EDITORIAL

As We See It

Thanks to receipts much larger than originally expected, to certain financial juggling, and to some fortuitous circumstances, the Treasury is able to report a “surplus” of $1,645 million for the fiscal year ended last month. If all the expenditures of the Federal Government and its agencies were included and if accrued liabilities were fully taken into account, not a surplus at all but a very large deficit would have to be reported. There has probably been a good deal of tightening up of Federal machinery since the Eisenhower team took over. The continued large, even increasing, volume of expenditures are to be attributed to the continuation and, in fact, expansion of the function of government, most of which if not all of which are the offspring of the New Deal or the Fair Deal.

There has, of course, of late been a good deal of talk about reducing the budget, and even the President, despite much protestation, seems to have been impressed with the popular demand for action of the sort. The fact is, though, that neither the President, nor the politicians of either of the parties, have shown any observable interest in abandoning or even seriously curtailing the multifarious activities which make these enormous expenditures inevitable. All this takes on special significance in view of the fact that both political parties are laying plans for the Congressional elections which take place next year and for the Presidential contest which is to come in 1960. We have here a situation which has been constantly before the country and before the politicians, particularly, the members of the

Undeviating Inflation in France: A Perilous Menace

By Dr. Melchior Palyi

Well-known economist, writing from France, delineates the enigmatic problems creating a serious crisis in the French economy, and indicates that most of the trouble could be solved if the Bank of France operated as a sound central bank, the upper chamber were restored, and the people replaced their “near complete fatalism” with realistic insight into the tragedy and delusion of inflation. Most reassuring, according to Dr. Palyi, is the self-evident fact that France is a very rich and fundamentally healthly country which requires but a modest amount of self restraint to bring the situation under control—without or without Algeria’s pacification.

France is in a very serious crisis. In fact, it is the worst financial crisis in her history, which has been punctuated by such crises since Philip the Fair started the monarchical trend with her money. It would be difficult to find a newspaper or magazine on either side of the Atlantic that is not mentioning the situation in which the “Grand Nation” finds itself, and how it is going to deal with it. But it would be equally difficult to find one analysis that points out the gist of the trouble which is the most vivid, forty years of inflation.

The Algerian Blind Alley

Of course she has other problems and no one means none either, which do not stem from, or have indirect connections only with, the long drawn out inflation. Even if they make for more inflation, or provide an excuse for it. The Algerian situation is a case in point.

The problem in France’s most important single colony—considered by the French as an integral part of their nation—only is one of the most interesting factors in the current state of affairs.

Significant Population Changes Over Next Decade

By A. Ross Eckler*

Deputy Director, Bureau of the Census

Aware of the interest population and income projections hold for market analysts and business statisticians, Census Bureau officials, in depicting significant changes over the next decade, warned that marked departures from the expected trend, from area to area and from one population component to another, must be considered if business is to take full advantage of anticipated population growth. Mr. Eckler also warns that trends can have sharp changes in direction; notes we no longer refer to our 1970 high birth rate period as a temporary phenomenon; and observes that growth rates in developed countries are still lower than that of underdeveloped areas.

Most of us have become so accustomed to the projections of rapid population growth that we forget how much the situation has changed in a short 10 years. As a matter of fact, it was only a little over nine years ago when the Bureau of the Census issued a publication which it optimistically called “Forecasts of the Population of the United States—1965—1975.” The forecasts were prepared by one of the nation’s best known demographers, whose views regarding the outlook were shared by most. If not all, of the leading members of his profession. The medium forecast presented in this report indicated that the total population would increase to about 166 million in 1975. The highest forecasts, regarded as utopian, were that the 1975 population might be as large as 163 million. On the other hand, the author pointed out the possibility that the population would reach its maximum size by about 1970, and then decline, reaching a level of only 131 million in 1975.

I cite these figures, not to embarrass my friends in the field of demography, but partly as a matter of historical interest and partly to give a warning against ungrounded expectations.

Continued on page 24

Continued on page 29
The Security I Like Best

A continuous forum in which, each week, a different group of experts in the investment and advisory field give their country and their countrymen's securities a thorough going-over, is the "Security I Like Best," of which the writer is chairman. This week, we turn the podium over to H. T. Bier, Jr., president of American Baggage.

By H. T. Bier, Jr.

American Baggage

We have been in the baggage business for 30 years and have handled over 100 million pieces of baggage. We have found that the customer who is satisfied with our service is more likely to return and to refer others to us. We believe that good service is the key to success in our industry.

We offer a variety of services, including baggage handling, storage, and delivery. We also provide customs clearance and insurance. Our customers can rely on us to handle their baggage with care and efficiency.

We are proud of our long-standing relationship with our customers and look forward to continuing to serve them for many years to come.
Making Economic Assumptions
in Pension Fund Investments

By PETER L. BERNSTEIN*

Investment Counsel, Bernstein-Macaulay, Inc., New York City

Dismissing the two extremes in pension fund investing of assuming excessive risks or investing solely in U. S. Government securities, investment advisor Bernstein finds even more dangerous the in-between course of doing what is fashionable, i.e., "faddism" or "follow-the-leaderism." In doing conformable assumptions accepted uncritically, the writer discusses: the future certainty of bonds and uncertainty of equities; the course of price and wage inflation, and prosperity; and the yield of stocks and bonds based on past experience. Advises investment programs be based upon "assumptions objectively established and put through hardheaded analysis and testing at all times," rather than on mechanical precedent and what "they" think the future holds.

Pension fund investment programs are characterized by certain special factors which cannot help but influence the choice of securities. First, these programs are, by definition, long-term. Second, above-average earnings are current in coming. From the standpoint of the investor, earnings are a primary consideration. And finally, the administrators of the programs are responsible to the ultimate beneficiaries—whether they have any particular direct contact with the beneficiaries or not—turning the administration of these programs into an almost personal characteristic.

In my own experience, I have seen the impersonality and long-term nature of pension funds, as described above, in operation. In the absence of high current income, dividends and interest in the portfolio are of secondary importance. The principal concern of the administrator is with the security of the funds, and the expectation is that all will come out for the best in the long run. The administrators do not have to worry about their retirement; they have to see that the funds are safe.

A More Dangerous Course

However, between these two extremes there lies a far, far more frequent, but, to my thinking, far more dangerous approach to pension fund investment—namely, what I call "faddism" or "follow-the-leaderism." In, sense, doing what is fashionable is equivalent to an even greater abdication of responsibility than going wild in the choice of securities or diggling in behind the Maginot Line of a portfolio of Treasury bonds. For if it breeds a sense of security, an easy belief that others also know more than you do and will give you the signal when changes should be shifted, it is based on the assumption that people in high places are always right, and where experience has taught us that they are all too often wrong. It ignores the very real possibility that what the fellow is doing might not be too bad, but that he may be in pursuit of objectives which are very different from your own.

If a satisfactory and consistent successful investment program is to be established, you simply cannot avoid the unpleasant necessity of arriving at basic assumptions concerning the character of the economic environment and the essence of business activity. These assumptions must be continually re-examined and tested against the facts, or the investment program will become outdated and vulnerable to serious depreciation and loss.

The mark of a true faddist and follow-the-leader is that the former are the most virtuous and yet most dangerous in the market at any given period, and the latter are the most secure in their judgment of the basic economic conditions for an investment program.

For example, it is now very fashionable to consider Treasury bonds a highly undesirable investment. Indeed, the advisor who recommends Treasuries for anything except window-dressing or to cover printing-press costs for liquidity is now considered a budding-doubly, a scare-cat, or a fool. Possibly the characterization is appropriate at this time. But it is equally appropriate to understand and accept the assumptions on which it is based.

The continued uncertainty of yields is a source of anxiety, and the fact that many people are investing in Treasury bills to tide them over is a pleasant reminder of the importance of understanding the assumptions on which the market is based.

The most certain economic prediction we can make is that the U. S. Government will pay the interest on the securities and redeem these securities at maturity. There is nothing more believable than the expectation that a government will pay its debts.

Closing Note

Throughout the investment field, the question of values is still prominent. In the current issue of the Financial Chronicle, for example, a reference is made to the question of whether the current interest rates are high or low and what the effect of gold purchases would have been on the money market. The editor states: 

"A fundamental question which continually confronts investors is whether their money is earning a decent return. This is particularly true of those who have invested in fixed-income securities such as bonds and preferred stocks. The current high interest rates are a matter of concern to many investors who may be in danger of losing out on the future appreciation of their investments."
Lilly of the Vaccine

By Ira U. Cobleigh

In these few notes about the sustained earning power of ethical drug enterprises, and, in particular, some factors suggesting that Eli Lilly "B" common may be a good selection in a selective market.

The ethical drug industry provides a vehicle of investment for those who desire to preserve or to increase their capital in times of in-}

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...
The State of Trade and Industry

A word of true warning, arguing for moderation, emanates from the “Monthly Business Review” written by Henry H. Heilman, Executive Vice-President of the National Association of Credit Men, and is worthy of repetition in this column, viz: Even on the highway of economic prosperity, warning signals are not so generally accepted. Because we have seen good times for a number of years, many people assume that we can disregard warning signs or object to them. They do not realize that even a fabulous future does not of necessity preclude a readjustment that is not necessarily injurious. When it is suggested that the speed at which we are moving along the highway of prosperity is too fast on the dangerous side, such observations are attributed to propensities of slovenly and drowsy drivers. These who issue these warnings are labeled pessimists. It is an incontestable fact, however, that in the presence of caution, even in the greatest of prosperity, is helpful to a continuation of real prosperity and perhaps much better to take your foot off the throttle occasionally in mindfulness of the danger that goes with constant and excessive speed. Moderation is a virtue in any language or in any economy. While a plea for moderation may not be popular, it is helpful.

We are pleased to announce that Warren D. Williams is now associated with us as Municipal Bond Adviser.

American Investors Service
Larchmont, N.Y.

HOW TO SPECULATE

The word speculative has unfortunately become a “dirty” word among investors—largely because it is too often used to mean “reckless gambling” of the double-or-nothing variety.

Yet speculating is the quickest way to make a big sum out of a modest sum—and the fact is this can be done with surprisingly small risk. No need, for example, to buy any but large, well-known American stocks. (Leave unknown “cats and dogs” to those who can afford the risks.)

In practice, a sensible speculator may take fewer chances than a “conservative” investor. For example, a man who has always with the odds on his side can hardly be called reckless—though he may well be a speculator. So long as he spreads his risk among a sufficient number of “bets,” this man’s chances of coming out on top approach absolute certainty.

To show you how this principle can be applied to your investments—to make steady, low-taxed capital gains—we will gladly send you a revealing new illustrated book entitled “Principles.”

Send $1, together with your name and address, to CF-161.
In Washington the one industry around which all else revolves is that of politics. Our merchants, our lawyers, and dentists live off it. That is to say that although they are not politicians themselves, their customers, clients and patients are. We have no bowing smokestacks, we do not have the tragedies of a plant closing down and throwing a thousand men out of employment. Washington is the last place a depression hits.

The same can be said of the Federal Reserve. It is largely unconcerned about the great political issues of the day that arouse the country, particularly with respect to its goals and how it is to achieve them.

In the cockpit saloon the subject of conversation is what a pickle the McClellan investigating committee is in. It has apparently succeeded in "getting" Dave Beck only to pave the way for Hoffa. Well, all of us frankly thought that "gotten" Hoffa too. But lo and behold, Hoffa was free from a charge of having attempted to place a man on the McClellan committee to keep him advised of what the committee planned to do. When the FBI selected Hoffa in the alleged act of passing money to one Clinton, a New York law enforcement officer, investigator, who testified that it was for the purpose of his getting on the committee and indeed he told the committee all about it, why, that is all right, and Hoffa got laughed and laughed, and allowed that what Hoffa had in mind was not to obstruct justice, so to speak, but to get ammunition against Beck. It was funny to see him get caught in such a harmless enterprise. The cockpit circuit said that Hoffa, who was used to getting what he wanted through strong-arm methods, was not so bright in matters of this kind. For Hoffa, an indictment pending against him is that of wiretapping to get information on his own employees.

But the McClellan committee can see nothing gained in the public weal by ridding the Teamsters of Beck only to have Hoffa succeed him, and entered into a plot with lawyer Martin Green of New York to entrap Hoffa—get two birds with one stone, so to speak. It was then that EBL announced the plans of the McClellan committee. Mr. Green, who had been accused and the McClellan committee is acting as his counsel, is a carping, pampered, as the British would say, about it. It is saying that it intends to call Hoffa before the committee and give him the Dave Beck treatment. It has made its intentions so palpable that it would have a hard time in court proving that its purpose was merely to get information about Hoffa for purposes of legislation. Members of the committee have said publicly that they can't argue with the fact that, in their judgment, Hoffa is the greatest, acquitted Hoffa but they remark pointedly about Joe Louis' presence at the trial. The jury was composed of seven Negroes and five white people. Hoffa's appearance at the trial was quite ostentatious. He lined up the courtroom just as the jury was returning from lunch and shook hands with "colored" about halfway down the trial.

It is no secret that this ruffled the feelings of the Government prosecutors and they gave permission to having Louis cited for contempt of court. But the fact that the jury returned with its verdict so quickly and that there were two committee men on the jury has now dissuaded them, instead, they are wondering just what it was that Hoffa did with their cases.

One thing that was wrong, of course, was Hoffa's defense, led by Bennett Williams, a young and highly respected member of the bar who has sprung into considerable prominence in the last few years. He got his start as legal adviser to the late Joe McCarthy. But in all of these maneuverings Washington callously looks at it, there is the tragic figure of George Meany. Prominent in New York in the 'George' of years cherished the ambition of succeeding old Bill Green as President of the American Federation of Labor. He accomplished this but instead of leading the easy life that Green did, Walter Reuther keeps pressing him to reform the labor movement in the lights of Reuther. This has been misinterpreted by the Government. It is not the movement up and the press and the senators and the speakers urging Meany, and pressed as what he tends to do about this and thaterring union. Meany avows he intends to kick them out, when he knows that is to kick them out, but there won't be any American Federation of Labor. He is a very unhappy man.

"Look Out—Better Business Ahead"

By JOHN C. HILL*  
Vice-President, Mortgage Bankers Association of America  
President, Cobbs, Allen & Hall Mortgage Co., Inc.  
Birmingham, Ala.

Confessed that the worst in housebuilding is over, the official Mortgage Bankers' nominee for the presidency-elect of the Mortgage Bankers Association of America, Mr. Hall, said that its business is on its way back to last year's level in view of the sharp jump in housing starts from 500,000 in March to 940,000 in April, and that these figures are strong enough to indicate that the mortgage business is going to be good.

In his address before the Executive Club of Birmingham, Ala., June 26, 1957, as the nominee for the presidency-elect of this organization, Mr. Hall confided that "it is impossible to predict" the exact volume of the business, but that "it should reach 1.2 million this year that looks like a lot more." He added, however, that there is no reason to be unduly worried about the discriminatory effect of monetary policy on housing. Actually there has been no discriminatory effect, so far as monetary policy itself is concerned. The evidence of this is that "the Federal Reserve, the Federal Home Loan Bank Board, the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, the FHA and the VA, the Ginnie Mae, the Fannie Mae, the Sewing Machine and the rest of the bunch...although they are all controlled by a Federal Reserve System, there are so many things they were set up to do that they can act independently. They can't all work together, so they can't make a discriminatory effect." The result is that in the recent year, "we have had a better year than we had last year, and I don't see why we should have a worse year this year, so I think we can look forward to 1958 being a good year, for the mortgage business is going to be good this year and next year, and I think we should get a lot of business."
last. Thus even without growth in the absolute number of families we would expect to see an increase in the effective income range so far as people with incomes concerned than was true a year ago. This growth situation is also favorable.

Sees Underbuilding

The absolute number of families is increasing. The increase from the peak postwar level of family information at the end of the first quarter of 1947 to the end of the second quarter of 1949 is far below the normal rate of increase. Obviously, the baby building continues in recent years. If we recognize that population growth is not itself any guarantor of prosperity, new housing, when it is combined with a rising average level of incomes, is a general upgrading of income, particularly in the lower ranges, it can give a powerful stimulus to the demand.

Vaccination rate is favorable. The latest report of the Census shows a sharp decline in the number of available vacancies. As of the first quarter of 1957, the availability ratio was 26%. In the third quarter of 1956, the ratio was 2%. In other words, at the end of six months about 21% of all single-family houses were on the market. In the beginning of 1970, about 300,000 new houses had been completed. I wouldn't say this was building up a surplus very fast. In fact I think it indicates that at the present time we are underbuilding; and, in view of the favorable income and growth factors I have mentioned, the market appears to be in a position to absorb all the credit that is likely to be made available to it.

Increased Savings

What are the prospects. For one thing, the volume of savings is increasing. Compared with the first quarter of 1956, the annual rate of savings was 4% in the first quarter of 1957—the difference amounting to almost $2 billion more in the investment stream than there was a year ago. This gain is certainly registered in an increased rate of asset growth in the savings institutions of the country. The supply of money and mortgage funds. Moreover, the forward commitments of these institutions are about at a postwar high level; and the amount of bank credit advanced on warehouse accounts has been drastically reduced. All this means that these institutions are getting into much more substantial positions to do business than they were even a few months ago. While the demand for corporate funds is far from being high, there are definite signs of an upswing in volume, which will reduce the competition which mortgage borrowers have felt from this source.

As the year develops, the availability of mortgageable credits should gradually increase. Already the signs point in this direction. The recent annual rate of savings has been at a sharp jump from 800,000 in March to $940,000 in April. FHA applications have been gradually rising month by month since December. Offerings have shown a continual downtrend since the beginning of the year—a sign of increasing opportunities for private placement. Obviously, the FHA ceiling has only barely been reached, and we have a long way to go before we are even back to the level of last year. Nevertheless we are on the way.

