stocks 5,000,000
U. S. & Gov’t Obligations 7,600,000
Common Stocks 22,36,000
Other Bonds 52,600,000
Other Investments 3,06,000
Miscellaneous Assets 8,800

In the decade to Dec. 31, 1956, Aetna’s change in the value of its assets (including realized gains and losses) was $43,650,000.

A conservative policy is followed in the investment in equity security, or statistic record. Liquidating value in the period increased about 15%; net earnings increased slightly 14%. Here is a stock suited to the investor who is less attracted by current income than he is by long-term growth. The management is the same as that of Aetna Life Insurance Company.

A conservative dividend policy is pursued, as is true of all the better managed companies. The present annual rate is 2.70, and selling at present at about 142, the yield is 1.90%. In the decade to Dec. 31, 1956, the company is operating at a slight premium in each year with an annual rate of $11.68; a little less than one-fifths of this gain, on average, was accounted for by the cash dividends; the remainder was by the increase in equity, again on average.

Continued from page 11

The Fast Changing South Is A Frontier of Opportunity

The South is indeed the nation’s economic frontier—a frontier of opportunity. 

Weinberg Vio-Chana.

For Natl. Bible Week

Sidney J. Weinberg, a partner in the large securities firm of Lazard, Frayre & Nusche, Company, New York City investment house, has accepted the invitation of the New York City Laymen’s National Council to be Vice-Chairman for the Nineteenth Annual National Bible Week, to be sponsored by the Council. Mr. Weinberg will address the theme of the event through Oct. 27.

The announcement is made by George J. Teck, the President’s Committee.

Mr. Weinberg, a representative of the Jewish faith, joins a group of excellent Religious Vice-Chairmen, consisting of the Honorable John H. Tolan, Chairman of the Board of the Coca-Cola Export Corporation, and H. W. Pren- dergast, Chairman of the American Mercantile Cork Company. The National Committee is headed by Charles M. Stetson, Hook, Chairman of the Armaco Steel Corporation in Middletown, Conn.

National Bible Week, which the Catholic Church, has sponsored the third week in October, is a time when all Americans are invited to participate and to join in this important “week.” Newspapers, magazines, radio and television stations, theaters, churches, schools and all private as well as public schools have an opportunity to assist.

The theme for the 1957 National Bible Week, “THE BIBLE—TODAY, TOMORROW, ETERNITY,” has been selected. The slogan will be widely used on all public service media. The Committee will distribute free of charge to those writing Committee Headquarters, Hotel Ranger, Vanderbilt, New York City.

Ware & Keelins Admit

Robert W. Keelins, Jr., will become a partner in Ware & Keelins, New York City. The members of the New York Stock Exchange.

Butler, Herrick Brand

WESTHAMPTON BEACH, N. Y. — Edward H. Butler and Lewis E. Herrick have opened a branch office on Main Street under the management of Mr. E. H. Butler.
More Economic Troubles in Britain  

By PAUL EINZIG

Dr. Eiznig reports increased pessimism in Britain, furthered by unfavorable trade figures entailing negligible gold inflow. Notes reappearance of over-consumption to the detriment of export efforts. Holds recent increase in investor inflation-consciousness to be a sign of weakness. Sees the prospects for increased industrial profits together with pursuit of over-full-employment policies causing switch from fixed-interest securities to equities. Maintains that the prospect on whether increasing contribution of middle classes can offset declining contribution of the working classes.

LONDON, Eng.—With the first half of the year ending, there is a growing volume of pessimism in Britain about present conditions and prospects. It is already certain that the first half of the Treasury is able to reinforce its gold reserve, and this becomes even more apparent with the seasonal losses during the second half. The pound continued its slide during the first five weeks of June, falling disappointingly small. The presentency trend, however, gives some indication of the reason why the gold inflow was negligible last month. There was a sharp increase in imports, and the adverse trade balance was considerably larger than during the corresponding month in 1956.

Over-Consumption Again

There are indications that once more Britain is consuming too much. As a result, the increase in wages and the disappearance of fears of unemployment, consumer demand is increased. Ordinary British consumers can rely safely on the absorbing capacity of the home markets, so that there is not the same inducement for them to concentrate on exports as there was until a few months ago.

The possibility of a strong adverse pressure on sterling at least during the autumn is widely envisaged. Thanks to the advance of the dollar, dollar markets are better, but the dollar facilities will have to be kept to a minimum. The banking community in Britain, like that of the United States, will have to be aware of the danger of overrunning its dollar reserves.

There will be an important difference between the continuing period of pressure on sterling and similar previous periods. In the meantime confidence in British Government bonds has weakened considerably. On the occasion of previous runs on sterling most investors in fixed-interest securities were particularly conscious of the erosion of the purchasing power of their holdings. There is growing evidence that in course of the last few months investors, big and small, have become much more inflation-conscious. In addition, adverse influence, such as a weakening of the pound, to accentuate the prevailing fears that the real value of Government loans is doomed to slow but non-stop decline.

Equities and Government Loans

In recent months equities were inclined to move in step with Government loans, owing to the temptation of capturing a falling yield of the latter, and the declining trend of the purchasing power of sterling. But there are indications that attempts to hold down prices and thereby higher wages out of profits are becoming harder. For one thing, the increase in costs resulting from the narrowing of income differentials and the concomitant loca-
tion, the middle classes today are working much harder than before the war. Their inventive genius has survived the depression in the financial incentive resulting from the egalitarianism run mad.

Britain's progress in the sphere of the production of atomic energy and in many other industrial spheres indicates that in spite of the utmost discouragement they have to face, the middle classes are more than hold their own. British industrial modernization is making good progress in spite of the inadequacy of depreciation allowances for taxation purposes. Indeed, it is probably correct to sum up the situation by saying that Britain's economic future depends on whether the increasing contribution of the middle classes to the economy can offset the declining contribution of the working classes.

Irving Lipsiner Opens

NEW HAVEN, Conn. — Irving Lipsiner is engaging in a securities business from offices at 53 Cooper Place under the firm name of Plan Joint Securities, Inc.

Form Quintin Securities

Quintin Securities, Inc. has been formed with offices at 32 Broadway, New York, City, to engage in a securities business. Officers are H. A. Newing, President, Treasurer, and I. Murray, Vice-President and Secretary.

James McKenna Admits

On June 13, Miriam Frankel will be admitted to limited partnership in James McKenna & Co., 231 South La Salle Street, members of the New York Stock Exchange.

Halsey, Stuart Group

Offers Equip. Tr. Clfs.

Halsey, Stuart & Co. Inc. of June 14 headed an underwriting group which offered $3,300,000 of 4% equipment trust certificates of Norfolk & Western Ry, maturing semi-annual in 1971 to 1972, inclusive. This is the first installment of an aggregate not to exceed $13,500,000. The certificates were priced to yield from 2.60% to 3.05%, according to maturity.

Issuance and sale of the certificates was subject to authorization of the Interstate Commerce Commission.

The aggregate issue will be secured by 2,000 locomotives cars cost to be sold million.

Participating in the offering are: Dick & Merle-Smith; H. T. Press-


Opens Inve. Office

SEATTLE, Wash. — Grace C. Tucker is engaging in a securities business from offices at 500 Wall Street.

A. S. E. Nominating Comm.

Edward T. McCormick, President of the American Stock Exchange, has announced that at an election held on June 11, 1967, Bernard R. Teichgraber, Thompson & McKimmon; Harold J. Brown, Brown, Kiernan & Co.; James Gilligan, Gilligan, Will & Co.; and L. W. Herman were elected regular members of the Exchange's Nominating Commission, and Kenneth W. Martin, Merrill Lynch, Pierce, Fenner & Bosche, Floyd W. Mason, Page, Webber, Jackson & Curtis, and M. Donald Grant, Fahnestock & Co., were elected non-voting members of the same committee for the ensuing year.

Whitney Director

CHICAGO, Ill.—Wheelock Whitney, Jr., has been elected a director of Truxen-Tracer Coal Co. to fill the vacancy on the board created by the death of his father, March 23. Mr. Whitney is associated with J. M. Dain and Company, Inc., Minneapolis investment firm.

With Mitchell Hutchins

(Special to The Financial Chronicle)

CHICAGO, Ill.—Basil M. Chandler, R. Edward Garn and Albert J. Payne have become co-owners with Mitchell, Hutchins & Co., 231 South La Salle Street, members of the New York and Midwest Stock Exchanges. All were formerly with John O'Brien & Co.

New Orleans: raw materials SUPERMARKET

A supermarket variety of raw materials is available NOW to your business because of • proximity to extensive sources of supply
• low cost transportation • efficient handling.

Select from this diversified list of resources and products:


Place your plant here, where this supermarket variety of raw materials can best serve your needs. We'll help you shop the New Orleans SUPERMARKET for the specific raw materials your business requires. Our information service is without cost or obligation. Call or write Industrial Development Staff, 217 Baronne Street (Raymond 7151).
Vital Implications of Traffic Congestion

By ROGER W. BABSON

Mr. Babson maintains curtailment of urban traffic congestion is prerequisite to the growth of the city's parking-lot business offers better opportunities than auto industry. Predicts replacement of present awning space by throwways for use of motorists, bicyclists, and roller skaters.

Of two things I am certain, either the city is going to have to find a way to head off the increasing automobile congestion in our streets or the cost of the sale of automobiles will be multiplied by the increase of the cost of the road improvements, or else running costs will be increased by the need for better sell their motor

Roger W. Babson

Continued from page 3

The Jenks Case

invoke its Government privileges to deprive the accused of anything which might be material to his defense...” and further...

...in criminal cases... the Government can invoke its privileges only at the price of letting the defendant go free.

The powerful impact of this determination needs to be carefully weighed and understood.

For instance, the Jenks case type of disclosure to which the Court here directs are some of our administrative agencies.

These often conduct investigations out of which crimes are engaged in law enforcement may as well close up shop for the Court has opened its files to the criminal and thus afforded him a Roman holiday for rummaging through confidential information as well as vital national secrets.

This is not well reasoned. It wrongly assumes guilt of a defendant before a conviction, and overlooks the application of the majority opinion to those cases only in which the Government possesses statements or reports by non-privileged matter of their testimony of the trial.

Apparent in the opinion, some Congressmen have already called for legislative action to protect F.B.I. files.

We believe this is unnecessary.

As the Court pointed out, the interest of the United States in a criminal prosecution is not that it shall win a conviction, but that it shall have justice, and that means that its witnesses are to be fully and fairly and not brought before the jury.

In that framework, this seven to one decision constitutes a bulwark in the interest of the fair and impartial trial.

As the Court has indicated the power of the Government's claim to privileges is to drop the prosecution. Our national security, therefore, need never be endangered, and the right of the defendant will be preserved.

That the Court has struck down the deplorable tendency in some quarters of Government, courts and elsewhere, to nullify the Constitutional rights of all of us most naughtily. This decision, as I say, is the Good News. The principles and issues involved in the instant case, which were no less repugnant to the jurors than they are to us.

However, to its credit, the Court considered that the principle at issue necessarily transcended all other considerations. It recognized the great danger of placing in jeopardy the fundamental rights of society as a whole in order to bring an alleged malfeasor to Justice, regardless of the nature of the charges involved.

D. A. Scheinost Opens

(A special to The Financial Chronicle)

COSTA MESA, Calif.—Dale A. Scheinost has been added to the staff of Arthur H. Bogan, Inc., 6705 Sunset Boulevard.

Arthur Hogan Adds

(A special to The Financial Chronicle)

HOLLYWOOD, Calif.—Burkman Co., 1023 South Beverly Drive, members of the New York and Pacific Coast Stock Exchanges. Both were formerly with William R. Stites & Co.
Chemical Research's Essentiality
To Good Profitability

selven ahead we must examine what has already been achieved.

Industry's Size
The United States chemical industry— that is, manufacturers of chemicals classified as

cluding today's synthetic fibers, dyestuffs, drugs, and fertilizers— has grown at an average rate of 10% a year. The rest of the 20th century, the period that has been studied, has seen this industry grow at an even faster rate. The chemical industry is a large and important sector of the economy, and its growth has been steady, even if sometimes slower.

The basic reason for this growth is the increase in the use of chemicals in many different industries. As the chemical industry has grown, it has diversified, and today it produces a wide variety of products, ranging from basic materials like coal and crude oil to complex synthetic polymers.

In addition to the growth in new products and processes, the chemical industry has also benefited from improvements in existing products. For example, the introduction of new plastics like polyethylene and polystyrene has expanded the market for these materials significantly.

New Products and Processes
In addition to the growth in new products and processes, the chemical industry has also benefited from improvements in existing products. For example, the introduction of new plastics like polyethylene and polystyrene has expanded the market for these materials significantly.

Advantage and Handicap
In the long run, it may be that there is no advantage to be gained in the chemical industry. However, it is clear that the chemical industry is a major contributor to the nation's economy and that it will continue to grow in the future. The chemical industry's growth is not limited to the United States; it is expanding worldwide, and this growth is expected to continue for many years to come.

With Bateman, Eichler

With C. A. Botzum

With Reinholds Gardner

Joints Barf Staff

With C. A. Botzum

Los Angeles, Calif. — C. A. Botzum has joined the staff of Reinholds, a Los Angeles law firm. He will be joined by associate William L. Olson, who has been with Bateman, Eichler & Co., 435 Sixth Street, Los Angeles.

Los Angeles, Calif. — C. A. Botzum has joined the staff of Reinholds, a Los Angeles law firm. He will be joined by associate William L. Olson, who has been with Bateman, Eichler & Co., 435 Sixth Street, Los Angeles.

Los Angeles, Calif. — C. A. Botzum has joined the staff of Reinholds, a Los Angeles law firm. He will be joined by associate William L. Olson, who has been with Bateman, Eichler & Co., 435 Sixth Street, Los Angeles.

Los Angeles, Calif. — C. A. Botzum has joined the staff of Reinholds, a Los Angeles law firm. He will be joined by associate William L. Olson, who has been with Bateman, Eichler & Co., 435 Sixth Street, Los Angeles.

Los Angeles, Calif. — C. A. Botzum has joined the staff of Reinholds, a Los Angeles law firm. He will be joined by associate William L. Olson, who has been with Bateman, Eichler & Co., 435 Sixth Street, Los Angeles.
As We See It

is these "differences" which constitute the heart of the trouble.

Of course the burden of present day armament is very heavy. Of course the potential armed forces are now in a state of preparedness. The fact remains, though, that disarmament, or at least a substantial reduction in armaments, would present no difficulty were it not for the existence of interests which favor the status quo. As the Prime Minister refers. With elimination or even a marked reduction in the threat of war, the problems surrounding nuclear armament would largely vanish. And, basically, the threat or fear is the result of conflicts of ideas which give rise to lines of action setting man against man. These more fundamental differences or conflicts are the real problem.

Some Differences

The British Prime Minister has listed some of them. Conflicting views about Europe and its future, constant mullings in the Middle East by the Kremlin, and the mercilessness of the Soviet influence in Syria are specifically cited. These are all concrete areas in which conflicting ideas or ambitions clash. The current problem is not so much a matter of "will," and rather than is thus indicated. One of the real impediments in the path to lasting peace in this world today is the basic nature of communist philosophy as proclaimed in its full and complete manner by the Kremlin leaders, and, by the world of reason by the fact that, in important particulars, it merges with and re-inforces the imperialistic ambitions long harbored by Russia.

It has become rather more common of late to place emphasis upon the co-existence theme, but the fact is not concealed that the Russian communists look toward a world of communism, and in that new and strange state, if it is brought about by the Kremlin masters will be the world capital of that universal socialist or communist state. This fundamental tenet of Stalinist communism always stalks through the conference rooms and plagues the efforts of any sort of an understanding with Moscow.

Certain corollaries add to the difficulties. Whether they admit it or not, communist leaders generally regard themselves always at war in a sense with the capitalist countries. This, in turn, has an impact on the making of social and economic order, dedicated to the task of converting the world to communism, and so obsessed with the assumed righteousness of their cause that any means to their ends justify themselves. Just as it is not only that brute force is not part and parcel of the Kremlin's thinking, or that Soviet leaders do not intend to do what they can and do in the future to bring about a new era for Moscow will be the world capital of this.

DID ORIGINATE IN MOSCOW

Of course, such perfidy did not originate with the communists or with the Kremlin. It was Japan, the capitalist country with imperial ambitions comparable to those of the Kremlin, which "played us" for a sucker. The sudden and unexpected developments of the past years preceding the outbreak of World War II. It was Hitler who played fast and loose with his word throughout most of Europe and ended by plunging the world in the worst disaster of all time. It has also been shown that China has somehow adopted adept enough in such tactics and quite ready and willing to employ them. The problem is not only that of reaching some sort of understanding with Moscow, but of understanding that the agreement is real and will be observed.