Expect Expansion

We may safely expect the rest of this year to be a period of expansion rather than a period of stagnation and one of hope rather than of discouragement. While we may not make the million or more new units that were in prospect before Congress turned its back on an increase in the VA interest rate, we seem pretty certain to do as well as the presently estimated annual rate of around 490,000. Next year we should see the continuation of the revival at a somewhat faster pace. Right now, I'd say the chances of reaching 1.1 million or more were pretty good.

The most unpredictable thing about our future is the future action of government. We have seen this year a political attitude toward the interest rate question has practically wiped out an important part of housing mortgage activity. We have learned how capricious dickerings with the FHA loan-to-value ratios could seriously distort the market. We have seen how many members of Congress are willing to set up government competition with the private mortgage market on a score of fronts. This year we shall get off better than we might have hoped. While we have lost the VA program, we shall be able to form the FHA to a large extent and thus to shape a more current mortgage market than formerly. Most of the needs of government competition have been eliminated and FHA's rate and price has been restricted to reasonable limits. No one can call the result a great advance to a free mortgage market but, on the other hand, it has not been a great victory for those who would push government more firmly in the free mold.

What next year will bring no one can say, though we may be sure that, with an election just ahead, housing is apt to be even a more popular legislative topic than it has been this year. New efforts will be made to provide aids to housing, which will always end up as controls over housing. All businessmen, individually and through their trade associations, should remain alert to this continuing trend and should strengthen their defenses against it. We & Co.

Edward Cronin Adds

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—Lester V. Peterson has become associated with Edward T. Cronin, Co., 548 South Spring Street.

Robert F. Camden

Robert F. Camden passed away suddenly July 16th at the age of 69. He was proprietor of R. F. Camden & Co., Chicago, dealer in municipal securities.
The Commercial and Financial Chronicle, Thursday, July 25, 1957

Dealer-Broker Investment Recommendations & Literature

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

Atomic Letter (No. 28) — Comments on University of Michigan Report about the beneficial use of atomic energy in medicine, reports increased earnings and dividends on its shares of South African uranium companies and comments on Aeronautics-General Corp., Daysiron, Inc., N. V. Phillips and Top Industries, Inc.,—Stock Development and Fund, Inc., 120, Dept. C, 1023—50th Street, N. W., Washington, D. C.

Atomic Fever—Not if but When & How Much: In current issue of Financial World—American Stock Exchange, 66 Trinity Place, New York 6, N. Y. Also in the same issue is an article on Mandarin, Inc., and Celent ramifications.

Corinco, Inc., Holy Corp. Creole Petroleum Corp.

Burnham View—Monthly Investment Letter—Burnham and Company, 15 Broad Street, New York 5, N. Y. Also available in current Foreign Letter.


Future Growth of the Natural Gas Industry—Study—The Chase Manhattan Bank, 16 Broadway, New York, N. Y.


Market Review—Study—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

For Research or Else—Highlights No. 33 on "research-rich companies" with particular reference to American Research & Development Corporation, American Radiator & Electric, and Electronic Specialty Co., Limited, Corp. of America, Metal Hydride Co., Chemical Co. of Am. Asia, and others.


Three portfolios, for Capital Gain; High Income; Safety—Bache & Co., 36 Wall Street, New York 5, N. Y. Also available is a bulletin on Life Cycle, North Country, and Atlantic Real Estate Refining.

Uranium—Comprehensive table of contract holding companies—Nationwide Securities Ltd., 100 Adelaide Street, West, Toronto, Ont., Canada.


American Seal Kap Corporation of Delaware—Report—Burnham and Company, 15 Broad Street, New York 5, N. Y.

Anchor Steel & Conveyor Co. —Memorandum—Wm. C. Roney & Co., Bul Building, Detroit 26, Mich. Also available is a memorandum on Reuben McNair Manufacturing Co.

Brunswick Balke Collender Company—Analysis—Sutro Bros. & Co., 120 Broadway, New York 5, N. Y.

Burnham Oil Co., Ltd. —Analysis—New York Hanseatic Corporation, 120 Broadway, New York 6, N. Y.

Canadian available—Analysis—W. C. Pfield & Co., Inc., 30 Broad Street, New York 4, N. Y.

Chemical Specialty Co. & Co., 50 Broadway, New York 4, N. Y.


Creole Petroleum Corporation —Analysis—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Dunham Bush Inc.—Analysis—G. A. Sexton & Co., Inc., 52 Wall Street, New York 3, N. Y.

Ex-Cell-O Corp. —Analysis—McManus & Walker, 39 Broadway, New York 6, N. Y. Also in the same bulletin are analyses of Michigan Seamless Tube Co. and Canadian Natural Gas Co.

Fibreboard Paper Products —Analysis—Deen Witter & Co., 14 Wall Street, New York 5, N. Y. Also available is an analysis of J. Bulluck's, Inc.


Hudson & Manhattan Railroad Co.—Memorandum—Oppenheimer & Co., 23 Broad Street, New York 5, N. Y.

LIGO—Highlights No. 43—Tobacco Company, 207 East Michigan Street, Milwaukee, 2, Wis.

Loblaw Companies—Limited—Analysis—McLeod, Young, Weir & Company, Ltd., 29 Xing Street, West, Toronto, Ont., Canada.

Marine Midland Corporation—Analysis—Parrish & Co., 40 Wall Street, New York 3, N. Y.

Maryland Shipbuilding & Drydock Company —Analysis—Anheuser-Busch, Inc., 32 Wall Street, New York 5, N. Y.

McKesson & Robbins—Memorandum—Dean Witter & Co., 45 Montgomery Street, San Francisco, C. 


Northwest Production—Report—Western Securities Corp., 1 Exchange Place, Jersey City 2, N. J. Also available are reports on Three States Natural Gas, Delhi Taylor Oil, and Big Piney Oil & Gas.

Petroleum Cement—Baja—Joseph Farolli & Co., 29 Broadway, New York 5, N. Y. Also available in the same bulletin are data on Lone Star Cement.

Pulsar—Highlights No. 39—Security Adjustment Corporation, 16 Coni Street, Brooklyn 1, N. Y.


Rothschild-Fulton Controls Co. —Analysis—Newburger, Loeb & Co., 15 Broad Street, New York 5, N. Y.

Transamerica Corporation—Analysis—Arthur Wiesenberg & Co., 61 Broadway, New York 6, N. Y.

U. S. Villain Corporation—Report—De Witt Congin Organization (Special to Miami Herald), 1130 Broadway, New York 5, N. Y. Also available is a report on Kentucky Company.

Universal Transistor Products Corp.—Bulletin—Acta Securities, 157 Broadway, New York 6, N. Y. Also available is a report on Miami Window Corporation.

Weyerhaeuser Timber Company—Analysis—Sharonson, Harris & Co., 14 Wall Street, New York 5, N. Y.

For Financial Institutions Only . . .

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"More Research . . . Or Else"

W. Allon Jones, Chairman of Cities Service, recently said: "The United States will spend $30 billion in 1962 for new plant and equipment as the result of research made in 1957 alone." The significance of this statement is compelling. It means that the industry must spend more for research . . . or else.

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Our Reactive Metal Resources 
And Industrial Development

By JAMES BOYD*

Vice-President (Exploration) Kennecott Copper Corporation

Mr. Boyd describes the various reactive metals, including the esoteric, rare earth metals, and discusses economic possibilities, degree of sufficiency, methods, and incentive philosophy to overcome the commercial development. He notes that the problems of reactive metals are of lesser magnitude than those faced by oil, iron, copper, and aluminum, and that almost all of our needs are available either domestically or in friendly countries.

The development of the defense program has taken the form of establishing a "stimulus of need" in a free economy overcomes seemingly insurmountable problems. Concludes that the location of reactive metals will benefit our industrial growth, especially in the field of atomic power.

I wish first, before discussing some geographical aspects of reactive metal resources, to do what I can to explode some myths that have been concocted by some technicians. One myth is that the economies of those countries which possess the most of the usual metal resources are the best. Another is that the countries which have the most of the unusual metal resources, resources which are defined as metals that have special properties and that are not found in ordinary ore deposits, are also the best. I believe that these two myths are not correct and that the two countries that possess the most of these metals are not the best.

An industry first, before we become worried about the future industrial development of the United States, we must be concerned with the presently known resources of our country. There are many reasons for this, but one is that we start with a sound premise and base our reasoning on facts. By the same token, we must also consider the future as well as geology or geography.

No Uranium Shortage

To get closer to questions of reative metals, let us review for a moment our uranium position. Only 12 years ago our political, media, leaders, both in the administration and Congress, were crying the blues about the nonavailability of uranium within our borders. We had a "nation dependent upon the Belgian Congo for our fuel and perhaps our lives.

Fortunately, some in authority were not so defeatist. By giving the government the incentive, the ingenuity of our people worked this from a nation to a market at a worthwhile price in a short 10 years.

Today the Atomic Energy Commission tells us we are nearly self-sufficient for defense needs for some years to come. Today, the United States is the country available for future exploration, and, based upon our studies of the known deposits of uranium, I predict that we shall have non-reactive metal resources as well as reactive metal resources in the near future. The largest known source is the Blind River area of Canada, the second largest is in the United States.

Columbium Stockpiles Filed

Let us take another example from within the pertinent group of reactive metals. Less than ten years ago—the beginning of the cold war—columbium, a similar association of minerals exists in Russia and in the United States. Germany materialized the rapid development of its industrial economy and a similar association of minerals exists in Venezuela, to name just a few. But after a much longer time to take advantage of it under a less stimulating political environment, we have developed a highly interesting and favorable exformation that is demonstrated by the dynamic growth of the industrial economy of oil-producing industries of Venezuela, stimulated by the enlightened policies of her government. The known oil resources of Mexico have languished under government expropriation, and potential resources have been held long enough for our Siberia, so to speak, to become interested. By the same token, the potential resources of Brazil and Argentina remain undeveloped for similar policy reasons.

It is remarkable that before we become worried about the future industrial development of the United States, we must be concerned with the presently known resources of our country. There are many reasons for this, but one is that we start with a sound premise and base our reasoning on facts. By the same token, we must also consider the future as well as geology or geography.

Supplies in Friendly Countries

A further lesson is to be learned from the recent events in Poland and Austria. There are currently no known deposits within our country, supplies available in the hands of friendly countries and, therefore, we do not require this known metal. This situation was underscored by the fact that in all instances, no deposits had been self-sufficient in all metals. This fact has not inhibited our industrial development. Neither has the lack of metal sources inhibited the industrial development of other countries, which in turn have had to depend upon us for materials that we produce in abundance. This interdependence between nations is a guarantee that shortages in some materials needed for industrial development. Here I anticipate the question; what happens in case of national emergency, when some supplies are cut off by enemy action? This is the reason for the national stockpiling program, which, if continued in its present form, provides the necessary safeguards against such an eventuality. Specifics applicable to the reactive metals, stockpiling should be realizable by because anticipated tonnages are not large and required governmental expenditures for purchasing and storage are by no means prohibitive.

Before I refer to softer reactive metals, I wish to avoid in every way leaving the impression that because of the large and energetic action by which I have used government action by way of illustration, that necessarily advocate a continuation of these policies. Except where crash programs are necessary for defense purposes, there is no need for government incentive and price support programs. The normal laws of supply and demand are still our most effective guarantee of efficient and orderly operation. In the case of columbium, the defense requirements have been more than met. From this deduction, the industrial developments and the requirements of the

Continued on page 28
The Coal Industry's Resurgence Poses Challenging Problems

BY HATFIELD CHILSON*  
Under Secretary of the Interior

Encouraging demand prospects for coal are commented upon by Mr. Chilson in an optimistic and enthusiastic view of the future. Referring to the jump in the soft coal production from 363 million tons in 1954 to 433 million in 1956, and to forecasts which predict a billion-ton coal requirement by 1975, the Government resource official tempers this “happy picture” with caution. Mr. Chilson is mindful that current output is still considerably below the 631 million tons produced in 1947, and that such pressing problems as plant and equipment expansion and modernization, and technological and economic research, must be successfully handled to attract enough capital to finance a 150% expansion increase to meet anticipated future energy demand.

In 1917, when the National Coal Association was founded, our country was at war. The establishment of this organization reflected the significance of coal in national defense, its part in the post-war productivity necessary for victory. Today, four decades later, coal is still of the greatest importance to the American people, by virtue of its enormous contribution to our national security, to the strength of the free world, and to the preservation of this country's peacetime economy.

Looking ahead, the coal industry's view of the future is, I know, optimistic, enthusiastic. And with good reason. Coal is the world's greatest source of heat and power, and its producers are making its production per dollar spent on it than any other fuel. Nearly 30% of our country's known supply is under American soil, and this coal represents by far the largest part of the United States' fuel reserve.

Moreover, in recent years we have seen the industry revitalized. All these facts are known. It's not surprising that the industry is eager to get on with the job, to seize the opportunities before it. But let's not be overconfident.

Future Need for Coal

Just consider the growth of our population. Not long ago it passed the 150 million mark. Before that there will be 200 million of us, and as our population increases we shall produce more and more, and consume more and more. We're heading for a Gross National Product of 500 billion per year, and this upward thrust is intensifying the need for coal.

The demand that raised bituminous coal production from 363 million tons in 1954 to 433 million tons in 1956 should continue to increase. The demand should be particularly evident in the steel industries. As steel production and coke production expand for the next few years, the need for both steel and coke will increase. The coal requirement will increase correspondingly. Within the next decade the steel industry should require an additional 10 to 20 million tons a year. And then there is the new President, Richard B. Gough, President of the United States Steel Corporation, said that the steel industry intends to increase its capacity by over 20 million tons a year. If steel output is increased, there will be a need for more coal. And this will increase the demand for coal. The next year will be using as much as 600 million tons of coke by 1975. Furthermore, the need for coal at the steel plants will be greater than ever before.

A new development is the increasing use of coal as a substitute for coke. The steel industry is now using more and more coal for its blast furnaces. In fact, it is estimated that by 1975, the steel industry will be using as much as 300 million tons of coal per year. And the need for coal in the iron and steel industry is likely to be very substantial for some years ahead. For example, coal is expected to be used for more than one-third of Canada's electrical power generation by 1975. The total coal and coke industry will be producing more than 500 million tons a year by then. But this is only a small part of the total demand for coal in the United States. We have not been able to provide enough coal to meet the needs of our growing economy.

Energy Food Requirements

Energy experts estimate that in the next two or three decades our national energy requirements will increase 65% to 70%. The Federal Power Commission estimates that by 1975 we shall have to spend $200,000,000,000 for new transmission, generation, and distribution facilities. A small part of this generation capacity will be in hydroelectric plants. Somewhere more may be in atomic energy plants. But the great bulk of it — a little less than three tons of coal per person — will be in steam plants, which are now 75% fueled by bituminous.

Now, it's not possible to be sure that these forecasts will turn out to be accurate, but it is likely that the prediction will be correct. But even if the prediction is correct, it is still possible that the demand for coal will be met.

I have mentioned that bituminous coal now supplies approximately one-third of all the coal used at electric utility steam plants in the United States. It is estimated that this percentage will increase during the next few decades. The generation of electric power has increased more than 10% per year in recent years, and it is expected that this rate of increase will continue.

It is evident that the demand for coal, particularly bituminous coal, will increase sharply. The demand for coal is expected to increase by more than 20 million tons a year by 1975. And this increase in demand will require a corresponding increase in coal production.

There are, of course, uncertainties involved. But if we cm reasonably say that the amount of coal which can be sold in foreign markets will increase, it is likely that the amount of coal which can be sold in foreign markets will increase. This increase in demand will require a corresponding increase in coal production.

We have been able to increase coal production, and the trend will continue. But we must be aware of the fact that the demand for coal will be met. The demand for coal will be met. The demand for coal will be met.

Adequate Supplies

Despite all these gigantic requirements, the coal industry need not worry about a shortage of supply. It has been found that in the eastern United States alone there are extensive coal reserves of present and future production. And the reserves are more than adequate to provide the coal that the country's energy demands for at least the next two decades. And, as the technology advances, the area in which coal will be most utilized will change. The use of coal for electrical utilities will increase in the next decade.

When you consider all these facts together, it is evident that some forecasts predict a billion-ton coal requirement by 1975. And this is a very high estimate. But the demand for coal will be met. The demand for coal will be met. The demand for coal will be met.

Capital Needs

There is a problem, however. It is a problem that the coal industry does not have to worry about. The problem is the financing of the coal industry. The coal industry is one of the biggest job creators in the United States. It is estimated that the coal industry will create more than 100,000 new jobs by 1975. And these jobs will be created in all parts of the country. The coal industry is one of the biggest job creators in the United States. It is estimated that the coal industry will create more than 100,000 new jobs by 1975. And these jobs will be created in all parts of the country.

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Research

The coal industry is already making research and development of new and more efficient coal supplies. It is evident that the demand for coal will be met. The demand for coal will be met. The demand for coal will be met.

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With these new and more efficient coal supplies, the coal industry will continue to work together. But the major part of the work will be done by the coal producers. The major part of the work will be done by the coal producers. The major part of the work will be done by the coal producers.

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The Business and Economic Determinants of Foreign Policy

By HONORABLE C. DOUGLAS DILLON
Deputy Under Secretary of State for Economic Affairs
Department of State
Former Board Chairman, Dillon, Read & Company, New York City
Former Ambassador to France

During my years in France I was tremendously impressed by the great and growing importance of economic and business factors in the foreign policy of the Western nations. Many of the decisions of our allies seem to be habituated to thinking in terms of military and political policies and determine the current flow of mundane military and economic policies. I have found that almost every decision may have been true in terms of the immediate situation but certainly is no longer true in the larger situation.

I do not mean to say that business and economic influences are always the only determinants of foreign policy, because that is not the case. Political and military factors also have a strong influence on our foreign policy and on that of other nations. And emotional forces, such as the strong anti-colonial feeling of the newly independent nations of Asia and Africa, are often far stronger than purely economic factors.

Nevertheless, I found that business relationships were inextricably intertwined with and determined by the flow of international economic policies, and this is the subject of this article. The role of the United States in the determination of economic policies of the Western nations and the importance of the United States to the economic policies of other nations are very important points that the public often seems to overlook.

Foremost Economic Problem

There are two basic economic problems which have now become of particular importance to us all. This is the situation in the less developed countries of the world, and this is the situation in the free world. There are approximately 170 countries in the world, and people in these countries, most of whom are living under conditions of dire poverty, are in dire need of foreign economic assistance. It is nothing new about this state of affairs as it has gone on for a thousand years. Throughout history, the difference today is the existence of modern means of communication, radio, television, and other methods of disseminating news—have helped us to realize the truth that there are other people in far greater comfort than they. This has created among us an ever-increasing sense of why the United States of America should provide aid to these countries, and our aid must be based on the principles of self-help and self-respect.

This explains why it is in our own national self-interest for us to do all we can to help these countries develop the economic base that will provide the wealth that they have if they are to remain free.

It is to meet this need for technical assistance and development aid that the less developed countries have historically secured aid from the United States. We have been able to realize that there are other people in far greater need than we. This has created among us an ever-increasing sense of why the United States of America should provide aid to these countries, and our aid must be based on the principles of self-help and self-respect.

Proposed Development Fund

The proposed Development Loan Fund will be designed to enable the less-developed countries to start their advance. Of course, by far the greater part of the necessary capital must come from these countries themselves in the form of local labor and local resources. However, if they want to avoid the Soviet Communist method which is the one in which the standard of living of the population is deliberately driven down in order to divert resources to development, these countries must look to foreign sources for some of their capital.

It is to help supply this need more effectively that the Administration is proposing the establishment of a Development Loan Fund. The purpose of this fund will be to assist the newly emerging and needy countries to advance to the point where they can obtain their capital needs through normal financial channels and, at the same time, aid our own self interest in helping free governments of underdeveloped countries to survive.

Two With Foster, Marshall

C. Douglas Dillon

EUGENE, Ore.—Arnett B. Johnson and John W. Both are newcomers among the business community. They have opened the branch office of the Dillon & Bonham in the 1500 block of Center Street.

Sears Roebuck Acceptance Corp.
5% Debentures due July 15, 1982

Price 100%

(And accrued interest from July 15, 1957)

Goldman, Sachs & Co. — Halsey, Stuart & Co. Inc. — Lehman Brothers
The First Boston Corporation — Kuhn, Loeb & Co.
Stone & Webster Securities Corporation — White, Weld & Co.
American Securities Corporation

July 24, 1957

$50,000,000

Sears Roebuck Acceptance Corp.
What Antitrust Means to The American Businessman

VICTOR R. HANSEN
Assistant Attorney General, Antitrust Division, Department of Justice

Principal antitrust lawyer for the Government discusses such matters as pre-merger clearance policies, enforcement of antitrust laws, and their impact on American business and prices.

American business has a vital stake in effective antitrust. Antitrust, to my view, is the prime form of Government action designed to obviate Government regulation. As a result, antitrust is a cornerstone of our free society.

We owe it to the American people to explain what antitrust means to American business. Antitrust seeks to assure that all business remains subject to the common regulatory pressures that are imposed by Government itself. In this way, resources are allocated in a manner to benefit the nation. Antitrust seeks to prohibit business agreements that may harm the public interest. Antitrust safeguards the role of the Federal courts in reviewing and enforcing corporate agreements.

Our antitrust policy is based upon the premise that business agreements that may harm the public interest should be avoided. The antitrust laws are...
World Consumption Pattern Of Lead and Zinc

By R. HENDRICKS
Vice-President, Charge of Sales
The Consolidated Lead and Zinc Corporation, Canada, Ltd.

In his review of changes in world lead and zinc consumption, Canadian mining-smelting executive concerns express about zinc consumption lagging behind production. To offset withdrawals, government stockpiles, which is considered to be an unhealthy situation, the industry feels "practical, applied research designed towards improving present applications... and developing new uses which are competitive with other materials."

Since the end of World War II, world consumption of both lead and zinc has fluctuated downward in rhythm with increased and decreased business activity and various degrees of international tension but has averaged the consumption of both metals, both in tonnage and price, increased significantly. The factors, most important of which were the United States, Europe, and the Middle East Crisis, 1956, when world consumption of both metals was reduced slightly more than ten times. However, it still remained at a good level according to recent standards.

During the ten year period beginning 1947, several fundamental changes in the electronic, automobiles, and industrial developments were obvious and could be predicted with reasonable certainty. Others were not quite as obvious, but now that they are known may be indicators of future trends.

In order to determine the truth of the trends, a statistical study of global consumption of these two metals has been made. Statistical developments were obvious and could be predicted with reasonable certainty. Others were not quite as obvious, but now that they are known may be indicators of future trends.

Swing to Prewar Pattern

The swing to prewar pattern is further illustrated by the rate at which consumption of lead and zinc has been increasing in various parts of the world, respectively of the lead and zinc used throughout the world.

Principal Lead Uses

For many years, the principal use for lead in this country has been for storage batteries for lead acid, and for cable covering. In recent years consumption of lead acid for tetrachloride fluids has increased, with the result that it now exceeds lead for cable.

During the ten year period we have found that the lead for batteries has remained on constant and represents a good market. The lead used in the market over 250,000 tons of lead per year. However, upon closer examination we find that lead consumption in this case has lost out to technological developments. The inflow from two counts. During the first few years of the decade, the number of lead used per battery remained quite steady at about 28 pounds. Then, in the late 1950s, predictions were made possible to reduce the average amount of lead per battery from about 29 to 31 pounds. Subsequently, the battery manufacturers are replacing zinc with materials that will substantially longer life than those developed today. All of this has resulted in a situation where, although the replacement market represents the bulk of the battery business,

500,000 SHARES
CARTER PRODUCTS, INC.
COMMON STOCK ($1 PAR VALUE)

PRICE $22 PER SHARE

*Copies of the Prospectus may be obtained from each of these Securities for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such Securities. The offer is made only by means of the Prospectus.

This is under no circumstances to be construed as an offer of these Securities for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such Securities. The offer is made only by means of the Prospectus.


*Address by Mr. Hendricks, before the Joint Committee on the Importance of Lead and Zinc Industry Assuvents, Chicago.
The Comptroller of the State of New York
will sell at his office at Albany, New York
July 30, 1957, at 12 o’clock Noon
(Eastern Daylight Saving Time)
$27,860,000

STATE OF NEW YORK

GRADE CROSSING ELIMINATION (SERIAL) BONDS

maturing as follows:
$14,360,000, August 1, 1958-1967
$13,500,000, August 1, 1958-1977

GRADE CROSSING ELIMINATION BONDS MATURING
August 1, 1958-1967, maturing $1,436,000
annually August 1, 1958-1967, inclusive.

GRADE CROSSING ELIMINATION BONDS MATURING
August 1, 1958-1977, maturing $675,000
annually August 1, 1958-1977, inclusive.

Principal and semi-annual interest February 1 and August 1,
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Descriptive circular will be mailed upon application to
ARTHUR LEVITT, State Comptroller, Albany, 1 N. Y.

Detailed: July 23, 1957

The Commercial and Financial Chronicle ... Thursday, July 25, 1957
Volume 106 Number 5650 ... The Commercial and Financial Chronicle

European Free Trade Prospects Under Invisible Tariffs

BY PAUL EIENZ

Well known British economist evaluates the European Common Market scheme and judges those who see, as a result of this scheme, the establishment of a United States of Europe as being guilty of unwarranted optimism. The methods of the Belgians and French to impose an elaborate registration system on drugs, and the Italians to refuse to recognize foreign patents and trade marks were discussed by Dr. Eienz to indicate the great effectiveness of these "invisible tariff" practices in preventing trade than the imposition of relatively moderate visible customs tariffs. Doubts millions in Britain would "sacrifice agriculture and basic free trade creed."

The ratification of the European Common Market scheme by the participating governments is making good progress, and the chances are that, as far as the six original participants—France, Germany, Italy, Belgium, Holland and Luxembourg—are concerned, the scheme will become reality in the near future. The question is, will other Western European countries join the scheme? The Scandinavian countries and Finland are engaged in devising a North European Common Market scheme of their own, and Britain has put forward the European Free Trade Area scheme providing for limited free trade between all members of the European Payments Union.

This scheme was recently rechristened by Mr. McMillan who referred to it as "European Industrial Free Trade Area" scheme, to emphasize the main difference between it and the Common Market scheme, namely, that agreements would be excluded from it. While the Common Market scheme would be freely exchangeable between the participating countries, large-scale subsidies would remain subject to the existing arrangements.

British industrial spokesmen have made plain on many occasions that Britain would only be prepared to participate in European free trade under such reservation. This is due in part to the desire to maintain the preferential treatment for the benefit of Commonweal countries, and in part to the economic and political necessity of ensuring the prosperity of agriculture in Britain itself. The second of these two considerations is by far the most important. The significance of the preferential rates adopted at Ottawa in 1932 depends, therefore, on the fact that Empire preference will be maintained in the future.

On the other hand, any British government that would sacrifice British agriculture to the sake of Europe would be unlikely to find its own political death-warrant.

Declarative Weakness Bargaining Power

It was rather ill-advised on the part of British Government spokesmen to declare in public that Britain would stand to lose more by keeping goods out of European free trade than by joining in. Such admissions, it is now necessary in order to counteract the propaganda campaign of the Beaverbrook newspapers against British participation in the scheme. They were productive of a great deal of consumer dissatisfaction, but they produced more effect abroad than at home. It is true, some industrial interests which have hitherto opposed the scheme have come to see the light in its favor. Indeed the Federation of British Industries has now keenly on European Free Trade than the government itself.

On the other hand, the official declaration that Britain could ill afford to keep out of the scheme has encouraged the governments of the six Common Market countries to stilt their attitude towards the terms on which Britain is to participate. They now insist that only full participation, including agriculture, would be acceptable. The British Government, realizing that it committed a tactical blunder, hastened to take action to restore its weakened bargaining position. Hence Mr. Macmillan's recent declaration that if it should become necessary for Britain to choose between the Commonwealth and Europe, the choice would be in favor of the former. Britain's determination not to give way to the main European agriculturalists was emphatically reasserted.

On the other hand, several continental statesmen committed themselves to declarations that on such terms Britain would not be admitted. The question is, which of the two sides is bluffing? The Western European countries are very anxious indeed to ensure the closest possible collaboration with Britain. Britain's refusal to participate in the European Common Market Community has caused much concern in Western European capitals. It would be a bad day for European trade if Britain were to definitely decide to have the Free Trade scheme without Britain. If it were to remain in London that the continental statesmen are bluffing when talking about Britain's exclusion from the scheme unless she is prepared to stand on their terms. On the other hand, in continental capitals it is believed that Britain is bluffing, and that if it came to choosing between a full partner or keeping away altogether, the former alternative would be chosen. It would be in accordance with traditional British economic liberalism. The quick and religious belief in free trade that developed in Britain during the 19th century. There are still millions of people in Britain who would cheerfully sacrifice agriculture at the altar of their dogmatic free trade creed.

Voluminous Tariffs

There is voluminous declaration of the official British attitude on the continent. Italian and French critics bitterly condemn that, while Britain is anxious to secure for British industries the benefits of the Common Market, she is unwilling to consider the economic gains by allowing continental agricultural freer access to the British market. Such critics overlook the fact that, even if the Common Market is confined to manufacturers, there are bound to be industries in Britain which would stand to lose through intensified continental competition. However, continental statesmen intend to retain the protection provided to their industries by various "invisible tariffs."

To give a concrete example, even under the Common Market, France and Belgium would remain fully protected against unwanted imports of drugs by their elaborate system of registration of drugs. At present it is more effective in preventing the import of drugs than the relatively moderate customs tariff.

As for Italy, there is no indication that the under the Common Market scheme she would be prepared to relinquish the advantages secured by her refusal to recognize foreign patents and trade marks. Italian industries are in a position to "pirate" foreign inventions, and willing to pay the price for such advantages over their foreign rivals. There can be no genuine economic unification of Western Europe so long as such a state of affairs is allowed to continue. There are many other similar instances to show that those who believe that the adoption of the Common Market scheme would mean the establishment of a United States of Europe are guilty of unwarranted optimism. Nevertheless, progress in the desired direction is uncountedly gratifying.

Willis P. Beal With Townsend, Danby Co.

BOXTOWN, Mass.—Willis P. Beal has become associated with Townsend, Danby and Tyson, 30 State St., members of the New York and Boston Stock Exchanges. Mr. Beal was formerly a partner in Harris, Upham & Co., and prior thereto in Hennel & Co.

Weir, Lincoln Adds

COLORADO SPRINGS, Colo.—James M. Raymond has been added to the staff of Weir, Lincoln & Company, Exchange National Bank Building.

With Inv. Service

DENVER, Colo.—Frank J. Cook is now connected with Stone, Moore & Company, 817 17th Street. He was previously with Securities, Inc.

With Bache & Co.

MIAMI, Fla.—Graham N. Show is with Bache & Co., 96 Northeast Second Avenue.

Western Hemisphere Petroleum Corporation

Common Stock

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Price $5 per Share

400,000 Shares

The first prospectus may be obtained in any state only from such of the several underwriters as are the prospectus in that state. The offering is made only by the prospectus.

Price $100 per share

This advertisement is inserted as to offer to sell a solicitation of an offer to buy any of these securities. The offering is made only by the prospectus.

July 25, 1957

105,000 Shares

McLouth Steel Corporation

5% Cumulative Convertible Preferred Stock

($100 Per Value)

Price $10 per share

This advertisement is not an offer to sell or a solicitation of an offer to buy these securities and is published on behalf of only those of the undersigned who are licensed or registered brokers or dealers in securities in this state. The offering is made only by the prospectus.

NEW ISSUE

July 24, 1957

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NEW ISSUE

July 25, 1957

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July 24, 1957

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NEW ISSUE

July 25, 1957

The first prospectus may be obtained in any state only from such of the several underwriters as are the prospectus in that state. The offering is made only by the prospectus.
**The Market and You**

By WALLACE STREECE

The summer rally remained stalled for the most this week as stocks dwindled, with the industrial average consolidating around its all-time high. Hopes were still high that there would be a renewed thrust to force through the 600 peak and give new heart to the bullish element.

**Mild Retreat**

Despite the failure to make the grade on a vigorous push a couple of weeks ago, the superior action, including some pushes to new high ground for the year well in advance of its first half profit outlook, will show a decided half that will not disturb the markets unduly. The type and maturity of the securities offered were in line with expectations, so there was little of a surprise nature in the operation.

About all it proved definitively was that the wishful thinking of a move toward easier money wasn't as well founded.

The market also largely ignored some of the profit squeeze items which in most cases had been anticipated. The general idea is that a pickup in fall business will do much to offset the slow first half.

**Chrysler Pros and Cons**

Chrysler was able to show superior action, including some pushes to new high ground for the year well in advance of its first half profit outlook, will show a decided half that will not disturb the markets unduly. The type and maturity of the securities offered were in line with expectations, so there was little of a surprise nature in the operation.

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**Natural Gas Issues Hit**

El Paso Natural Gas issues also had to work for recognition in a plan to build a California pipeline and second from government attempts to upset its plans to cross the North-West pipeline. These do not alter the fact that El Paso is an important gas supplier to its local markets, and consequently the company's compulsion to continue to run along at a high level. Any competition from Canada's gas fields is some years away, moreover.

**National Gypsum, second largest in the gypsum field, has had a plaved market life, and gas is stemming from the fanfare over lower housing starts. The shares have just about having to carve out a 10 percent range so far this year, and lately have been available at a price of some points under last year's peak.

**Earnings haven't been impressive, and aren't being projected for this year. But National Gypsum is still busyly engaged in expanding—last year five new plants were put into operation, with the current program carrying into 1959 before completion. Projections of the earnings at the start run to double or more than the present level. Last year sales exceeded the $150 million level and Gypsum now has raised the sales potential to above $200 million. The cash payment at recent price levels is above 45 percent with the important strides in sales and earnings still in the future.**

**Dynamic Pepsi**

A dividend-increase candidate in the profit year is Pepsi-Cola which is heading for record earnings and sales this year. Between cool weather and strikes last year, the results were far from more lofty levels which, inevitably, will enhance the comparison from this year's improved outlook.

(Extractor in this issue coincides with those of the "Chronicle." They are presented as the Chronicle's only.

**Copley Adds to Staff**

(COLOMBUS, Ohio)—Edward L. Shelton is now with Hathaway Investment Corp., 500 South Pearl Street.

**Wayne Jewell Adds**

(DENVER, Colo.—Frank E. Jepson has been added to the staff of Wayne Jewell Company, 618 17th Street.)

Preserving Three Basic Elements In Our Free Enterprise System

By GEORGE MEANY

President, AFL-CIO

Labor Chief Meany prescribes cooperant rather than conflicting approach to the sharing of output, "purged with common sense and intelligent self-restraint," to avoid the pitfalls of inflation and labor-management conflicts. In turn, according to Mr. Meany, this labor's acceptance of the idea of trade unions and labor's fulfillment of its obligations and responsibilities. Points out that the real internal threat to our way of life is the possible collapse of the international Free World, is more serious than those of the present, hoping for, and that friendly, cooperative, labor-management climate helps prevent international subversion.

When representatives of trade unions and employers work together, live together and get together at social affairs it is to make our free enterprise system stronger.

Unfortunate labor-management relations do not prevail in the United States, the eare-compelling reason why labor should see, the free enterprise system is made up of three basic elements—free government, free labor and free enterprise.

Take away the freedom of labor, the freedom of the others. The formula works. The freedom of all is assured.

It is quite clear that there is a present challenge both to our way of life today to our free way of life. That in other words, the philosophy of Communism is quite simple and we owe to ourselves to understand clearly, freedom has no place in the Communist scheme of things, because it is the very opposite of free government and therefore cannot afford to make a freedom either to labor or to management. It is labor as a Communist rule, as under any other dictatorial rule, the State is supreme. Everything we be the subject of the State. Private ownership and property must be dismantled. Because the State owns everything. Free enterprise is possible, but the Communist system is a system of enslavement to the State, which obedience is total.