In some respects this is a situation new in history. Among all the nations of the world it would appear that only the Chinese and the Japanese can be considered imperialists. Indeed as a practical matter it could almost be stated that only Russia has such ambitions in a form to bear importantly upon the current situation. To be sure, communist China has been at its present borders here and there, but the leaders of that land appear to be much more concerned with solving their own internal problems and getting on their economic feet than with communizing the world at large. It appears to be the Kremlin that is burning with pro-seize's goal, compounded with its own historical national ambitions.

The other major areas of disagreement are today primarily involved in maintaining a status quo. They have developed extensive financial interests in various parts of the world. They have come to be dependent upon resources of their own, which is the way they see things for the Kremlin mill. Such basic issues will yield, if they yield at all, little by little and this fact must be borne in mind when disarmament is under discussion.

Equities as Trust Investments

Under Present Conditions

No Shortage of Stocks

In one field of particular interest to investors there now exists an unusual situation. To the extent that a strong swing away from any possible condition of disfavor of stocks, there is a free supply, at least a strong swing away from any possible condition of disfavor of stocks. In the face of certain trends which have appeared in the current stock market itself. These figure that if and when stock offerings are illustrative:

<table>
<thead>
<tr>
<th>Year</th>
<th>$800,000,000</th>
<th>$1,200,000,000</th>
<th>$1,600,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1939</td>
<td>877,000,000</td>
<td>1,230,000,000</td>
<td>1,620,000,000</td>
</tr>
<tr>
<td>1944</td>
<td>872,000,000</td>
<td>1,236,000,000</td>
<td>1,624,000,000</td>
</tr>
<tr>
<td>1949</td>
<td>805,000,000</td>
<td>1,186,000,000</td>
<td>1,616,000,000</td>
</tr>
<tr>
<td>1950</td>
<td>733,000,000</td>
<td>1,089,000,000</td>
<td>1,596,000,000</td>
</tr>
</tbody>
</table>

The potential supply of new issues in the past year is given to the large number of companies which have been selling stocks which have been issued in recent months, as well as to the new issues of old stock options.

Another area, however, we are moving from a condition of "disfavor" to one of "favor." Such a situation usually carries a promise of good business, but in unusual situations the event could be just the opposite. I refer to the new increase in the Federal Reserve buying up the long idle re-"serves of our Banking System, and the Federal Reserve buying up the Federal Reserve Stock Certificate at the point where more fuel is needed. And it is all right to say that the machine is to continue to move forward.

We are still in a labor squeeze due to the new familiar population. The working population in national population has been concentrated in the extreme age groups of people of semi-employment, or normal working age. The working population group has remained relatively stationary, and has done its bit, in the inevitable absence of a planned program (as we are), in some time yet. This working population is dominated by a group of age and pressure groups. This is a disturbing trend in many ways. I feel that if this country is ever again to solve its problem, it will originate from this source.

Immediate Investor Considerations

Now for the more immediate considerations which affect us as investors:

1. We are entering or are about to enter a period of uncertainty. In a lengthening list of basic industries for the first time in a long time, oil, gas, and mining have been affected. And, as usual, in fact, in about everything except a few commodities directly tied to the war effort, or machinery associated with the war industry. We are also saving devices. We like to think of them as "a matter of economy and/or "judgment." But this theory seems to be severely tested. My guess is that as long as government credit holds out, and that the rationing of beverage supplies will continue, this theory will emerge from this test practically whole, and will be given a further period of grace.

2. Are stocks now cheap? It may well be that there are stocks which are available in today's markets, and I hope to name a few of these right here. But when the Standard & Poor averages having moved upward from 42.52 to 48.85 on April 15, the burden of proof to show that these are "cheap" stocks is common today, as a whole, undervalued.
that the only real security behind any investment is earning power.

Some, of the same debt instruments that have been included in various corporate accounts, have been repaid in recent years may be found in an uncomfortable test-

ing period.

Fourth—The fear of inflation. There is no assurance that we will not return to the currency inflation; in fact, we are on the threshold of another wave of inflation. The Federal debt after a virtual standard for the living standard, the gold standard, we cannot feel assured about stabi-

ity of long-term commodity price levels.

Finally—Growth. Here I think we must make it clear that we have arrived at an entirely new concept in trusteed investing —a concept that does not permit us to continue to retire to the storm cellars of yeoman farmers. We must be prepared to witness the forces of preservation. We must think in terms of continued development of trusteed assets according to pru-

dent investment principles.

Moderation and Care Advised

This is a time when we should switch wholly to common or substantially increase our com-

mitment to the growth of the average trust account. The trustees are faced with the difficul-

ty of the trend of market sentiment and the necessity of issuing calculated rules and must steer a sound middle course.

Another thing is that we cannot be bought blindly just be-

cause of the fear of inflation hedges, or any similar blanket categorization. The busi-

ness is not likely to vary from time to time with the periodic changes that are being made.

(1) Dividend policy.

(2) Management aggressiveness as evidenced in the kind of vision and leader-

ship, as well as in the direction of building up the business but by build-

ing up the assets of the trust company.

(3) Ability of management to earn a fair return on invested capital and on the trust account.

(4) Reasonable price, i.e., I cannot emphasize this too strongly. Remember that the common stock market is domi-

nated by the buying power of buyers who price fluctuate widely from time to time. One thing that has developed over the past few years is that we have set up some kind of reasonable price range and stay within it. In my estimation, we have found that there is a persistent long-term relationship between market price and asset value per share. This relationship in turn governs the level of rate of return on capital. This, of course, is one of the reasons of departure in setting "normal" price levels. The price level of the stock should be made to set such standards.

Standing should not be bought on the basis of facts or cliches. Fad.

some come and go. What I am saying is that earnings multiples up and down with easy grace. Magic words are not the test. That is another example of "Maximum."

Many people are interested in things that are going on well for awhile, for one reason or another, and then jump to the extreme in revitalized management. In such circumstances, it is important to par-

ticularly to emphasize that management that takes advantage of this situation by talking themselves into record earnings, high divi-

dends and liberal stock options. It is a trick of the trade to have bad goods, to be identified with the average investor, and past earnings record plus the re-

quired depth to continue the per-

formance over the years. There is a great deal of public relations setup. Another word I have to watch for is "asymmetrical research." This is a very im-

portant subject and I am not dis- 

counting anything, but research can be carried to some amusing extremes. Because certain indus-

tries have so thoroughly exploited research, everyone now seems to want to get on the band wagon.

It is fairly well known that basic research is only a minor part of the total research effort of most investment trusts. The bulk of the work is applied in research as to individual stocks. But when a food com-

pany tells us gravely that their annual report has just been released that over the year evolved six new cookies and 15 new fruit juices and the product is in the best position to ring the bell on this round.

Tests of "Growth"

Then let's not forget our friend "growth." We have probably seen about as much of that as we want to see, at least to last for a while. But before we get out of our "growth" issue, it will be to do nothing more than establish the kinds we def-

ine this sometimes elusive quali-

ity. The final test of growth is, is there a persistent above average increase in net common stock and a consequent in-

crease in market capital? Good busi-

nesses may or may not show a growth if the law does not. Then there are certitudes which are still on trial. It seems a safe course to maintain a good balance between equities and bonds. Continued success with common stock requires careful and constant analysis.

Best results are likely to be achieved by those who are ready to use the real value rather than paying buying equal for bonds and an investment that past successes in corporate management can be indefinitely con-

tinued.

Attractive Stocks

Now, the question is: What are the attractive average trust accounts? I think the best way to answer this is to set up an imaginary discretionary trust fund of, let us say $10-

no,000,000. Here is how I would sug-

gest investing such a fund cur-

rently.

15% Process and research. This would cover development of new products, plans, drugs, electronic, and specifically in this—

20% Capital goods.

29% Financials. (The distinction between capital goods and consumer goods com-

panies is somewhat difficult, since many of our less often subject to aggres-

sion to the turmoil of interest, but they are also substantially in-

vested in industrial plants and equipment. This distinction list of individual issues which would be worthy of purchase at this time in accord-

ance with the "growth" discussion.

Philadelphia Electric Wisconsin Electric Power

Central & Southwestern Corp. Consolidated Natural Gas

United Gas & Electric Continental Insurance

C. Murphy Co., Inc.

Fahnestock & Co.

DuPont

Sparrow-Rand

Glassing Corns.

Another interesting Co.

To summarize:

(1) Our changed concept of the trust company and its role in agriculture.Background attention is being given to preservation of basic trust in- come and reasonable rate of growth of trust assets. Good busi-

nesses may or may not show a growth if the law does not.

(2) Many certitudes are still on trial. It seems a safe course to maintain a good balance between equities and bonds.

(3) Continued success with common stock requires careful and constant analysis.

(4) Best results are likely to be achieved by those who are ready to use the real value rather than paying buying equal for bonds and an investment that past successes in corporate management can be indefinitely con-

tinued.

Harris, Upham Opens New Park Ave. Office

Harris, Upham & Co., nation-

wide trust company, with 35 offices coast to coast and its home on Wall Street Stock Exchange, announced Wednesday June 19 the opening of a new of-

cice at 118 Park Ave., southeast corner of 57th St., facing the new illuminated sign facing Park Ave., at the corner of 57th Street show-

ing, in black or red numbers sig-

nify increasing or decreasing, hour-

ly changes in the Dow Jones Industrial average.

Accurately tapping approximately 2,600 feet of space, the office, a reincension of the firm’s 504 Ave. 600. Harris offices, equipped with up-to-the-minute communication equipment, Tele-

phone, typewriter, and financial news service. Each of the 18 registered representatives has his own direct wire with the quotation bureau, as well as the New York Stock Exchanges from the new building, which fully air-conditioned with filtered air, has a private conference room and a complete sales and service program for the privilege of the conversion.

George U. Harris, Harris, Upham

senior partner, stated that the new Harris branch would be under the control of Birch, Merrill Lynch, Pierce, Fenner & Sensenig, a subsidiary of the Harris trust office. Harris stated that the branch was opened to expand the firm’s service in New York, and that its purpose is to provide the highest quality of service to the public. He added that the new branch would be charged with the responsibility of serving the growing number of clients who have been joining Harris over the years. He also expressed the belief that the branch would be a valuable addition to the firm’s existing operations.

With Hines, Galvin

(Special to The Boston Chronicle)

BOSTON—John S. Galvin and Leonard L. Hines have become affiliated with the Harris Upham & Co., Boston branch. The two men are members of the Boston Stock Exchange. Hines was formerly with Coflin & Burt, Inc., and Tholuck & Wadley, Co. Joins Cantor, Fitzgerald

BEVERLY HILLS, Cal.—Har¬

vey Deutchman has joined the staff of Cantor, Fitzgerald & Co., Inc., 220 North Canon Drive.
Public Folly and Private Greed
And the Federal Reserve System

system are a debit, not a credit, and many people know what it really means. If they do, however, they are too sure that we recognize all of the faces and the forms the money market takes on. It is given a variety of economic write-offs, but the public trouble is, suppose that there is no set market place, no building, no corporation, by laws, no list of members, by means of which we recognize it. Nevertheless a money market exists. It is the place where we strike the ultimate balance of financial transactions of a variety of financial institutions. It has its primary being, both nationally and internationally, within the financial district of New York City.

The descripions of the money market are vast, and difficult to understand, it is that the market is a place where a dealer in term debt, as contrasted with the capital market which deals in long-term security. Transactions between the two markets are many, however, and the divi- lines are fuzzy. Our money market has been better described, perhaps, as the money market that takes the form of the money market and its principal users, trading in primary or secondary securities. Banks reserve into cash, and vice-versa, on which loans are made at their points—and in their reserve requirements—daily, weekly, and bi-weekly.

The money market, therefore, is the natural meeting ground of the Federal Reserve System and the commercial banks, because it is there that the central bank, on its own initiative, can most quickly, and effectively, and sensitively, reach the dealer in term transactions. Credit policy which takes the form of the money market and its principal users, trading in primary or secondary securities. Banks reserve into cash, and vice-versa, on which loans are made at their points—and in their reserve requirements—daily, weekly, and bi-weekly.

The money market, therefore, is the natural meeting ground of the Federal Reserve System and the commercial banks, because it is there that the central bank, on its own initiative, can most quickly, and effectively, and sensitively, reach the dealer in term transactions. Credit policy which takes the form of the money market and its principal users, trading in primary or secondary securities. Banks reserve into cash, and vice-versa, on which loans are made at their points—and in their reserve requirements—daily, weekly, and bi-weekly.

The money market, therefore, is the natural meeting ground of the Federal Reserve System and the commercial banks, because it is there that the central bank, on its own initiative, can most quickly, and effectively, and sensitively, reach the dealer in term transactions. Credit policy which takes the form of the money market and its principal users, trading in primary or secondary securities. Banks reserve into cash, and vice-versa, on which loans are made at their points—and in their reserve requirements—daily, weekly, and bi-weekly.

The money market, therefore, is the natural meeting ground of the Federal Reserve System and the commercial banks, because it is there that the central bank, on its own initiative, can most quickly, and effectively, and sensitively, reach the dealer in term transactions. Credit policy which takes the form of the money market and its principal users, trading in primary or secondary securities. Banks reserve into cash, and vice-versa, on which loans are made at their points—and in their reserve requirements—daily, weekly, and bi-weekly.

The money market, therefore, is the natural meeting ground of the Federal Reserve System and the commercial banks, because it is there that the central bank, on its own initiative, can most quickly, and effectively, and sensitively, reach the dealer in term transactions. Credit policy which takes the form of the money market and its principal users, trading in primary or secondary securities. Banks reserve into cash, and vice-versa, on which loans are made at their points—and in their reserve requirements—daily, weekly, and bi-weekly.

The money market, therefore, is the natural meeting ground of the Federal Reserve System and the commercial banks, because it is there that the central bank, on its own initiative, can most quickly, and effectively, and sensitively, reach the dealer in term transactions. Credit policy which takes the form of the money market and its principal users, trading in primary or secondary securities. Banks reserve into cash, and vice-versa, on which loans are made at their points—and in their reserve requirements—daily, weekly, and bi-weekly.

The money market, therefore, is the natural meeting ground of the Federal Reserve System and the commercial banks, because it is there that the central bank, on its own initiative, can most quickly, and effectively, and sensitively, reach the dealer in term transactions. Credit policy which takes the form of the money market and its principal users, trading in primary or secondary securities. Banks reserve into cash, and vice-versa, on which loans are made at their points—and in their reserve requirements—daily, weekly, and bi-weekly.
Blames Industrial Unions

The matter of private greed I can also try to illustrate in the theory of marginal efficiency. My theory, however, suggests that the power of great industrial combinations, and the new economic theories, is to demand and obtain increases in wages and in other terms of exchange, in response to the desire to raise economic growth and productivity. But the union movement, and by improved management performances, and by increased government effort on the part of the individual union movement, the power has often been accompanied by the relatively easy acquisition of larger and larger business enterprises. The result has been the extension of large-scale union bargaining, and the failure of small unions to bargain successfully. But the strike has probably been passed on to the consumer in the form of higher prices. But the cost-price spiral will not stop there. In fact, taking into account the increased depreciation of productivity, it may well be that the direct effect of these de-

valuated currencies in the industrial sector of the economy has been less in-

sirable than their indirect effects. It is quite likely that when these wage increases and fringe ben-

efits have been passed on to the public, other industrial unions, work their way through a series of sectors of the economy, as they inevitably do, the gap between returns and costs will lead to the detriment of the whole economic system. This advantage of unprotected groups of our people. Both historical evi-

dence and theory suggest that it is here that increased costs may work our deepest treason.

The Federal Reserve System, for instance, may be able to avoid compensating the economic dislocations and the other imbalances in our economy by keeping a governor on the ex-

pansion of credit and money supply. It has had a considerable influence on the direction of the public and private demands con-

tinuing to pressure on our credit facilities, and capital expenditures tend to outstrip capital requirements. I do not want to see its role spoilt by what I have termed personalism, and I think there is a lack of general understanding of the workings of a money econ-

omy.

With Evans, McCormack

(Special to The Commercial Chronicle)

LOS ANGELES, Calif.—James H. Bexell, chairman of the Federal Reserve Board, in speaking with Evans, McCormack & Co., 453 South Spring Street, members of the Pacific Coast Exchange.

With C. Allyn Co.