Now, under ordinary circumstances in America would be perfectly content to live and let live. If the people of Soviet Russia preferred Communism to freedom, we would normally consider it their business. Because if the experience of the future, in other words, is fundamentally, yes, the whole business. But the leaders of international Communism, who do all the talking about peaceful co-existence, have never practiced it and will never conform to it. They are nothing but a barefaced falsehood. In order to stay in power they have to erect an iron curtain shutting out the outside world. They are using every ounce of real knowledge or direct communists with us. Because if the people behind the iron curtain had the opportunity to compare communism with our way of life, they would revolt against the system by the people of a free society.

**Significance of Hungary**

As a country, Hungary is small, but is it important for the whole world. It is the most important in the last year's experience. The reason is, as Mr. Meany has pointed out, it shows the Western world how to do things. This is the turning point of Hungary, a country that has always been on the outside looking in, now is turning the tables on the outside.

The influence of Hungary is tremendous, and it shows how the New World and the Old World can work together. It is a country that has always been on the outside looking in, now is turning the tables on the outside.

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Filling an Economic Void for Young People

BY ROGER W. BABSON

Young people are provided answers by financial editor Babson to questions on "The economics of the place in which they live." Covers such topics as money, unemployment, and turnpike bonds.

During the past month many towns and cities have held high school graduations. These young people have been taught the answers to almost every question except the economics of the place in which they live. Therefore, let me answer six questions on this subject.

Regarding Empty Storefronts

1. Why do we find empty stores on our business streets? Because most people are going out of the community than is coming into it. This can be corrected only by the citizens producing more and selling more than they buy. When the community produces more than it consumes, every store is rented.

Reasons for Unemployment

2. Why are good people out of work so long times? Because these people have not been trained to produce or render more than one service. Perhaps too many young people have been trained for clerical work, when there are too many business offices and not enough factories, services, farms, or fisheries. People are now employed do not take an interest in their work; hence, they will not be making money for their employers. Sometimes I feel that graduates cannot get jobs should be returned to the schools and be properly trained. If we buy a washer, or a vacuum cleaner or a TV set and it "does not make good," we can return it. We should be able to do this with unsatisfactory high school graduates!

Reason for Tight Money

3. Why is it now difficult to borrow money from local banks? Because too many citizens are sending money to New York to be put into stocks, instead of investing it at home. This might have been a wise thing to do in the 1890's when stocks were selling low, but it is not the thing to do today. For those buying stocks now there is more risk of a loss than chance for a profit. If we would keep the money at home, the banks would have plenty to loan.

What About Shopping Centers?

4. Is your community being taken over by shopping centers? There is no use of merchants griping, or complaining, about new shopping centers. Price-cutting on the part of local retailers will not solve the problem. Free parking is the greatest attraction of these centers. People are not going to compete with them, therefore, it is for local towns and cities to supply more free parking closer to their retail stores. I would not attempt to operate a retail store unless it was close to a free parking lot. Also, the more competition a community has from a shopping center, the more that community must produce from farms, factories, services, or fisheries.

What About Taxes?

5. Why are local taxes so high? Perhaps you say that the taxes of most communities have not gone up any more than wages or commodities. The town and city governments are doing the best they can to keep taxes down; but they cannot buck the tide of population and the demand for conveniences. As young people move into a community and have children, usually only the father is a producer. Children are an asset to the community, if they will remain in the community as workers and producers after graduation. Occasionally, the community has been put to great expense to educate them and has received little in return. Cities to which these young people go for work after graduation—or the young people themselves—will some day be compelled to send money back to the city which educated them.

How do you believe in Turnpike Bonds? The simplest method of avoiding Federal and State taxes is the turnpike bond. Issuance carrying 3½% coupons can now be purchased at 20's and 30's and should be perfectly safe and free from all Federal and State taxes. The only way I know to beat city taxes is to have a lot of children and get them a free education! However, the duty of paying for schools, highways, fire and police stations is an important one. Presented by the newspapers, schools, and even churches. Ministers might more often preach from the first eight verses of the 55th Chapter of the Bible and the first 30 verses of the 25th Chapter of St. Matthew.

With J. B. Hanauer

(Funded in The Financial Chronicle) W. H. Henninger, Calif.—Carl M. Hanauer is now with J. B. Hanauer & Co., 140 South Beverly Drive.

L. W. Stayt with Municipal Securities

DALLAS, Texas — Municipal Securities Company, First National Bank Building, has announced the association of L. W. Stayt, Sr., with their organization effective July 21.

Mr. Stayt, who has been employed by some of the largest and best known investment firms in the country, was formerly with the firm of Hudson, Stayt & Co., and is associated with specialized bankers, Dallas, Texas.

NEW ISSUE

70,000 Shares

The POLYMER CORPORATION

Common Stock, Class A
Par Value $1.00 per Share

Price $19.50 per Share

Copies of the Prospectus may be obtained from the undersigned only in such States in which they may lawfully offer these securities.

A. G. Edwards & Sons

Hemphill, Noyes & Co.

Carl M. Loeb, Rhoades & Co.

Dempsey-Tegeler & Co.

Johnston, Lemon & Co.

Granbery, Marache & Co.

R. S. Dickson & Company

Newlard, Cook & Co.

Incorporated

Incorporated

Reinhold & Gardner

Crottenden, Pedosta & Co.

Laird & Company

Ellis, Halyoke & Company

Metropolitan St. Louis Company

Stix & Co.

Smith, Moore & Co.

Blewer, Glynn & Co.
News About Banks & Bankers

The appointment of Robert Whybeck as Vice-President of the Chase Manhattan Bank, New York, was announced on July 22 by George Chambliss, President. A member of the staff for 20 years Mr. Whybeck has been an Assistant Vice-President since 1935. He will be in charge of the New York State Banking Department. The five offices are located at Port Richmond, West New Brighton, St. George, New Dorp and Tottenville. Formerly associated with the Staten Island National Bank & Trust Company, they became part of Chase Manhattan's metropolitan branch system when the merger of the two institutions became effective on July 22. * * *

Irving Trust Company, New York announces the promotion of Alphonse H. Albert, Jr. and William C. Schutt from Assistant Vice-President to Vice-President. Mr. Albert is in charge of the Empire State Branch Office. He has been associated with the Irving since 1931. Mr. Schutt is in charge of the bank's branch office at Lighthouse Avenue and 46th Street which was opened last October. He joined the Irving staff in 1946.

Consolidated operations of the Staten Island National Bank & Trust Company, Staten Island, N. Y. and the Chase Manhattan Bank, New York, began as authorized by George A. Mooney, New York State Superintendent of Banks. Earlier this month stockholders of both banks had voted their approval of the merger at their meetings.

The merger joins the five offices of the Staten Island bank, all in Richmond, to the 94 offices of Chase Manhattan's metropolitan branch system. The Staten Island offices are located at Port Richmond, West New Brighton, St. George, New Dorp and Tottenville. Prior to the merger, Chase Manhattan had branches in all New York City boroughs except Richmond.

Staten Island National on June 30 of this year reported total assets of $33,960,000 and deposits of $31,800,000. Chase Manhattan at midyear had $7,524,331,000 in total assets and deposits of $6,601,722,000.

Guaranty Trust Company of New York announces the appointment of Winfield Brownridge, Jr., Edward C. Coffer, Joseph Kaltansky, Ernest J. Koczis, and Lawrence M. Pratt as Second Vice-Presidents. All formerly held the title of Investment Officer and continue their association with the bank's Investment department. Also promoted is Anthony J. Williams, to be an Assistant Secretary in the foreign exchange and trading division.

* * *

Guaranty Trust Company of New York has appointed Herman J. Buhl, Jr. to its Thomas and Church Streets Advisory Board, it was announced on July 17 by Harold J. Heim, Chairman.

The Manhattan Trust Company, New York has signed a lease for nearly 15,000 square feet of space in the new 47-Story Time & Life Building.

Manufacturers Trust Company has received approval from the New York Banking Department and the New York State authorities of its application to open a branch office in the new building.

The Bank will occupy the northeast corner of the building to be occupied on the Avenue of the Americas between 50th and 51st Streets.

The new office, therefore, will be equipped to provide every banking service under one roof. This new branch office, together with the bank's new main office at 44 Wall Street—now undergoing modernization and due for completion late this year—will bring to 114 the total number of offices of manufacturers Trust Company banking offices throughout Greater New York.

* * *

J. P. Morgan & Co., Inc., New York, N. Y., received approval from the New York State Banking Department to increase its capital stock from $30,000,000 consisting of 300,000 shares of the same par value to $50,000,000 consisting of 500,000 shares of the same par value.

Vernon Monroe of New York City, a former associate of J. P. Morgan & Co., Incorporated, died July 15 at New York, N. Y. His age was 62. Mr. Monroe joined the Morgan organization in 1920.

Robert M. Catherine has been elected Chairman of the Board and will continue as chief executive officer of Dollar Savings Bank of the City of New York, and Fred B. Bevis has been elected President and a Trustee, it was announced.

Mr. Catherine, who joined the bank in 1926 as Executive Vice-President and a Trustee, was elected President in 1941. He is assistant Vice-President on July 16, 1948, and Vice-President on Jan. 15, 1951.

In May, 1944, Mr. Heitzen completed 20 years of service and was recognized for his service by being elected to the bank's "Twenty-Five Year Club."

Officials of the Bridgeport-City Trust Company, Bridgeport, Conn., and the South Norwalk Trust Company, Norwalk, Conn., voted at special meetings on July 17 of the trustees and directors, respectively, in favor of a merger. The announcement of the agreement, which stockholders will be asked to approve July 31, was made by Charles W. Bitzer, President of the Bridgeport-City Trust and Lewis O. Waddell, President of South Norwalk Trust.

The name of the combined institution will be "Bridgeport-City Trust Company." The headquarters will be Bridgeport, Conn., and the South Norwalk Trust Company will be merged.

News About

Jets & Airlines

Lockheed Management answers your questions about:

Lockheed's Position in the Jet Airliner Field

1. Why isn't Lockheed building a jet-powered commercial airliner? Lockheed is building one: the prop-jet ELECTRA, scheduled for first delivery in September, 1958. The turbojet pays off only where it operates efficiently—the fast, high-altitude, long-haul flights. The prop-jet is ideal for the high-density hop-skip-and-jump business of medium and short-haul flights. The two types are not competitive, but complementary.

2. Why is Lockheed building the Electra instead of a long-range turbojet airliner? Two-thirds of passenger volume—and more in the immediate future—is in medium and short-range flights—a part of the business on which it has always been impossible for most airlines to make money. With deliberate intent, Lockheed and several leading airlines attacked this problem. Drawing upon its prop-jet experience as builder of the C-130 HERCULES—an experiment unmatched in the U.S.—Lockheed designed the ELECTRA.

3. How does the Electra compare with latest models of piston-engine airliners? Seat-cost-per-mile of the ELECTRA will be much lower. Compared to the latest piston-engine transports—Lockheed's included—the prop-jet ELECTRA will offer a 30% per-mile fuel saving. In ratio of payload to total weight, the ELECTRA tops all competitors, piston and jet. Passenger appeal will come from these ELECTRA facts: quieter, vibration-free ride; larger seats; climate-controlled cabin; faster flights (60 m.p.h. faster than any airliner now in service).

4. Will the Electra be just an interim airliner or will it play a major role for years? The prop-jet ELECTRA is not just a replacement aircraft. It is fundamental to the jet-age equipment cycle. To quote American Airlines' President C. R. Smith, the Lockheed ELECTRA is "designed to serve a growing and important part of air transportation, and I don't think there's any other airplane that will do that job as well." Orders for the ELECTRA should continue strong through the 1960's.

5. What airlines have bought the Electra? Customers to date: American Airlines, Eastern Air Lines, Braniff International Airways, National Airlines, Western Air Lines and KLM-Royal Dutch Airlines. Orders to date: 133 planes valued at $247,000,000.

6. Does Lockheed intend to build a commercial cargo version of the Electra? At present the plans are indefinite—but Lockheed is studying a commercial cargo version of the ELECTRA's brawny brother, the prop-jet HERCULES. This is the C-130 combat cargo transport that has been in production two years at Lockheed's Georgia Division. The C-130 is now in service for the 18th Air Force and is being evaluated by the U. S. Marine Corps.

Powered by 4 Allison prop-jet engines, the
HERCULES develops 16,200 horsepower, possesses remarkable short take-off and swift rate-of-climb capabilities—enabling it to get into and out of the smallest commercial airports, anywhere in the world. The HERCULES cruises at 340 m.p.h., and its cavernous cargo compartment (9'/4" x 10'/3" x 4'/5") can be quickly loaded via its tail ramp door, which can be adjusted to truck-bed height or lowered to the ground to form a drive-up ramp for loading. These features, plus two years of proven reliability and low operating costs, should win for the commercial HERCULES as much favor with cargo operators as the C-150 has won performing "feats of HERCULES" for the Air Force.

7. Does Lockheed intend to build a turbojet airliner? If so, when?

Lockheed is already planning a pure-jet transport—4-engine utility jet transport/trainer with both military and commercial applications. Lockheed's airliner of the future probably will be supersonic to carry passengers across the world's oceans and continents at speeds beyond sound. When this plane flies it will be largely dependent on the development of new and more powerful engines.

Now, in the jet-powered field, Lockheed is busy building the Electra; the F-104 Starfighter (world's fastest jet fighter); the UC-X, new turbojet utility transport/trainer; the C-130 Hercules prop-jet combat cargo carrier; the turbojet U-2 (a new type of aircraft for very-high-altitude research) and developing new radar early-warning planes for the Navy and Air Force.

Lockheed's policy of wide diversification into all types of aircraft and advanced missile development has resulted in a backlog of $1,533,469,000—of which 51% is Air Force, 20% Navy, 29% Commercial.

LOCKHEED ELECTRA: Passenger Load Profit Analysis

The above chart illustrates the Electra's profit-making capabilities on flights of 100 to 2500 miles—under three different load conditions: 40, 60 and 80 passengers.

LOCKHEED means leadership

One of a series of messages addressed to the financial community of America.
World Consumption Pattern of Lead and Zinc

course of the tightly adhering, ductile zinc coating, the product of these lines lends itself to many applications. The second and top sheet was unsuitable. This has continued through this period with zinc for galvanizing, despite an appreciable reduction in the pounds of zinc being consumed. An analysis of the data indicates that in 1955, the consumption was about 50,000 pounds greater than in 1954, although accurate statistics are not available. It appears that zinc consumption increased by about 8% per year for the United States and the Kingdom.

Requirements for zinc for die casting in 1956, although some 100,000 tons of zinc were put into die casting, were much greater than in 1955 which was only 50% more than in 1954. The increase is attributed to an increase in the volume of aluminum die casting. The increase is attributed to the increased use of aluminum in the automobile and other fields where zinc die castings are used. Zinc consumption in die casting has increased greatly in recent years.

The job galvanizing industry in the Kingdom has increased its volume of output and its technical committee have developed new applications and information on galvanizing and galvanizing practices. One field where zinc has been particularly active in galvanizing is the modernization and electrification of the British Railways. Should zinc be chosen as the protective material for the modernization of the rail ties, there is a considerable demand in that country.

The most important use for slabs such as brass, die casting, rolled and ground, is for the production of slabs and wire. The use of zinc in the automotive industry has increased greatly in recent years.

In Canada, where the pattern of consumption is not too different than that of the country, zinc consumption has increased by about 3% per year, while in Australia and New Zealand the increase has been close to 25%. In Japan, India, Africa, and Latin America, zinc consumption has increased greatly. The demand for zinc in all of these countries is being met by the producers of zinc.

The consumption of zinc for brass and copper casting facilities which represent approximately 3% of the total are for automotive and machinery. In addition to this, the zinc used in galvanizing, miscellaneous galvanizing, and foundry materials, which is quite obvious that zinc base die castings in the automotive and machinery industries are used. Zinc is also used as a substitute material for many of the uses in the automotive and machinery industries.

The production of zinc has increased greatly in recent years, although some 100,000 tons of zinc were used in the automotive and machinery industries.

In the United Kingdom, zinc consumption increased by about 8% per year for the United States and the Kingdom, as indicated in Table 1. Zinc consumption was about 50,000 pounds greater than in 1954, although accurate statistics are not available. It appears that zinc consumption increased by about 8% per year for the United States and the Kingdom.

**Table 1: Zinc Consumption in the United States and the Kingdom**

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AltaMil Stock Offered
At $5.50 Per Share
Van Alstyne, Noel & Co. and associates yesterday (July 24) offered 200,000 shares of AltaMil Corp. common stock at $5.50 per share.

The company intends to add the net proceeds of the sale of the shares to its working capital to finance additional inventory and work in process. In June 1957 the company obtained a government facilities contract which provides for reimbursement to the company by the government of up to $889,000 for machinery and equipment to be acquired or constructed by the company. Such machinery and equipment will be owned by the company and used by the company on a no-charge basis in the manufacture of its products. AltaMil Corp., through its wholly owned subsidiary, Aluminum Taper Milling Co., Inc., is engaged in the manufacture and sale of large and small structural components for use in high speed military and commercial aircraft and

The fiscal year ended April 30, 1957 was outstanding in ACF history, measured in terms of business volume, net earnings and constructive development.

The company's growth during recent years is due in large part to carefully planned diversification, pointed toward maximum use of its talents and facilities. In 1956-57 further internal diversification has been accomplished by development of important new products.
New Issue

$50,000,000

STATE OF CALIFORNIA

5%, 3¼% and 3⅞%

VETERANS’ BONDS

Act of 1956, Series M

Providing Funds for Farm and Home Loans to California Veterans

Dated August 1, 1957

Due April 1, 1959-78, incl.

Principal and semi-annual interest [April I and October I] payable at the office of the Treasurer of the State of California in Sacramento, California, or at the option of the holder at the office of any duly authorized agent of the State Treasurer, including the agent of the State Treasurer in New York City. First coupon payable October 1, 1957. Coupon bonds in denominations of $1,000 registrable only as to both principal and interest.

Bonds maturing on and after April 1, 1974 are subject to redemption at the option of the State, as a whole or in part, on April 1, 1973 (but not prior there¬to) and on any interest payment date thereafter, at the principal amount thereof and accrued interest thereon to date of redemption. Publication of notice of redemption shall be once a week for two weeks not less than 30 days nor more than 90 days prior to said date of redemption, in each of the Cities of San Francisco, Sacramento and Los Angeles, California. If less than all the bonds should be redeemed, they shall be called in inverse numerical order, the part so called not less than all the bonds maturing in any one year.

In the opinion of counsel, interest payable by the State upon its bonds is exempt from all present Federal and State of California personal income taxes under existing statutes, regulations and court decisions.

We believe these bonds will meet the requirements as legal investments for savings banks and trust funds in New York, California and certain other states and for savings banks in Massachusetts and Connecticut and will be eligible as security for deposits of public moneys in California.

These bonds, issued under the Veterans’ Bond Act of 1956 (Article 5-F, Chapter 6, Division 4, Military and Veterans Code) for Veterans purposes, in the opinion of counsel are general obligations of the State of California payable in accordance with the Veterans’ Bond Act of 1956 out of the General Fund of the State. The full faith and credit of the State of California are pledged for the punctual payment of both principal and interest. The bonds are authorized for the purpose of assisting California war veterans to acquire farms and homes, the cost of which must be repaid to the State on an amortized purchase basis.

These bonds are offered when, as and if issued and received by us and subject to approval of legality by the Honorable Edmund G. Brown, Attorney General of the State of California, and by Mercuri, O’rrick, Delord, Herring & Tischler, Attorneys, San Francisco, California.

Amounts, Rates, Maturities and Yields or Prices

(Accrued Interest to be added)

<table>
<thead>
<tr>
<th>Amount</th>
<th>Coupon</th>
<th>Date</th>
<th>Yield or Price</th>
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<tr>
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<td>3 3/4</td>
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<td>100</td>
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<tr>
<td>3,100,000</td>
<td>3 1/2</td>
<td>1978*</td>
<td>100</td>
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</table>

†Yield to maturity.

*Bonds maturing 1974-78, subject to call at par, plus accrued interest, as and after April 1, 1973, as described herein.
<table>
<thead>
<tr>
<th>Bank Name</th>
<th>President</th>
<th>Chairman</th>
<th>Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemical Corn Exchange Bank</td>
<td>C. J. Devins &amp; Co.</td>
<td>Continental Illinois National Bank and Trust Company</td>
<td>The Northern Trust Company</td>
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<tr>
<td>American Securities Corporation</td>
<td>J. Barth &amp; Co.</td>
<td>First of Michigan Corporation</td>
<td>First National Bank of Portland, Oregon</td>
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<tr>
<td>Embly, Noes &amp; Co.</td>
<td>L. H. Higginson Correlation</td>
<td>First Western Bank</td>
<td>F. el's, Fenn &amp; Co.</td>
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<td>E. H. Hutton &amp; Co.</td>
<td>Haig &amp; Garten, Haig &amp; Garten</td>
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<td>Geo. B. Gimbos &amp; Company</td>
<td>E. S. McDonald &amp; Co.</td>
<td>Field's Union Trust Co.</td>
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<tr>
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<td>Schwabacher &amp; Co.</td>
<td>Taylor and Company</td>
<td>New York Hanseatic Corporation</td>
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<tr>
<td>A. G. Edwards &amp; Sons</td>
<td>Glickenhaus &amp; Lemoi</td>
<td>tripod Co.</td>
<td>New York Hanseatic Corporation</td>
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<td>Gittler &amp; Company</td>
<td>Fremont &amp; Company</td>
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<td>Stryker &amp; Co.</td>
<td>The Peoples National Bank</td>
<td>New York Hanseatic Corporation</td>
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<td>Janney, Dolles &amp; Battles, Inc.</td>
<td>Seagard &amp; Co.</td>
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<td>Seaclung &amp; Co.</td>
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<td>McMaster Hutchinson &amp; Co.</td>
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<td>Walter, Woody &amp; Heimeldenrger</td>
<td>Pacific Northwest Bank</td>
<td>New York Hanseatic Corporation</td>
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<tr>
<td>Goldman, Schls &amp; Co.</td>
<td>First of Michigan Corporation</td>
<td>Pacific Northwest Bank</td>
<td>New York Hanseatic Corporation</td>
</tr>
<tr>
<td>Wilson, Johnson &amp; Higgins</td>
<td>First National Bank of Portland, Oregon</td>
<td>Pacific Northwest Bank</td>
<td>New York Hanseatic Corporation</td>
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</table>
Undeveloping Inflation in France—A Perilous Menace

Banc and Insurance Stocks

By ARThUR WALLACE

This Week—Bank Stocks

With the expiration on July 22 of the offer of rights of First National City Bank of New York, we can look into the matter of whether holders of the stocks of the leading New York banks have fared recently. These rights were to buy new First National City stock at $60 per share, until the announcement of the plan thus to renew capitalization. First City declined several percent, though its rights negligible value, and the first day of trading in them saw an offer of $10 bid, offered at 5 cents. Just before expiration the market was around 40 cents bid.

A canvass by this writer of a number of large-size holders of City indicated a quite general intention to subscribe, and why not, in view of the exceptional yield that the subscription price of $60 allowed, of announcing cash dividend of $3 annually.

Bank managers have, for the greater part, been fairly generous in their help of their shareholders. Empire Trust in February paid a 4% stock dividend, maintaining the new capital set-up on the old capital, as well as worth $10,000,000 before the 4%, and in each case a dividend was declared. This resulted in a substantial increase in the cash payment of the shareholders who sold the stock through these capital increases; and the new capital represented an increase of more than one-fifth of its present rate of dividends, giving increased dividends.

In February, 1957, declared a 20% stock dividend, continuing the 20% rate on the new capitalization, an effective 29% increase.

Hansome Bank disbursed a 30% stock dividend in August, 1956. It had previously, in February, ordered several stock dividends and a two-for-one stock split had been on a 4% annual rate; the split stock received $11.76 on the 4% dividend, and it was an increase of that amount in the cash dividends.

J. P. Morgan & Co., Inc., have just voted a 16%% stock dividend, making an annual dividend on the new capitalization of 10 shares with a dividend of $10, will now get $116.7 annually.

Manufacturers had a two-for-one split in August, 1956, United States Trust had a five-for-one split in the same month. First National Bank, Bank of America, and others had no rights to purchase new stock on a substantially reduced basis, in 1956. Subscribers have seen their stock do better.

First National City Bank increased its cash payment from $2.80 to $3 in June, 1957, about the time the issue of rights was announced.

Chemical Credit Exchange Bank, in January, 1956, issued rights to subscribe to 25%% of new stock. The stock is today higher, which means a 100% stock dividend. It is rumored that New York Trust will follow First City's lead and will announce a capital increase for the benefit of the bank and the investor. The former, for example, is now 8% above the price of the one to take over New York Trust. Other rumors for the near future of an announcement have been going the rounds.

Chase Manhattan paid $2.35 in 1956; now it is on a $2.40 annual rate.

In 1955, Irving Trust added its string of dividend increases, going from $1.50 (including a 10% extra) to $1.70 (also included). Each of these is a dividend.

Such are the earnings of Bank of New York (it disburses in dividends about 43% of operating earnings) relative to the dividend rate, which is in excess of $2 at the end of this year. After all, the shares paid $2 dividend on January 1 on the present stock.

For companies with a favorable record for bank shareholders, these banks continue to sell at a multiple of price-earnings ratios; at higher rates of operating earnings to dividends; and they continue to show lower pay-outs to operating earnings. A comparison with utility stocks and to Junkman's philosophy probably favors the bank shareholders. Bank dividends are beginning to confirm this approach.

McClure, Saxton With Pierce, Garrison Firm

Tampa, Fl.—Louis C. McClure, now in the San Francisco banking field, has become associated with Pierce, Garrison, White & Co., of Jacksonville. Meanwhile, its Vice-President, Edmond J. Priest, has ordered a new Tampa office, which is to be opened in keeping with the corporate expansion of West, Pierce, Saxton in charge of the Florida Gulf Coast offices. Both were formerly connected with Standard Fire & Marine Insurance Co. Inc.

Pierce, Garrison, Wulbern, Inc., maintains a private wire between Jacksonville and Tampa, and is also on the John C. Legg & Co. wire system.

Three With King Merrill

(Special to The Financial News)

LOS ANGELES, Calif. — Israel E. Bonakde, Nate Krevitz and H. A. Sutro, Jr., are now connected with King Merrill & Co., Inc., 815 Roosevelt Building. All were previously with J. L. Jamieson Co.

Banc of America, First National City Bank

Banc of America's New York offices have been reorganized; the middle portion of the building in the lower stories has been converted into the head office of the New York branch, a 12-story high, with complete banking and executive facilities. New pulling and standing facilities have been added.

The New York branch is headed by R. T. Fox, Jr., who was recently appointed manager of the branch. Mr. Fox has held several executive positions in the Banc of America's California offices.

The new organization is designed to provide a more efficient and better service to customers in New York. The branches of the bank in New York are increasing in number and size, and the new office will enable the bank to better serve its customers in the area.

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French National Assembly of 1845 made a terrible mistake (which it regrets now) of abolishing the upper chamber of the legislature. In the monetary reforms of 1828 and 1838 there have been, it was the Senate, and the State alone, that carried and put through, ever so slowly and unpopularly—measures being an assembly of financially independent men, each representing a small territory rather than a fairly small circle of interests. The latter could tell his voters that it was the wicked Senate that forced him to give them a thing without a reason. It was the voters of the poor deply—all refused, and the single Chamber, the policy of which was completely defeated by the existing largely of national and local pressure groups, is incapable of doing anything that would hurt the vested interests.

Acclimatized to Inflation

The second point has to do with the French people themselves—and with, Forty Years of Inflation. The French have become so acclimatized to recurrent inflations and devaluations that they take them in stride without as much as a murmur. It is fascinating to watch them at this writing. They all know, or should know, that prices will rise further, if only because of the fantastic new taxes, the gasoline price, e.g., goes up $1. And what do the French do? One scarcely hears a protest in this country which is 100% literate and 90% articulate. What happens is that those who have real capital—generations or semi-durable or semi-durable, if only a bicycle. The rich go for oil stocks (which went from zero to 100 in two years'), or for houses. So do the wealthy from the North African provinces who have repatriated their capital. Real estate prices in Paris and on the Riviera have reached unprecedented levels and keep going up. The farmers store implements, fertilizers and every other tangible thing—but no more gold. They keep the new gold coins they already have, but do not add to this "liquid" reserve, having been discovered by the trick of the Bank of France that buys gold bars and sells freshly minted gold coins, bringing down the premium on the latter.

What about the majority without excess money for investing or hoarding? They ask for higher wages and go on striking. The shopkeepers pronto start raising their prices. A new price inflation is threatening. The Frenchmen are not likely to be held back by the moderate "fate" that the form of credit restrictions with which Monsieur de la Jaille, the President of the Bank of France, tries to offset the effect of the money overissue to curb the budget deficit. Responsibility for Demoralization

The true tragedy of France is the near-collapse of the fabric with which her people take a new inflation-wave in stride. Few bother to ask where this process leads. For the moment, the national gold reserves (3.3 million left of 1) and the country's international credit add additional $200 million from the European Payments Union are being squandered. In a year or so, the new export premiums and import restrictions will make the balance of trade, so the French figure, bear better. But even this figure rather nationlly or individually. How many more times can the franc still depreciate? What will happen to the Parisian vihman, his business or job, to say nothing of the fixed income recipients, and the millions of Social Security beneficiaries? On the surface, the Parisians seem to have no greater headaches than the arrangements for their forthcoming vacations, for the first time a legal three weeks at full pay, with the usual one to two weeks extra at half pay at Sickness Security's expense. If pressed for an answer about the future, his answer is unalterable: the government will take care of us. And who takes care of the government? Why, Uncle Sam, of course.

Craig-Hallum Adds

(Minneapolis, Minn.—Clyde E. Severson has been added to the staff of Craig-Hallum, Inc., Tower Road.)

Charles Tabor Opens

HILLSBORO, Tex.—Charles E. Tabor is conducting an investment business from offices at 105 West Elm.

WALTER H. BRATTON. One of the three winners of the Nobel Peace Prize has been awarded a $100,000 prize for his work in the field of scientific research.

N. F. DODGE. Awarded the Stewart Medal of the Royal Institute of the United Kingdom, for original contributions to the study of the properties of the natural and artificial radioactivity.

H. T. FRIBERG. Awarded the Nobel Prize for his discovery of the atomic structure of the universe. The award recognizes his contributions to the field of astrophysics.

R. KOMPFLER. Awarded the Duttik Medal of the Physical Society of France for his work in the field of science.

WARREN A. MARRISON. Awarded the Wallis Medal of the Royal Society of London, for the discovery of the atomic structure of the universe.

W. S. FRANK. Awarded the Mallin Medal of the Royal Society of London, for his contribution to the field of atomic physics.

CLAUDE L. HAMMON. Awarded the Lynn Bollman Medal of the Franklin Institute for his contributions to the field of communications.

Bankers Offer Sears

ROEBUCK ACCEPTANCE

5% DEBENTURES AT PAR

A nation-wide syndicate managed by Goldman, Sachs & Co., Halsey, Sturart & Co. Inc. and Lehman Brothers placed the market yesterday (July 24) $30,000,000 of 5% debentures due July 15, 1982 of Sears Roebuck Acceptance Corp. The debentures were priced at 100% and accrued interest.

The debentures are not redeemable prior to Jan, 15, 1970. On and after that date, they may be redeemed at the option of the company at 101% of face amount and accrued interest.

Sears Roebuck Acceptance Corp. was organized last November as a wholly-owned subsidiary of Sears, Roebuck and Co., the world's largest general retail merchandising organization. In March, 1937, Sears increased its equity investment in the Acceptance Corp. from $35,000,000 to $50,000,000.

Proceeds from the offering will be used to purchase customers' installment receivables from Sears, Roebuck and Co. under arrangements similar to those under which Sears has sold receivables to banks since 1937. On Jan. 31, 1937, Sears' outstanding installment receivables arising from credit sales totaled $1,889,294 in 2,803,924 accounts. Total sales of Sears, Roebuck and Co. were over $3.5 billion during the fiscal year ended Jan. 31, 1937. Sears, Roebuck and Co. operates 11 mail order plants, 726 retail stores and more than 780 catalog sales offices throughout the United States, its territories and possessions.

PARKER, Connawy, HOLDEN

PORTLAND, Oreg. — Hunter Parker, Connawy & Holden has been formed with offices at 436 Southwest Morrison Street to engage in a securities business. Partners are Hunter C. Parker, Deen H. Connawy, and Glen A. Holder.

Two With Peirso1

(Special to The Financial Chronicle)

BEVERLY HILLS, Calif.—LeRoy A. Owens and Adolph E. Mora have joined the staff of T. J. Peirso1 & Co., 9645 Santa Monica Boulevard. Mr. Owens was previously with Washlon & Co., Inc.

On this page are some of the Bell Telephone Laboratories scientists and engineers who have been honored recently for outstanding achievement in the sciences that bear upon telephony.

We are proud of this fine recognition of their work and the contributions of the many other engineers and scientists who are helping to make telephone dreams come true.

For all the great work that has been done and high hopes in the telephone business, Growth begets growth. Research reveals new vistas. The words of thirty years ago are even more true today. "The future of the telephone holds forth the promise of a service growing always greater and better and of a progress the end of which no one can foresee."

A considerable part of that prophecy has been fulfilled. But great as the progress has been, there is still greater progress to come. And there have been so many opportunities for wholly new developments in telephone service and so much well-rounded research to put behind them. All that has been done is just the beginning.
Public Utility Securities

By Owen Ely

Delaware Power & Light Company

Delaware Power & Light serves Wilmington and vicinity with electricity at a price, and three miles of Delaware with electricity. Its subsidiaries, Eastern Shore Public Service Company of Maryland and Eastern Shore Public Service Co. of Virginia, supply electricity in most of the rest of the "Delmarva" peninsula. The population served with electricity is 537,000, and about 232,000 reed gas.

Major industries in the Wilmington area include shipyards and cargos and the most important are paint and chemicals and rubber, paper and fibre products. Delaware City, of course, is an important competitor and is represented on the board. For stations interior or porthole raising of are importance of the peninsula area.

On Dec. 1, 1956 the company began to operate a plant to supply electricity and steam for a new major oil refinery of Tidewater Oil Company about four miles south of Wilmington. Under an agreement with Tidewater, the company received minor payments in operating this plant, and real estate payments at the annual rate of 91% of the cost of the plant plus future return (called capital gains) the take (of about $1,000,000) in 1956 and $22,000,000. At the end of ten years and at five-year intervals thereafter, Tidewater has the option to purchase the plant at its accumulated value.

System revenues amounted to $14,554,061 for the 12 months ended March 31, 1957, which was 9% of the amount seen from electric services, 1,549,061, and 10% of the revenue from standard service operations.

The latter are expected to yield annual returns in 1956 which would have required an increase of 75.4% in 1957 if the refinery had operated for 12 months instead of one.

During the five years and three months ended March 31, 1957, the company had spent $35 million on construction and the company expects to spend over $100 million in the next five years. Expenditures for 1957 and 1958 are estimated at about $23 million for the Indian River Electric Corporation in southern Delaware which will consist initially of two 10,000 kw. units, each.

A three-mile extension will be completed in the late fall this year and the second by the end of 1958. By that time it is planned to have the Indian River and Wilmington areas in high voltage transmission lines.

Three With Kerr & Bell

(Selected for The Financial Chronicle)

Serving in Utah—Colorado—Wyoming

The gas distribution system in the Wilmington area is being designed to meet future demands. Application for increased quantities of natural gas was recently made to the pipeline supplier, and it is expected that an additional 17.8 million cu. ft of natural gas per day will be available for the next heating season.