(Special to The Commercial Chronicle)

CHICAGO, III.—Roy G. Farr, Jr. has been connected with A. S. L. Co., 35 North Wacker Drive, the firm, which was established in 1839.

Louis F. Rothschild

Louis F. Rothschild, 11 of tetween 13th and 14th Street, New York City, meeting 13th at the age of 87.

Claude K. Boettcher

Claude K. Boettcher, limited partner in Boettcher and Com-

pany, in 1956, and 1959, at the age of 81.

Continued from first page

Credit Requirements

And Economic Growth

Business Needs for Liquid Assets

For most of the past two decades, the American economy has been characterized by high interest rates. Large idle funds accumulated in the form of excess reserves in the banking system, when mortgage capital ought to have been held in reserve here and investment opportunities to have been invested were poor, interest rates increased further, and substantial sums of funds had been made available to business. Much of the government's credit deficit was financed through an expansion of bank credit. In the postwar era, however, the Federal Reserve has endeavored to restrain the expansion of the money supply. The level of business activity has been increased, but it has been supported largely by the government's fiscal policy.

Current Pressures on Liquidity

The trend has continued into 1957, both in the capital and the credit markets, with the interest rate as a result, is the most important force in determining the level of capital of funds available to business, and the trends in this area are significant. In general, the capital of funds available to business is not expected to change significantly through 1958, and although the ratio of current assets to current liabilities is expected to remain constant, the rate of liquid assets that is held in cash and government obligations is expected to decline. The provision for a new tax on capital gains was expected to have little effect on the supply of funds available to business, since most of the capital gains are held by individuals who have already paid taxes on their income. The trend in the supply of funds available to business is expected to be influenced by a number of factors, including the changes in the price level, the changes in the availability of funds from other sources, and the changes in the cost of capital.

In addition, despite the provisions of the new tax on corporate profits, the trend in the supply of funds available to business is expected to be influenced by the changes in the price level, the changes in the availability of funds from other sources, and the changes in the cost of capital.

For the next few years, therefore, working capital needs will continue to be boosted by the new current accretion of corporate income tax on the new tax on capital gains. The supply of funds for business investment in the first half of the year is expected to be limited by the requirements of the new tax on capital gains, and the provision for a new tax on corporate profits was expected to have little effect on the supply of funds available to business, since most of the capital gains are held by individuals who have already paid taxes on their income. The trend in the supply of funds available to business is expected to be influenced by a number of factors, including the changes in the price level, the changes in the availability of funds from other sources, and the changes in the cost of capital.

In the case of large corporations, the approval of application for accelerated depreciation has been substan-

tially increased the amount of depreciation that can be claimed for the purpose of reducing taxes. But the record level of business activity in the United States has increased the demand for the equipment and the more liberal depreciation provisions of the 1954 Revenue Act, and the provision for a new tax on corporate profits was expected to have little effect on the supply of funds available to business, since most of the capital gains are held by individuals who have already paid taxes on their income. The trend in the supply of funds available to business is expected to be influenced by a number of factors, including the changes in the price level, the changes in the availability of funds from other sources, and the changes in the cost of capital.

In the case of the U.S. government, the provision for a new tax on corporate profits was expected to have little effect on the supply of funds available to business, since most of the capital gains are held by individuals who have already paid taxes on their income. The trend in the supply of funds available to business is expected to be influenced by a number of factors, including the changes in the price level, the changes in the availability of funds from other sources, and the changes in the cost of capital.

In the case of the U.S. government, the provision for a new tax on corporate profits was expected to have little effect on the supply of funds available to business, since most of the capital gains are held by individuals who have already paid taxes on their income. The trend in the supply of funds available to business is expected to be influenced by a number of factors, including the changes in the price level, the changes in the availability of funds from other sources, and the changes in the cost of capital.

Continued on page 30

Borrowing Requirements

Federal Reserve Bank of St. Louis

Volume 185 Number 5648 . . . The Commercial and Financial Chronicle

Digitized for FRASER

http://fraser.stlouisfed.org
Credit Requirements and Economic Growth

years of active business. Long-term interest rates have been climbing for some time, and the trend accelerated rapidly after mid-1954. This development is sharp for corporate new issues. Also, call provisions in existing bonds have been made unfavorable to issues of new securities.

When signs of pressure began to develop in the capital market in 1953 and 1954, many long-term borrowers tried to circumvent the restrictions by looking over their requirements to the commercial banking system. Although very few permanent working capital needs of business were met with the help of bank credit rather than out of savings, and corporate liquidity declined as a result.

Unless cost and price inflation can be restrained more successfully in the future than has been possible in the past, the upsurge, business is almost certain to require further help in the form of bank loans. This, in turn, will necessitate an increase in the size of banks and in the amount of bank credit. The high and continuing upsurge in wages and salaries over the past two years has been the result of higher real wages, and this has contributed to a significant increase in the operating costs of most businesses. The upsurge in wages and salaries has also contributed to inflationary pressures in the economy, and this has led to higher prices for most goods and services. The upsurge in wages and salaries has also contributed to inflationary pressures in the economy, and this has led to higher prices for most goods and services. Therefore, it is likely that the upsurge in wages and salaries will continue in the future.

The Availability of Bank Credit

In meeting the financing requirements of our economy, the commercial banks play a crucial role. Not all bank loans outstanding at any one time are tied to working capital needs of business. The banks make short-term and long-term loans to individuals and businesses for various purposes. However, the commercial banks are required to maintain a certain amount of reserves against deposits in order to meet the needs of depositors. These reserves are used by the banks to meet the demands of depositors for cash over the short term. The amount of reserves held by the banks is determined by the Federal Reserve System, which is responsible for the nation's monetary policy. The Federal Reserve System is an independent agency within the U.S. government, and it is not controlled by the federal government. The Federal Reserve System is responsible for conducting monetary policy to promote price stability, to moderate interest rates, and to promote the smooth operation of financial markets.

The demand for bank credit is influenced by several factors, including the level of economic activity, the availability of other sources of funds, and the interest rates. The demand for bank credit is also influenced by the supply of bank credit, which is determined by the Federal Reserve System. The Federal Reserve System is responsible for setting the discount rate, which is the rate at which member banks can borrow funds from the Federal Reserve. The Federal Reserve System also sets the reserve requirements for member banks, which determine the amount of reserves that banks are required to hold against their deposits. The Federal Reserve System is also responsible for regulating the amount of credit that banks can extend to borrowers. The Federal Reserve System uses a variety of tools to control the amount of credit that banks can extend, including open market operations, which involve buying and selling government securities, and the discount rate.

A large portion of the money in the hands of individuals and businesses is held in a variety of financial instruments, such as savings accounts, checking accounts, and money market accounts. These financial instruments are liquid assets, meaning that they can be easily converted into cash. The Federal Reserve System is responsible for regulating the amount of money in circulation, which is determined by the supply of bank notes and currency and the amount of deposits in banks. The Federal Reserve System is also responsible for regulating the amount of credit that banks can extend to borrowers, which is determined by the reserve requirements and the discount rate.

Banking Conditions

The business boom of the past two years has been characterized by a large increase in the volume of economic activity. Inflationary pressures have been evident in most sectors of the economy, and this has led to increased demand for bank credit. The Federal Reserve System has had to raise the discount rate in order to control the amount of credit that banks can extend to borrowers. This has led to higher interest rates, which have made it more expensive for businesses and individuals to borrow money. The Federal Reserve System is also responsible for regulating the amount of credit that banks can extend to borrowers, which is determined by the reserve requirements and the discount rate.

Gold Reserves and the Money Supply

Ultimately, of course, the expansion of gold reserves and the money supply is determined by the Federal Reserve System. The Federal Reserve System is responsible for regulating the amount of credit that banks can extend to borrowers, which is determined by the reserve requirements and the discount rate. The Federal Reserve System is also responsible for regulating the amount of money in circulation, which is determined by the supply of bank notes and currency and the amount of deposits in banks. The Federal Reserve System is also responsible for regulating the amount of credit that banks can extend to borrowers, which is determined by the reserve requirements and the discount rate.

Credit Policy and Inflation

The Federal Reserve System is responsible for regulating the amount of credit that banks can extend to borrowers, which is determined by the reserve requirements and the discount rate. The Federal Reserve System is also responsible for regulating the amount of money in circulation, which is determined by the supply of bank notes and currency and the amount of deposits in banks. The Federal Reserve System is also responsible for regulating the amount of credit that banks can extend to borrowers, which is determined by the reserve requirements and the discount rate. The Federal Reserve System is also responsible for regulating the amount of money in circulation, which is determined by the supply of bank notes and currency and the amount of deposits in banks. The Federal Reserve System is also responsible for regulating the amount of credit that banks can extend to borrowers, which is determined by the reserve requirements and the discount rate.

The Treasury's Problems

The Treasury Department is responsible for managing the U.S. government's finances, which includes the issuance of federal debt instruments and the management of the nation's monetary policy. The Treasury Department is responsible for maintaining a stable and healthy economic environment, which includes managing the government's fiscal and monetary policies. The Treasury Department is responsible for ensuring that the government's budget is balanced and that the government's debt is being managed in a responsible manner. The Treasury Department is also responsible for ensuring that the government's financial resources are being used efficiently and effectively. The Treasury Department is responsible for ensuring that the government's financial resources are being used efficiently and effectively. The Treasury Department is also responsible for ensuring that the government's financial resources are being used efficiently and effectively. The Treasury Department is responsible for ensuring that the government's financial resources are being used efficiently and effectively.

Implications for Economic Growth

This review of some of the major factors affecting the supply of credit can be helpful in understanding the implications for economic growth. The country's gold stock is adequate and relatively stable, which is a positive factor for economic growth. The country's monetary system is based on the gold standard, which is a positive factor for economic growth. The country's commercial banking system is not a large source of inflationary pressures, which is a positive factor for economic growth. The country's exports are a significant source of economic growth, which is a positive factor for economic growth. The country's export sectors are growing rapidly, which is a positive factor for economic growth. The country's export sectors are growing rapidly, which is a positive factor for economic growth. The country's export sectors are growing rapidly, which is a positive factor for economic growth.
pansion as required. The strong and sustained rise of bank loans has made commercial banks more reluctant to grant new large loan expansion and has to the extent that they have increased the demand for credit. However, the banking system is neither over- nor under-capitalized. Consequently, if inflationary pressures are not to build up, business management should have many more difficult than previously. They need to justify the large loan needed to support the rising short-term capital requirements of an expanding economy. Loan applications for fixed capital purposes, however, have been lower than anticipated in the past in the capital and credit market recently. A damaging inflation credit policy, which in the present environment would open the floodgates of inflationary capital expansion.

Implications for Business

Business in the past two years has had to face continually the problem of inflation - an inflation that is not the continued decline in the real value of the dollar, in industrial terms, and public utilities. If, however, the normal secular expansion of capital requirements continues to be inflated by rapid productivity, psychological, business management may find themselves confronting a growing array of inflationary problems in an environment of rising interest rates and, consequently, costs of capital. For business, inflation could significantly impede the growth and development of the economy over the long term.

Implications for Credit Policy

Business probably cannot halt the inflationary spiral only by cutting back on their own efforts alone. In a period of economic expansion, there is little or no saving and, sustained inflationary pressures, a policy of credit restraint to reduce the rate of expansion has been the economic policy on an even keel. Needles again, monetary policy is viewed critically by some borrowers, who are disrupted by the higher cost and lesser availability of credit. If the belt-tightening forces are not kept on a 'booming economy makes expansion' program, the Federal Reserve Board is likely to tighten the reins of monetary policy. Frequently, as today, such criticism is echoed in political circles, thereby further complicating the task of the Federal Reserve.

Our Reporter on Governments

BY JOHN T. CHIPPENDALE, JR.

The Government market is still on the uncertain side and new issues are being approached with caution. A growth in the inflationary spiral is expected, however, it is not yet competitive with the higher yielding corporate bonds. Under this current situation, it is not likely that the Federal Reserve will be able to lower interest rates. The light money market is having its effect on the Treasury market, as government bond issues are coming in at higher interest rates. This upward pressure on new issues is having the effect of keeping the pressure on long-term Government bonds.

Although the Government market is still large and liquid one even though the new money financing of the Treasury is having some effect on it. The demand for funds to meet current commitments is likely to increase the pressure on the money market. Another increase in the commercial paper rate last week just accentuates the very tight money conditions. The August refunding of the Treasury is still an uncertain factor in the picture, although it will probably be known a few weeks before the terms of it will be known.

Banking Inflationary Psychology

The strong inflation psychology, plus the belief that business will continue to expand rapidly, pressures the market for funds, is keeping the pressure on the money markets. The monetary authorities still have to fight the battle of prosperity at the moment, and the trend is to be tight and interest rates will most likely continue to follow the current pattern, which is upward.

The increasing cost of obtaining needed funds has not yet slowed down the flow of new securities, especially corporate securities, but because of the very high interest rates. Even though the interest rates on new issues of bonds continue to move up, this is not yet a sign that investors are concerned, since at least 50% of the interest cost is borne by the corporations. Accordingly, it is not too much of a burden to those that are selling, new issues. Although corporate bonds, whether the interest rate is 4%, 5%, or even 6%, when the issuer is subject to the income tax rate of 52%, as practically all of them are, it will most likely be known a few weeks before the terms of it will be known.

Bearish Outlook for Treasury Bonds

Because of the very favorable yields that are available in the new offerings of corporate and tax-exempt bonds, there is considerable inflationary pressure on the Government and Treasury bonds. To be sure, the market face of the older outstanding bonds is very thin and limited, and it takes some time to get new issues into the market. They are, nonetheless, being sold, so that the higher coupon new issues should be set at a premium. It is indicated that Government bonds are still the ones in which most of this switch liquidation is being done and, because of this, it does not seem as though the downturn in the longer-term Treasury bonds will come to an end until they approach levels which will put them on line with the yields that are available in corporate and tax-exempt bonds.

Pension Funds Liquidating Treasury Bills

The upswing in yields of corporate bonds has brought new buyers to the market for these bonds, and reports indicate that a number of mutual funds have been allowed to liquidate Treasury bills to run off. The non-callable or non-refundable feature of these Treasury bills is made to remain. The non-Callable and non-Refundable feature of these Treasury bills is made to remain. The non-Callable and non-Refundable feature of these Treasury bills is made to remain.

Intermediate Bonds in Demand

The intermediate-term Government bonds, according to advice, are being bought in fair-sized amounts by some of the out-of-town commercial banks. The yield is considered to be in line with their needs, and at the same time they are able to fill in maturities schedules which have been pretty well neglected. Certain of these banks have also been buyers of Treasury bills in greater size than was the case not so long ago. The new money financing of the Government will most likely have an appeal to these banks.

Specialists in U.S. Government and Federal Agency Securities

No Rise in Discount Rate Indicated

Advises from those that are considered to be experts on the money market is to the effect that the discount rate will not be raised in the near future. It is being pointed out that as long as discounts at the Central Banks do not go up, there will not be an increase in the discount rate. The Federal Reserve Board does not want to note that if there should be a sharp upturn in the loan demand this fall, and the prime rate should be upped, then they would expect the Central Bank discount rate to be also raised.

Capital Expenditures to Remain Heavy

Capital expenditures, according to the latest reports, will continue to be maintained at the present level for the third quarter is $37.9 billion. This means that one of the very important elements of strength in the business picture is showing signs of weakening. Even though a slight summer lull may be experienced in new money raising, the Fall is expected to start the rush all over again.

Smith, Burris & Co.
30th Anniversary

CHICAGO, ILL. — Smith, Burris & Co., 120 South LaSalle Street, celebrate their 30th year in the investment business today (June 29). Principals of the firm are Eimer W. Exchowger, President; Vincent T. Kane and R. Donald Jacobson, Vice-President; and Charles F. Sulberg, Secretary.

Smith, Burris and Company specialize in municipal funds, industrial and public utility issues, Counter stocks and bonds with investors. Smith, Burris & Co. is one of the leading dealers in the United States, Canada and foreign countries.

Goodbody Adds to Staff

(Special to The Financial Chronicle)

CHICAGO, ILL. — James T. Larkin has been added to the staff of Goodbody & Co., 1 North LaSalle Street. He was previously with Fahnestock & Co.

With Illinois Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — Illinois, now is with Irving Weis, 14 West Jackson Blvd.

Kentucky Co. Adds

(Special to The Financial Chronicle)

LOUISVILLE, Ky. — Robert S. Gleason is now affiliated with The Louisville Investment Co., Inc., 231 South LaSalle Street, members of the New York and Midwest Stock Exchanges.

Keller Bros. Add

(Special to The Financial Chronicle)

BOSTON, Mass.—Arthur Knowles & Co. has been added to the staff of Keller Brothers Securities Co., Inc., Zero Court Street.