The consolidated capital structure of the company is $52,000,000, for the recent sale of $15 million first mortgage and collateral trust bonds. In 1957, it is approximately as follows:

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<th>Preferred Stock, Par 50c</th>
<th>2nd Preferred Stock, Par 50c</th>
<th>1st Preferred Stock, Par 50c</th>
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<td>$2,000,000</td>
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</tbody>
</table>

Continued from page 12

What Antitrust Means to the American Businessman

by Phillip F. Hartung (center), partner and floor member of Harris, Uppman & Co. on the American Stock Exchange, has compiled a definitive reference manual starting at the age of 14 in July, 1897, with the predecessor organization. The electricity system in the area was first used by Wilmington, Winthrop Kerr. Mr. Hartung, 64, was graduated from New York Preparatory School and Cooper Union College as an engineer. He joined Harris, Winthrop & Co. as a runner and was promoted through various positions to head cashier. Mr. Hartung was admitted to partnership in Harris, Uppman & Co. on December 12, 1921.

Small Price to Pay

Let me emphasize, however, that the inconvenience and a slight sacrifice from competition and uncertainty for business freedom is undermined, and as a result, they may be lost. Even if a few exceptions are tailored to improve their terms, as strict as they may seem at the beginning, it is often found that the restrictions do not serve our fundamental economic interest. They are antagonizing liberties and the laws which protect them, can be businessmen against the law by government, or by a monopolist or trust, or by the company's interests in this particular area of endeavor. Antitrust reformers, in their own interest, must recognize America's fundamental belief that a dynamic democracy rests secure on the quality of our constitution and the freedom of a free economy—and that economic freedom is essential to freedom in a free society.
How cutouts from steel coils cut down car costs

No matter how your new car is styled, steel in continuous lengths means a saving of

First Boston-Halsey, Stuart Group Offers Pac. Gas & El. Bonds

A group headed by First Boston Corp. and Halsey, Stuart & Co. Inc. yesterday (July 24) sold $60,000,000 of Pacific Gas & Electric Co. first and re-funding mortgage bonds, series BB, 5%, due June 1, 1989, at 98.948% and accrued interest, to yield 4.85%. The group won award of the issue at competitive sale July 23 on a bid of 98.95%.

Net proceeds from the sale of the bonds will be added to treasury funds of Pacific Gas and Electric and will be applied toward the cost of additions to its properties. Following the sale of the bonds the company expects to have approximately $60,000,000 of short-term bank loans obtained for temporary financing of such additions.

The bonds are redeemable at the option of the company and also for the sinking fund at 105.80% to par, plus accrued interest. However, prior to June 1, 1962, none of the bonds may be redeemed, either at the option of the company or for the sinking fund, through any debt refunding operation which has a lower interest cost to the company than the interest cost of the Series BB bonds.

Gross operating revenues during the 12 months ended March 31, 1957, were $279,943,176 while net income was $75,844,336.

Pacific Gas and Electric is an operating public utility engaged principally in furnishing electric and gas service throughout most of northern and central California, a territory with an estimated population of approximately 6,250,000. On March 31, 1957, the company had 1,761,997 electric customers and 1,483,371 gas customers; approximately 80% of the gas customers were also electric customers.

Flock, Long, Poole
And Vanadore Open

NASHVILLE, Tenn.—Truman F. Flock, Hubert Long, Frank Poole and William L. Vanadore are conducting a securities business from offices at 311 Church Street. Mr. Poole was formerly with R. B. Dickson & Co.

NATIONAL STEEL CORPORATION
GRANT BUILDING
PITTSBURGH, PA.
As We See It

Republican party for a long time, and most of the cherished traditions of the American people.

Early Hesitation

It was in 1934 at a special dinner arranged in conmemoration of the 50th anniversary of the Republican party by the House of Representatives. President Henry P. Fletcher, then Chairman of the Republican National Committee, at that early date made it clear that he understood at least something of the purpose that compelled his presence. But by proposing to set up a committee to "make a study of current economic questions, so that their reports may furnish the basis of a constructive and forward looking Republican legislative program, and so made clear that he proposed to proceed with vigor to get rid of the New Deal nonsense. It was at that time we felt obliged to warn that "if what Mr. Fletcher and his associates and allies have said thus far... is all that the Republicans intend to offer to the country as an inducement to elect more Republican Senators and Representatives next November, the result, we are compelled to think, will be disappointing small."

Does the Republican party, by favor a repeal of the processing taxes and a discontinuance of Federal payments to wheat growers, cotton planters and hog or cattle raisers as inducements, reinforced by discriminations to the taxes and other penalties, to the securing and securing of the A.E.C. and its general government or in aid of housing and mortgage relief, government control of banking, and the securities and other markets, and the invasion of the industrial and utilities fields by the controlling operations of the Tennessee Valley Authority? we added some 20-odd years ago.

But the Republican managers could not really come to grips with these basic questions, and the result was that both 1934 and 1946 and essentially so many more years when the time came in 1940 to elect a President. They had not changed in any important particular by 1944, and in 1948 even though the Democratic party appeared to have won the time under the leadership of Mr. Roosevelt. The Republican party again was unable to gain the confidence of the electorate. By 1952 the Democratic party had begun to lead the handicaps and the impediments which prolonged the Democratic party, first in Washington, and the people were aroused by a leader who personally appealed to them. Technically there was a change. A member of the Republican party entered the White House, with Congressional support for the party, however, soon slipped away, and the Republican President soon proved to be nearly as New Deal as his predecessor had been. Now, further elections are ahead of the Republican party and it is no more nearly ready to come to grips with the basic issues of the day than they were in 1934 or any of the other years in which they suffered ignominious defeats at the polls.

No Real Two Party System

We have in a political sense a two party system in this country, but the fact is and has been for a long time past that so far as programs, political philosophy or economic programs are concerned there is one and only one party here. If there is any good reason to suppose that one of the two major parties is solidly devoted to the American system than the other, we are unable to find it. President Eisenhower and his immediate associates are more moderate in their approach to current matters of public policy than was President Roosevelt and his chief advisers. They may be more moderate than President Truman and most of his advisers, but that is about all that can be said.

The truth of the matter is that no one, not only the President and his advisers, would have made the founding fathers gasp and stare, but he popularized doctrines which would have been anathema to all the elder statesmen of former times. Matters of public policy, in the logical sense, have now come to be taken for granted by younger elements in the population who have never known anything else. And with deep regret be it said, it may well prove that the vast popular-

our Reactive Metal Resources And Industrial Development

Continued from page 9

Continued from page 9

Our Reactive Metal Resources And Industrial Development

Continued from page 9

The Commercial and Financial Chronicle — Thursday, July 25, 1937
Even So, Will It Work?

"For the most part Britain, France and the other colonial nations of Western Europe are exercising their African colonial responsibilities in a most advanced, responsible and enlightened manner. They have no concept at home of how far the French have gone in realizing the goals of local administration and self-rule in French West Africa. The British are like¬wise moving rapidly, more rapidly than some people think. They deserve great credit for their efforts instead of being denounced as they frequently are as 'colonialists.'"

—Adlai E. Stevenson

Britain, anyhow, has long been recognized as an enlightened administrator of backward regions. If France, too, is doing a creditable job in most of her foreign domains, so much the better.

The big question, or one of them, is whether, in the present world situation the conditions can be restored and maintained in the presence of even the semi-colonialism now existing.

J. Herbert Evans Add to Directory

ST. PETERSBURG, Fla.—Frank S. Smith has become affiliated with J. Herbert Evans & Co., 831 31st Street, South. He was previously with Bache & Co.

With Fulton Reid Co.

(Special to The Commercial and Financial Chronicle)

CLEVELAND, Ohio—Eugene C. Stringer, Jr. is now affiliated with Fulton Reid Co. & Co., United States, in this city. He was formerly with members of the Midwest Stock Exchange.

With G. L. Sommer Co.

CLEVELAND, Ohio—Marvin T. Filler is now connected with G. L. Sommer Co. & Co., 1225 South Main Street, this city.

OSDEN PETROLEUM CORPORATION

911 Petroleum Building
Big Spring, Texas

If you would like to receive a copy of our Annual Report and future Quarterly Reports, please write

OSDEN PETROLEUM CORPORATION
Critical acceptance of the uniformly optimistic projections which we see featured generally in technical journals and business reviews. I believe it is safe to say that demographers are as well as all united today on the projections of large population growth as they were 10 and 20 years ago on the projections of declining rates of growth followed by a slow decline in actual numbers. We have certainly learned that simple trends can have sharp changes in direction, and that it is important, therefore, to allow for the possibility of another change in direction. The widespread dissemination of knowledge regarding methods of limiting population is a significant factor to bear in mind as one studies population projections.

Past projections have been notably for some changes, but those in the field of demography have been among the most drastic and most widely discussed.

We are now in our 11th year of high birth rates, and demographers have ceased to explain the high levels as a temporary phenomenon to be caused by the effects of the war and making up for depression losses. Repeatedly, sets of projections have been prepared to prove that the abrupt change was due to the war. The concentration of attention on birth rates should not be taken to imply that there is no possibility of significant changes in death rates and in the amount of net immigration. It is clear, however, the effect of variations in these components is likely to be much smaller than the effect of changes in the birth rates.

### Comparative Growth

- **Income**: The Bureau of the Census has prepared projections of the population based upon combinations of several different assumptions as to future birth rates, death rates, and net immigration. We call these figures projections rather than forecasts, in order to emphasize the fact that they result mathematically from applying certain assumptions. They do not take into account sharp changes that might result from developments like the outbreak of war or a prolonged period of substantial unemployment.

- **Labor Force**: The rapid growth of population is likely to be accompanied by a rise in labor force participation rates, as examples of intermediate changes, the projections have indicated that 10% to 16% higher than the 1955 level, and those changes are still somewhat higher. Clearly, if we are to judge from the recent changes in the labor force participation rates presented by the Bureau of Labor Statistics, the population increases are likely to be accompanied by a rise in labor force participation rates as well.

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<tr>
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- **Income**: It is important to keep in mind that all the population projections which have been prepared show wide variation in rates of change for different age groups of the population. The projection of the population of the United States in 1955 is based on the assumption that the birth rate will decline to a stable rate over the next 25 years, and that the death rate will remain the same. The upward trend in the death rate has been reversed, and the net decrease in the population is expected to be 500,000 to 1 million.

- **Labor Force**: The labor force will increase by 25% to 35% in the next 25 years, and the percentage of males aged 20 to 64 will increase to 65%.

- **Income**: The Bureau of the Census has prepared projections of the population based upon combinations of several different assumptions as to future birth rates, death rates, and net immigration. We call these figures projections rather than forecasts, in order to emphasize the fact that they result mathematically from applying certain assumptions. They do not take into account sharp changes that might result from developments like the outbreak of war or a prolonged period of substantial unemployment.

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Corresponding Course
In Investment Banking

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Information regarding the course may be obtained from The School of Business, 423 Fivehundred Street, New York 13, N. Y. A five-dollar enrollment fee is accepted at any time, and may be mailed directly to the School.

J. M. Dain Branch
SIOUX FALLS, S. D.—J. M. Dain & Company have opened a branch office in the Amherst Building under the direction of Donald M. Anderson.

With J. J. B. Hilliard
LOUISVILLE, Ky.—George L. Partlow has become the staff of J. J. B. Hilliard & Son, 419 West Jefferson Street, members of the New York Stock Exchange.

Our Reporter on Governments

by JOHN T. CHIPPENDALE, JR.

The combined August and October refunding operation by the Treasury will be a successful one, according to unofficial reports, with the attrition within the limits of what is usually termed a successful operation. The two-way offer to the August owners of the maturing issues, and a two-way offer to the holders of the October maturities, is believed that there was enough securities made available to meet the needs of most of the owners of the coming due obligations and, because of this, it is indicated that cash certificates will be taken by the Central Banks, as well as some of the 3% obligations. The four-year 4% note, optional redemption at the end of two years by the owners, even if identity of holders as well as certain pension funds and Government agency accounts.

First 4% Rate in Past 25 Years

The Treasury in a move to keep the attrition in its refunding operation to a minimum,¥ made a special offering of $90,000,000 of Carter Products, Inc., common stock (per $1) at 82 per share. This is the first public offering of Carter stock.

Carter Products, Inc., is a successor to the Underwriters group which yesterday announced that it was making a special offering of $90,000,000 of Carter Products, Inc., common stock (per $1) at 82 per share. This is the first public offering of Carter stock.

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Making Economic Assumptions In Pens on Fand Investments

Federal Government of the United States has insufficient tax revenue and credit obligations, then surely no local government, corporation, or individual is solvent either. Thus, when we purchase an obligation, we may be more certain than we can in the case of the Federal Government as to the exact number of dollars we shall have at some specified date, in a most uncertain world, this is as close to a sure thing as you can get.

However, as we move away from Treasuries to much higher degree of liability, we are in the higher degree of certainty to a lesser degree of certainty, and, uniformly, to a rather large degree of uncertainty. Thus, if I can make any prediction about what the U.S. Treasury 5s due Feb. 15, 1955 will be worth at that date, it is $100. I can say it is very probable that the Altoch 4s of 1955 and the Sears 4 3/4s of 1955 will be worth approximately $100, but I cannot place any prediction as to the value of General Motors common stock or even guess whether General Motors will be in the automobile business in 1955.

In short, the further down we go away from the greater importance of debt obligations and the trend and nature of the future economic environment in Treasuries is based upon the assumption that there is an extremely high degree of inflation in the foreseeable future. I am happy to share the imagination that this assumption. But it is absolutely essential to recognize that it is an assumption that is supported by no known economic activity and by no stretch of the imagination that it is a guaranteed promise of things to come. As an assumption, it must be subject to criticism, subjective, and critical analysis and testing.

Uncertainty of Stocks

For example, can you be sure that corporations will continue to sink billions of dollars into fixed capital equipment which is subject to a heavy tax load, exorbitantly rising prices, and labor costs, a situation so different from the one I have just discussed. Most people now believe that inflation is a permanent condition, whether or not it is. Generally speaking, I think that this is a reasonable assumption, not a promise. Most people assume further that commodity prices will continue to rise as a result of these inflationary pressures—but this is also a guess and not an automatic result of inflation, even if the assumption about indefinite inflation should turn out to be correct.

Deflates Other Assumptions

With sufficient and reasonable questioning of these assumptions, it reveals a serious doubt that the inflation of recent years has been associated with two important developments. First, a good percentage of the inflation of the 1920's is the result of rising labor costs, which in turn reflected increased demand for labor and an increased supply of labor, and the consequence of the labor force and the consequence of shortage of labor, and that shortage in turn is due to the extraordinarily high birthrate after World War II with a money supply expanded very much faster than the physical volume of the country. And with both consumers and business firms in a highly liquid environment, the money supply contributed to the inflation's large volume and a rising price level as well as to an expanding volume of production. There is a correlation between the amount of goods and services has grown up and the difference between the general level price level and the rising prices in one part of the country in the inflationary pressures in other areas of the country. Furthermore, what will happen to the price level in the future? It is not unreasonable to assume that all of today's inflationary assumptions are correct. My impression is that their acceptance is becoming more and more subject to the current existing institutional influences, and the growing stocks regardless of price.

Dividend Records

Here is what I mean. The very quality makes dividends paid to yield better than 4%. During the next ten years, my dividends, income of more than $450 per year in the period ending May 1959. The dividend stock yielding 3% today would have to raise its dividend at a rate of a continued rate of 2.2%—that's at least at doubled its dividend over the ten year period—in order to provide the same $450 per year. That is rather from the very high level upon which we stand today. When I would remind you, the dividend on the Dow-Jones Industrials was halved between 1929 and 1932. The depression and inflation of the war period. The depression and inflation of the war period. The depression and inflation of the war period.
Three carloads of steel, weighing 30,000 pounds, were unloaded at St. Louis last week.

The amount of electric power distributed by the electric light and power company for the week ended Saturday, July 29, was estimated at 12,306,000,000 kw/h, according to the Edison Electric Institute.

The past week's output increased 342,000,000 kw/h, above that of the previous week, and was 14% above the comparable week in 1956. Meanwhile, production continued strong this week. Output of 118,834 cars was a 6.2% increase over last week's 111,943 cars, new automobile production will total 850,000 units for the month. Original schedules call for 510,000.

Car Loadings Up 11.6% Over 1956 Week

Loadings of revenue freight for the week ended July 13, 1957 totaled 601,921 cars, the American Association of Railroads announced. This was 72,245 cars, or 13% above the comparable week in 1956, but a decrease of 102,147 cars or 9.2% below the corresponding week in 1955.

Loadings for the week ended July 13 were affected by two days of the coal miners' annual vacation which were 156,657 cars, or 8.3% above the comparable week in 1956. Fourth holiday and a full week of the coal miners' vacation. Coal loading amounted to 99,975 cars, a decrease of 6,575 cars, or 6.2% below the comparable week in 1956. Loadings in the lines of 70,449 cars above the previous week this year.

Business Failures Continue Up for Week Ended July 18

Business failures with liabilities of $3,500 or more increased to 227 from 216 in the year ago and 189 in 1956. On the other hand, small failures, those involving liabilities under $5,000, dipped to 39 from 40, in the year ago and 41 in 1956. Failures edged 6% above the previle ge level of 231 in the comparable week of 1956.

Bank Clearings on the Down Side Over a Year

Bank clearings this week showed a decrease compared with the same week a year ago. However, bank clearings were still above the significant level reached last week. Total output of cars and trucks from Jan. 1 to July 13 of this year was about 4% higher than the comparable period of 1956.

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Whitehall Food Price Index Up for Fourth Successive Week

Rising for the fourth successive week, the Whitehall Food Price Index, compiled by Dun & Bradstreet, Inc., went to $4.39 on July 23, from $4.31 the week before, to set a new high since June 28, 1955 when it stood at $4.22. The current figure represents an increase of 4.4% over the $4.21 for the comparable period of 1956.

With Bache & Co. Data, BEVERLY HILLS, Calif.—Lincoln Miguel del Camino-Royales is now affiliated with Bache & Co., 224 North Roxbury Drive. He will be with the firm.

Joi ns Harris, Upham Data, BEVERLY HILLS, Calif.—Alan C. Weinberger has joined the staff of Harris, Upham & Co., 980 Wil¬¬shire Boulevard.

Now With T. R. Peirso BEVERLY HILLS, Calif.—T. R. Peirso has joined the staff of Harris, Upham & Co., 980 Wil¬shire Boulevard.


E. W. Liphardt has been associated with Goldman, Sachs & Co., New York City.

New Krensky Officer CHICAGO, Ill.—On Aug. 1 Ida M. Krensky will become Secre¬tery of Arthur M. Krensky & Co., Inc., 141 West Jackson Boulevard, member of the New York Stock Exchange and Midwest Stock Exchanges.
Mutual Funds

**By ROBERT E. RICH**

**Next Year To Be Best in U. S. History**

The investment counselors of a $38 million mutual fund flattened prices of some stocks in the history of American business for the fourth consecutive 12-month period. In its mid-year review, commenting on the performance of Managed Funds, Inc., Slayton Associates, Inc. said it sees signs of a change in the pattern of the past few years and successfully underwent mild "slowdowns" during the first halves of 1956 and 1957.

According to the report, the Federal Reserve Index of Industrial Production could reach a level of about 155 by the Summer of 1957, 5% output of goods and services of some $460 billion in actual dollars.

The Slayton review noted that this first half of the year "once again confirmed the fine weather economy to keep declines localized by industries, and added: "The truly significant fact is that, while these important declines were proceeding, Gross National Product is still rising at 10 billion. Now, homebuilding has begun to turn up, automobile sales have been better than usual, and inventories in a good many lines are approaching the point where they will need to be built up again to support present sales levels."

The interim review forecast a $5 billion rise in Federal expenditures next year "despite a growing desire to limit them," but added: "It appears likely that government spending also due to increase; it predicted that total spending by all governmental bodies will climb another $8 billion in 1956.

The bulletin said consumer income after taxes should also contribute $5 billion to 1957 consumer spending.

Pointing out that the Dow-Jones Industrials have closed higher on the stock market at all but one of the last 33 years, the Slayton bulletin said: "The Dow-Jones Industrials itself has shown the stock market outlook up to a sound argument against waiting until this fall for the commitment of investment funds."

**Canada Funds Start Their Own Association**

To set forth the growing economic significance and benefits of mutual fund portfolios available in Canada resulting from Canada and American investments in the mutual investment companies, United States, and Canada, a new association has been formed by a committee of Canadian investment companies to work as a central policy-making group.

The Committee's member companies comprise Canadian General Fund, Ltd., Keyes Fund of Canada, Ltd., New York Capital Fund of Canada, Ltd., and United Fund of Canada, Ltd. Other similarly new companies in the field of Canadian mutual fund growth, Ltd.; investors Group, Ltd.; Mutual Growth Fund of Canada, Ltd., and United Funds Canada, Ltd.

All have been incorporated since 1954 under the laws of Canada and registered under U. S. laws regulating investment companies, enabling the distribute securities to U. S. investors.

The Committee will coordinate educational and promotional investment activities delineating the constructive role of private funds in Canada and the United States, and to this end, in consultation with U. S. investors and in other ways as may be appropriate.

The Committee pointed out that Canada and other countries have "increasingly welcomed portfolio investment and in so doing have succeeded in cause such indirect investments supply essential capital in a manner that does not and cannot come from conventional channels. However, it is pertinent to note that industrial, or corporate, affairs, since the extent of such investments in individual foreign companies in Canada is limited by the U. S. Investment Company Act of 1940 to not more than 5% of assets at cost."

**Fundamental Lightens Transport Share Holdings**

Total net assets of Fundamental Investors, Inc. reached the $426,400 mark during the quarter ended June 30, making it the second common stock mutual fund in mid-year to reach this size.

Assets of the fund, at June 30, totaled $426,405,413, a gain of $16,409,413 over the figure on March 31, 1957.

Net asset value per share advanced from $19.07 to $19.81 during the quarter. Shares outstanding rose to 23,500,000 for a gain of 6,000,000. All of the thousands of U. S. corporations, according to the fund's quarterly report now in the hands of the public, have now as many shareholders as Fundamental Investors, Inc.

Since March 31, Fundamental Investors has materially reduced its holdings in transportation issues. Railroads, which represented 8.5% of the fund's net assets on March 31, are now down to 5.0% of the fund's net assets. The reduction has been completely eliminated. In addition, there has been a rise in industrial, building, chemical and oil companies.

Although American Marietta Co. was the only common stock held by the company during the quarter, substantial increases were made in previous holdings of American Broadcasting-Paramount Theatres, Inc., Eastern Air Lines, Inc., Standard Oil Co. of New Jersey and Procter & Gamble Co.; General Electric, General Motors, Libbey-Owens-Ford, Republic Steel, Northern Pacific Ry. Co.; United Air Lines, Inc.; and U.S. Steel Corp.

Reduce were made in holdings of Alcoa, Inc., Topexa & Co., Boeing Airplane Co. and Illinois Central RR Co.

**Broad Street Funds Report**

Assest value of Whitehall Fund stood at $111,646 at June 30, 1957, the first time the fund reached a level greater than $100,000, according to Randolph, Chairman and President of this balanced mutual fund. This fund first reached the $100,000 mark three months earlier. Common stock holdings of the fund were in the period but prices of bonds and preferred stocks held in the fund rose to $90.8 billion in market money market conditions. Net assets escalated to $85,146,007 last year, according to Mr. Randolph, the latest available statement to $97,942,047 six months earlier.

The fund's investments have continued to be distributed approximately equal proportions of fixed-income senior securities and common stocks, the chairman reported.

He stated that during the past quarter the yields for the portfolio were concentrated in senior securities, with bonds and preferred stocks, in high-grade instruments, showing a yield of approximately 4% on all senior securities, of which some $500,000 principal amount of Amspec Corp. debentures, 5% due in 2060, were sold, and $20,500,000 shares of common stock of the General Electric Co. were purchased and added to the fund's holdings, increased by the purchase of $5,400,000 shares of common stock of the Northern Pacific Ry. Co., 2,000 shares of Life of Virginia, $1,000,000 of Tullip Cup, and 4,000 shares of $1,000,000 of U. S. Steel. Reductions in principal folio holdings included sales of 5,000,000 shares of Hooker Electric Co., 7,000,000 of shares of $100,000,000 of United Airlines, 2,000,000 shares of Eastern Air Lines, 2,000,000 shares of Minnesota Mining & Manufacturing Co., and 1,000 shares of National Lead Co.

**M. I. T. Makes New Records**

Massachusetts Investors Trust, the nation's largest mutual investment company, reports for the three months ended June 30, 1957, net income of $1,130,024, or $0.07 per share. This compares with $7,49,304,000, or $0.54 per share, for the same period of 1956. The net result set new records for the company, which is in the process of building a new $9,000,000 home office building in Cambridge.

The report calls attention to the trust's continued growth in the last quarter, as the number of shareholders have increased by 12,228 since the first of this year and now have doubled from 85,000 to over 172,000 in the past two fiscal years.

The trustees note that, 'This continued gain demonstrates that such advantages as professional management at low cost, broad diversification, liquidity, and marketability, and convenience of ownership are matters of more than individual, fiduciary and institutional investors."

First, a mutual fund company specializing in insurance, report total net assets of $50,374,000 on June 30, 1957, equal to $0.89 per share as compared with $2.05 on Dec. 31, 1956 when there were net assets of $47,007,000. Including the capital gains distributed, there was no loss paid per share last Jan. 3, this represents an increase of 8.3%.

In insurance company and bank stocks, reports total net assets of $50,374,000 on June 30, 1957, equal to $2.11 per share as compared with $2.05 on Dec. 31, 1956 when there were net assets of $47,007,000. Including the capital gains distributed, there was no loss paid per share last Jan. 3, this represents an increase of 8.3%.

Commenting on recent results in the insurance industry, the trustees observe that: "Premium volume and investment income from the fire and casualty insurance industry continue to increase and are expected to reach new records in 1957. All the fire and casualty insurance companies represented in the portfolio have operated at or above the same or greater dividends than in 1956. The underwriting experience for the industry was mixed, Higher
insurance rates which have been and are being by the insurance companies generally unsatisfactory underwriting experience of the year 1956, and results reflected in the results as policies are renewed or force expire and are renewed.

"It is reported that life insurance companies in the United States in the first five months of 1956 gave 46% of their policies to people under 40 years of age, as compared to 45% in the first five months of 1955. Another good year for only is indicated for life insurance companies based on rising premium volume, favorable underwriting experience, and a higher rate of earnings on investments.

The banks represented in the portfolio have reported higher earnings in the first five months of 1957 than in the year 1956. As the demand for money continues to increase, loan rates continue strong the outlook is for a continuation of the improvement during the remainder of the year.

Eaton-Howard Fund Assets Gain In Half

Combined assets of the two Eaton-Howard Funds were at new high of $267,146,924, down from $453,071,200 a year ago.

Eaton & Howard Fund manages the assets of Eaton & Howard Fund, while the Howard Fund is managed by the Howard Fund. The total assets of the two funds are $1,000,000,000, or $267,146,924, down from $453,071,200 a year ago.

The Eaton-Howard Fund is a mutual fund, which means that the assets are held in trust by a government agency. The fund is managed by a large investment firm, which maintains a large staff of professional investors.

With W. H. Newbold

PHILADELPHIA, Pa.—W. H. Newbold, Son & Co., has offices in the Philadelphia and New York City markets. The company is a member of the New York Stock Exchange and the Philadelphia Stock Exchange. In addition to its main office in Philadelphia, the company has offices in Boston, New York, and Los Angeles.

Joins Sills Co., Staff

MIAMI, Fla.—Arthur P. Green is now with Sills Company, an insurance brokerage firm.

The purpose of this is, of course, to reduce the overall foreign aid bill in the eyes of the public—both the Congress and from the American people. In the end, it is easier to raise more money than it is to keep the defense budget already plunged by inflation, will become harder and harder to keep cost effective. This is a disadvantage that will force the American people to support the war.
### Indications of Current Business Activity

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**RESIDENTIAL CONSTRUCTION**

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**RESIDENTIAL BUILDING CONSTRUCTION—ENGINEERING NEWS-RECORD**

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**COAL (C.C.I. BUREAU OF MINES)**

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**DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE**

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**FIREARMS**

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**MOOP'S BOND YIELD DAILY AVERAGES**

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**NATIONAL PAPERBOARD ASSOCIATION**

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**STOCK TRANSACTIONS FOR ACCOUNT OF AMERICAN BONDS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS**

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**TOTAL ROUND-LOT STOCK SALES ON THE N. E. STOCK EXCHANGE**

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Securities Now in Registration

Caramba Mokafoe Corp., of America
July 12 (letter of notification) 120,000 shares of common stock (par 10 cents). Price—$2 per share. Proceeds—To be held in escrow by James M. Pulliam, Anderson, Missouri, until such time as the State Securities Commission has approved the registered securities of the corporation. Underwriter—None. Headquarters: St. Louis, Missouri.

Central Telephone Co., Lincoln, Neb. (8/15)

Central Transportation, Inc., Chicago, Ill.
July 15 filed 7,000 shares of preferred stock (par $10) to be offered for subscription by stockholders. Proceeds—To be used for the construction of a new 5,000-seat stadium at the junction of Lake Shore Drive and Harrison Street, Chicago. Underwriter—None. Headquarters: Chicago, Illinois.

Charter Oil Co., Ltd., Canada (8/1)

Chemical Bank, New York
July 16 filed 20,000 shares of preferred stock (par $25) to be offered for sale to the public in the United States. Proceeds—To meet current needs of the company. Underwriter—None. Headquarters: New York, New York.

Commercial Paper Corp., Chicago, Ill.
July 15 filed 21,000 shares of common stock (par $1) to be offered in exchange for outstanding common stock of the Bank of Montreal and the Imperial Bank of Canada. Proceeds—To be used for general corporate purposes. Business—Purchase and resale of bank and stock issues growing in Brazil and other countries. Underwriter—None. Leifsla, R. Hayen, of Pasadena, Calif., is President.

Comstock, Boston

Consolidated Edison Co., New York
July 24 filed 100,000 shares of preferred stock (par $5) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriters—None. Headquarters: New York, New York.

Continental Bank, New York
July 14 filed 75,000 shares of preferred stock (par $5) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriters—None. Headquarters: New York, New York.

Cramlington, N.C.
July 11 (letter of notification) 100,000 shares of common stock (par 10 cents) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: Cramlington, N.C.

Crazy Horse, Inc., New York
July 5 filed 20,500 shares of preferred stock (par $5) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: New York, New York.

Dairyland, Milwaukee, Wis.
July 16 filed 21,000 shares of common stock (par $1) to be offered in exchange for outstanding common stock of the Bank of Montreal and the Imperial Bank of Canada. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: Milwaukee, Wisconsin.

Daily Express Co., Kansas City, Mo.
July 16 filed 2,500 shares of preferred stock (par $50) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: Kansas City, Missouri.

Dalton, Ga.
July 24 filed 20,000 shares of preferred stock (par $5) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: Dalton, Georgia.

Davies Metal Scrap Co., New York
July 15 filed 100,000 shares of preferred stock (par $5) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: New York, New York.

Dekalb, Ill.
July 15 filed 23,000 shares of preferred stock (par $50) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: Dekalb, Illinois.

Dexter, Ill.
July 12 (letter of notification) 20,000 shares of preferred stock (par $50) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: Dexter, Illinois.

Dewey & LeBoeuf, Chicago, Ill.
July 15 filled 40,000 shares of preferred stock (par $50) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: Chicago, Illinois.

Dixie Luminary Co., Dayton, Ohio
July 12 (letter of notification) 50,000 shares of preferred stock (par $25) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: Dayton, Ohio.

Dixie Steel, Inc., New York
July 15 filed 15,000 shares of preferred stock (par $50) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: New York, New York.

Dolorem, Inc., St. Louis
July 15 filed 20,000 shares of preferred stock (par $50) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: St. Louis, Missouri.

Domestic, St. Paul, Minn.
July 15 filed 20,000 shares of preferred stock (par $50) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: St. Paul, Minnesota.

Drainage, Inc., Detroit, Mich.
July 12 (letter of notification) 20,000 shares of preferred stock (par $5) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: Detroit, Michigan.

Dravo, Pittsburgh, Pa.
July 15 filed 10,000 shares of preferred stock (par $50) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: Pittsburgh, Pennsylvania.

Dublin, Ohio
July 15 filed 20,000 shares of preferred stock (par $50) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: Dublin, Ohio.

Duquesne Light Co., Pittsburgh, Pa.
July 15 filed 500,000 shares of preferred stock (par $1) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: Pittsburgh, Pennsylvania.

Durham, N.C.
July 14 filed 15,000 shares of preferred stock (par $50) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: Durham, North Carolina.

Eagle, Ohio
July 12 (letter of notification) 50,000 shares of preferred stock (par $50) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: Cleveland, Ohio.

Eaton, Ohio
July 15 filed 14,000 shares of preferred stock (par $1) to be offered for sale to the public in the United States. Proceeds—To be used for general corporate purposes. Underwriter—None. Headquarters: Eaton, Ohio.
NEW ISSUE CALENDAR

**July 25 (Thursday)**
- Southern Pacific Co., Inc.—EQUIP. Trust Cts.

**August 1 (Thursday)**
- Precision Transformer Corp.—Debentures
- Seminole Oil & Gas Corp.—Common
- National Teas
- Northern States Power Co.—Debentures
- Comcor Corp. (Southeastern Utilities Corp.)—$1,500,000 Common
- Cameron Industries, Inc.—Class A Common
- Indiana Power & Light Co.—Preferred
- Walter (Jim) Corp.—Bonds & Common
- Northern States Power Co. (Minn.)—Bonds
- Thompson Products, Inc.—Debentures
- Central Trust Co.—Debentures
- Chicago & Northwestern Ry.—Debentures
- General Telephone & Co.—Bonds
- Citizens & Southern Bank & Trust Co.—Common

**August 12 (Monday)**
- Ignacio Oil & Gas Co., Denver, Colo.
- Central Trust Co.—Debentures
- Indiana Power & Light Co.—Preferred
- Chesapeake & Ohio Railway Co.—Debentures
- Pacific Telephone & Telegraph Co.—Debentures
- El Paso Natural Gas Co.—Debentures & Preferred
- Southern California Edison Co.—Bonds
- Cincinnati & Suburban Telephone Co.—Common

**August 13 (Tuesday)**
- Cincinnati & Suburban Telephone Co.—Common
- Southwestern Bell Telephone Co.—Debentures
- American Telephone & Telegraph Co.—Debentures

**August 15 (Thursday)**
- Citizens & Southern Bank & Trust Co.—Common

**August 20 (Tuesday)**
- Citizens & Southern Bank & Trust Co.—Common
- Southern California Edison Co.—Bonds

**August 27 (Tuesday)**
- El Paso Natural Gas Co.—Debentures & Preferred
- Southern California Edison Co.—Bonds

**September 3 (Tuesday)**
- Ohio Natural Gas Co.—Debentures & Preferred
- Northern States Power Co. (Minn.)—Bonds

**September 4 (Wednesday)**
- Southern Pacific Co.—Equit. Trust Cts.

**September 6 (Friday)**
- Precision Transformer Corp.—Debentures
- Seminole Oil & Gas Corp.—Common
- National Teas
- Northern States Power Co.—Debentures
- Comcor Corp. (Southeastern Utilities Corp.)—$1,500,000 Common
- Cameron Industries, Inc.—Class A Common
- Indiana Power & Light Co.—Preferred
- Walter (Jim) Corp.—Bonds & Common
- Northern States Power Co. (Minn.)—Bonds
- Thompson Products, Inc.—Debentures
- Central Trust Co.—Debentures
- Chicago & Northwestern Ry.—Debentures
- General Telephone & Co.—Bonds
- Citizens & Southern Bank & Trust Co.—Common

**September 7 (Saturday)**
- Citizens & Southern Bank & Trust Co.—Common

**September 10 (Tuesday)**
- Duke Power Co.—Bonds

**September 11 (Wednesday)**
- New Jersey Bell Telephone Co.—Debentures

**September 12 (Thursday)**
- Philadelphia Electric Co.—Bonds

**September 17 (Tuesday)**
- Consolidated Natural Gas Co.—Debentures

**September 18 (Wednesday)**
- Northern States Power Co. (Minn.)—Bonds
- Comet-inch & Co.—Debentures
- Thompson Products, Inc.—Debentures
- Central Trust Co.—Debentures
- Chicago & Northwestern Ry.—Debentures
- General Telephone & Co.—Bonds
- Citizens & Southern Bank & Trust Co.—Common

**September 24 (Tuesday)**
- Northern States Power Co. (Minn.)—Bonds

**October 1 (Tuesday)**
- Western & Southern Bell Telephone Co.—Debentures

**October 3 (Thursday)**
- Columbia Gas System, Inc.—Debentures

**October 8 (Tuesday)**
- Commonwealth Edison Co.—Bonds or Preferred
- Indiana & Michigan Electric Co.—Bonds

**October 15 (Tuesday)**
- Consumers Power Co.—Debentures

**October 21 (Monday)**
- Consumers Power Co.—Bonds

**October 22 (Tuesday)**
- Consolidated Edison Co. of New York, Inc.—Bonds

**November 19 (Tuesday)**
- Ohio Power Co.—Bonds & Preferred
- Ohio Power Co.—Bonds

**December 3 (Tuesday)**
- Virginia Electric & Power Co.—Bonds

**December 6 (Friday)**
- Consolidated Edison Co. of New York, Inc.—Bonds

**December 18 (Wednesday)**
- Consumers Power Co.—Debentures

**December 29 (Monday)**
- Consumers Power Co.—Bonds

**January 4 (Wednesday)**
- Consumers Power Co.—Debentures
Mon-0-Co Oil Corp., Billings, Mont. July 20 filed 2,000,000 shares of common stock and 93,576 shares of class B common stock to be offered in units of one common share and two class A shares, which shall not be separately transferable until May 1, 1966. Of the units, 14,474 are to be issued in exchange for or conversion of certain preferred shares owned by the company's presidents, and 8,000 are to be offered for subscription by holders of stock options, warrants, and if 15% of the total units are not subscribed for within 45 days of filing, are to be sold in the open market. Proceeds—For development and exploration costs.