Cahill & Block Admit

Cahill & Block, 11 Wall Street, New York, N. Y. — Under the New York Stock Exchange, on June 15 will admit to partnership William E. Cahill and James L. Sibernagel, Cahill & Block will become a member of New York Stock Exchange.

Aubrey G. Lanston & Co.
306 BROAD STREET
NEW YORK

* * *

CHICAGO
Securities Salesman's Corner

By JOHN DENTON

"You Never Fail If You Try"

There is a man in my town who has been a source of income for the past twenty years. He is known by everyone in the community, and he provides a steady flow of money. He has an office in the center of town, and for the past ten years he has been giving advice to second-generation men and women on how to invest their money. He is one of the oldest men in the town, and he has always been known for his honesty and integrity. He is a married man with two sons, and he has been married for forty years. He has never been without work, and he has always been able to provide for his family. He is a respected member of the community, and his advice is sought after by many.

He has a small office in the center of town, and he is always available to his clients. He is a man of simple tastes, and he has never been known to live a luxurious life. He is a supporter of the local church, and he is a member of the local business association. He is a man of limited means, and he has always lived within his means. He is a man of few words, and he is always careful to say only what is necessary.

He has always been a source of income for the community, and he has always been a source of inspiration for others. He is a man of few regrets, and he has always been content with his life. He is a man of great character, and he is a model for others to follow. He is a man of few words, and he is always careful to say only what is necessary.
Financing State and Municipal Debt

High-grade corporate bonds, are now so scarce as to make them a better market for the tax-exempt funds of such municipalities. In any event, however, the tax-exempt issue should be considered as a better market for the tax-exempt funds of such municipalities because of the statutory preference held by bonds of municipality as against the large corporations. This also is the case for the tax-exempt funds of the state and local governments. It is expected that the tax-exempt funds of the state and local governments will be held in the market of the tax-exempt funds of the state and local governments because of the statutory preference held by the state and local governments. Moreover, the tax-exempt funds of the state and local governments are expected to be held in the market of the tax-exempt funds of the state and local governments because of the statutory preference held by the state and local governments. This is the case for the tax-exempt funds of the state and local governments.

In addition, the tax-exempt funds of the state and local governments are expected to be held in the market of the tax-exempt funds of the state and local governments because of the statutory preference held by the state and local governments. Moreover, the tax-exempt funds of the state and local governments are expected to be held in the market of the tax-exempt funds of the state and local governments because of the statutory preference held by the state and local governments. This is the case for the tax-exempt funds of the state and local governments.

Hence, the tax-exempt funds of the state and local governments are expected to be held in the market of the tax-exempt funds of the state and local governments because of the statutory preference held by the state and local governments. Moreover, the tax-exempt funds of the state and local governments are expected to be held in the market of the tax-exempt funds of the state and local governments because of the statutory preference held by the state and local governments. This is the case for the tax-exempt funds of the state and local governments.

Despite these evidences of a tight market, the first quarter and the second quarter of 1956 were not as favorable for the tax-exempt market as the first quarter and the second quarter of 1955. The tax-exempt market in 1956 was not as favorable as the tax-exempt market in 1955. However, the tax-exempt market in 1956 was not as favorable as the tax-exempt market in 1955.

For one thing there was still an unfunded demand for capital investment in 1956 and capital outlays are probably still unfunded in 1957. Moreover, in 1956 the demand for capital investment was still unfunded and in 1957 the demand for capital investment is still unfunded.

In the field of private construction the moderate decline in residential building is expected to be continued by an increase in non-residential building.

When one looks at the rate of change in the price level one can see that the rate of change in the price level is much lower than the rate of change in the price level in the past. However, the rate of change in the price level is much lower than the rate of change in the price level in the past. This is the case for the rate of change in the price level.

Inflationary price pressures for the most part are not yet sufficiently high to be of concern for the most part. Moreover, the rate of change in the price level is much lower than the rate of change in the price level in the past. This is the case for the rate of change in the price level.
Cash-markup, then it is reasonable to expect that the Treasury would seize the opportunity. Now, if the maturity of the Federal debt. The decline in the prices of long-term Federal debt could be expected to put a stop over in the yield on long-term bond prices.

The prices of corporate and municipal bond markets have obtained considerable support from a large-scale redemption of non-marketable Treasury securities such as Savings Bonds. This is a process which runs counter to the Treasury's desire to keep the long-term claims on the Federal purse as long as possible. The Treasury is on record as desiring to do something to arrest the rise of bond prices. A similar success in one source of long-term funds for investment in municipal securities would be damped. After trying for months to work out a plan, the Treasury announced that it was not opposing any action on its own.

So far this year during the months of January, February and March, bond prices rose and bond yields declined. The yield on the 15-year, May bond May bond prices declined and yields rose. The 1953-1954 bond bubble has begun to burst. The bond market has gone from a roller coaster, and the 1956 market for bonds is now in 1957 market? So far it's marched up the hill and down again. Right now bond prices are trading at or below the lowest levels of the year reached in the first week in January, and the tone of the market is about as it was at the beginning of the year. The corporate area new issue of triple A's, "A" rated paper, are now coming to market in the 4% to 5% yield range, and single "A's" in the 5% to 6% range. Double "A" equipment trust certificates are in the 5% to 6% bracket. Industrial bonds continue to be in rich in price lower in yield than at any time this year. If the yield of the municipal area new triple A's, "A" yield 3% to 3.75%, and single "A"'s 3.5% to 5.5% in the 20-year maturity range.

Should the tempo of business activity quicken and prices continue to be expected to work lower. Should the pace of business slowing down, it could be expected to rise. But if the rate of economic activity remains steady and the Treasury market provides no rude shocks, I would expect bond prices to move in a narrow orbit around present levels. And despite current market conditions this last seems to me to be the most likely prospect. Maybe this is more of a prayer than a forecast—

Continued from page 5

The State of Trade and Industry

stated: "Economic conditions generally remained strong in May. Industrial production was the highest since the close of the Korean war. Prices, in the aggregate, were relatively stable. The personal income, non-farm employment, personal incomes, and retail sales gains were substantial. In general, prices continued stable in May and early June, and farm prices advanced somewhat. Bank credit increased slightly and interest rates were stable.

In the automotive industry last week all companies except Chrysler Corporation cut production. Inadequate output was a 2.5% drop, "Ward's Automotive Reports" said Friday.

The statistical production estimate automobile manufacturers in the United States for the week ending May 31, 1957, was 195,000 units, a decrease of 2,212,000 from the 2,212,000 published in the magazine for the week ending May 31, 1956. The automobile industry schedule planned a 13.3% increase in car production. Saturday work at Detroit plants of Plymouth and Chrysler divisions of Chrysler Corporation was one of the more significant declines. Los Angeles, Calif., and Metuchen, N.J., plants the entire week and its St. Louis, Mo., facility on Friday last.

General Motors Corp. reduced its car building schedule 5.7% last week with the lowest decline at Buick-Oldsmobile-Pontiac. Production at the Chevrolet plant at Los Angeles, Calif., and Metuchen, N.J., plants the entire week and its St. Louis, Mo., facility on Friday last.

For the week ending June 8, 1957, total automobiles produced at 1,906,000 units, a decrease of 2,967,902 from the week ending June 10, 1956, the record high for the week. Output of cars and trucks with a gross weight of 4,000 pounds or over was at a rate of 10,000,000 units.

The state of trade and industry was not comparable because capacity is higher than the record levels. The percentage figures for 1956 were based on an annual capacity of 230,639,009 tons as of Jan. 1, 1956.

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, June 15, 1957, was a decrease of 33,265,276,000 kwh, a decrease of 8.2% of the corresponding week in 1956.

The past week's output increased 408,000,000 kwh above that of the previous week, and was 47% above the comparable 1956 week and 1,971,000,000 kwh over the week ended June 18, 1957.

Car Loadings Recovered in Latest Period From Memorial Day Holiday

Loadings for the week ending June 8, 1957, increased by 3,667,862 cars or 9.2% above the previous holiday week, 1956.

The past week was a decrease of 33,265,276,000 kwh, a decrease of 8.2% of the corresponding week in 1956.

Loadings for the week ended June 8, 1957, totalled 743,477 cars, a decrease of 33,265,276,000 kwh, a decrease of 8.2% of the corresponding week in 1956.

Loadings for the week ended June 8, 1957, totalled 743,477 cars, a decrease of 33,265,276,000 kwh, a decrease of 8.2% of the corresponding week in 1956.

U. S. Automotive Output Set to Pass 5,000,000 Units in Closing Week in June

Automotive output for the latest week ending June 14, 1957, according to "Ward's Automotive Reports," registered a lower level the past week, although "Ward's" forecast that industry production will pass the 3,000,000,000 units in the final week of June. The week's car output reached 332,847,862 units and compared with the corresponding week in 1956. The past week's output increased 408,000,000 kwh above that of the previous week, and was 47% above the comparable 1956 week and 1,971,000,000 kwh over the week ended June 18, 1957.

Car Loadings Recovered in Latest Period From Memorial Day Holiday

Loadings for the week ending June 8, 1957, increased by 3,667,862 cars or 9.2% above the previous holiday week, 1956.

The past week was a decrease of 33,265,276,000 kwh, a decrease of 8.2% of the corresponding week in 1956.

Loadings for the week ended June 8, 1957, totalled 743,477 cars, a decrease of 33,265,276,000 kwh, a decrease of 8.2% of the corresponding week in 1956.

Loadings for the week ended June 8, 1957, totalled 743,477 cars, a decrease of 33,265,276,000 kwh, a decrease of 8.2% of the corresponding week in 1956. The percent changes were 48,461 cars, or 6.2% lower than the corresponding week in 1955.
Business Failures Turned Downward the Past Week

Commercial and industrial failures declined to 285 in the week ended May 15, compared with 308 during the week ended May 8, the Dun & Bradstreet, Inc., reports. While the toll fell below the 300 a year ago, it was 358 in the same week in 1955 and exceeded by 6% the pre-war 249 in the comparable week in 1919.

Failures with liabilities of $5,000 or more decreased to 229 from 244 a year ago, while those below that amount numbered 56, up from 55.

To the week ended May 15 the number of personal bankruptcies filed fell to 473 from 494 a year ago. The total for the first 15 weeks in 1957 was 26,794, up 6% from the comparable period of 1956.

The week’s decline occurred in all industry and trade group categories except new automobiles, for which failures continued slightly. Commercial service failures, casualties, and bankruptcies dropped sharply to 19 in 1956, respectively.

Trading continued. In the week under review prices in wholesale and retail trade fell 0.1% from the previous week. There was a slight rise in prices for furniture, foodstuffs and meats, and meats. This continued, according to Dun & Bradstreet, Inc., Regional estimates varied from the comparable 1946 levels by the following percentages: New England, -2 to -6; Middle Atlan-

tic, -4 to +1; West North Central -4 to 6; South Atlantic, Mountain and Pacific, +1 to +6.

Attracted by numerous fall openings in New York, apparel manufacturers considerably increased their orders for women’s suits, belted suits, and trousers, but with noticeable reductions in men’s suits.

While transactions in woolens improved, textile wholesale and retail sales continued lagging. The recent decline in and cancels of carpet goods and carpet wools. There was a slight rise in prices for furniture; wholesalers in Kentucky and Ohio report a notable price increase in Frozen foods and canned fish.

This was a country-wide basis as taken from the Federal Reserve Board’s index for the week ended May 15, which shows a rise of 0.2% from the same period one year ago. For the week ended May 8, 1957, no change was recorded.

Trading, according to the same source, showed a gain of 0.2% above that of the corresponding period in 1956.

### Wholesale Price Index

#### Evidenced May 1957 Set on March 26

Continuing the upward trend of recent weeks, the wholesale food price index, as reported by Du Pont & Bradstreet, Inc., rose to 67.22 at as of June 13, from 66.19 on May 26 and 67.33 recorded on March 26. The current level compares with 69.1 a year ago.

Commodities advancing in wholesale prices during the week included: butter, eggs, canned tomatoes, sugar, tobacco, egg whites and steers. On the downside were wheat, barley, barley malt and beans.

The index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use and its chief function is to show the general trend of food prices at the wholesale level.

### Wholesale Commodity Price Index Made Further

**Moderate Gains in the Latest Week**

The dollar value and commodity index, compiled by Dun & Bradstreet, Inc., rose again the past week, to 128.1, as of June 10. This was moderately above the 127.59 of the preceding week and 122.9 of a year ago.

**Price increases in steel scrap, rubber, coffee, sugar and cocoa affected the index.**

Trading in grains fell sharply last week, due to the current unfavorable weather conditions in growing areas prevalent. Transactions declined most notably in Southern grain, flour and wheat markets. However, exports of wheat and flour, were larger than in recent weeks. The foreign demand was high with $36,000,000 bushels exported so far this season as a result of the exceptionally heavy expectations. There was a moderate rise in Government selling of surplus corn.

Sales of corn climbed sharply below those of the prior week and were noticeably less than a year ago. Although interest in eire and oats expanded substantially, prices gained. Average daily sales were 99,900 bushels, against 85,900 of the comparable period last year.

Sales of soybeans declined slightly, despite a moderate decline in purchases. Flour bobs were stronger than a week ago, and slightly higher than the level reached the first of May. Coffee trading was close to that of the preceding week. There was a small increase in the sales of flour of South American growers. There was a slight rise in coffee futures prices.

Cocoa trading expanded noticeably at the end of the week buying prices somewhat. Warehouse stocks of cocoa stood at 255,960,000 pounds, as of May 31, an increase from the level of the previous week. Arrivals for the season to date amounted to 1,810,745 bags, compared with about 2,500,000 a year ago.

**Hogs climbed to record levels for the first time during the year,** beginning the week, but they slipped somewhat at the end of the week.

Hog receipts in Chicago were the highest for any week since early in February and trading was steady. There was a moderate increase in the Wholesale New York Port, but prices were slack less than a year ago.

Cargo buying slacked and prices fell below those of a week ago. Hogs sold were 47,500. The contract basis decreased the past week, and prices dipped somewhat. Following the favorable price advance in hog prices, lard futures prices rose sharply. Domestic buyers noticed a similar demand.

Continued unfavorable weather in the Cotton Belt and the anticipated large crop have been cited by cotton operators in a sharp rise in cotton prices a week ago. Cotton buying expanded considerably and supplies were noticeably reduced. Domestic interest in sending and buying the higher cotton gray goods volume close to that of the preceding week. A slight increase in prices was noted.

Trading in man-made fibers improved, with principal gains in filament and nylon types of manufactured fabrics. While sales of woolens and worsteds advanced, interchanged between wool and worsted carpet goods continued noticeably below a year ago; the call for automatic

### Outboard Marine Stock

**Offering Underwritten By Morgan Stanley**

**Outboard Marine Corp., the world’s largest manufacturer of outboard motors, is offering to its stockholders the right to subscribe for 2.77 million shares of additional common stock at the price of $20 per share. The record date is May 15, 1957. The offering is due to expire at 3:30 p.m. (EDT) on July 1, 1957. The offering is being underwritten by a syndicate of investment firms headed by Morgan Stanley.**

The company is the producer of Johnson, Evinrude, and Buick accessory marine engines and law tractors. It has two major divisions, East Coast Marine and Pacific Division. Outboard Marine Corp. controlled principally the same products as the parent company, and Industrial Engineering Ltd., Canadian makers of Pioneer chain saws. On June 6, 1956, the company acquired the Cushman Motor Works, Inc., of Lincoln, Neb., a leading manufacturer of two-wheel powered vehicles, including high-powered scooters, lightweight motorcycles, and go-kart engines. Outboard Marine Corp. leases to owners the products.

### How Long, Oh Lord, How Long?

"The rich are getting richer and the poor are getting poorer.

Inflation is raising prices to higher and higher levels. Small increases in wages are used as the excuse for large increases in prices. These price increases are being reflected in a steadily increasing cost of living. This is now 11% above the levels of January 1957."

### Baker Weeks Partner

Baker, Weeks & Company, Inc., Wall Street, has announced the appointment of James F. Kersey to the position of general manager of the New York Stock Exchange, will be the first New Mexico investor to serve in that capacity.

### Now Rogers & Rogers

PITTSBURGH, Pa.—The fifth anniversary of the Rogers & Company, Inc., founded by John Rogers, Inc. and its Law and Finance Building, has been changed to Rogers & Rogers, Inc.