Monticello Associates, Inc. Feb. 18 (letter of notification) 300,000 shares of common stock ($100 per share) for incorporation and related purposes, including construction of motel, roadside restaurant and gas station. Business—Has been projecting a 15-story building to be located on a 13-acre tract on the outskirts of Monticello, N. Y. Underwriter—Walnut Securities Corp., Philadelphia, Pa.

Mount Wilson Mines, Inc., Telluride, Colo. June 24 filed 440,000 shares of class A common stock (par $100 per share) for incorporation and related purposes, including construction of a turnpike. Proceeds—Investment Service Co., Denver, Colo.

Mountain States Telephone & Telegraph Co. May 28 filed 20,000,000 shares of common stock (par $100 per share) for public offering by subscription of stockholders of record on May 15, 1957, and $50 per share for each five shares held, rights to expire on July 31; File—At par ($100 per share). Proceeds—To repay advances from American Telephone & Telegraph Co., the parent, which owns 98.4% of the presently outstanding shares. Underwriter—None.


Music Fair Ltd. July 11 (letter of notification) $109,500 of 6% debentures due Nov. 30, 1967, and $58,000 of non-voting preference stock (par $10 per share) to be offered in units of $250 of debentures and 25 preference shares. Proceeds—For land, buildings, equipment and for working capital. Underwriter—None.


Oxford County Telephone & Telegraph Co. Announces that it has filed with the SEC a form of common stock to be offered to present stockholders on the basis of one common share for each 34 shares held by the public. Price—At par ($3 per share). Proceeds—For development and exchange at Turner from a manual service to a dial auto-exchange. Office—Buckfield, Me. Underwriter—None.


Pacific Power & Light Co. July 1 filed 520,000 shares of common stock (par $0.50) being offered in addition to 1,100,000 debentures due Dec. 15, 1977, and 29,000 shares of senior preferred stock. Proceeds—To public at $18 per share. Proceeds—For construction program. Underwriter—Lehman Brothers, Eastern Dillon, Union Securities & Co., bear, Steunenberg & Co., and Dean Witter & Co. (jointly).

Packer Publishing Co., Kansas City, Mo. July 17 (letter of notification) 2,000 shares of common stock (par $10 per share) to be offered for subscription by employees. Proceeds—To be used for working capital.

Portsmouth Co., N. Y. Underwriter—None.

Proceeds—(to be) to be used for working capital.


N/A


New England Electric System May 23 it was announced SEC has approved the merger of New England Electric System and Massachusetts Electric Co.; Lowell Electric Light Corp.; Lawrence Electric Co.; and Springfield Electric Light Co., into one company. This would follow upon by a $500,000,000 first mortgage bond issue by the resultant company. Underwriter.—May be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Kuhn, Loeb & Co., Inc.; Kidder, Peabody & Co.; Smith, Barney & Co., Inc.; Kuhn, Loeb & Co., Inc.; Merrill Lynch, Pierce, Fenner & Beane and Stone & Webster Securities Corp.; and Estabrook & Co. (jointly).

New Jersey Bell Telephone Co. (9/11) May 1 it was announced company plans to issue and sell $20,000,000 of debentures. Proceeds.—Together with proceeds from sale of securities of the common stock (par $100) to parent, American Telephone & Telegraph Co., it is expected to be used to aid the extension program. Underwriter.—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Kuhn, Loeb & Co., Inc.; Lehman Brothers, Eastman Dillon, Union Securities Co., and White, Weld & Co., Inc.; Kidder, Peabody & Co.; and Eastman Dillon Union Securities Co. and White, Weld & Co., Inc.; The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane.


Northern Illinois Gas Co. (9/24) July 1 this company announced that it is planning to rejuvenate its capital structure early this fall. No decision has been made as to the form of this proposed financing, but no consideration is being given to a new issue of first mortgage bonds. Proceeds.—For construction program. Underwriter.—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Kuhn, Loeb & Co., Inc.; Merrill Lynch, Pierce, Fenner & Beane; and Stone & Webster Securities Corp.; and Estabrook & Co. (jointly).

Ohio Power Co. (11/19) May 13 it was reported this company now plans to issue and sell $20,000,000 of first mortgage bonds and 70,000 shares of $100 par value preferred stock. Proceeds.—To repay bank loans. Underwriter.—To be determined by competitive bidding. Probable bidders: (1) For bonds—Halsey, Stuart & Co., Inc.; The First Boston Corp.; and Salomon Bros. & Hutzler; (2) For preferred stock—Peabody & Co., and Eastman Dillon Union Securities Co. and White, Weld & Co., Inc. (jointly). Bids expected to be received by Oct. 15, 1958.


New Jersey Bell Telephone Co. (9/11) May 1 it was announced company plans to issue and sell $20,000,000 of debentures. Proceeds.—Together with proceeds from sale of securities of the common stock (par $100) to parent, American Telephone & Telegraph Co., it is expected to be used to aid the extension program. Underwriter.—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Kuhn, Loeb & Co., Inc.; Lehman Brothers, Eastman Dillon, Union Securities Co., and White, Weld & Co., Inc.; Kidder, Peabody & Co.; and Eastman Dillon Union Securities Co. and White, Weld & Co., Inc.; The First Boston Corp.; Merrill Lynch, Pierce, Fenner & Beane.


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Continued from page 41

ceeds.—To repay advances from parent. Underwriter— None. American Telephone & Telegraph Co. owns 89.6% of the voting stock. Pacific T. & T. Co. offers to repay green in August.

Pacific Telephone & Telegraph Co. (8/20) In the investing foreign company plans to issue and sell $80,000,000 of new 23-year debentures due 1968. Proceeds.—To repay advances from parent, and the proceeds from sale of new securities. Underwriter.—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Beane; Smith, Barney & Co.; and White, Weld and Co. (jointly); Equitable Securities Corp.; Hirtle, Hutzler & Co.; and Kidder, Peabody & Co. (jointly).—Expected to be received on Sept. 9.

*Southern California Edison Co. (8/27) July 23 It was announced company plans to issue and sell $40,000,000 of new 15-year debentures due 1988, in series J, due 1982. Proceeds.—For construction program. Underwriter.—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; The First Boston Corp. and Dean Witter & Co. (jointly); Blyth & Co. (jointly); and Underwriter.—Expected to be received on Aug. 27.

*St. Louis Union Co. (7/25) Bills will be received by this company in New York up to (KDT) on July 25 for the purchase of its equipment. Probable bidders: Halton, June 1, 1939; and to mature in 15 equal annual installments. Probable bidders: Halsey, Stuart & Co., Inc.; Salomon Bros. & Hutzler.

Southern Union Gas Co. May 24 The company plans to issue and sell $10,000,000 of common stock this summer. Proceeds.—For expansion program. Underwriter.—To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co. (jointly).—Expected to be received on Aug. 20.

Southern Union Co. (10/1) May 24 directors of the company have approved the plan for the sale of $100,000,000 of new preferred stock on July 25. Proceeds.—For expansion program. Underwriter.—To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co. (jointly).—Expected to be received on Aug. 20.

Transocean Corp. of California May 21 It was announced company plans a public offering of securities to provide for $5,000,000 of new operating capital.

Utah Power & Light Co. (9/24) March 12 It was announced company plans to issue and sell $100,000,000 of 8% first mortgage bonds due 1987. Proceeds.—To repay bank loans and for construction purposes. Underwriter.—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Blyth & Co., Inc.; The First Boston Corp.; Harriman & Co., Inc.; Smith, Barney & Co.; Salomon Bros. & Hutzler; and Eastman Dillon, Union Securities Co. (jointly).—Expected to be received on Aug. 1.

Public Service Electric & Gas Co. (9/18) July 22 It was reported company plans to issue and sell $50,000,000 of new 3% bonds due 1987. Proceeds.—To repay bank loans and for new construction. Underwriter.—Morgan Stanley & Com.

Public Service Electric & Gas Co. (9/18) July 19 It was reported company plans to issue and sell $50,000,000 of new 3% bonds due 1987. Proceeds.—To repay bank loans and for new construction.

Pennsylvania Electric Company. Feb. 11 It was announced company expects that a new class of preferred stock ($10,000,000 to $15,000,000 to be issued will be sold and that the company will retire its 5% debentures due Dec., (amounting to $25,000,000 due Dec. 31, 1935) and for new 6% preferred stock. Underwriter.—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Blyth & Co., Inc.; The First Boston Corp.; Harriman & Co., Inc.; Smith, Barney & Co.; Salomon Bros. & Hutzler; and Eastman Dillon, Union Securities Co. (jointly).—Expected to be received on Aug. 20.

Public Service Electric & Gas Co. (9/18) July 22 It was reported company plans to issue and sell $50,000,000 of new 3% bonds due 1987. Proceeds.—To repay bank loans and for new construction. Underwriter.—Morgan Stanley & Co. (jointly).

Find's Ready Market
Sharkskin Stock offerings which had marked the last few new corporate offerings, Pacific Gas & Electric Co. last year, first refunding bonds encountered brisk demand when brought to market yesterday.

The best of two bids submitted by banking groups was $9.85 for 5% coupon stock. The bid of the runners-up was only 102 for $100, or $3.20 per $1,000 bond lower and the same interest.

Roffering was priced at 100.79 for $100, or $2.21 per $1,000 bond lower and the same interest.

Leasing Co. (11/1) The lease is a $100,000,000, 5% bond of which appeared to attract brisk demand and to stir up interest in issues which have been less liquid.

Other Issues Move Well.
Whole not quite as impressive as the foregoing operation, it was nonetheless highly successful. For example, Sears, Roebuck Acceptance Corp., offered its $32,000,000 installment plan, offering $15,000,000 of 5% debentures at par.

Sears offered at par, while Tennessee Gas’s offering was made at 99 for a slightly better than 6% yield to the pur-

Meanwhile, it was indicated that the current stock offerings. namely McNeil & Steel’s $150,000 shares of preferred; Carter Products’ $900,000 common; and Toco Electric’s $100,000 shares of preferred stock were taken up at 100 and wit-

The underwriters were Bear, Smaller, Haywood & Co., (jointly), Kidder, Peabody & Co. (jointly); and Halsey, Stuart & Co., Inc. (jointly).—Expected to be received on Aug. 27.

Utah Power & Light Co. (9/24) March 12 It was announced company plans to sell $290,000,000 of first mortgage bonds. Probable bidders for sale of bonds: Blyth & Co., Inc.; Halsey, Stuart & Co., Inc.; White, Weld & Co.; and Kidder, Peabody & Co. and American Securities Corp. (jointly); Morgan Stanley & Co. (jointly); Hirtle, Hutzler & Co. (jointly); Smith, Barney & Co. (jointly); Salomon Bros. & Hutzler (jointly); Blyth & Co. (jointly); and Merrill Lynch, Pierce, Fenner & Beane; and American Securities Corp. (jointly).—Expected to be received on Aug. 9.


Wisconsin Public Service Co. May 25 The company plans to issue and sell $400,000,000 of 4% bonds due 1987. Proceeds.—For construction purposes.

Wisconsin Southern Gas Co., Inc. July 8 It was reported company plans to offer up to 2,000,000 shares of common stock. Underwriter.—The Milwaukee Co., Milwaukee, Wis.

Utah Power & Light Co. (9/24) March 12 It was announced company plans to issue and sell $290,000,000 of preferred stock to its parent in exchange for certain assets of Blackstone. The latter, in turn, proposes to dispose of the Blackstone by the first three-year period. In April 15 it was also announced Blackstone plans to offer to sell, on basis of a first stock offer, its property, (jointly); Kidder, Peabody & Co. (jointly); and American Securities Corp.

Valley Gas Co. April 15 It was announced company, a subsidiary of Blackstone Valley Gas & Electric Co. plans to issue and sell $900,000 of new 5% preferred stock in exchange for certain assets of Blackstone. The latter, in turn, proposes to dispose of the Blackstone by the first three-year period. In April 15 it was also announced Blackstone plans to offer to sell, on basis of a first stock offer, its property, (jointly); Kidder, Peabody & Co. (jointly); and American Securities Corp.

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A. T. & T. is calling...
its 3 3/4% Convertible Debentures of 1967
for redemption on October 14, 1957 at 106.65%
After October 14, 1957, interest on these debentures will cease to accrue and they will no longer be convertible.
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AMERICAN TELEPHONE AND TELEGRAPH COMPANY

195 Broadway, New York 7, N. Y.
WASHINGTON, D. C. — Although the National Convention is three years away, Vice-President Richard M. Nixon is the leading candidate for the Republican presidential nomination.

This is the conviction of many of the old-guard Republican members in Congress — from scattered sections of the country. While there is no outspoken leadership among members of the Senate or House of Representatives, just about half the Vice-President’s political stock is, there is a prevailing expectation that in the event Nixon

Though Nixon has not yet hinted that he will seek the Vice-President’s political stock is, there is a prevailing expectation that in the event Nixon

though Nixon has not yet hinted that he will seek the presidency, a significant thing took place in Congress the other day. An omnibus bill came to a close when Minority Leader Knowland moved to tack on the civil rights bill. The Senate voted 71 to 18 to consider the measure.

Prior to that there had existed for a generation an informal coalition between Conservative Republicans and the leaders of the states of Southern Democrats in the Senate. Thus the coalition that had existed had been an effective one. Republican Senator Robert A. Taft of Ohio, Senator Kenneth Vietnam veterans are a significant problem. The Senate is examining a bill to provide special compensation for veterans who served in Vietnam. However, it is uncertain whether the bill will pass in time for those veterans who served from 1959 to 1971 to be compensated.

New after a generation of debate, the Congress of the United States is being confronted by a civil rights bill. However, it is uncertain whether the bill will pass in the Senate, and it is also uncertain whether either the Senate or the House will consider the bill. In the Senate, the bill is being given serious consideration, and it is possible that the Senate will vote on the bill next week.

“Monopoly” Study Next

Once the civil rights bill is out of the way, Senator Estes Kefauver and the Anti-Trust Sub-committee are going to Inquire into some suspected “monopoly tendencies.” One of the important efforts of the Committee will be to inquire into the extent to which the monopoly industries are using their power to control prices.

The Tennessee Democrat and his colleagues have received complaints from various industries that they plan to pass. Some of the larger industries are now using their power to control prices in order to drive the smaller industries out of business. It is possible that the price increase recently reported by various industries is due to this practice. The Senate will be prepared to take action if the problem becomes too serious.

Depletable Allowances Being Scrutinized

Independent petroleum producers have been fighting for a long time to get the depletable allowances to protect them in the depression and to promote business in this country. As a result, they feel that the bill is being given serious consideration by Congress. The Senate will be prepared to act on the bill when it is introduced in the Senate.

Meaning, there is a possibility that the Senate Finance Committee may act on the bill this week.

WASHINGTON... And You

WASHINGTON, D. C. — Although the National Convention is three years away, Vice-President Richard M. Nixon is the leading candidate for the Republican presidential nomination.

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...the President will be seeking to placate the Senate Finance Committee.

Foremost financial institutions

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Orcutt-Crest Central in Post War Conditions—Sir Frederick W. Jerome—Intertech, Institute of Bank Studies, Secretariat, General, 119 Cool Street, Rotterdam, Netherlands —paper.


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CLEVELAND, Ohio—Traders W. Volg is now with Saunders, Sliver & Co., Terminal Tower, and Cuyahoga, Cleveland, Ohio.

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...the President will be seeking to placate the Senate Finance Committee.

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