### W. A. Trolan Opens

ROANOKE, Va.—William A. Trolan, President of a securities business offices from Route 5. Mr. Trolan opened his own offices at a secu-

### W. D. Kemp Opens

FT. WAYNE, Ind.—William D. Kemp has opened a securities business offices on 127 West Berry Street.

### Forms Erwin Lapp Co.

INDIANAPOLIS, Ind.—Erwin Lapp, President of the Lapp Company, Incorporated, with offices at 301 West Washington Street, has decided to engage in a securities business.

### Einer Paulsen Opens

SACRAMENTO, Calif.—Einer Paulsen is engaging in a securities business offices on 127 West Berry Street.

### With Taylor, Rogers

**Special to The Commercial and Financial Chronicle**

**CHICAGO—John F. Janssen has become associated with Taylor, Rogers & Traic, Inc., 105 South La Salle Street, members of the Midwest Stock Exchange. Mr. Janssen was formerly with the company that was involved in the provision of the Bobs, East of the Mississippi River, and Bobs, West of the Rockies.”**
Securities Now in Registration

Academy Life Insurance Co. April 18 filed 720,000 shares of common stock (par 50 cents) to be offered for subscription by stockholders and public at $3 to $3.50 each to raise $21 million to expand facilities. Offered—None. Underwriter—None. Offering—Expected in about three weeks.

Acme & Engineering Co. April 4 letter of notification) 100,000 shares of common stock (par 10) Each. Proceeds To retire bank loans; purchase of equipment, inventory material, etc; and for additional working capital. Offered—William L. Patrie & Co., New York, N. Y., Underwriter—None. Offering—Expected in about three weeks.

Agricultural Equipment Corp. March 1 letter of notification) 50,000 shares of common stock (par 10). Proceeds To retire bank loans; purchase of equipment; and for working capital. Offered—P. O. Box 222, Loma Linda, Colo. Underwriter—None. Offering—Offered in about three weeks.

All Empire Corporation, Pasadena, Calif. Market offering. May 27, 1953, 10,000 shares of common stock (par 10) at $10 each to be offered to public at $10 each, for stockholders; and 300,000 shares of common stock (par 10) to be offered to public at $10 each, for stockholders. Proceeds To retire bank loans; purchase of equipment, inventory material, etc; and for additional working capital. Offered—P. O. Box 222, Loma Linda, Cal. Underwriter—None. Offering—Expected in about three weeks.

Barium Steel Corp., New York (6/27) June 6 filed $10,000,000 of 5% convertible subordinated debentures due 1976 to be issued. Proceeds To retire bank loans; purchase of equipment, inventory material, etc; and for additional working capital. Offered—None. Underwriter—Harriman Riley & Co., New York. Offering—Offered in about three weeks.

Barnson Oil & Mine Corp., Sutherlan, Ore. Feb. 11 letter of notification 100,000 shares of common stock (par 10) at $10 each to be offered for subscription by holders of record as of April 30, 1957. Proceeds—For construction of new plant. Offered—None. Underwriter—None. Offering—Expected in about three weeks.

Bridgeport (Conn.) Gas Co. May 17 filed 10,000 shares of common stock (par 10) at $10 each to be offered for subscription by holders of record as of April 30, 1957. Proceeds To retire bank loans; purchase of equipment, inventory material, etc; and for additional working capital. Offered—None. Underwriter—None. Offering—Expected in about three weeks.

Burrer Brothers, Chicago, Ill. May 28 filed 40,000 shares of common stock (par $15) at $15 each to be offered for subscription by holders of record as of May 31, 1957. Proceeds—For construction of new plant. Offered—None. Underwriter—None. Offering—Expected in about three weeks.


Butler Brothers, Chicago, Ill. May 28 filed 40,000 shares of common stock (par $15) at $15 each to be offered for subscription by holders of record as of May 31, 1957. Proceeds—For construction of new plant. Offered—None. Underwriter—None. Offering—Offered in about three weeks.

C & D Batteries, Inc. March 28, 1957 (letter of notification) 14,000 shares of common stock (par $10) at $20 each to be offered for subscription by holders of record as of April 30, 1957. Proceeds—For machinery, equipment, and working capital. Offered—None. Underwriter—None. Offering—Offered in about three weeks.

Caldyne Corp., Winchester, Mass. May 1 filed $1,250,000 of Limited Partnership Interests to be offered for subscription by holders of record as of May 15, 1957. Proceeds—For construction of new plant. Offered—None. Underwriter—None. Offering—Offered in about three weeks.

Cape Cod Industries, Inc., New York (6/27) June 7 filed 300,000 shares of common stock (par 10 cents) at $18 each to be offered for subscription by holders of record as of June 15, 1957. Proceeds—For machinery, equipment, and working capital. Offered—None. Underwriter—None. Offering—Offered in about three weeks.

Capper Publications, Inc., Topeka, Kan. June 6 letter of notification) 10,000 shares of common stock (par $10) at $10 each to be offered for subscription by holders of record as of June 15, 1957. Proceeds—For machinery, equipment, and working capital. Offered—None. Underwriter—None. Offering—Offered in about three weeks.

Carolina Mines, Inc., Kings Mountain, N. C. May 1 letter of notification) 35,000 shares of common stock (par $5) at $10 each to be offered for subscription by holders of record as of May 15, 1957. Proceeds—For construction of new plant. Offered—None. Underwriter—None. Offering—Offered in about three weeks.

Central Illinois Light Co. (7/9) June 7 letter of notification) 15,000 shares of common stock (par $10) at $15 each to be offered for subscription by holders of record as of June 15, 1957. Proceeds—For machinery, equipment, and working capital. Offered—None. Underwriter—None. Offering—Offered in about three weeks.


Chesapeake & Ohio Ry. Co. May 17, 1957, 5,000,000 shares of common stock (par 100) at $100 each to be offered for subscription by holders of record as of June 15, 1957. Proceeds—For construction of new plant. Offered—None. Underwriter—None. Offering—Offered in about three weeks.

Chesapeake & Ohio Ry. Co., Yazoo City, Miss. May 1 filed 5,000 shares of common stock (par 10) at $10 each to be offered for subscription by holders of record as of June 15, 1957. Proceeds—For construction of new plant. Offered—None. Underwriter—None. Offering—Offered in about three weeks.

Colonial American Bank Corp., Sanford, Me. May 20, 1957, 250,000 shares of common stock (par 100) at $100 each to be issued upon exercise of warrants to purchase the same at $10 each. Proceeds—For public offering. Offered—None. Underwriter—None. Offering—Offered in about three weeks.

Comico Corp., Memphis, Tenn. (7/8-12) May 2 filed 720,000 shares of common stock (par $10) at $10 each for subscription by holders of record as of June 15, 1957. Proceeds—For public offering. Offered—None. Underwriter—None. Offering—Offered in about three weeks.


Continental Mineral Resources, Inc. June 11 letter of notification 300,000 shares of common stock (par $10) at $10 each to be offered for subscription by holders of record as of June 15, 1957. Proceeds—For public offering. Offered—None. Underwriter—None. Offering—Offered in about three weeks.

Continental Metals & Metals Corp., Paterson, N. J. April 24 letter of notification) 1,000,000 shares of common stock (par $10) at $10 each to be offered for subscription by holders of record as of May 15, 1957. Proceeds—For public offering. Offered—None. Underwriter—None. Offering—Offered in about three weeks.

Cougars Mining Development Co., Ltd. May 15 letter of notification) 10,000,000 shares of common stock (par $1) at $10 each to be offered for subscription by holders of record as of May 31, 1957. Proceeds—For public offering. Offered—None. Underwriter—None. Offering—Offered in about three weeks.

DeKalb & Ogile Telephone Co. April 23 letter of notification) 22,025 shares of common stock (par $1) at $10 each to be offered for subscription by holders of record as of May 1, 1957. Proceeds—For public offering. Offered—None. Underwriter—None. Offering—Offered in about three weeks.

Daybreak Uranium, Inc., Opportunity, Wash. May 15 letter of notification) 15,000,000 shares of common stock (par $1) at $10 each to be offered for subscription by holders of record as of June 15, 1957. Proceeds—For public offering. Offered—None. Underwriter—None. Offering—Offered in about three weeks.

Delco Electric & Steel Co. May 18 letter of notification) 10,000,000 shares of common stock (par $1) at $10 each to be offered for subscription by holders of record as of June 15, 1957. Proceeds—For public offering. Offered—None. Underwriter—None. Offering—Offered in about three weeks.

Devor Figurizing Club, Inc., Chicago, Ill. June 13 letter of notification) 90,000 shares of common stock (par $1) at $10 each to be offered for subscription by holders of record as of June 30, 1957. Proceeds—For public offering. Offered—None. Underwriter—None. Offering—Offered in about three weeks.
**NEW ISSUE CALENDAR**

### June 20 (Thursday)
- **Erie RR.**
  - **Equipment Trust Cds.**
  - (Bid 11 a.m. EDT) $15,000,000

### June 21 (Friday)
- **Philips Morris, Inc.**
  - **Common (500,000 shares).**
  - (Bid 11 a.m. EDT) $15,000,000

### June 24 (Monday)
- **Delaware Power & Light Co.**
  - **Bonds (11 3/4 per cent).**
  - (Bid 11 a.m. EDT) $15,000,000

- **Lake Lasalle Mines, Inc.**
  - **Common.**
  - (Bid 11 a.m. EDT) $300,000

### June 25 (Tuesday)
- **Pacific Finance Corp.**
  - **Common.**
  - (Bid 11 a.m. EDT) $200,000

- **Southeastern Fund.**
  - (Bid 11 a.m. EDT) $200,000

- **Zapata Petroleum Corp.**
  - (Bid 11 a.m. EDT) $1,000,000

### June 26 (Wednesday)
- **Bank Building & Equipment Corp.**
  - **Common.**
  - (Bid 11 a.m. EDT) $200,000

- **Chicago & Eastern Illinois RR.**
  - **Equipment Trust Cds.**
  - (Bid 11 a.m. EDT) $200,000

- **Household Finance Corp.**
  - **Debentures.**
  - (Bid 11 a.m. EDT) $200,000

- **Kerr-McGee Oil Industries, Inc.**
  - **Debentures.**
  - (Bid 11 a.m. EDT) $200,000

- **Kerr-McGee Oil Industries, Inc.**
  - **Debentures.**
  - (Bid 11 a.m. EDT) $200,000

- **Slipperies Corp.**
  - (Bid 11 a.m. EDT) $100,000

### June 27 (Thursday)
- **Burton Picture Products, Inc.**
  - **Debentures.**
  - (Offering to public—no underwriting) $125,000

- **Chance Vought Aircraft, Inc.**
  - **Debentures.**
  - $15,000,000

- **Duquesne Light Co.**
  - **Debentures (7.25 per cent).**
  - (Bid 11 a.m. EDT) $200,000

- **Erie Railpool Corp.**
  - **Erie, Pa.**
  - (Bid 11 a.m. EDT) $200,000

- **First Missouri State Bank, Joplin, Mo.**
  - **Common.**
  - (Bid 11 a.m. EDT) $200,000

- **Florida Trust, Pompano Beach, Fla.**
  - **Common.**
  - (Bid 11 a.m. EDT) $100,000

- **Fluorspar of America.**
  - **Debentures.**
  - (Bid 11 a.m. EDT) $15,000,000

- **Barium Steel Corp.**
  - **Debentures.**
  - $10,000,000

- **Cameron Industries, Inc.**
  - **Common (50,000 shares).**
  - (Bid 11 a.m. EDT) $300,000

- **Chicago & North Western Ry.**
  - **Equipment Trust Cds.**
  - (Bid 11 a.m. EDT) $200,000

- **Kaiser Aluminum & Chemical Corp.**
  - **Common.**
  - (Bid 11 a.m. EDT) $300,000

### June 28 (Friday)
- **First National City Bank of New York.**
  - **Common.**
  - (Bid 11 a.m. EDT) $200,000

- **Mountain States Telephone & Telegraph Co.**
  - **Common.**
  - (Offering to stockholders—no underwriting) $40,175

- **National Electric Light & Power Co.**
  - **Common.**
  - (Offering to stockholders—no underwriting) $50,000

- **Southern California Edison Co.**
  - **Common.**
  - (Bid 11 a.m. EDT) $200,000

### July 2 (Tuesday)
- **Econo Co.**
  - **C. L. Anderson & Co.**
  - **Common.**
  - (Bid 11 a.m. EDT) $200,000

- **National Telephone Associates, Inc.**
  - **Notes & Com.**
  - (Bid 11 a.m. EDT) $2000

- **Rochester Gas & Electric Corp.**
  - **Bonds.**
  - (Bid 11 a.m. EDT) $200,000
Household Gas Service, Inc., Dixon, N. Y.

June 29 (letter of notification) $1,600,000 of first mortgage 5% sinking fund bonds due May 1, 1963. Price—$1 per share. Proceeds—For working capital.

Merchant's Co.

June 10 (letter of notification) $3,000,000 of 6% convertible subordinate debentures due 1972 to be offered to common shareholders of the company. Price—At par (6$ per $1000). Proceeds—To retire certain debentures.

Metcalf (James L.) & Co., Inc.

June 8 filed $50,000,000 of debentures, each unit consisting of: 100 shares of common stock (par $1); 4 shares of preferred stock (par $100) and $5,000 of 5% sinking fund bonds due 1984. Price—At par in units of $125 each. Proceeds—For working capital. Underwriters—Weinberg, Slotnick, Natvig, N. Y.

Metropolitan Toronto (Municipality of) (Province of Ontario) (6/26)

June 6 filed $32,572,000 of debentures to consist of (a) $23,170,000 of 4% sinking fund debentures maturing on amounts due on July 1, 1962, 1967, 1972, 1982, and 1987, and (b) $9,402,000 of 4% sinking fund debentures due July 1, 1958, 1959, 1965, 1969, 1971, 1977, inclusive. Price—To be supplied by amendment. Proceeds—For general municipal purposes and for the following purposes:

International Fidelity Insurance Co., Dallas, Tex.

March 28 filed 100,000 shares of common stock (no par) to be offered to the public at the rate of one new share for each seven shares held. Price—Fresh to be determined. Proceeds—To be used by the issuing bank in the business of underwriting, etc. Underwriter—Franklin Securities Co., Dallas, Texas.

Mississippi Valley Portland Cement Co.

Dec. 25 filed $1,500,000 of common stock (no par), of which 100,000 shares will be offered for cash subscription. Price—$3 per share. Proceeds—For the new plant. Underwriter—provide for general creditors and for working capital. Underwriters—Kidder, Peabody & Co., New York.

Monticello Associates, Inc.

Feb. 27 filed $1,000,000 of common stock, price—At par ($1 per share). Proceeds—For capital expenditures, including construction of motel, construction of new inventory and development of the present inventory. Proceeds will be used in the processing and selling of gravel. Office—230 Broadway, New York, N. Y. Underwriter—Walnut Securities Corp., Philadelphia, Pa.

Montreal (City of) (7/10)

June 10 (letter of notification) $21,000,000 of debentures due Feb. 15, 1977 and $17,000,000 of 5% sinking fund debentures due March 1, 1977. Price—To be supplied by amendment. Proceeds—For future expansion and for other purposes. Underwriter—To be determined by competitive bidding. Underwriters—Kidder, Peabody & Co., Inc., Savard and Hart and Salomon Bros. & Hutton, N. Y. Underwriter—Douglas Dillon, Union Securities Co. & Blyth & Co. (jointly); The First Boston Corp. Bids—Expected to be received by 4:00 p.m. (E.D.T.) on July 10.

Motorcyle Credit Corp.

June 10 (letter of notification) $21,000,000 of debentures to be issued to finance the additional inventory of the company's dealers and insiders of the corporation. Price—At par ($1 per share). Proceeds—For working capital. Underwriters—Kidder, Peabody & Co., Inc., New York, South St., Salt Lake City, Utah.

Mountain States Telephone & Telegraph Co.

May 17 (letter of notification) $285,000 shares of common stock (par $100). Proceeds—For the expansion of the company's business. Price—At par ($100 per share). Proceeds—To be used for the benefit of the company in the area of telephone investment.

Nashua Corp.

May 4 filed 384,176 shares of capital stock (par $100) and $8,866,000 of debentures due 6/26/50 at 10% per annum. Proceeds—At par ($100 per share). Proceeds—To be used for the benefit of the company in the area of telephone investment.


New York Merchants Corp.

May 17 (letter of notification) 285,000 shares of common stock (par $100). Proceeds—At par ($100 per share). Proceeds—To be used for investment purposes. Underwriters—Stuart M. Vegetable, New York, N. Y.

Nissan Fund, Princeton, N. J.

Prospective Offerings

**Airborne Instruments Laboratory, Inc.**

May 2 issued $10,000,000 of common stock (par $1) as part of its recapitalization. Underwriters—Kidder, Peabody & Co., Cleveland, Ohio; Blyth & Co., Inc., New York; Morgan Stanley & Co., New York.

**Titan Oil Co.**

May 5 (letter of notification) 600,000 shares of common stock (par $1) to be offered for subscription by stockholders of record June 15, 1977. Underwriter—Jewett & Co., Portland, Ore.

**Trans World Airlines, Inc., New York**


**U. S. Semiconductor Products, Inc., California**

April 27 (letter of notification) 200,000 shares of common stock (par $1). Price—To be supplied by amendment. Proceeds—for working capital and for other corporate purposes.

**Fraser Lithographing Co., Inc., New York**

April 15 (letter of notification) 10,000 shares of common stock (par $1). Price—To be supplied by amendment. Proceeds—for working capital and for other corporate purposes.

**Rural Telephone Corp.**

April 15 (letter of notification) 10,000 shares of common stock (par $1). Price—To be supplied by amendment. Proceeds—for working capital and for other corporate purposes.

**Baseball Transmission Corp.**

March 6 it was reported the company plans to offer publicly $7,800,000 in new shares of $1 par value, for investment by institutions, for the building and expansion of the company.

**Electronic Data Systems Corp., Michigan**


**American Tel. & Tel. Co., New York**


**State Telephone & Tel. Co., New York**


**Crestline, Inc., California**

April 8 it was announced the company plans to issue and sell $10,000,000 of 1st mtg. bonds due July 1, 1978. Proceeds—to reduce bank indebtedness and for other corporate purposes.

**Bell Telephone Co. of Pennsylvania**

April 25 it was announced company plans to issue and sell $50,000,000 of 5 series C bonds. Underwriter—to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Blyth & Co., Inc.; First Boston Corp.; White, Weld & Co., and Merrill Lynch, Pierce, Fenner & Beane, all of New York.

**Central Hudson Gas & Electric Corp., New York**

April 8 it was announced company plans to issue and sell this year about $7,500,000 of unsecured debentures. Proceeds—to reduce bank indebtedness and for other corporate purposes.

**Dealer-Manager**

April 8 it was announced company plans to issue and sell this year about $10,000,000 of first mortgage bonds due 1997. Proceeds—to reduce bank indebtedness and for other corporate purposes.

**Associated Gas & Devel. Co., New York**

April 6 (letter of notification) $1,000,000 of 8% first mortgage bonds due 1977. Proceeds—to reduce bank indebtedness and for other corporate purposes.

**Smith & Wigglesworth, London**

April 6 it was announced the company plans to issue and sell this year $5,000,000 of 5% collateral trust fund mortgage bonds due 1977 and 1978. Proceeds—to reduce bank indebtedness and for other corporate purposes.

**Chicago & Illinois Western R. R.**

March 26 it was announced the company plans to issue and sell $2,600,000 of 5% debentures due 1977. Proceeds—to reduce bank indebtedness and for other corporate purposes.

**Burlington Northern R. R. Co., Missouri**


**Chicago & Northwestern R. R. Co., Illinois**


**Union Pacific R. R. Co., Missouri**

April 8 (letter of notification) 1,000,000 shares of common stock (par $1) to be offered for subscription by stockholders of record May 23, 1977. Underwriters—Kidder, Peabody & Co., Cleveland, Ohio; Blyth & Co., Inc., New York; Morgan Stanley & Co., New York.

**Canadian National R. R. Co., Canada**


**International Harvester Co., Illinois**


**Union Pacific R. R. Co., Missouri**

April 8 it was announced the company plans to issue and sell this year about $7,000,000 of unsecured debentures. Proceeds—to reduce bank indebtedness and for other corporate purposes.

**Bank of America Corp., New York**


**National Broadcasting Co., New York**

April 8 it was announced the company plans to issue and sell this year about $3,000,000 of 5% collateral trust fund mortgage bonds due 1977 and 1978. Proceeds—to reduce bank indebtedness and for other corporate purposes.

**Rutland R. R. Co., Vermont**

April 8 it was announced the company plans to issue and sell this year about $4,000,000 of unsecured debentures. Proceeds—to reduce bank indebtedness and for other corporate purposes.

**Great Northern R. R. Co., Minnesota**

April 8 it was announced the company plans to issue and sell this year about $750,000 of unsecured debentures. Proceeds—to reduce bank indebtedness and for other corporate purposes.

**Indian Pacific R. R. Co., California**

April 8 it was announced the company plans to issue and sell this year about $500,000 of non-income tax exempt debentures. Proceeds—to reduce bank indebtedness and for other corporate purposes.

**First National City Corp., New York**

Federal Reserve Bank of St. Louis

Digitized for FRASER

Texas

June 6, company announced that it plans the issuance and sale of $30,000,000 debentures later in 1957. Proceeds—To help finance operations. Expected to cost approximately $48,000,000.


Columbia Gas & Electric Co.

June 6, company announced that it plans the issuance and sale of $30,000,000 debentures later in 1957. Proceeds—To help finance operations. Expected to cost approximately $48,000,000.


Connecticut Light & Power Co.

Feb. 21 it was announced that company plans to issue and sell in the Fall $8,000,000 of cumulative preferred stock.


Commercial Oil & Refining Co.

June 10 it was reported company plans to raise about $40,000,000 for new plant and to refund old mortgages. Proceeds—To be used for construction purpose and for other corporate purposes. Proceeds will consist of first mortgage bonds which would be placed privately and underwriters would sell to banks and common stock (attached or in units). Underwriters—Lehman Brothers, New York. Offering—Expected in August.

Consolidated Edison Co. of New York, Inc.

May 20, H. R. Searing, Chairman, said the company will probably sell a $50,000,000 first mortgage refunding mortgage later this year. (On Oct. 24, 1956, $25,000,000 of series M, due 1966, were offered and sold.) Proceeds—For construction purposes. Underwriter—To be determined by underwriters: Halsey, Stuart & Co.; White, Weld & Co.; Morgan Stanley & Co.; and the First Boston Corp. (Jointly).

Consolidated Natural Gas Co.

May 9 it was announced company plans to issue and sell $25,000,000 25-year 5% first mortgage debentures later this year. Proceeds—To repay bank loans and for construction program.


Consumers Power Co.

April 22 it was reported company plans to issue and sell $80,000,000 of first mortgage bonds. Proceeds—For construction purposes. Proceeds will consist of first mortgage bonds.


Detroit Edison Co.

May 6 it was announced company plans to sell in 1957 about $80,000,000 of mortgage bonds. Proceeds—For construction purposes. Proceeds will consist of mortgage bonds.


Duke Power Co.

April 18 it was reported company plans to issue and sell $50,000,000 of first mortgage bonds. Proceeds—To repay bank loans and for new construction program.


East Gas & Fuel Associates

April 3 it was announced company may need additional capital of between $25,000,000 and $50,000,000 during the next two years. Proceeds—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; White, Weld & Co., and Kidder, Peabody & Co. (Jointly).

Eastern Utilities Associates

April 13 it was announced company proposes to issue and sell $3,750,000 of 25-year collateral trust bonds Proceeds—For loan to Blackstone Valley Gas & Electric Co., a subsidiary. Proceeds will be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; White, Weld & Co., and Kidder, Peabody & Co. (Jointly).

Niagara Mohawk Power Corp.

April 3 it was announced company plans to issue and sell $30,000,000 of debentures. Proceeds—Together with proceeds from sale of preferred stock (par $100) to parent, American Telephone & Telegraph Co., will be used to pay for expansion program.


Laws Southern Utilities

April 10 it was reported company plans to issue and sell $59,000,000 of first mortgage bonds later this year. Proceeds—For construction purposes. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; White, Weld & Co.; and the First Boston Corp. (Jointly); The First Boston Corp.; Dean Witter & Co.

Jefferson Lake Sulphur Co.

March 21 it was announced company plans to issue and sell $40,000,000 of 7% debentures. Proceeds—To refund $17,000,000 of bonds due Jan. 1, 1961, and $23,000,000 for new construction.

Lincoln National Bank & Trust Co.

Fort Wayne, Ind.

June 19, company announced that it plans to issue and sell $15,000,000 of first mortgage bonds. Proceeds—To repay $9,000,000 of bonds maturing in 1962, and to refund remaining $6,000,000.


Long Island Lighting Co.

April 18 it was announced company plans to issue bonds to reduce bank loans. Proceeds—To refund $12,000,000 of series C bonds due Jan. 1, 1967, and $11,000,000 of debentures.

Underwriter—Lehman Brothers & Co. (Jointly).

Louisville Gas & Electric Co.

May 14 it was reported company plans to issue and sell $15,000,000 of first mortgage bonds. Proceeds—To repay bank loans and for construction purposes. Proceeds will consist of mortgage bonds.


Middle South Utilities, Inc.

Middle South Utilities, Inc., company may consider an offer of new common stock within the next year or so. Proceeds—To raise $19,000,000, for investment in common stocks of the company and its subsidiaries during the three-year period 1957, 1958 and 1959.

Underwriter—To be determined by competitive bidding, without underwriting, with oversubscription privileges.

Montana Power Co.

March 13, company plans to issue and sell the fall about $20,000,000 of debt securities. Proceeds—For construction program and to reduce bank loans.

Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc.; Eastman Dillon, Union Securities Co. & Co. (Jointly); Merrill Lynch, Pierce, Fenner & Beane and White, Weld & Co. and Webster Securities Corp. (Jointly).

England Electric System

March 23, 1957, the Missouri Public Service Commissioners approved the merger of the five following subsidiaries: Essex County Electric Light & Power Co., Chesterfield Electric Light Co., Haverhill Electric Co. and Amesbury Electric Light Co., to form the Essex County Electric Co. This would be followed by a $20,000,000 first mortgage bond issue, to be known as Marricksees-Essex County Electric Co. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co.; Inc.; Kuhn, Loeb & Co. (Jointly); Eastman Dillon, Union Securities Co. & Co.; and White, Weld & Co. (Jointly); Kidder, Peabody & Co.; Smith, Barney & Co.; and Blyth, Eastman & Co. (Jointly); Merrill Lynch, Pierce, Fenner & Beane and Stone & Webster Securities Corp. (Jointly).

New Jersey Bell Telephone Co. (9/11) May 11, company plans to issue and sell $50,000,000 of debentures. Proceeds—Together with proceeds of sale of preferred stock (par $100) to parent, American Telephone & Telegraph Co., will be used to pay for expansion program.

Norfolk & Western Ry. (7/23) (9/1) Bids expected to be received by the company up to noon (EDT) on July 21 for the purchase of approximately 5,000,000 additional equity detachable preferred stock, $500 per share. Proceeds—To construct new trackage.

Northern Natural Gas Co. (8/13) March 4 it was reported company plans to issue and sell $10,000,000 of 7% debentures, $100 per bond. Proceeds—For expansion program. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; White, Weld & Co., Inc.; Morgan Stanley & Co.; and Dreux & Co. (Jointly).

Public Service Co. of Indiana, Inc. (6/15) It was reported the company plans to issue and sell a new series of mortgage bonds (amounting to $25,000,000 at 4% interest) during the year 1937. Proceeds—To retire bank loans. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; White, Weld & Co., Inc.; Morgan Stanley & Co.; and Dreux & Co. (Jointly).

Purex Corp., Ltd. (Calif.) May 15 it was reported this company plans to issue and sell $2,000,000 of 4% debentures, $100 per bond. Proceeds—To be received up to 11 a.m. (EDT) on Aug. 13.

Pacific Telephone & Telegraph Co. (7/23) May 25 it was announced company intends to offer and sell $5,500,000 of preferred stock. Proceeds—For construction purposes. Underwriter—To be determined by competitive bidding. Probable bidders: (1) For bonds—Halsey, Stuart & Co., Inc.; The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane (Jointly); Harriman Ripley & Co. Inc. and Stone & Webster Securities Corp. (Jointly); The First Boston Corp. (Jointly); Morgan Stanley & Co.; and Dreux & Co. (Jointly). (2) For preferred stock—Eastern Dillon, Union Securities Corp. & Co. (Jointly); Harriman Ripley & Co. Inc. and Stone & Webster Securities Corp. (Jointly); The First Boston Corp. (Jointly); Morgan Stanley & Co.; and Dreux & Co. (Jointly).

Southern Union Gas Co. (5/25) May 26 it was announced company plans to issue and sell $10,000,000 of 4% debentures, $100 per bond. Proceeds—For expansion program. Underwriter—May be Blair & Co., Inc., New York.

Southwestern Bell Telephone Co. (10/1) May 26 it was announced company plans to issue and sell $15,000,000 of new debentures. Proceeds—For expansion program. Underwriter—May be Blair & Co., Inc., New York.


Permian Basin Pipe Line Co. May 21 it was announced company, a subsidiary of Northern Natural Gas Co., plans to issue and sell $25,000,000 of new securities, in the following form: $15,000,000 of mortgage bonds; $5,750,000 of preferred stock and $4,600,000 of common stock. Proceeds—To repay advances of $9,300,000 from parent, and the remaining $16,000,000 for new construction. Underwriter—Glore, Forgan & Co., New York.

Utah Power & Light Co. (10/1) May 26 it was reported company plans to issue and sell about $15,000,000 of first mortgage bonds due 1937. Proceeds—To repay bond loans and for construction purposes. Underwriter—May be Halsey, Stuart & Co., Inc.; White, Weld & Co., Inc.; Morgan Stanley & Co.; and Dreux & Co. (Jointly); Salomon Bros. & Hutzler; Eastman Dillon, Union Securities Corp. & Co. (Jointly); Kuhn, Loeb & Co.; and Stone & Webster Securities Corp. (Jointly).
New Steps to Strengthen The Rights of Stockholders

not—and has not been—naive about the difficulties or even the dangers of an expanding shareowner movement. The democratic process is never easy or automatic outside the area of our own responsibility we have assumed. In my experience, therefore, I have found that if the public are helped to develop a measure of how well the SEC has handled the issue, the SEC will be excluded from the area of our responsibility.

The SEC took the first step in the direction of expanding its shareowner movement by publishing in April, 1954, a report with the title, "Corporate Control by Shareholders." This report was followed by another, "A Guide to Water Control by Shareholders," published by the SEC in May, 1955. The SEC has made several other reports and publications on the subject of controlling corporate policies and management. The SEC has also taken steps to make it easier for shareowners to vote, to obtain information, to receive proxy statements, and to make their voices heard.

The SEC has also taken steps to make it easier for shareowners to vote, to obtain information, to receive proxy statements, and to make their voices heard.

The SEC has also taken steps to make it easier for shareowners to vote, to obtain information, to receive proxy statements, and to make their voices heard.

The SEC has also taken steps to make it easier for shareowners to vote, to obtain information, to receive proxy statements, and to make their voices heard.
Mutual Funds

BY ROBERT E. EICH

$100 Million for 17th Straight Month

Assets of the 139 mutual fund members of the National Association of Investment Companies climbed for the 17th straight month and, at May 31, stood at $270,681,000, it was announced. This compares with $265,631,000 at the end of April and $257,326,000 a year ago.

Investment purchases of shares also were higher during May, reaching $811,334,000 at month-end and topping the $800,000 mark for the 17th consecutive month. Purchases for April were $809,000,000 and in May a year ago.

New accumulation plans opened for the regular monthly or quarterly acquisition of mutual fund shares during the month totaled 18,363, compared with 17,942 for the month previous and 14,975 for May of 1956. The number of accumulation plans opened during the first five months of 1957 totaled $1,941, the Association reported.

Reacquisitions of fund shares (redemptions) were $40,306,000 for May and $37,181,000 for April. In May a year ago, the figure was $40,593,000.

Holdings of cash, U. S. Government securities and short-term corporate obligations by the 136 open-end companies at the end of May totaled $687,788,000, an increase of $443,822,000 at the end of May, 1956. This represented 5.4% of total assets as of the end of May, 5.1% at the end of April and 5.3% at the end of May a year ago.

Chemical Fund

Assets Cross $150 Million

Total net assets of Chemical Fund, Inc., have hit a new record high and have exceeded $150,000,000 $150,000,000,000 for the first time in the fund's 12-year history, according to an announcement made June 11 by E. E. Krig, president of the board. The new record total, $150,448,627, is 7.9% higher than the previous record of $140,236,885 set in December, 1956.

Phenomenal May sales of $100,745,653, topping all one-month sales in the 13 years of history of Investors Diversified Service, Inc., were underwritten by the IDS sales force last month, Joseph M. Fitzsimmons, President, announced.

May is designated "Grady Clark month" in honor of Chem Fund's 2,000 sales representatives make a special sales effort each year in honor of the IDS vice-president in charge of sales. Mr. Clark has been with the company for 23 years and has led the nationwide sales organization since 1945. Current May sales showed an increase of $9,740,169 over the comparable May 1956 total of $91,862,466.

Gross dollar volume of sales in four mutual investment funds managed and distributed by Investors Diversified Service, Inc., was $220,194,000 for the month. The funds, all affiliates of IDS, are Investors Mutual Fund, Inc., Investors Stock Fund, Inc., Investors Selective Fund, Inc. and Investors Canadian Group Canadian Fund Ltd.

Increasing maturities value of face amount and participation certi-
cates purchased by individual investors in May amounted to $65,322,033. These accumulation certificates were issued by Investors Syndicate of America, Inc. and Investors Syndicate Title Guarantee Corp., New York, both IDS subsidiaries.

Atomic Assets

Over $50 Million

Newton I. Steers, Jr., President of Mutual Fund News, Inc., announced that net assets of Atomic Fund, Inc. are now more than $50 million. At the close of business May 31, the net assets were $50,369,290, according to Mr. Steers. The increase in the fund's assets is attributable to appreciation in the market price of many of the securities in the fund's portfolio as well as to a substantial increase in the sale of Atomic Fund shares to the public. Mr. Steers announced that sales during May were $23,610,000 and were the largest announced since April, 1956.

Atomic Fund concurrently announced the acquisition of 2,000 acres of land in the Los Angeles area for industrial and investment purposes. Aerojet-General, which is controlled by General Electric and Rubber, is a leading constructor of mass produced nuclear reactors as well as the leader in the production and development of liquid and solid propellant rocket engines.

Sovereign Investors reporting as of May 31, 1957 shows total net assets of $21,637,672.76 on May 31, 1956, represents an increase of 20% for the period. Outstanding shares of the fund rose 22% during the same period. The asset value per share was $12.75 on May 31, 1957 compared with $12.55 on May 31, 1956.

Utility Parent

Becomes New Abarus Fund

Stockholders of International Hydro-Electric System, for mer owner of New England Electric System, have approved the merger of Boston and the company's subsidiary for the 15 years, thus clearing the way for conversion of a publicly held utilities company into a closed-end investment company to be known as Abarus Fund.

Named were John L. Burns, President, Radio Corporation of America, the SEC, the New York Stock Exchange, President, Pan American World Airways, Inc., and a partner in the law firm of Gottlieb, Friendly & Hamilton; Justin W. Dow, chairman of Boston Federal Reserve Bank; and a director of Bristol-Myers Co., William K. Jacobs, Jr., a financial consultant and a director of The Penrose Corp.; Paul H. Todd, President, Farmers Chemical Co., Joseph Klingenstein, partner, Wertheim & Co., and commander of the Central Illinois Security Corp.; Alfred A. Romani, chairman of the executive committee, and David Schenker, a partner in the law firm of Schenker & Schenker.

International Hydro-Electric, founded in 1929, was formerly the parent company of a number of electric utilities, including New England Electric. In 1942 it was converted into a mutual holding company by the Securities and Exchange Commission under the Holding Company Act. In April, 1944, on the application of International Hydro-Electric, the United States District Court for the District of Massachusetts took jurisdiction over all its operations and property, including its subsidiaries, and the following month the company was reorganized as a mutual holding company. In 1946, a group of investors, including the newly appointed board of directors, filed a petition with the SEC asking for approval of the merger with the new closed-end utilities company. The petition was granted by the Commission on July 29, 1957.

This petitioning the company's ordinary income dividends to a total of 31 cents a share in the past 12 months. In addition to a capital gain dividend of 10 cents a share, a capital gain dividend was paid on July 29 to shareholders of record June 28.

This payment brings the company's ordinary income dividends to a total of 31 cents a share in the past 12 months. In addition to a capital gain dividend of 10 cents a share, a capital gain dividend was paid on July 29 to shareholders of record June 28.

For the second half of the year we expect to improve on the first half, as the recent strength in the utility industry is likely to be maintained. The utilities have been more efficient in the past six months and the companies will continue to benefit from this.

Slayton Sees

Rosy Business

For This Fall

With the second half of the year we expect to improve on the first half, as the recent strength in the utility industry is likely to be maintained. The utilities have been more efficient in the past six months and the companies will continue to benefit from this.

Slayton Sees

Rosy Business

For This Fall

With the second half of the year we expect to improve on the first half, as the recent strength in the utility industry is likely to be maintained. The utilities have been more efficient in the past six months and the companies will continue to benefit from this.
by putting inventories in better balance." In terms of the business outlook, Slayton saw prospects for investors as good.

"There are no indications that the stock market, which began last February is over," he said. The market, traditionally has been known for ignoring adverse current events. The advance has been logical in face of disappearing auto sales, further decline in housing starts, and a falling-off in corporate profits, and is likely soon to reflect a sell-off in the stock market during the second half of 1957.

He said the investor can 're--

mendably well take the short-term upward trend of stock prices, with growth from the economy, population and productivity -- or creeping inflation. The investors who take the sound long-term view will con-

Figure 1: Railroad Securities

Futures Fund

Report Cites

Uncertainties

Semi-annual report of Futures, Inc., compiled during the period ended March 31, 1957, shows a gain of $3.32 share on $8,368 shares of capital stock. These comparisons with previous years were made on a share of 6,647 shares on Dec. 31, 1956. On May 20, 1957, when the report was written, net assets were $201,538 or $3.50 a share.

Richard D. Donelson, Fund Man-

ager, said that "While Futures, Inc. has no divi-

dend policy, it has been the custom to regularly examine results at irregular intervals based upon profit results. This year, if results continue to show profits, the board of directors will probably consider the declaration of a dividend in Septem-

ber." Mr. Donelson said that the gen-

eral market outlook was "not very clear. With money getting im-

creasingly tight, and sensitive attitudes toward any signs of softening, there is a possibility that we may have to suffer for some serious trouble later this year or 1958. In such circum-

stances, it would be wise for the company to remain independent for its success of the fund's investments, but can move up equally well in an up market or falling trends. Price movements should stand out in favorable con-

trast.

Bullock Presents Directors

One of the greatest assets of any mutual fund is the caliber of the management of the fund's investments. With this in mind, Calvin Bullock, Ltd., has prepared a report to the shareholders, "Management," in which it reports on the management of the company. Bullock, Ltd., commonly as-

sesses the performance of its na-

vational developments affecting worldwide economy.

Careful studies by senior analy-

sts who are specialists in a par-

ticular area are the result of an exhaustive search are supplemented by con- 

ferences with corporate execu-

tives, economists and other ex-

perts. The results of these investi-

gations and recommendations for purchase or sale of individual secu-

rities are used to advise the di-

rectors for investment action.

Tom Lorraine Blair Inc.

(Special to The Commercial and Financial Chronicle)

CHICAGO, III. -- Lorraine L. Blair, Inc. has been formed with offices in Chicago under the direction of President and Treasurer; Jane E. Strother, Secretary-Treasurer; and with the Marshall Com-

pany.

R. L. Ferrmor Co. Opens

MIAMI, Fla. -- Robert L. Ferrmor, Inc. has opened offices in the securities business. Officers are Miss Margaret Ferrmor, President; Joan Gilmer, Vice-

President and Treasurer. The latter is also associated with Alfred D. Launois & Co.

Estimated 1957 Rail Earnings

It takes not only a great deal of business to come up with full-year earnings results before the year is at the halfway point. It also requires considerable effort in analyzing and projecting. This is why we feel greatly in-

dented, Mr. and Mrs. P. D. Fox of permitting us to use their railroad estimates contained in the follow-

ing chart, which also shows 1956 figures by way of comparison. These estimates are submitted for what they are, which may be one or more than zero. We respect the reader's judgment.

A drastic change in conditions would naturally call for all bets.

There are also individual cases where the return for the year will require a rather sharp improvement in the trend of earnings over what has been reported thus far in the year. These cases include the New York Central and Illinois Central. While the estimates of the full-year results are increases for both, the New York Central was actually down $3.69 a share from a $12.36 per share for the first four quarters against $2.19 for the first four months, and the corresponding figures for the Illinois Central were $1.45 and $2.29 respectively. As a result of this, the Illinois Central, in addition to its 6% rate increase for the year, announced a dividend of $0.36 a share, in addition to its 6% rate increase for the year, announced a dividend of $0.36 a share, and may generally act to effect the same decline in traffic, although it is far too early to call the changes.

This revenue estimate is arrived at only after careful consideration of the financial condition of the roads for the balance of the year.

The effects of higher rates would be that there might not be an increase in earnings or three cents in hourly wages was then on the table. Both of these possibilities have been considered, and the estimates shown below. The automobile increase of seven cents in retail prices for gasoline in 1957 is naturally included since this is likely to be the variable cost. The increase as the second step in the three-stage wage increase arrange-

ments under the 1956 wage settlement.

Wendt N. Y., Sales Mgr., For John Neuen Co.

Appointment of Frank P. Wendt, presi-


Mr. Wendt has been associated with John Neuen & Co., Inc., 1947, serving during recent years as a New York repre-

tative. He was with Harris, Hall & Co., following U. S. Marine Corp duty as a special service officer.

John Neuen & Co., a 59-year-old investment banking organiza-

tion underwriting and contribut-

ing to the issuance of securities in Chicago, Boston, Cincinnati, St. Louis, Milwaukee, Atlanta and Atlanta, the latter opening in 1957.

First Mutual Secs. Open

S. AN FRANSO, Calif. -- First Mutual Securities Corp. is the latest company to be formed with offices at 110 Sutter St. to engage in a securities business. Officials are Joseph W. Gibson, President; Willy S. Kil-

dahl, Vice-President and Secretary; and Norman Ostlund, Vice-President and Treasurer.

First Southern Corp. Formed in Atlanta

ATLANTA, Ga. -- The First Southern Corporation has been organized with offices at 144 Dec Leavenworth St. Officers are William F. Johnson, President; Thomas G. Callaway, Jr., Vice-

President, Mr. Hays was formerly with the D. H. Johnson, Lee, Space & Co., Inc.

FIF Assets Now Over $75 Million

Net assets of Financial Industrial Fund passed the $75 million mark for the first time during the quarter ended May 31, 1957. The total of $77,988,693, compared with $56,701,662, on Dec. 31, 1956. This marked the first time the fund has passed the $75 million mark in a quarter.

Making the records, the fund had a net asset value of $3.94 a share. The fund has more than doubled in value since its inception in 1950.

BullOCK PRESENTS DIRECTORS

One of the greatest assets of any mutual fund is the caliber of the management of the fund's investments. With this in mind, Calvin Bullock, Ltd., has prepared a report to the shareholders, "Management," in which it reports on the management of the company. Bullock, Ltd., commonly assesses the performance of its national developments affecting worldwide economy.

Careful studies by senior analysts who are specialists in a particular area are the result of an exhaustive search supplemented by conferences with corporate executives, economists and other experts. The results of these investigations and recommendations for purchase or sale of individual securities are used to advise the directors for investment action.

Tom Lorraine Blair Inc.

(Special to The Commercial and Financial Chronicle)

CHICAGO, III. -- Lorraine L. Blair, Inc. has been formed with offices in Chicago under the direction of President and Treasurer; Jane E. Strother, Secretary-Treasurer; and with the Marshall Company.

R. L. Ferrmor Co. Opens

MIAMI, Fla. -- Robert L. Ferrmor, Inc. has opened offices in the securities business. Officers are Miss Margaret Ferrmor, President; Joan Gilmer, Vice-President and Treasurer. The latter is also associated with Alfred D. Launois & Co.

Estimated 1957 Rail Earnings

It takes not only a great deal of business to come up with full-year earnings results before the year is at the halfway point. It also requires considerable effort in analyzing and projecting. This is why we feel greatly indebted, Mr. and Mrs. P. D. Fox of permitting us to use their railroad estimates contained in the following chart, which also shows 1956 figures by way of comparison. These estimates are submitted for what they are, which may be one or more than zero. We respect the reader's judgment.

A drastic change in conditions would naturally call for all bets.

There are also individual cases where the return for the year will require a rather sharp improvement in the trend of earnings over what has been reported thus far in the year. These cases include the New York Central and Illinois Central. While the estimates of the full-year results are increases for both, the New York Central was actually down $3.69 a share from $12.36 per share for the first four quarters against $2.19 for the first four months, and the corresponding figures for the Illinois Central were $1.45 and $2.29 respectively. As a result of this, the Illinois Central, in addition to its 6% rate increase for the year, announced a dividend of $0.36 a share, and may generally act to effect the same decline in traffic, although it is far too early to call the changes.

This revenue estimate is arrived at only after careful consideration of the financial condition of the roads for the balance of the year. The effects of higher rates would be that there might not be an increase in earnings or three cents in hourly wages was then on the table. Both of these possibilities have been considered, and the estimates shown below. The automobile increase of seven cents in retail prices for gasoline in 1957 is naturally included since this is likely to be the variable cost. The increase as the second step in the three-stage wage increase arrangements under the 1956 wage settlement.

Wendt N. Y., Sales Mgr., For John Neuen Co.


Mr. Wendt has been associated with John Neuen & Co., Inc., 1947, serving during recent years as a New York representative. He was with Harris, Hall & Co., following U. S. Marine Corp duty as a special service officer.

John Neuen & Co., a 59-year-old investment banking organization underwriting and contributing to the issuance of securities in Chicago, Boston, Cincinnati, St. Louis, Milwaukee, Atlanta and Atlanta, the latter opening in 1957.

First Mutual Secs. Open

S. AN FRANSO, Calif. -- First Mutual Securities Corp. is the latest company to be formed with offices at 110 Sutter St. to engage in a securities business. Officials are Joseph W. Gibson, President; Willy S. Kildahl, Vice-President and Secretary; and Norman Ostlund, Vice-President and Treasurer.

First Southern Corp. Formed in Atlanta

ATLANTA, Ga. -- The First Southern Corporation has been organized with offices at 144 Dec Leavenworth St. Officers are William F. Johnson, President; Thomas G. Callaway, Jr., Vice-President, Mr. Hays was formerly with the D. H. Johnson, Lee, Space & Co., Inc.
## Indications of Current Business Activity

**AMERICAN IRON AND STEEL INSTITUTION**: Contracted for production of 8,351,000 tons of iron and steel in May, which is 126,000 tons above April. Order books show a balance of 23,216,000 tons, which is 1,146,000 tons below April.

**AMERICAN FUEL INSTITUTION**: Crude oil output (in 000 barrels) for May, 149,480,000, or 13,531,000 barrels below April. The 149,480,000 barrels is 2,707,000 barrels below May 1937. Reserves as of May 22, 1938, of 10,194,000,000 barrels is 13,878,000 barrels below April.

**CIVIL ENGINEERING CONSTRUCTION—ENGINEERING CONTRACTS**: Civil engineering contracts awarded in May, 11,350,000,000, or 2,850,000,000 below April. The March-May average is 10,500,000,000. The May-June average is 11,610,000,000. The average for the corresponding period of 1937 was 12,140,000,000.

**COAL OUTPUT (E. R. BUREAU OF MINER)**: Total coal output in May, 1,100,000,000 tons, or 5,000,000 tons below April. The May-June average is 1,080,000,000 tons. The average for the corresponding period of 1937 was 1,230,000,000 tons.

**DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE DATA**: Total sales of the 10 departments of the 10 largest stores for May, 41,350,000,000, or 2,700,000,000 below April. The May-June average is 42,700,000,000. The average for the corresponding period of 1937 was 45,000,000,000.

**EDISON ELECTRIC INSTITUTE**: Gross output (in 000 kw-hr.) for May, 2,100,000,000, or 900,000,000 below April. The May-June average is 2,180,000,000. The average for the corresponding period of 1937 was 2,300,000,000.

**FAILURE OF COMMERCIAL AND INDUSTRIAL—DEN & E.**: Failures of industrial and commercial enterprises in May, 120, or 10 below April. May failures are 70 below the 5-year average.

**IRON AND STEEL COMMISSION**: Steel ingots, in 000 tons, 265,000,000, or 20,000,000 below April. The May-June average is 267,000,000. The average for the corresponding period of 1937 was 278,000,000.

**MONEY AND ?A. Q. QUOTATIONS**: Wholesale stock prices, May 21, 1938, 31,500,000, or 11,500,000 below April. The May-June average is 32,000,000. The average for the corresponding period of 1937 was 32,500,000.

**MONEY'S BOND YIELD AVERAGE**: Average corporate bonds, June 10, 3.75% below April. The May-June average is 4.12%. The average for the corresponding period of 1937 was 4.47%.

**MONEY AND DEBT DOLLAR PRICE INDEX**: Money and debt dollar price index, June 11, 110.33, or 10.64 below April. The May-June average is 110.44. The average for the corresponding period of 1937 was 117.60.

**STOCKS IN VELOCITY INDEX**: United States stock index, June 9, 1,272,000,000, or 17,000,000 below April. The May-June average is 1,400,000,000. The average for the corresponding period of 1937 was 1,500,000,000.

**STOCK MARKET INFLATION INDEX**: Stock market index of all stocks (par value is $25) for June 10, 49,000,000, or 6,000,000 below April. The May-June average is 52,000,000. The average for the corresponding period of 1937 was 57,000,000.

**STOCKS AND BONDS SALES INDEX**: Total stocks and bonds sold in May, 80,000,000, or 2,000,000 below April. The May-June average is 82,000,000. The average for the corresponding period of 1937 was 96,000,000.

**STOCKS AND BONDS SALES INDEX**: Total stocks and bonds sold in May, 80,000,000, or 2,000,000 below April. The May-June average is 82,000,000. The average for the corresponding period of 1937 was 96,000,000.

**STOCKS AND BONDS SALES INDEX**: Total stocks and bonds sold in May, 80,000,000, or 2,000,000 below April. The May-June average is 82,000,000. The average for the corresponding period of 1937 was 96,000,000.

**STOCKS AND BONDS SALES INDEX**: Total stocks and bonds sold in May, 80,000,000, or 2,000,000 below April. The May-June average is 82,000,000. The average for the corresponding period of 1937 was 96,000,000.

**STOCKS AND BONDS SALES INDEX**: Total stocks and bonds sold in May, 80,000,000, or 2,000,000 below April. The May-June average is 82,000,000. The average for the corresponding period of 1937 was 96,000,000.

**STOCKS AND BONDS SALES INDEX**: Total stocks and bonds sold in May, 80,000,000, or 2,000,000 below April. The May-June average is 82,000,000. The average for the corresponding period of 1937 was 96,000,000.

**STOCKS AND BONDS SALES INDEX**: Total stocks and bonds sold in May, 80,000,000, or 2,000,000 below April. The May-June average is 82,000,000. The average for the corresponding period of 1937 was 96,000,000.

**STOCKS AND BONDS SALES INDEX**: Total stocks and bonds sold in May, 80,000,000, or 2,000,000 below April. The May-June average is 82,000,000. The average for the corresponding period of 1937 was 96,000,000.

**STOCKS AND BONDS SALES INDEX**: Total stocks and bonds sold in May, 80,000,000, or 2,000,000 below April. The May-June average is 82,000,000. The average for the corresponding period of 1937 was 96,000,000.

**STOCKS AND BONDS SALES INDEX**: Total stocks and bonds sold in May, 80,000,000, or 2,000,000 below April. The May-June average is 82,000,000. The average for the corresponding period of 1937 was 96,000,000.

**STOCKS AND BONDS SALES INDEX**: Total stocks and bonds sold in May, 80,000,000, or 2,000,000 below April. The May-June average is 82,000,000. The average for the corresponding period of 1937 was 96,000,000.

**STOCKS AND BONDS SALES INDEX**: Total stocks and bonds sold in May, 80,000,000, or 2,000,000 below April. The May-June average is 82,000,000. The average for the corresponding period of 1937 was 96,000,000.

**STOCKS AND BONDS SALES INDEX**: Total stocks and bonds sold in May, 80,000,000, or 2,000,000 below April. The May-June average is 82,000,000. The average for the corresponding period of 1937 was 96,000,000.

**STOCKS AND BONDS SALES INDEX**: Total stocks and bonds sold in May, 80,000,000, or 2,000,000 below April. The May-June average is 82,000,000. The average for the corresponding period of 1937 was 96,000,000.
The Security I Like Best

precated has been the improvement in bottler relationships. The company had also adopted under a distribution set-up whereby Coca-Cola sub-bottlers and distributors rights into "parent" bottler regions, each of which is in turn sub-divided into smaller territories. Just during the early years, the parent bottlers were all privately-owned and as such, they were not serving larger individual bottlers. Having the privately-owned bottlers under the Coca-Cola company and its independent franchisee placed bottlers who were able to do in a very efficient way of effecting uniform sales and promotion programs. By acquiring all but one of the parent bottlers, the company has completed the consolidation of its sales departments and believes it is in a position to provide for more flexible and tangible merchandising and marketing assistance to the local bottlers. Results thus far achieved have been most encouraging.

The company's advertising policy was handled by one agency for almost 50 years with the emphasis placed on institutional type ads to stimulate consumer demand. Coca-Cola changed agencies about a year ago and is presently advertising in an extensive national program of full-page weekly advertisements in a large number of Sunday supplement magazines. The expensive television shows have been most successful.

More emphasis is being placed on dealer promotions and discounts at the local level to move Coke out into the consumers' homes. The emphasis is not so much on the quantity increase in sales but on the quality increase in sales. All efforts are being directed to the company's new King and Coca-Cola bottles into general use in 1955, as did the new Pre-Mix method of distribution. The larger sized bottles are sold almost exclusively for the convenience and have had a salutary effect on Coca-Cola's sales through food stores and other non-store establishments. By the end of 1955 the 1,100 U.S. bottlers have had Pre-Mix machines and 700 of the multiple sized bottles, a very satisfactory figure considering the time these bottles had been available. The Pre-Mix machine allows for Coca-Cola in a paper cup from 100-drink unit stainless steel tanks which can be quickly and economically serviced. This machine is of greatest value in high traffic areas such as theatre lobbies, offices, transportation centers, etc. Over 500 U.S. bottles are now using Pre-Mix machines in their territories and it is expected to show further growth this year.

For a long time Coca-Cola maintained the 5c retail price for the standard 6 infancy bottle despite the ravages of inflation. This price cut has been considered the trend away from the 5c price to 10c is developing. In mid-1953 59% of bottles were sold at 10c but only 9% for a nickel. This figure is now less than 30%

Since 1921 the company has sold its syrup to bottlers at a fixed price adjusted only for fluctuation in the price of sugar. No near-term change in the sales contract is anticipated.

Growing Sales Here and Abroad

Coca-Cola's business is divided into three major areas U.S. sales are 60% of the total volume. The balance of U.S. sales is contributed by more than 2,000 wholesalers, dealers, bottlers, and stores and similar outlets.

Sales of both these domestic divisions advanced to higher levels at mid-year. Sales increased as a result of the introduction of new products, some of which have had a favorin

Continued on page 2

Dealer Broker Investment Recommendations & Literature

Package Machinery Company — Analysis — Hayden, Stone & Co., 25 Broad Street, New York 6, N. Y.

Paramount Pictures — Bulletin — Joseph Faroll & Co., 29 Broadway, New York 6, N. Y. Also in the same issue is a list of stocks for investment.


Scott & White Corporation — Analysis — Blair & Co., Incorporated, 44 Wall Street, New York 5, N. Y.

Signature Loan Company — Report — Simon, Straus & Himme, 14 East 42nd Street, New York 17, N. Y.

Sunray Mid Century Oil Co. — Analysis — Abraham & Co., 120 Broadway, New York 5, N. Y.

Swift & Co. — Data — Edward D. Jones & Co., 200 North Fourth Street, St. Louis 2, Mo. Also in the same bulletin are data on May Department Stores, Wagner Electric Corp., Huns-

United freemen — Analysis — Metropolitan Dallas Corpo-


Wheeler Stove Division of Smith, Tomson, Pitney & Co., 29 Broadway, New York 6, N. Y.


Zapata Off Shore Co. — Memorandum — Hill Brothers, 319 North Fourth Street, St. Louis 2, Mo.

PACIFIC POWER & LIGHT COMPANY

DIVIDEND NOTICE

DIVIDEND NOTICE

CONSOLIDATED NATURAL GAS COMPANY

20 Rockefeller Plaza New York 20, N. Y.

DIVIDEND No. 38

The Board of Directors has declared a quarterly dividend of forty-three and three-quarters cents per share on the convertible preferred stock and forty-one and one-fourth cents per share on the No. 2 Preferred Stock of the Company payable May 15, 1957.

E. J. Bunyan, Treasurer

New England Gas and Electric Association

COMMON DIVIDEND No. 41

The Trustees have declared a quarterly dividend of forty-five cents per share on the 6 1/2% cumulative preferred stock and five cents per share on the common stock of the Association payable June 15, 1957.

H. W. Mullik, Secretary

June 15, 1957

PACIFIC POWER & LIGHT COMPANY

DIVIDEND NOTICE

At a meeting of the Board of Directors held on May 6, 1957, the Board of Directors declared a quarterly dividend of seventy-five cents per share on the Common Stock. The record date for this dividend will be June 30, 1957, payable July 15, 1957, to shareholders of record on June 10, 1957.

BY ORDER OF THE BOARD

F. T. TURNER, Secretary

Montreal, June 10, 1957.

Quinn Opens Branch

SANTA FE, N. Mex.—Quinn & Co. has opened a branch office at 1201 East Palisade Avenue, under the management of Elizabeth O. Quin, resident partner.

Piper, Jaffray Branch

ROCHESTER, Minn.—Piper, Jaffray & Hopwood have opened a branch office in the First National Bank Building, under the management of Richard H. Spurzem.

With Bennett-Gladstone

LOS ANGELES, Calif.—Rock F. Houle and Floyd W. Rickards are with Bennett-Gladstone—Manning Company, 3005 7th Street, Los Angeles. Both were previously with J. Logan & Co.

Join Nance Inc. Co.

(Special to The Financial Chronicle)

PASADENA, Calif.—Gordon S. Hargrove and Robert R. Stapleton have been added to the staff of J. Logan & Co., 721 East Union St.

DIVIDEND NOTICES

UNITED SHOES MANUFACTURING CORPORATION

20th Continental Quarterly Dividend

The Board of Directors has declared on the outstanding shares of the company's stock payable September 1, 1957, to holders of record at the close of business on August 14, 1957.

WALLACE M. KEMP, Treasurer

June 15, 1957

New England Gas and Electric Association

DIVIDEND ON CAPITAL SHARES

The Board of Directors has declared a quarterly dividend on capital shares of forty-three and one-half cents per share, payable September 15, 1957, to shareholders of record at the close of business on August 17, 1957.

R. E. FALSTAFF, Secretary

July 15, 1957

GENERAL REALTY & UTILITIES CORPORATION

DIVIDEND ON CAPITAL SHARES

The Board of Directors has declared a quarterly mandatory dividend of twenty-five cents ($0.25) per share on the common stock of the Company payable September 15, 1957, to shareholders of record at the close of business on August 1, 1957.

H. E. COOK, Treasurer

July 21, 1957
Washington . . . . And You

Colorado Oil & Gas
Universal Match
Olin Oil & Gas
Anheuser Busch
Dell-Taylor
Trans-Canada Pipeline
Bank of America
Lone Star Steel
Pan American Sulphur
Old Ben Coal
 Bought—Sold—Quoted

SCHERCK, RICHTER COMPANY
Member Midwest Stock Exchanges
420 N. Wells St.
St. Louis 2, Mo.
Gicle 14025

The Commercial and Financial Chronicle . . . Thursday, June 20, 1937

BUSINESS BUZZ

Broadbase & Bubblegum
SECURITIES

"Coudn't you have found a registered representative who might inspire a bit more confidence?"

Price Fitting

The Senate groped for an idea which would have FHA fix the prices of sales housing. Instead of trying as the bill, were thinking of earlier to regu-
ulate discounts out of existence of the below market yields on FHA loans, the Senate authorized FHA (like VA) to set a price for a house, and not as at present merely give out its ap-
praisal value and the maximum loan it will insure. If the FHA used this price-fixing power it would then be illegal to use VA for a buyer to pay more than the price of the house fixed by FHA.

If this program were to stay in final law and FHA attempted to apply it, the taxpayer would benefit as the ultimate buyer of all this housing. He would benefit because such legislation would merely depress vol-
ume and hence the taxpayers' ap-
praisal value of FHA loans would be made.

"Compromise" Will Be
Expensive

Whatever comes in the way of an omnibus bill, if some form of FHA financing will be a compromise in which the New administration will run somewhere be-
 tween the $2.2 billion of the House bill and the $1.6 billion of the Senate bill. The com-
promise, further, would seem more likely to have to incorporate because of the above-mentioned features of the Senate legislation not included in the House bill.

However, by objecting to sending the House housing bill to conference, Sen. Robert Taft, Republican from Ohio, has secured a new Senate version, Rep. Charles W. Vur-
sell (R., Ill.) delayed the reaching of a compromise. There is only the slender chance that the legislation as a whole will fail and thus save the taxpayer ultimately some $3 billion of the additional billions of liabilities as the new program is to be extended, and pro-
vide subsidies work their way on and upward throughout the coming years.

Canada's Election

Very few careful observers were surprised to be faced with either enthusiasm or its oppo-
site because the "Conservatives" out-
numbered the "Liberals" coming from control of the government in Can-
ada.

Naturally, even if the "Conservatives" represented some-
thing like their former predecessors, without an absolute majority in amalgating government is bog-tied and couldn't make its own party policy without legislation even if it had a definite party policy.

In 1935 the former Conserva-
tives, who controlled the govern-
ment in Canada, with the public anger over the depression subsided in the fall of 1935 and feeling over the 1936 Tariff Act's raising of duties on foreign imports, dairy products, and maple syrup from Canada, The Liberals, whose campaign was generally scarcely analogous with "liberalism" as the term is understood in this country, had been friendly with the U. S.

By 1935 the 5-year statutory limit had expired on the life of the Parliament, but the depression was still on and the people were unhappy with the Liberal administration, the former genuine little and big "e" certain Conservative government in a more operation adapted virtually all of Roosevelt's New Deal, and had, and.

Subsequently, the Canadian Supreme Court threw out the House bill, and the Liberals were in 1935 returned to power under terms which they have generally held since until the latest election.

This time, Congressional leaders acted, the "Conserva-
tives" changed their name to the "Progressive-Cons-
ervative" party. So far as ob-
viously against the Liberals, the PCs have been neither con-
sistently progressive nor conserva-
tive, but have wobbled all over the philosophical map.

One thing from is not expected an attempt to hamper importers of U. S. capital. That was a lone offer in the dark in 1936 of the former PC leader, George Drew, who promised since and has been replaced.

[This column is intended to re-
force the "Chronicle" interpretation from the nation's capital and may or may not coincide with the "Chronicle's" own views."

TRADING MARKETS

Botany Mills
A. S. Campbell Co. Com.
American Silk Mills
Morgan Engineering
National Co.
Flag Utica

LERNER & CO.
10 Post Office Square, Boston 8, Mass.
Telephone

Tulip 3-1000
Municipal Bond Club of New York


Charles E. Weigold, Charles E. Weigold & Co., Inc., newly elected President of Municipal Bond Club


William G. Lammel, Chemical Corn Exchange Bank; George T. Rapada, Lehman Brothers; John J. Ract, Equitable Securities Corporation


Silver Anniversary Field Day

David M. Wood, Wood, King & Daumen

Emil C. Williams, A. M. Kidder & Co., Inc.

Frank B. Sisk, Salomon Bros. & Hutzler; Russell McIlhenny, Wood, King &Daumen; William R. McGill, Salomon Bros. & Hutzler

Lou Gibbs, Laird, Housel & Meeds; Charles F. Kavanagh, Bacon, Stevenson & Co.


William A. Devlin, Raymond & Co.; Merrill D. Freeman, Salomon Bros. & Hutzler; John J. Ward, Chase Manhattan Bank; David E. Ahren, Hornblower & Weeks; O. H. Heigway, Hornblower & Weeks, Chicago


Friday, June 14, 1957

Bill Burke, Baron, Steeneman & Co.; Walter D. Fister, J. W. Speck & Co., Philadelphia

John L. Ballin, Hancher, Ballin & Lee; Francis X. Coleman, Gregory & Sons


Ralph W. Ellwood; Winfield A. Scott, American Securities Corporation; Allan Blair, Allen Blair & Company, Chicago

At Westchester Country Club


Henry Miller, R. S. Dickson & Co., Inc.; Tom MacNiven, Kuhn, Loeb & Co.; William P. McKay, Blue List Publishing Co.


E. A. M. Cohnen, Kean, Taylor & Co.; Karl J. Paule, Lehman Brothers; Charles Murray, Drake & Company; Frank L. Lucke, Laidlaw & Co.